



Khon Kaen Sugar Industry Public Company Limited



ANNUAL REPORT

SUSTAINABLE NATURAL ENERGY

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Vision

We are Natural Energy Innovation for all.

Mission

- Create income for farmers through efficient processes and high quality agricultural yields.
- Continuous improvement on technology and R&D to efficiently increase agricultural yields.
- Create an environment that mutually benefits our partners of success.
- Develop down-stream businesses to maximize the usage of raw materials, by products, and other resources.





The Leading Producer of
Environmental-Friendly Renewable Energy

Sugar ...

Energy for Human



Ethanol...

Energy for Automobiles



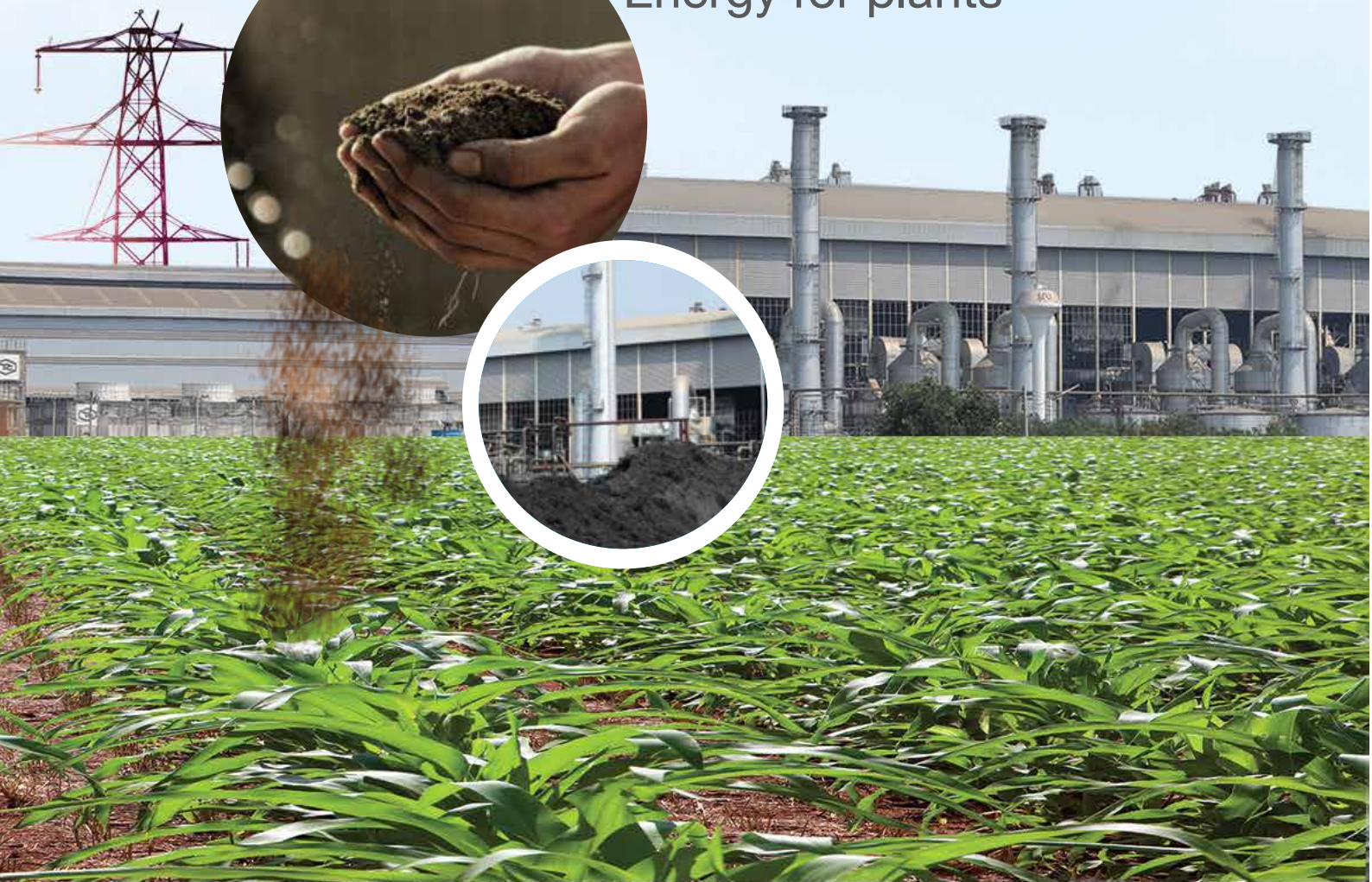
Electricity...

Energy for Equipment and Machinery



Bio-Fertilizer...

Energy for plants



COMPANY INFORMATION



Name's Company	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 9 th 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.ksigroup.com

Sugar Business Information

Name's Company	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 21 st 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

Name's Company	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 21 st 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

Name's Company	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 21 st 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 38 472-674-6

Name's Company	Savannakhet Sugar Corporation (SSC)
Type of Business	Sugar Cane Plantation and Sugar Mill
Main Product	Raw Sugar and By products
Head Office	Road 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

Name's Company	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

Name's Company	Koh Kong Sugar Industry Co., Ltd. (KSI)
Type of Business	Sugar Mill and Terminal
Main Product	Raw Sugar and By products
Head Office	Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Tel. (855) 35 399 888

Support Business Information :

Name's Company	Thai Sugar Terminal Public Co., Ltd.
Type of Business	Terminal and Warehouse
Head Office	90 Moo 1, Soi Siamlo ,Poochaosamingprai Rd., Pheapradaeng District, Samut Prakarn Province 10130, Thailand Tel. +66 2 3942 340-9 Fax. +66 2 3842 261, 3842 263

Name's Company	KSL Export Trading Co., Ltd.
Type of Business	Sugar and Related products exporting activities
Head Office	503 KSL TOWER 16 th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 203-6 Fax. +66 2 6426 207

Name's Company	KSL Agro and Trading Co., Ltd.
Type of Business	Trading domestic sugar and operating agricultural businesses
Head Office	503 KSL TOWER 9 th 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

Name's Company	Wynn In Trading Co., Ltd.
Type of Business	Trading and consultancy service
Head Office	10 th Floor, Raffles Tower, 19 Cyber City, Ebene, Republic of Mauritius

Energy and Chemical Business Information :

Name's Company	KSL Green Innovation Public Company Limited
Type of Business	Producing Alcohol for gasohol and Producing Biofertilizer
Head Office	503 KSL TOWER 9 th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 0 2642 6191-9 Fax. +66 0 2642 6738
Factory (Branch 1)	88 Moo 10, Nampong-Kranuan Rd., Nampong District, Khon Kaen Province 40140, Thailand Tel. +66 43 441 141, 441 084 Fax. +66 43 441 204
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

Name's Company	BBGI Co., Ltd.
Type of Business	The holding company which invests in bio-based products business.
Head Office	2098, M Tower, 5 th Floor, Sukhumvit Road, South Prakanong Sub-District, Prakanong District, Bangkok 10260

Name's Company	Khon Kaen Sugar Power Plant Co.,Ltd.
Type of Business	Electricity Production
Head Office	503 KSL TOWER 17 th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 642-6230-9 Fax. +66 2 6426 294
Factory (Branch 1)	43 Moo 10, Nampong-Kranuan Rd., Nampong District, Khon Kaen Province 40140, Thailand Tel. +66 43 441 051-2 Fax. +66 43 441 244
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
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Name's Company	KSL Material Supply Co., Ltd
Type of Business	Material Sourcing for sugarcane plantation
Head Office	503 KSL TOWER 9 th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

Other Business :

Name's Company	KSL Real Estate Co., Ltd.
Type of Business	Real Estate Development and Training Center
Head Office	503 KSL TOWER 21 th Floor, Sriyudhya Rd., District, Bangkok 10400, Thailand Tel. +66 2 6426 221-3 Fax. +66 2 6426 224

Name's Company	WSP Logistics Co., Ltd.
Type of Business	Provide transportation service
Head Office	88 Moo 8 Tumbon Huayhaeng Kaeng Khoi Saraburi Province 18110, Thailand Tel. +66 3 6-358-309 Fax. +66 3 6-358-307

References :

Securities Register	Thailand Securities Depository Co., Ltd.
Head Office	The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Tel. +66 2 009 9000 Fax. +66 2 009 9991

Auditor :

Name's Company	Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.
Head Office	Rajanakarn Bldg. 25 th Floor 183 South Sathorn Rd., Yannawa Sub-District, Sathorn District, Bangkok, 10120 Thailand Tel. + 66 2 676 5700 Fax. + 66 2 676 5757



MESSAGE FROM THE BOARD OF DIRECTORS


Mr. Manu Leopaiprote
 Chairman



“ The Company shall commit to sustainable growth and good care for the society, community and environment, as always. ”

In the fiscal year 2017, the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries reveal net profit of 1,952 million Baht, in comparison of the year to year operation of the previous year of 1,440 million Baht which sees the increase of profit at 36 per cent. The total asset counts 42,991 million Baht, while the total debt shows 24,899 million Baht and the equity stands at 18,092 million Baht respectively, The Statements show debt to equity ratio at 1.38, while interest bearing debt to equity ratio at 1.20. The profit results mainly from the amalgamation of an ethanol business company with a bio-fuel business subsidiary of Bangchak Corporation Public Company Limited whereby the accounting system acknowledges a profit before tax at 2,370

million Baht or a profit after tax at 1,896 million Baht. The benefit of such amalgamation is to increase strength in doing relevant business and to diversify risk from fluctuation of raw material prices as well as to support each other with raw materials and related products. The amalgamation would also benefit future growth and expansion of business in the long run.

As to the overview of business in 2017, the drought situation in 2016 caused the decrease of sugar cane procured for crushing in 2017 dropping from 7.61 million tons to 6.83 million ton or 10 per cent decrease. The higher price of sugar cane and molasses as raw materials for sugar business and ethanol business has adverse effect to profitability of both businesses. Apart from



Mr. Chamroon Chinthammit
Chief Executive Officer
& President



that, the decrease of sugar cane supply brings about insufficient bagasse to be used as fuel in electricity generation. The electricity business has to use other fuels in addition to bagasse; the per unit fuel cost is therefore higher than usual. The plantation in Lao and Cambodia is also affected much by the drought and produces sugar cane less than estimated. As a result, the affected planting areas need to be provisioned as devaluation. The world sugar market price in 2017 keeps fluctuating. The price went up to 20 cents per pound at the beginning of 2017 and dropped to 14-15 cents per pound at the year end, mainly due to profit seeking transactions by funds. The worldwide sugar production in 2018 is estimated higher. Hence, the inventory is affected by being booked as devalued. It is, however,

estimated that the sugar cane supply in 2018 would be back to a normal situation and the world sugar price would be more stable. The business operation would accordingly proceed as normal.

In terms of good governance, on 28 June 2017, Khon Kaen Sugar Industry Plc represented by CEO & President received a Certificate of Membership of the Private Sector Collective Action Coalition against Corruption (CAC). The Company had previously declared itself to join the CAC and accordingly revised and provided work procedures to fully comply with the Self-evaluation Tool for Countering Bribery. The Company commits to abide by the anti-corruption principles and the Company's Manual on Anti-Corruption seriously.

On behalf of the Board of Directors, we would like to thank all executives and staff who have joined their hands to bring the Company to steady growth and stability. Our heartfelt appreciation is also extended to shareholders, suppliers, customers and bankers - our valued business alliances - who keep sharing their supports. The Company shall commit to sustainable growth and good care for the society, community and environment, as always.



FINANCIAL SUMMARY

Unit : (Million THB)

Income Statement Highlight (Million THB)	2015	2016	% Change	2017
Sales and Services	17,475	16,911	-8%	15,623
Cost of Sales and Services	(13,783)	(13,279)	-1%	(13,180)
Gross Profit from Sales and Services	3,692	3,632	-33%	2,443
Other Incomes	523	1,498	128%	3,416
Gross Profit before SG&A	4,216	5,130	14%	5,859
Selling Expenses	(618)	(542)	-22%	(424)
Administration Expenses	(659)	(834)	36%	(1,134)
Management Remuneration	(140)	(141)	4%	(147)
Proceeds to Fund	(1,157)	(1,150)	-5%	(1,096)
Total Cost	(2,575)	(2,666)	5%	(2,800)
Profit before financial cost and tax	1,641	2,464	24%	3,059
Financial cost	(817)	(710)	-6%	(668)
Share of Profit of Associated Company	55	57		121
Corporate Income Tax	(39)	(371)	51%	(560)
Non-Controlling interest	22	(14)		19
Net Profit	862	1,426	38%	1,970
EPS	0.21	0.32	38%	0.45
Gross Margin from Sales and Services	21.1%	21.5%		15.6%
Net Profit Margin	4.9%	8.4%		12.6%
Statement of Financial Position Highlight (Million THB)	2015 (Restate)	2016 (Restate)	% Change	2017
Cash & Short Term Investments	175	85	80%	153
Trade and Other receivables	2,119	1,407	-8%	1,292
Short-Term Loans	1,097	1,273	23%	1,569
Inventories	3,394	2,552	21%	3,100
Biological Assets	342	251	-55%	112
Other Current Assets	92	85	-25%	64
Investment in an associate	357	387	869%	3,747
Other long-term investments	374	371	9%	405
long-term loans	480	358	10%	393
Investment property	3,355	4,496	9%	4,917
Property, plant and equipment	24,934	26,186	1%	26,354
Other non-current assets	800	925	-4%	884
Total Assets	37,517	38,375	12%	42,991
Current liabilities	8,028	10,591	40%	14,818
Non-Current liabilities	15,047	11,134	-9%	10,080
Total Liabilities	23,075	21,724	15%	24,898
Total Shareholders' Equity	14,442	16,650	9%	18,092
Equity attributable to owners of the parent	13,991	16,166		17,650
D/E Ratio	1.60	1.30		1.38
IBD/E Ratio	1.47	1.13		1.20
Cash Flow Highlight (Million THB)	2015	2016 (Restate)	% Change	2017
Net Profit + Depre + Non Cash	2,785	2,462	-11%	2,185
Change in Working Capital	(1,319)	1,575		(1,948)
from Operating Activities	1,466	4,038	-94%	236
Invest in PP&E	(573)	(1,578)	96%	(3,098)
from Investing Activities	(552)	(1,521)	118%	(3,320)
from Financing Activities	(782)	(2,620)	-220%	3,149
Change in Cash Flow	0	(86)		71
Ending Cash	168	82		153
Depreciation	1,139	1,247	-5%	1,182

REPORT OF THE AUDIT COMMITTEE

The Audit Committee was appointed by a resolution of the Board of Directors and consists of 4 (four) independent directors. In 2017, the Committee held a total of 5 meetings with the management team, internal control and auditor as following details:

Name and Surname / Position		Number of meeting
1. Mr. Sitti	Leelakasemlurk	5/5
The Chairman of the Committee		
2. Mr. Worapat	Todhanakasem	5/5
The Committee		
3. Mr. Karun	Kittisataporn	5/5
The Committee		
4. Ms. Nongluck	Phinainitisart	5/5
The Committee		

All members of the Audit Committee have sufficient knowledge and experience in accounting, finance, legal and business administration. In addition, Mr. Sitti Leelakasemlurk who was appointed as the Chairman of the Audit Committee has professional knowledge and experience in accounting and finance and has also the adequate qualification to perform his duties in reviewing the reliability of financial statements in accordance with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Audit Committee has performed its duties in accordance with the charter of the Audit Committee and assignment of the Board of Directors by focusing on reviewing financial statements, connected transactions and internal control, including promoting the Company to comply 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 essentials of the Audit Committee's performance during the year can be summarized as follows;

1. Review of Financial Statements

The Audit Committee has reviewed the quarterly and annual financial statements of the Company and its subsidiaries for the year of 2017 by discussing with the management team, internal control and auditor to ensure that the Company's financial reports are accurate, complete and reliable. The Company's financial report is prepared in accordance with the generally accepted accounting principles, while relevant data and information are revealed adequately in a timely manner, and in the most beneficial way to the shareholders, investors and users of financial statement. In addition, the Audit Committee has held a private meeting without the management team of the Company. This meeting provided an opportunity for free discussion in relation to audit works.

2. Review of the Good Corporate Governance and Compliance with Related Laws and Regulations

The Audit Committee reviewed the Company's adherence to good corporate governance principles, including compliance with rules and regulations, and found that the Company's directors, management and staff comply with those requirements. Regarding the connected transactions or transactions that may lead to conflicts of interest, the Audit Committee has instructed the responsible person to report these issues to the Audit Committee on a quarterly basis. In addition, the Audit Committee has assigned the internal control to review the compliance with anti-corruption policy and propose the Audit Committee for appropriate consideration.

3. Review of Risk Management

The Risk Management Committee has defined the policy, procedures and criteria for risk assessment and risk management that may affect the Company and has also reviewed the risk management process to ensure that such risk management process is according to the international standard, covering important internal and external risk factors, including comprising of the effective plan and guidelines for risk management in order to control and reduce any potential impact on achieving the organization's operational objectives which is at an acceptable level. In addition, the Risk Management Committee has reviewed the effectiveness and appropriateness of the risk management process in a regular manner and has also reported to the Board of Directors and the Audit Committee on a quarterly basis.

4. The adequacy of the internal control system

The Audit Committee has supervised the internal audit to ensure that the internal audit activities are free and effective by approving the annual audit plan which prepared in accordance with the Company's significant risk. In addition, the Audit Committee has review work progress and quality of internal audit function on a quarterly basis to ensure that the internal control is adequate, effective and in accordance with the internal control standard.

5. The suitability of the auditor

The Audit Committee agreed that Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the Company's auditor has conducted audit engagement according to the standards for the professional practice of auditing. In addition, such auditor is independent and has appropriate qualification and experience. Therefore, the Audit Committee has considered and agreed to recommend the Board of Directors to propose in the Annual General Meeting of Shareholders to appoint Deloitte Touche Tohmatsu Jaiyos Company Limited as its auditor for the year of 2018.



Mr. Sitti Leelakasemlurk
The Chairman of the Committee



THE BOARD OF DIRECTORS



1. Mr. Manu Leopaibrote

Chairman,
Independent Director



2. Mr. Chamroon Chinthammit

Chief Executive Officer and
President



3. Mr. Pornsin Thaemsirichai

Director,
Executive Director



4. Mr. Sukhum Tokaranyaset

Director,
Executive Director



5. Mr. Thawatchai Rojanachotikul

Director,
Executive Director



6. Mrs. Inthira Sukhanindr

Director,
Executive Director



7. Ms. Duangdao Chinthammit

Director,
Executive Director,
Nomination and Remuneration
Committee



8. Mr. Chalush Chinthammit

Director,
Executive Director



9. Mr. Chanachai Chutimavorapun

Director,
Executive Director



10. Mr. Somchai Chinthammit

Director,
Executive Director



11. Ms. Duangkae Chinthammit

Director,
Executive Director



THE BOARD OF DIRECTORS



12. Mr. Tachpong Pakornsiriwongse

Director,
Executive Director



13. Mr. Somchat Chinthammit

Director,
Executive Director,
Nomination and Remuneration
Committee



14. Mr. Chatri Chinthammit

Director



15. Mr. Trakarn Chunharojrit

Director,
Executive Director



16. Pol. Gen. Boonpen Bumpenboon

Independent Director,
Chairman of Risk Management
Committee/ Corporate Governance
Committee



17. Mr. Sitti Leelakasamelurk

Independent Director,
Chairman of Audit Committee/
Risk Management Committee



18. Mr. Karun Kittisataporn

Independent Director,
Audit Committee/ Nomination and
Remuneration Committee/ Corporate
Governance Committee/ Chairman
of Nomination and Remuneration
Committee



19. Mr. Worapatr Todhanakasem

Independent Director,
Chairman of Corporate
Governance Committee/
Risk Management Committee



20. Ms. Nongluck Phinainitisart

Independent Director,
Audit Committee/ Corporate
Governance Committee

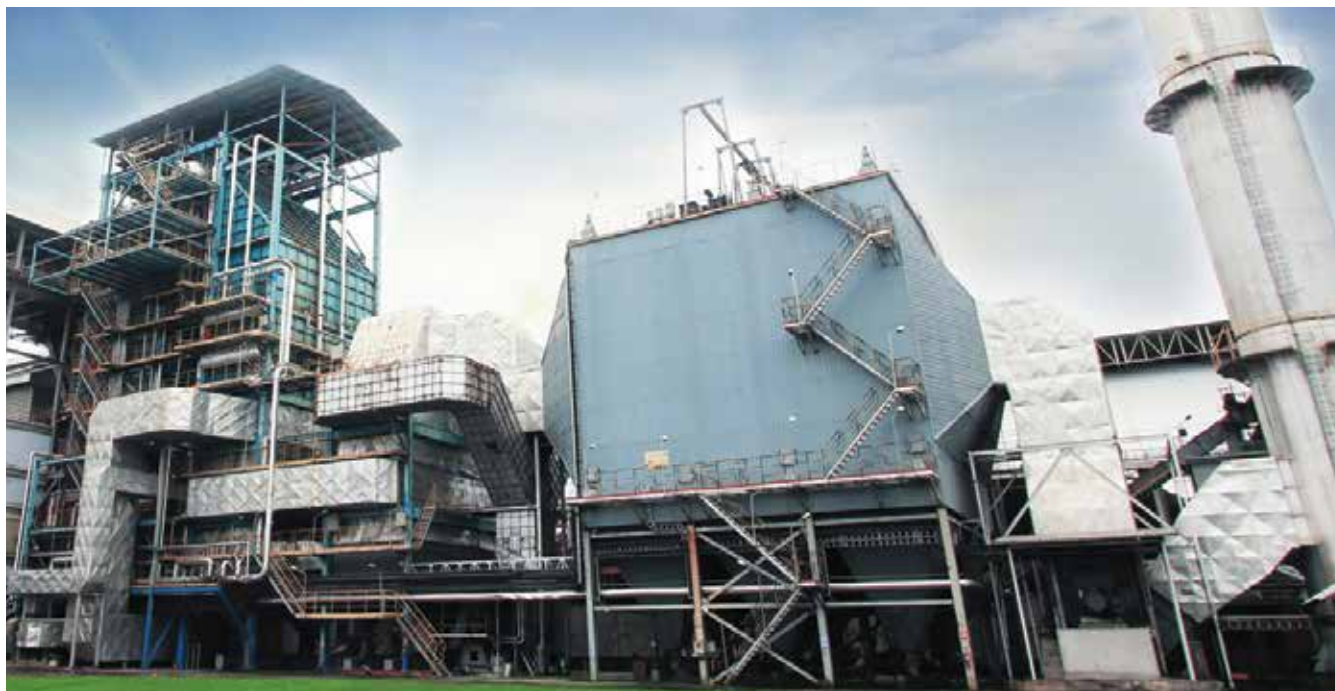


21. Mrs. Anchalee Pipatanasern

Independent Director



Overview of Business Operation and Policy



Business Objectives

Khon Kaen Sugar Industry Public Company Limited has the policy to operate its business ethically and responsibly towards , 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:

Vision

We are natural energy innovation for all.

Mission

1. Create income for farmers through efficient processes and high quality agricultural yields.
2. Continuous improvement on technology and R&D to efficiently increase agricultural yields.
3. Create an environment that mutually benefits our partners of success.
4. Develop down-stream businesses to maximize the usage of raw materials, byproducts, and other resources.

Quality Policy

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

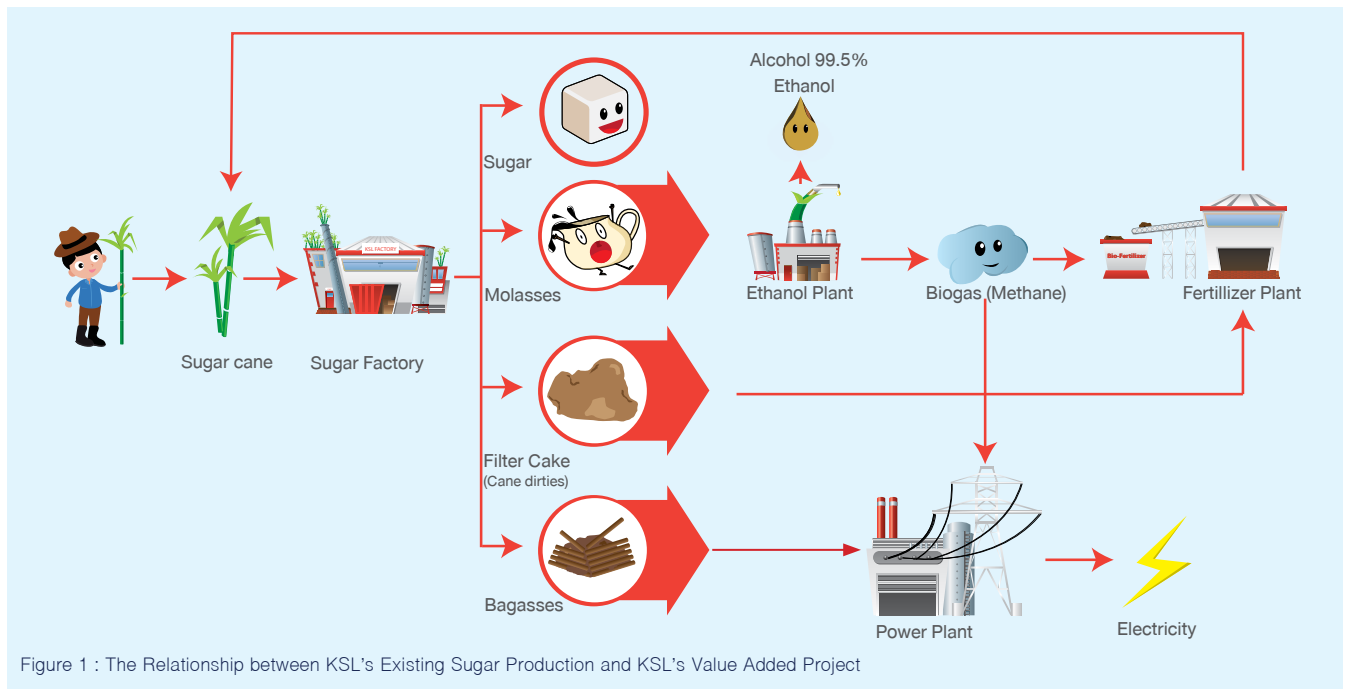
Long term goal of the company is to be one of the leaders in sugar, by-product, and value added productions which can be shown in company's sugar policy: "production of quality sugar with high efficiency, prompt delivery, winning customers' trust, consumption safety". This policy has encouraged company's 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 and power business. The company has made continuous investments in these sectors.

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 farmers to our businesses.

Important Changes and Developments During the Past 3 Years

In 2016, the Board of Directors No. 7/2015-2016 on September 30, 2016 has approved Initial Public Offering plan for the KSL Green Innovation Public Company Limited or previously named Khon Kaen Alcohol Co., Ltd. by offering newly share to public not more than 30% of total paid-up capital. Later on, in 2017, the Board of Directors No. 6/2016-2017 has approved the Cancellation of the listing of KSL Green Innovation Public Company Limited, a subsidiary of the Company, in the Stock Exchange of Thailand and the merger agreement between the Company's new subsidiary that will be set up and own 99.99% shares of KSL Green Innovation Public Company Limited and Bangchak Corporation Public Company Limited's subsidiaries.



Now the new company from amalgamation process has been established in October 2017 under the name, BBGI Company Limited with total paid-up capital of 2,532 million Baht, this company is the holding company which invests in bio-based products business.

Company Overview

Khon Kaen Sugar Industry Public Company Limited 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:

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

2. **The biogas plant** uses waste water from ethanol production process as a raw material. Biogas produced through fermentation is used as a supplementary fuel for the corporate power plant.
3. **The organic fertilizer plant** uses waste from the sugar production process (filter cake) and waste water from biogas and ethanol production as raw materials.
4. **The power plant** uses waste from the sugar production process (bagasses) and biogas from the biogas plant as fuel sources for producing electricity and steam sold to plants in the Group and Grid.



As of October 31, 2017, 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 Business
Sugar Business			
Tamaka Sugar Industry Co., Ltd.	600.00	90.21%	Produce and distribute sugar
New Krung Thai Sugar Factory Co., Ltd.	1,000.00	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	1,167.66	80.00%	Sugar Factory in Cambodia
Supporting Business			
Thai Sugar Terminal Public Company Limited ** and 5 subsidiaries	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			
BBGI Co., Ltd.*** and 3 Subsidiaries 1 associated company.	2,532.00	40.00%	The holding company which invests in bio-based products business.
Khon Kaen Sugar Power Plant Co., Ltd	800.00	100.00%	Power Plant (SPP)
KSL Material Supply Co., Ltd.	840.00	100.00%	Material Sourcing for sugarcane plantation
Other Business			
KSL Real Estate Co., Ltd	840.00	91.02%	Real Estate Development and Training Center
WSP Logistics Co., Ltd	0.25	100%	Provide transportation service

Note:

Proportion of investment shown above includes both direct and indirect shareholdings

* Indirect holding by Wynn in Trading Co., Ltd.

** Associated company: Thai Terminal Public Company Limited and 5 subsidiaries: TS oil industry Co., Ltd., TSG asset Co., Ltd., TS transport and logistics Co., Ltd., TS warehouse, TS flour mill Pcl.

*** Associated company: BBGI Co., Ltd. and 3 subsidiaries 1 associated company: Bangchak bio ethanol Co., Ltd., Bangchak bio fuel Co., Ltd., KSL Green Innovation Pcl., (Associated company)-Ubon bio ethanol Co., Ltd., (with 3 subsidiaries)

Business structure of KSL Group on October 31, 2017 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 2014, improvements were made to increase its maximum crushing capacity to 35,000 ton cane per day. The second branch is located in Wangsapung 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 Panusnikom 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

BBGI Company Limited

Established in October 2017, it was consequence of merger between bio-based product business of Khon Kaen Sugar Industry Public Company Limited and Bangchak Corporation Public Company Limited. This company invests in following subsidiaries;

- KSL Green Innovation Public Company Limited: Producing and distributing molasses-based ethanol with 350,000 liters/day, in which BBGI Company Limited holds 99.99% shares.
- Bangchak Bio Ethanol (Chachoengsao) Company Limited: Producing and distributing cassava-based ethanol with 150,000 liters/day, in which BBGI Company Limited holds 85% shares. Ubon Bio Ethanol Company Limited: Producing and distributing cassava-based ethanol with 400,000 liters/day, in which BBGI Company Limited holds 21.28% shares.
- Bangchak Bio Fuel Company Limited: Producing and distributing bio-diesel with 810,000 liters/day, in which BBGI Company Limited holds 70% shares.

As a result, this company will be a shareholder of the group companies which are considered Thailand's largest manufacturer and distributor of bio-fuel with the total production capacity of 1,710,000 liters/ day which consists of 900,000 liters/day of ethanol and 810,000 liters/ day of bio-diesel. This company will operate as a flagship company for bio-based product business in the future.

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 and PEA (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 Wangsapung district of Loei province (The Loei Project). Currently, the total capacity of all three branches can produce up to 195 MW of electricity.

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. 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 holds 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.

WSP Logistics Co., Ltd.

The nature of business is transporting sugar and other products. 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. Four 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 2017	2015 Revenue (Million THB)	%	2016 Revenue (Million THB)	%	2017 Revenue (Million THB)	%
1. Khon Kaen Sugar Industry Public Company	Mother Company	8,335.09	31%	9,864.34	37%	8,416.08	33%
2. Tamaka Sugar Industry Co., Ltd	90.21%	2,946.99	11%	2,498.79	9%	3,006.36	12%
3. New Krung Thai Sugar Factory Co., Ltd	95.78%	4,645.78	17%	3,285.37	12%	3,631.10	14%
4. New Kwang Soon Lee Sugar Factory	98.61%	550.12	2%	534.04	2%	663.70	3%
5. KSL Export Trading Co., Ltd	79.55%	20.59	0%	15.48	0%	12.52	0%
6. KSL Green Innovation PCL *	100.00%	2,600.92	10%	2,143.92	8%	2,147.64	8%
7. Khon Kaen Sugar Power Plant Co., Ltd	100.00%	2,994.70	11%	2,524.71	10%	2,385.77	9%
8. KSL Material Supplies Co., Ltd	100.00%	11.61	0%	29.18	0%	362.32	1%
9. KSL Real Estate Co., Ltd	91.02%	154.96	1%	174.99	1%	187.92	1%
10. KSL Agro and Trading Co., Ltd.	100.00%	4,172.69	16%	4,169.19	16%	3,805.91	15%
11. Koh Kong Plantation Co., Ltd **	80.00%	116.70	0%	152.80	1%	76.78	0%
12. Koh Kong Sugar Co., Ltd	80.00%	136.92	1%	672.95	3%	264.23	1%
13. Savannakhet Sugar Corporation	98.49%	219.54	1%	240.94	1%	418.66	2%
14. Wynn In Trading Co., Ltd	100.00%	0	0	0	0%	0	0%
Total		26,906.64	100%	26,306.75	100%	25,378.98	100%
Minus Interrelated items		-9,431.32		-9,395.58		-9,755.63	
Total Revenues		17,475.33		16,911.17		15,623.35	

* As of October 2017, the Company holds shares indirectly in KSL Green Innovation PCL via Associated company named BBGI Co.,Ltd.
KSL holds 40% of total shares

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

(Explanation of change in revenue and earnings stated in Part 3 Financial Position and Operating Performance)



Description of each products

Main Product: Sugar

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 Grid. 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 2016/2017 approximately 179.6 million tons of raw sugar was produced worldwide, representing an increase of 5.4 million tons or 3.1% from the 2015/2016. The world's total consumption demand rose to 180.6 million tons, a 0.4 million tons increase or about 0.2% growth compared to that of 2015/2016. However, the ending stock increases from 71.7 million tons in 2015/2016 to 67.4 million tons in 2016/2017. The stock represented 37% of the total demand, or an equivalent of 4.4 months sugar consumption. Estimated production over the world is insufficient. In the beginning of 2017, a world sugar price increased to 20-23 cents/lbs. from 14-16 cents/lbs. in 2016. (Note: in 2016 the world sugar price did not high because of sugar stock.)

Chart 2.: World Sugar Balance (1000 Tons, centrifugal sugar, raw value, OCT/SEP)

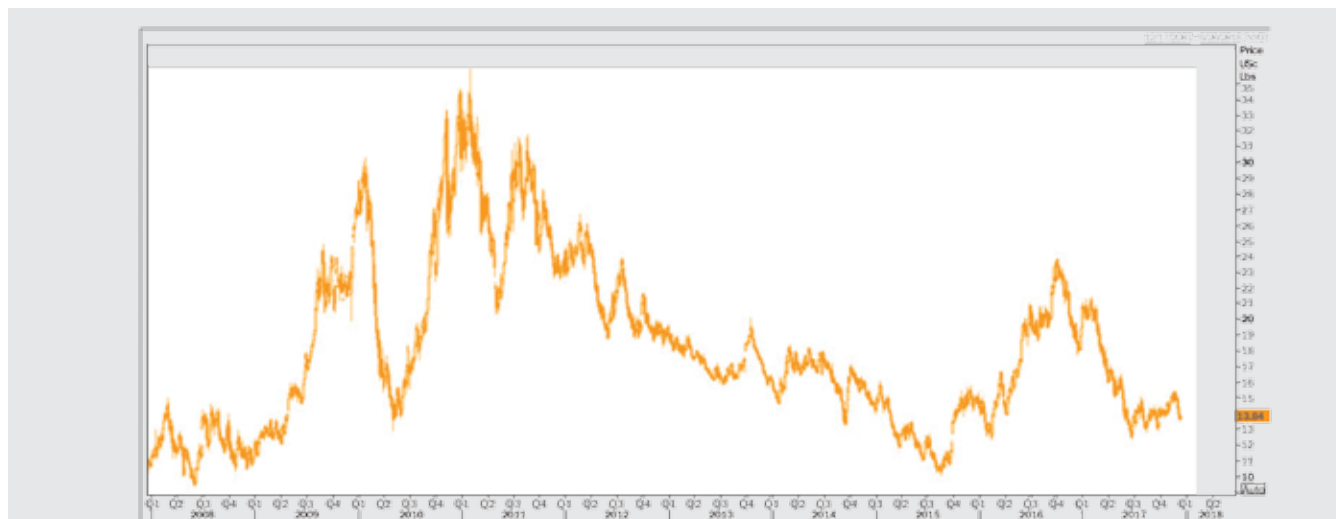


Note: 2017/2018 is forecasted number

Source: F.O.Lichit, updated 2012-2017

In a mid of 2017, the estimated sugar cane production in 2017/2018 will be back to normal because Thailand and India would gain more production. As a result, the price went down from 20-23 cent/lbs. to 13-15 cent/lbs. According to F.O. Licht's forecast on September 25, 2017, the 2017/18 output will increase by 7.3%, from 178.5 million tons

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



to 191.4 million tons. Consumption will increase by 2.2% from 180.2 million tons to 184.2 million tons. Consequently, the world sugar supply will be surplus, with ending stock for the year 2017/18 increasing from 67.9 million tons to 73.2 million tons. Sugar stock per consumption 39 % compared to normal level at 45%.

Last 2-3 years, the sugar price is volatile because of climate change, flooding, drought, or severe cold which impact on the availability of sugar in the market. Also, the quantity of world sugar stock, production and consumption of ethanol, sugar hedging, government policy of producer and consumer countries are all consequently affected on the sugar price.

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

1. 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.
2. 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.
3. 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, Pathumthani, 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.

However, in 2017, the government policy would be changed and no quota system nor domestic pricing. It will be more free trade and depend on world sugar price.



Competition Situation and Competitors

In 2017, there are 54 operating sugar factories (exclude non-operating and new license sugar factories which is not yet constructed) in Thailand with sugarcane crushing capacity of 93 million tons per year and sugar manufacturing capacity of 10 million tons per year (depending on yearly sugarcane amounts in the crushing process and sugarcane quality). The crushing process lasts about 4 - 5 months each year due to small amounts of sugarcane entering the process. It begins in November till the beginning of April. 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 2017, all 54 sugar factories are opened for operation. Most of these factories are part of the six 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 located in three regions: Northeast (2 factories), Western (2 factories), and Eastern (1 factory). Table 1 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 1: Sales of Different Types of Sugar and Ratio of Domestic Sugar to Total Sugar Sales in the Past 3 Years

Sale Volume & Price	Volume Unit	2017 Avg. price THB/Unit	Value M THB	Volume Unit	2016 Avg. price THB/Unit	Value M THB	Volume Unit	2015 Avg. price THB/Unit	Value M THB
Sugar	687,046	17,362	11,928	875,841	14,939	13,084	923,267	14,008	12,933
Domestic	199,091	19,526	3,887	219,304	19,532	4,284	209,571	19,592	4,106
Export	487,955	16,479	8,041	656,537	13,405	8,801	713,697	12,368	8,827
% Domestic sale									
/ total Sale	29%			25%			23%		

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 sugarcane 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 sugarcane, 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 -

Table 2 : Selling Price Structure of Gasohol

THB/Litre	EX REFIN	TAX	OIL FUND (1)	CONSV. FUND	WHOLE SALE+VAT	MARKET MARGIN	VAT	RETAIL PRICE
ULG 95 R	16.30	6.50	6.31	0.25	32.11	2.66	0.19	34.96
GASOHOL 95 E10	17.25	5.85	0.35	0.25	25.98	1.74	0.12	27.85
GASOHOL 95 E20	18.19	5.20	3.00	0.25	22.64	2.52	0.18	25.34
GASOHOL 91 E10	17.02	5.85	0.35	0.25	25.74	1.72	0.12	27.58
GASOHOL E85	22.65	0.98	9.35	0.25	15.65	4.66	0.33	20.64

Source: Energy Policy and Planning Office, Ministry of Energy

Main Product : Ethanol

Ethanol : Product Characteristics

KSL Green Innovation PCL or previously named 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.

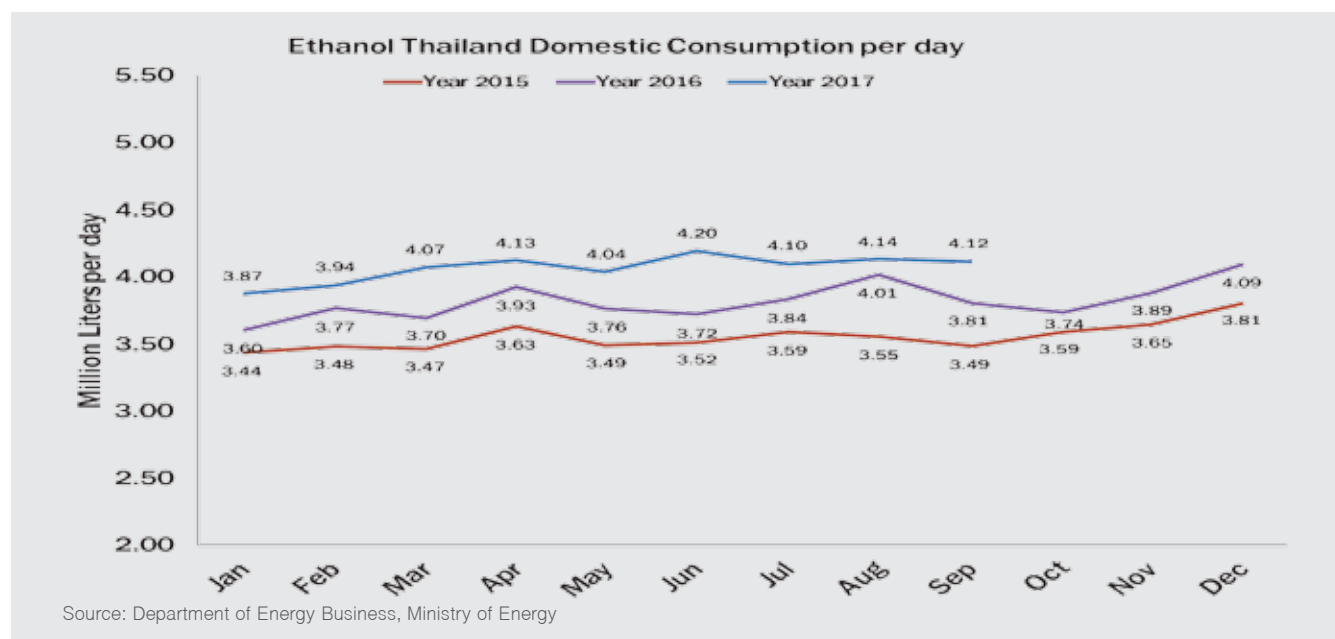
Ethanol : Marketing and Competition

▲ Domestic Marketing and Industry Overview

Since the first quarter of 2013, ethanol consumption in Thailand significantly increased due to Thai government cancelled Gasoline 91 and mandate usage of Gasohol 91 (Mixing 10% ethanol). As shown in Table 2 The promotion of the usage of gasohol as an alternative energy source allowed continuous growth for the ethanol market. Currently, over 4 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 4



Chart 4: Quantity of Ethanol Used to Mix with Gasoline as Gasohol



▲ 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 situation and competitors

In 2017, ethanol price has been increased compared to the previous year due to the high demand. Therefore demand-supply of ethanol is quite tight and also ethanol stock is not enough. In 2018, estimated sale price would decrease because cost of cassava-based ethanol product would be higher.

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

	2017	2016	2015
sale volume (liters)	83,636,715	85,443,140	97,116,975
Avg.selling price (Baht/liter)	24.98	23.56	25.71

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 economy 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 -

Main Product : Electricity and Steam

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) and Provincial Electricity Authority (PEA). Currently, the group operates 3 power plants. 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 Wangsapung, 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 Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA) through long-term contract and therefore has limited number of competitor and reliable customer. A 100% of electricity and steam produce is sold domestically.

Table 4 Sales Volume and Average Selling Price of Electricity in the Past 3 Years

	2017	2016	2015
Sale volume (MW- hour)	268,893	275,456	300,292
Avg. selling price (THB/MW-hour)	2,795	2,935	3,368

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 economy 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



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

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.

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 20:80 to 30:70 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 70 - 80% 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 THB, 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 decreased to 25, 20, and 15 cent/lb. Sugar price has fallen to its lowest at 12-13 cent/lb in the second half of 2017. At the end of 2017 sugar price rebounded to 13-15 cent/lb. With severe price fluctuations, if the company was 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.

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.

During May 2016, Brazilian government has filed to with the World Trade Organization (WTO) by accusing Thai government on subsidy policy for sugar which adversely affects sugar industry in Brazil. Thai government currently negotiates with Brazilian government to compromise this issue by presenting sugar industry reformation plan. Thai government urged Ministry of Industry to reform sugar industry especially Cane and Sugar Act. However, because of the period of time limitation, the Ministry of Industry tried to reform the sugar pricing and sugar quota structure enforced the end of 2017 for the production year 2017/2018 and report to WTO. On 16 September 2017, the Thai government by the Excise Department increased beverage tax as to sweetness. As a result, some manufacturers may use other sweetener instead of sugar and consumers may consume beverage less.

However, regulation and procedure of sugar industry reformation plan is in a process. The Company continues updating this risk in order to set the relating work plan.

Risk of Bad Debts Arising from Credit Given to Farmers (Advanced Credit)

In the operation of a sugar factory, the factories provide loans or other kinds of financial support to sugarcane farmers as working capital to plant sugarcane crop, or what is called "advanced 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 and other financial support given is deducted. The risks that are generated from such credit can come from reduced volume of sugarcane 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.

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.

Risk of unapproved the proposed agenda by the Shareholders' meeting

The Chinthammit and its company hold more than 60% of total paid up share capital of the company. Therefore, the Chinthammit Group and its 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, the risk that the Shareholders' meeting might disagree with the proposed agenda would relieve.

However, for the company's transparency and power balancing, the company has appointed the board of directors which consists of 7 independent directors who are qualified as required by law and 4 Audit Committee members who have duty and act as required by law and Charter of Audit Committee. 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.

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 2017 project in Cambia had loss but project in Laos had profit from operation. 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.

Shareholder Structure

Securities

As of October 31, 2017, the Company's registered capital is THB 2,205,121,824 comprising 4,410,243,648 ordinary shares. The paid up capital is THB 2,205,116,309.50 dividing into, comprising 4,410,232,619 paid up shares, at par value of THB 0.50.

Debentures

Non-subordinated and Unsecured Debentures

Name	Tenor	Expiry Date	Total Value (million THB)
KSL185A	3 yrs	7-May-18	2,000
KSL189A	3 yrs	25-Sep-18	1,000
KSL192A	2 yrs	24-Feb-19	1,000
KSL198A	5 yrs	5-Aug-19	1,000
KSL199A	5 yrs	18-Sep-19	1,000
KSL202A	3 yrs	24-Feb-20	1,000
KSL203A	5 yrs	13-Mar-20	2,000
KSL206A	3 yrs	20-Jun-20	500
Total Long Term Debentures			9,500

Shareholders

On October 31, 2017, the top 10 major shareholders of the Company are as follows:

Rank	Shareholder	No. of Shares	% of total
1.	KSL Sugar Holding Co.,Ltd.	1,466,916,928	33.262
2.	Thai NVDR Co.,Ltd.	126,550,166	2.869
3.	Mr. Chanachai Chutimavoraphand	115,355,499	2.616
4.	Ms. Duangkae Chinthammit	99,683,643	2.260
5.	Ms. Duangdao Chinthammit	99,599,954	2.258
6.	Mr. Kamondanai Chinthammit	99,022,448	2.245
7.	Mr. Chamroon Chinthammit	96,796,331	2.195
8.	Mr. Somchai Chinthammit	96,225,726	2.182
9.	CREDIT SUISSE AG. SINGAPORE BRANCH	95,563,336	2.167
10.	Mr. Piripon Chinthammit	92,647,024	2.101
Total		2,388,361,055	54.155
11.	Others	2,021,871,564	45.845
Grand total		4,410,232,619	100.00

Note:

A major shareholder of KSL Sugar Holding Co., Ltd. is the Chinthammit family which holds 33 % of shares. However, proportion of shareholding does not indicate that members of the Chinthammit family are voting in the same way.

The registered capital and paid up capital of KSL Sugar Holding Company Limited consists of 100 million shares at par value of THB 10 per share or THB 1,000 million.



On October 31, 2017, the top 10 major shareholders in KSL Sugar Holding Company Limited's shareholder register are as follows

31-Oct-17

RANK	Name		No. of Share	Percentage
1.	Ms. Nareerat	Chinthammit	12,105,268	12.11
2.	Ms. Duangdao	Chinthammit	7,847,944	7.85
3.	Ms. Duangkae	Chinthammit	7,764,650	7.76
4.	Mr. Chanachai	Chutimavoraphand	6,971,788	6.97
5.	Mr. Chamroon	Chinthammit	5,370,580	5.37
6.	Mr. Somchai	Chinthammit	5,169,890	5.17
7.	Mr. Sarun	Chinthammit	4,246,828	4.25
8.	Mr. Kamondanai	Chinthammit	2,906,000	2.91
9.	Mr. Piripon	Chinthammit	2,906,000	2.91
10.	Ms. Yaovanuth	Dejvitak	2,900,000	2.90
	Ms. Yaovaluck	Chutimavoraphand	2,900,000	2.90
Total share of top 10 Major sharel			61,088,948	61.09
11.	Other shareholders		38,911,052	38.91
Total Registered Paid up Capital			100,000,000	100.00

Note:

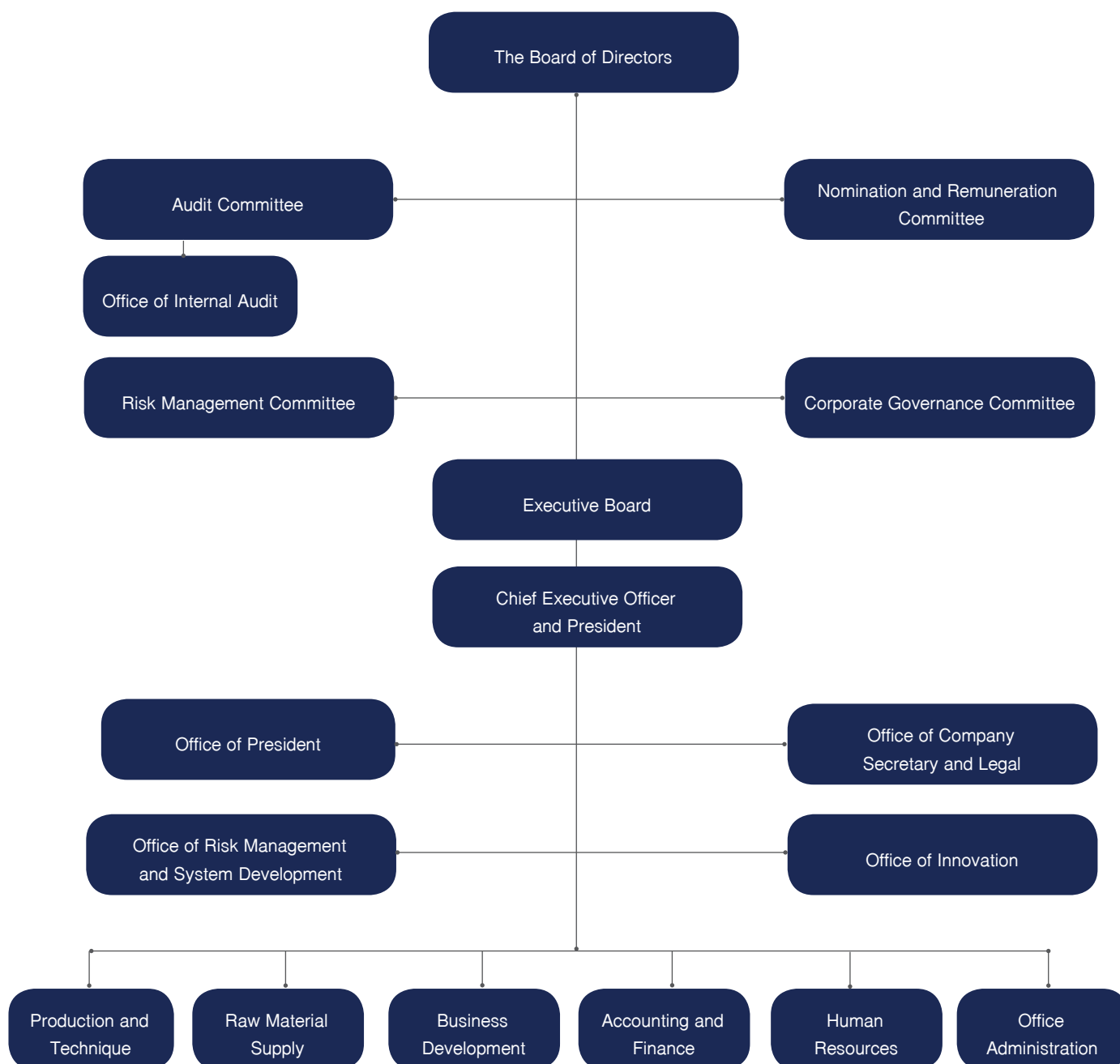
The 10th major shareholders are Ms. Yaovanuth Dejvitak and Ms. Yaovaluck Chutimavoraphand who both hold equal number of shares.

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 Limited depends on their cash flow, liquidity, suitability, and necessity for the use of the money. No minimum rate is specified.

Dividend Payment Record					
Year	2012	2013	2014	2015	2016
Cash (THB per share)	0.50	0.35	0.0811111111	0.0555555556	0.10
Dividend stock (THB per share)	-	-	0.10	0.05	-
Percentage of dividend to net profit	34	35	37	51.90	30.92

Management Structure



Board of Directors

As of October 31, 2017, the Company's Board of Directors consists of:

1)	Mr. Manu	Leopairote	Chairman and Independent Director
2)	Mr. Chamroon	Chinthammit	Director
3)	(Mr. Prapas	Chutimavoraphand	Director (Resigned 1 April 2017))
	Mr. Chanachai	Chutimavoraphand	Director (Appointed 1 April 2017)
4)	Mr. Pomsin	Thaemsirichai	Director
5)	Mr. Sukhum	Tokaranyaset	Director
6)	Mr. Thawatchai	Rojanachotikul	Director
7)	Ms. Intira	Sukhanindr	Director
8)	Ms. Duangdao	Chinthammit	Director
9)	Mr. Somchai	Chinthammit	Director
10)	Ms. Duangkhae	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 (Resigned 1 June 2017))
	Ms. Anchalee	Pipatanasern	Independent Director (Appointed 29 September 2017)
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

Chairman is responsible for leading the Board and has the following duties.

1. Oversee, monitor, and ensure that the Board efficiently carries out its duties to achieve the Company's main objectives.
2. Ensure that all Directors contribute to the Company's corporate culture and good corporate governance.
3. Set the Board meeting agenda by discussing with the Chief Executive Officer and set up procedures to ensure that important matters are included in the agenda.
4. Allocate sufficient time for management to propose topics and for Directors to debate important matters thoroughly and encourage Directors to exercise good discretion and pay attention to relevant issues brought to the meeting including corporate governance issues.
5. Promote good relationship between the Board and management.

The Executives

As of 31 October 2017, the corporate top executives include:

1)	Mr. Chamroon	Chinthammit	CEO and President
2)	Mr. Pornsin	Thaemsirichai	Senior Vice President - Innovation Office
3)	Mr. Sukhum	Tokaranyaset	Senior Vice President - Accounting & Finance
4)	Mr. Thawatchai	Rojanachotikul	Senior Vice President - Administration
5)	Ms. Intira	Sukhanindr	Senior Vice President - Business Development
6)	Ms. Duangdao	Chinthammit	Vice President - Human Resources
7)	Mr. Chalush	Chinthammit	Vice President - Office of President
8)	Mr. Chanachai	Chutimavoraphand	Vice President - Accounting & Finance
9)	Mr. Theera	Sanguandeekul	Vice President - Sugar Production
10)	Mr. Dhajjai	Subhapholsiri	Company Secretary/ Vice President - Office of Company Secretary and Legal
11)	Mr. Dhanapat	Na Chiangmai	Vice President - Administration

Remark: Person 1-5 are executives of the Company according to the definition of SEC.

Scope of Duties and Responsibilities of CEO and President

- 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.
 - 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.
 - Have the power to determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.
 - Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.
 - Approve the appointment of advisors needed in the corporate operations.
 - Deal with affairs concerning the Company's general operations.
- The duties and responsibilities of CEO and President shall comply with legislation and the Company's regulations. The approval of CEO and President does not apply to approval of transactions that would allow CEO 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	EXC	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 :

- 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.
- BOD means Board of Director, EXC means Executive Board, PSD means CEO and President



Company Secretary

The Board of Directors appoints 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 law. The Company supports the Company Secretary to gain more knowledge and training in law and company secretary duties.

Currently, the Company Secretary is Mr. Dhajjai Subhapholsiri who graduated with law degrees and has experience in legal practice for a long period. He also attended a number of courses on duties of Company Secretary and other relating courses. Description is in Details of Directors, Executives, Controlling Persons and Company Secretary.

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) Directors' Bonus is a special remuneration paid once a year in accordance with the corporate annual operating results.

The Company determined the directors' remuneration which is approved by the shareholder's meeting on February 24, 2017 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 allowance for members in Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee who attend the meeting. Chairman of sub-committee who attends the meeting	THB 7,200/ meeting. Each member of sub-committee who attends the meeting THB 6,000/ meeting.
5. Meeting allowance for Chairman of Executive Board	THB 1,200/ meeting, Executive director THB 1,000 / meeting
No remunerations to be paid to directors other than above-mentioned information.	
• Noted: the directors' remuneration does not include the remuneration from subsidiary companies.	

2. Managing Director's Remuneration

The Company prescribes the managing director's remuneration by taking into account qualifications, duties and responsibilities in comparison with the amount paid by other companies in the same industry offered by businesses operating in the same industry listed in SET as well as operating result and size of business so as to be an incentive for developing the Company in a continuous and sustainable manner.

3. Remuneration for Top Executives

Remuneration for Executives is in line with the Company's principles and policies, and relates to the operating result and each individual's performance. The remuneration is prescribed to motivate and sustain the qualified executives with the Company.

Remuneration in Cash

1. Remuneration for directors in 2017

				Year 2016				Year 2017			
No.	Name of Directors		Position in Board of Directors	Remuneration		Meeting Allowance	Total (THB)	Remuneration		Meeting Allowance	Total (THB)
				Yearly	Bonus			Yearly	Bonus		
1	Mr. Manu	Leopairote	Chairman	360,000	124,500	-	484,500	360,000	129,000	-	489,000
2	Mr. Chamroon	Chinhammit	Executive Director	300,000	103,750	11,800	414,550	300,000	107,500	14,400	421,900
3	Mr. Prapas	Chutimavoraphand	Executive Director	300,000	103,750	11,000	414,750	125,000	-	6,000	131,000
	(resigned 1 April 2017)										
3	Mr. Chanachai	Chutimavoraphand	Executive Director	-	-	-	-	175,000	62,708	6,000	243,708
	(appointed 1 April 2017)										
4	Mr. Pornsin	Thaemsirichai	Executive Director	300,000	103,750	11,000	414,750	300,000	107,500	12,000	419,500
5	Mr. Sukhum	Tokaranyaset	Executive Director	300,000	103,750	11,000	414,750	300,000	107,500	12,000	419,500
6	Mr. Thawatchai	Rojanachotikul	Executive Director	300,000	103,750	11,000	414,750	300,000	107,500	12,000	419,500
7	Ms. Intira	Sukhanindr	Executive Director	300,000	103,750	11,000	414,750	300,000	107,500	12,000	419,500
8	Ms. Duangdao	Chinhammit	Executive Director / Nomination & Remuneration Committee	300,000	103,750	23,000	426,750	300,000	107,500	35,000	442,500
9	Mr. Chalush	Chinhammit	Executive Director / Risk Management Committee	300,000	103,750	35,000	438,750	300,000	107,500	28,000	435,500
10	Mr. Somchai	Chinhammit	Executive Director	300,000	103,750	11,000	414,750	300,000	107,500	12,000	419,500
11	Ms. Duangkae	Chinhammit	Executive Director	300,000	103,750	11,000	414,750	300,000	107,500	12,000	419,500
12	Mr. Tachpong	Pakornsiriwongse	Executive Director	300,000	103,750	10,000	413,750	300,000	107,500	12,000	419,500
13	Mr. Somchat	Chinhammit	Director/ Nomination & Remuneration Committee	300,000	103,750	12,000	415,750	300,000	107,500	24,000	431,500
14	Mr. Chatri	Chinhammit	Director	300,000	103,750	-	403,750	300,000	107,500	-	407,500
15	Mr. Trakarn	Chunharojrit	Executive Director	300,000	103,750	10,000	413,750	300,000	107,500	12,000	419,500
16	Mr. Sitti	Leelakasamelurk	Independent Director / Chairman of Audit Committee / Risk Management Committee	360,000	124,500	52,800	537,300	360,000	129,000	60,000	549,000
17	Pol. Gen. Boonpen Bumpenboon		Independent Director / Chairman of Risk Management Committee / CG Committee	300,000	103,750	46,800	450,550	300,000	107,500	40,800	448,300
18	Mr. Karun	Kittisataporn	Independent Director / Audit Committee/ Nomination & Remuneration Committee / CG Committee	300,000	103,750	36,000	439,750	300,000	107,500	67,200	474,700
19	Mr. Warapatr	Todhanakasern	Independent Director /Audit Committee/Risk Management Committee/ Chairman of CG Committee	300,000	103,750	57,600	461,350	300,000	107,500	75,600	483,100
20	Ms. Nongluck	Phinainitisart	Independent Director / Audit Committee / CG Committee	300,000	103,750	30,000	433,750	300,000	107,500	48,000	455,500
21	Mr. Pramoon	Vichiensin	Independent Director / Chairman of Nomination & Remuneration Committee	300,000	103,750	14,400	418,150	175,000	-	21,600	196,600
	(resigned 1 June 2017)										
21	Ms. Anchalee	Pipatanasern	Independent Director	-	-	-	-	26,667	-	-	26,667
	(appointed 29 September 2017)										
	Total			6,420,000	2,220,250	416,900	9,057,150	6,321,667	2,148,208	522,600	8,992,475

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



2. Remuneration for executives in 2017

Remunerations for 11 executives (listed as corporate top executives on Section 8.2) include salaries, bonuses and allowances amounted to THB 41.42 million.

Personnel

As of October 31, 2017, the Company's personnel information is as follows:

year	Consolidated		Separated	
	2017	2016	2017	2016
Average Number of Employees (Persons)				
During Production Season	6,609	6,722	2,375	2,316
During Normal Period	5,160	5,213	1,943	1,912
Expenses related to employees (Million THB)	1,550.80	1,462.41	569.76	557.94

As of 31 October 2017, the Company had no significant labor disputes that may have a potential negative impact on its operations.

Director and Executive Development

As for the Directors, the Corporate Governance Policy prescribes that the Company should encourage Directors to have continual training and knowledge development, particularly training in curriculum that is organized by external entities such as the Stock Exchange of Thailand and Institute of Thai Directors (IOD) so as to help the Directors perform their duties and govern the Company's business effectively.

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 2017, some directors have participated in training courses, for example, Ms. Duangdao Chinthammit (Director and Vice President) attended SET SD Forum 2/2017: Sustainability Strategy Key Blueprint for Business Growth, organized by SET, Business... Transformation: Reinventing the company for digital disruption, organized by TMA, Mr. Chanachai Chutimavoraphand (Director Vice President) — Orientation course — CFO Focus on Financial, organized by Federation of Accounting Professions.

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

Other Remunerations

The Company's regulations prescribe other form of remuneration for top executives, such as company car, fuel and maintenance expense and employee's welfare.

As to the executives, the Human Resources Department has established a policy approved by the Board of Directors regarding personnel and top executives, namely, policy to promote and develop personnel to have knowledge and skills and be efficient to work and create innovation, a succession policy for top executives so as to solve the shortage of important positions by setting procedures of evaluating circumstances and foreseeing the movement, soliciting, developing and preparing potential personnel in the long run.

During 2017, HR has organized training curricula for top and executives under the afore-mentioned policy, e.g.

- For top executives and potential executives: Key Successor Development Program (KSDP) for the second consecutive year during 1-3 June 2017, 18-19 August 2017 and 11-12 October 2017, totaling 7 days for 25 participants.
- For middle executives (Level 8-10): Manager Development Program (MDP) focusing on innovation during 31 July - 2 August and 31 August 2017 for 40 participants.
- For primary executives (Level 6-7): Supervisor Development Program (SDP) during 6-8 and 20-22 September 2017, totaling 6 days for 38 participants.
- A special workshop for Production personnel by developing specific matters derived from previous training and co-coaching from executives and external expert.

Succession Plan

The Board of Directors realizes that the Company growth depends on personnel who are educated, talented, and decent persons. Therefore, the Board of Directors passes the policy to the executives regarding effective development and management of personnel.



The Company selects personnel who are in the executive position appropriately to ensure that the executive team has ability and is suitable for the position in order to perform the duty effectively. To ensure readiness for the administrative status, the Company prepares 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. The Company specifies the succession plan as follows:

1. Specify the important position or major position
2. Specify the latency or capability of the major position
3. Finding a successor in succession plan
4. Set a policy for individual personnel development

Personnel Development Policy

The Company always sets high value for 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 advance 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 focuses on developing better quality of life of employees. Also, the Company focuses more on developing employees' knowledge and understanding about safety, occupational health and environment in the workplace.

The Company discloses information regarding personnel development, safety and occupational health in the Sustainability Report that partly covers injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR), fatalities rate (FR).



Corporate Governance

The Board of Directors approved the first Corporate Governance Policy on 3 February 2014. Afterwards, the Board of Directors by the Meeting No. 3/2015 on 26 June 2015 approved the first revision of the CG Policy which became effective on 27 June 2015. Soon after, the Securities and Exchange Commission, Thailand (SEC) announced the new Corporate Governance Code effective from 17 August 2016 which is somewhat different from the former principles which the Company has adopted. The Corporate Governance Committee deems it appropriate to revise the said CG Policy (1st revision) to conform the new CG Code and submits a new draft to the Board. The Board of Directors in the meeting No. 7/2016-2017 on 29 September 2017 resolved the approval of the CG Policy (2nd revision) and makes it effective from 1 October 2017 onwards.

There are some principles suggested in the Corporate Governance Code for listed companies 2017 that the Company has adopted in the Corporate Governance Policy (2nd revision) (Policy) and the Charter of Board of Directors (Charter) approved by the Board as follows.

1. A good practice indicating business achievement has been adopted in the Policy, Chapter 5 (Roles and Responsibilities of the Board of Directors) that the Board should take into account ethics, social and environmental impact in addition to financial impact.
2. The Practice 3.2.3 prescribing roles and duties of Chairman has been adopted in the Policy, Chapter 5, Clause 6. (Chairman and Managing director not the same person)
3. The Practice 3.5.2 suggesting that a director should not hold position in not more than 5 listed companies has been adopted in the Charter as a qualification of director that a director has enough time to well perform his/her duties as a director of the Company and the directorship in other companies shall not hinder the performance of director's duties, provided that a director should not hold directorship in more than 5 listed companies at the same time.
4. The Practice 5.4 regarding the governance and management of information technology has been adopted in the Charter as a duty of the Board to take care of the risk management system and internal control that conform to standards and respond to the achievement of objectives and goals of the Company in the long run, including the prevention of information leakage which could be done by using information technology.

As regards other principles and practices, the Company has considered and applied by using other approaches such as disclosure of information, Board's resolution, intra-practices among internal units, etc.

The policy of Corporate Governance consists of 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, 6. Anti-Corruption, and 7. Reporting Information on Misconduct and Fraudulent Activities.

In addition to the CG Policy, the Company has made the Company's Business Ethics (1st revision) B.E. 2558 which are consistent with the CG Policy (1st revision). At present, the Company's Business Ethics (1st revision) is still consistent with the CG Policy (2nd revision). The Business Ethics apply to all groups of the Company's personnel, namely, directors, executives and staffs. The Company disseminates the CG Policy and the Business Ethics in the Company's website and the intranet. As to the dissemination in the intranet, the Company adds guidelines of practices for each item in the Ethics so that the personnel can understand them easily and also encourages the compliance with the Ethics as well as organizes training or activities that induces the staff to acknowledge and comply with the Ethics.

Rights of Shareholders

1. The Company proposes a complete notice of a meeting both in Thai and English on the Company's website 30 days prior to the meeting day. A notice of a meeting and supporting documents shall deliver to shareholders 7 days prior to the meeting day in case of general agenda and 14 days prior to the meeting day in case of special agenda.
2. The Company's website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is www.kslgroup.com. Inquiries and requests for further information may be e-mailed to ir@kslgroup.com and secretary@kslgroup.com
3. 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 which is easily accessible by public transportation. The Company has chosen to hold annual general meetings at hotel in the middle of Bangkok, near the Company's head office. Shareholders can submit the registration form prior to the meeting day. For more convenient way, the Company uses barcode for registration. Stamps for proxy are prepared for shareholders. The meetings are notified in newspapers.

4. The Company held the Annual General Meeting 2016, No. 1/2017 on February 24, 2017. 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 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. The meeting was recorded by video recorder.
5. 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 Leopaote and Mr. Sitti Leelakasamelurk as the shareholders' proxies. Shareholders were provided with proxy forms (Form A, B, and C).
6. Agenda of the 2016 Annual Shareholders' Meeting No. 1/2017 notice covered statement of financial position, profit and loss statement, election of replacement directors whose terms have ended, consideration of remuneration for directors, and appoint of auditor and audit fee.
7. In the AGM 2016, No. 1/ 2017 the Chairman 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.
8. In minutes of the AGM 2016, No. 1/ 2017, names of all the directors physically present/absent were shown. 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 .
9. The Company reported the financial statement certified by auditor to the SET within 60 days after the year end.
3. 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.
4. 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.

Equitable Treatments of Shareholders

1. A shareholder has a voting right in one share/ one vote. The Company has only ordinary shares.
2. The Company prescribes the using inside information in CG Policy (Section 2: Equitable treatment of shareholders) and disseminate to employees, executives, and directors aware of limitation, prohibit to use inside information via internal communication such as email and intranet. Besides, the Company regularly warns directors and executives in writing in advance of each disclosure of financial reports to refrain from the disposal of the Company's securities as from and until the specific dates and, for transparency, has an agenda in the Executive Board and the Board of Directors informing the changes of the Company's securities of each director or executive (if any) as well as informs the directors and executives of any illegal act regarding using inside information so that the directors and executives shall exercise good care in respect of the use or alleged use of any inside information before disclosure to public.
5. 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.



6. 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.
7. In the past year, neither directors nor executives used insider trading. The Company is not violating connected transaction.

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 customers, employees, suppliers, 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: The Company abides by the Corporate Governance Policy and guidelines regarding shareholders and equal treatment to shareholders and prescribes consistent Business Ethics.

Rights of Employees: The Company prescribes the Corporate Governance Policy and guidelines regarding employees in the Chapter on Roles of Stakeholders and provides the conforming Business Ethics. Apart from respecting the employees' legal rights according to the Labour Protection Act and the related laws, the Company commits to the importance of employees at all levels without discrimination on race, religion and gender. All employees are equal and are treated equally. They are entitled to welfare without discrimination. Besides, the Company encourages the acquisition of knowledge through internal and external trainings so as to cope the future growth. The Company establishes a provident fund for employees and abides by the announced Thai labor Standard 8001-2553 which the Company is certified at the highest level from the Department of Welfare and Labour Protection, Ministry of Labour.

On a monthly basis, the Human Resources Department reports information regarding the personnel development, workforce, rate of turnover, expenses, training statistics, payment of benefits to employees

that includes compensation fund, illness, giving birth of baby, dentistry, staff's children support, aging, disability and compensation received from insurance taken by the Company.

Rights of Customers: The Company has the Corporate Governance Policy and guidelines regarding customers in the Chapter on Roles of Stakeholders saying that the Company applies international quality control system, e.g., ISO 9001:2008, FSSC 22000, GMP, HACCP, HALAL, KOSHER, etc. so as to create the utmost satisfaction to the customers in terms of quality and product standard, timely delivery and international standard service and strict confidentiality keeping and provides consistent business ethics to ensure responsibility and long-term relationship with the customers.

The Company regularly communicates with the customers through various channels and visits the customers to know the need of the customers as well as to give useful information to the customers. The Company invites the customers to visit and audit the work system of the Company and the factories so that the customers can consider potential and readiness of the Company as a seller in accordance with the customers' standard. The Company provides the customers' satisfaction yearly survey as a part of ISO 9001 and takes into account the Customers' observation to improve its service and production, e.g. delivery, quality, after sale service, etc. Besides, the Company provides customers with channels for complaints and recommendations as deemed appropriate by the customers. By average, the Company receives approximately 40-50 complaints and recommendations per year regarding the operation of 5 sugar factories.

The Company extends full cooperation with the customers when they need certification from the Company that the latter complies with the principles of corporate governance and other significant standards. By the same token, the Company informs the customers of its corporate governance policy and anti-corruption policy as well as its implementation of the policies to ensure that the business dealing with the Company shall not conflict with any standard adopted by the customer.

The Company commissions an external firm to evaluate the operation and to certify its compliance with the Thai labour standard.

Rights of Suppliers: The Suppliers hereby include, apart from contracting parties in sales and service of work, joint investors in some specific business. The Company acknowledges the legal rights and contractual rights pursuant to the joint investment by adhering to principles of honesty, equality and right to return of investment.

The Company has the Corporate Governance Policy and guidelines regarding customers in the Chapter on Roles of Stakeholders saying that it supports fair and free competition, equality in doing business and mutual benefits, transparent and fair procurement. The Company prescribes the qualifications of the customers who are entitled to offer

bidding as well as announces openly and equally to the rightful bidders of the complete information and conditions regarding the procurement. The Company keeps confidential the bidding prices from the suppliers and does not disclose to other bidders. The Company shall not demand any benefit from the suppliers in exchange of executing contracts with the Company as well as prescribes in the Business Ethics of such practices. As for the service of work in the Company's sites, the Company provides safe working conditions for the contractors and emphasizes that the contractors must strictly abide by the Company's rules of safety. Upon completion of the work, the Company has a process of transparent and fair acceptance of work and shall pay the contractors in due time.

The Company through the procurement department communicates with the suppliers through various channels of important matters and provides channels for the suppliers to send their complaints or information. In 2017, the Company held a meeting with major suppliers to inform them of the implementation of the corporate governance policy and anti-corruption policy on 1 April 2017 in two sessions. 47 suppliers (94% of the 50 invited) attended the meeting. Besides, from April to the end of year, the Company sent letters to large and small suppliers by informing them of the policies together with copies of relevant policies. 141 suppliers acknowledge the information in writing. The procurement policy also announces the policy in front of its office for viewing by visitors. In 2017, the central procurement unit requested all factories to extend anti-corruption policy to local suppliers so that acknowledgement of the information shall be as much as possible.

Rights of Creditors: The Company has the Corporate Governance Policy and guidelines regarding creditors in the Chapter 3: Roles of Stakeholders saying that shall abide by the agreement made with the creditors regarding the timely payment, appropriate use of financial service, providing and keeping collateral and other conditions such as correct financial reports for the use of credit analysis, debt-equity ratio. The Company has gained trust from the creditors through ethical operation and facilitates information for the understanding of the Company's business through the Annual Report and the Annual Statement (Form 56-1) and the financial status through financial reports which are made and audited in accordance with the generally accepted standard. The Company prescribes these practices in the Business Ethics consistently.

Right of Competitors: The Company has established the Corporate Governance Policy Chapter 3: Roles of Stakeholders that the Company supports free and fair competition and also the Business Ethics that the personnel shall not do business by destroying or restraining the competitors with unlawful ways or apply any unlawful way to obtain the competitor's information. In practice, the competitors are members in the same associations and regularly exchange information; therefore, there has been of unfair practice among them.

Rights of Community and Environment: The Company has the corporate social responsibilities policy and corporate governance policy and guidelines relating to community treatment under the roles 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 2017 are as follows:

1. The Company invests in the Philanthropic Fund under the concept of Thai Pat Institute to establish an investment that can create return to use for public interest and to be an alternative for listed companies, foundations or family business to plan an allocation of fund to help society in a continual manner. The Fund is managed by TISCO Securities. The Company has invested in this Fund for a second year. The Fund suggests that the Company maintains the return for a number of years before withdrawal for use in the Company's activities for corporate social responsibility.
2. The Company participated in many activities as shown and provided in Sustainability Report: Activities on Corporate Social Responsibilities.

Human Rights: The Company has the policy not to involve in human right violation by providing in the Corporate Governance Policy Chapter 3: Roles of Stakeholders saying that the Company promotes and respects human rights as well as operates its business in line with the principles and intent of the United Nations Declaration on Human rights and other international agreements that Thailand is a party and shall not participate in any act that is against the human right principles.

Each production sites of the Company's group has express clear intent that the Company shall not use child labour and forced labour and shall make announcement through various channels to the communities.

Environment: Company has the Corporate Governance Policy and guidelines regarding environment in the Chapter on Roles of Stakeholders saying that the Company uses natural resources and energy as necessary and supports the reuse and recycling of raw materials and waste in production process. Bagasse left after cane crushing shall be made fuel for boilers in production process of sugar and electricity; Carbon dioxide derived from burning process shall be used in the carbonation process of syrup, water from ethanol production process shall be used in fermenting biogas which is further used in factories. Each factory shall emphasize on the protection of environment by not releasing waste or pollutants to the community. The factory uses modern dust collector to prevent emission. The water



treatment system is developed to ensure that the used water shall be clean enough for reuse or for discharge to natural source. The Company has made a prototype of the so-called Submerged Aerated Fixed Film (SAF) to treat condensate water from ethanol production process at Boploy district, Kanchanaburi province. As for any project that may have adverse effect to either community or environment, the Company shall conduct a study and ask for opinions of the would-be impacted group and shall prepare for the reduction of impact. The Company prescribes criteria for studying environmental and social factors and reduction of impact along with the feasibility of the new project. The Company strictly complies with the laws on environment.

Intellectual Property: The Board of Directors set a CG policy regarding non-infringement that the Company shall respect intellectual property rights and exercise due care not to cause accusation of risk of being accused of infringing intellectual property rights. Unfamiliarity of the relevant laws is a legal risk; therefore, the Company sets more details in the Business Ethics that the personnel have to respect intellectual property rights of others by not using any work or intellectual property of others without permission. In case of doubt of infringement, a unit must consult the legal department. If it appears that there might be an infringement, a concerned party should consult the legal department. The Business Ethics define the meaning of intellectual property in a broad sense including copyright, patent, trademark, supplier information, customer information, formulae or any matter which is regarded trade secret. So far, there were in-house consultancy that could prevent several unintentional infringements.

Local administration / government agencies: The Company abides by the laws which regulate the business and other relevant laws as enforced by local administration and central government agencies and cooperates with government units to develop the locality. The group of companies coordinates with the local government agencies to ensure that the companies correctly comply with the laws and regulations, e.g., coordination with municipality, provincial industry office, natural resources and environment office, underground water office, water resource office, irrigation office, regional revenue office, welfare and labour protection office, social security office, skill labour development office, etc.

The group of companies regards as highly important the cooperation with local administration / government units that ask for support to help develop community around the operating areas of the companies, e.g. municipality, Tambon administration, hospital, district public health, school, police, etc. as shown and provided in Sustainability Report: Activities on Corporate Social Responsibilities.

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.

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 Statement (Form 56-1) is disclosed within 3 months after accounting period end and Annual Report (Form 56-2) is disclosed within 4 months after accounting period end through the SET channels and corporate website, www.ksigroup.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 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 specifies that directors and executives need to prepare a report of interests of directors, executives and related persons which involved with the Company once they are being directors or executives and report when information changes and every year end. The Office of Company Secretary and Legal will send the report to the Chairman and the Chairman of the Audit Committee.
7. 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@ksigroup.com or the following contacts:

1. Mr. Meechai Piyavisadpat Telephone: 02-642-6230
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.

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 the United Kingdom with the securities companies. 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.

Responsibilities of the Board of Directors

1. The structure of the Board consisted of 21 directors. 7 out of 21 are independent directors with no business relationship or any other relationship which would influence the exercise of free discretion 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. Detailed profiles, qualifications, experiences, and shareholding of directors are included in Form 56-1 and consist of one non-executive director who has experience in either a business or the main business of the Company.

Each office term of directors is three years, Directors may be re-elected for another consecutive term. There is no prohibition regarding the age of directors. Only capability to perform the duties counts.

Independent directors are not less than one-third of the whole directors and at least three independent directors are required. An independent director may be in the position for three consecutive terms or nine years, whatever is longer. However, the Board of Directors may extend the directorship as it deems appropriate.

The Charter of the Board of Directors stipulates that a director must not be director in not more than five other listed companies so that a director shall have enough time to perform the directorship and being a director in other companies must not hinder the performance of duties as a director in the Company. At the moment, apparently, there is no director who is a director in more than five listed companies at the same time.



Category of Directors

No.	Name		Category of Director			
			Shareholder Representative	Non-Executive	Independent Director	Executive
1	Mr. Manu	Leopairote		/	/	
2	Mr. Chamroon	Chinthammit	/			/
3	Mr. Prapas	Chutimavoraphand	/	/		
	(Resigned 1 April 2017)					
	Mr. Chanachai	Chutimavoraphand	/			/
	(Appointed 1 April 2017)					
4	Mr. Pornsin	Thaemsirichai	/			/
5	Mr. Somchai	Chinthammit	/			/
6	Ms. 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. Somchat	Chinthammit	/	/		
16	Mr. Pramoon	Vichiensin		/	/	
	(Resigned 1 June 2017)					
	Ms. Anchalee	Pipatanasern		/	/	
	(Appointed 29 September 2017)					
17	Pol.Gen. Boonpen	Bumpenboon		/	/	
18	Mr. Sitti	Leelakasamelurk		/	/	
19	Mr. Karun	Kittisataporn		/	/	
20	Mr. Warapatr	Todhanakasem		/	/	
21	Ms. Nongluck	Phinainitisart		/	/	
Total			14	11	7	10

Remark: Total does not include Mr. Prapas Chutimavoraphand and Mr. Pramoon Vichiensin.

Duties of the directors as prescribed in the Charter of Board of Directors conform the principles of the CG Policy, Chapter 5 namely to govern the Company to have good management and to create value to the Company in a sustainable manner. The duties, therefore, do not cross over normal operation of the management. Even though the Charter prescribes the duties and authorities to approve, such authorities are within the scope as stipulated in the Authority Manual as approved by the Board of Directors. Besides, the CG Policy clearly stipulates the status and authorities of the Chairman and the Chief Executive Officer and the Chairman must not be the same person as the CEO.

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 Executive Board, 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.
4. 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 3 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.
5. 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.
6. There are 10 Directors who are top executives in the Company ranging from Chief Executive Officer to Assistant Vice President. At present, executive directors do not hold directorship in more than two other listed companies outside the group. The Company has a non-executive director who has work experience in business that is relevant to the Company's business (At present, Mr. Somchat Chinthammit)
7. The Company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency and normally the Company will revise vision and mission every year before setting the strategy and action plan as well as monitor the management to follow the approved business plan and budget and to provide internal control system, internal audit and efficient and effective risk management. The Company provides long term and short term plans regarding projects and investments, The Company supports and helps strengthen the society by being an ethical entrepreneur pursuant to the established vision. The Board of Directors is kept informed of the operation according to the strategies in each quarter when the management submits the quarterly operating result along with financial reports.
8. The Board provides the Corporate Governance Policy and Manual of Business Ethics by taking into account the responsibility to all stakeholders within the framework of business ethics in order that they are directions for corporate administration; conducts any act with fairness by being well aware of the shareholders' maximum interest and sticks to sincerity and honesty; establishes policy, business plan, strategies, action, evaluation as well as operation and governance on risk management with transparency and accountability.
9. The Board provides whistle-blowing policy to be directions for action on investigating the wrongdoing and fraud, submission of information regarding wrongdoing and fraud, punishment on wrongdoers, protection for information giver.
10. The Board assigns the Risk Management Committee to provide risk management policy to the Board for approval. The present risk management policy was announced and effective on 2 January 2014 and provides internal control system and risk management system covering keys risk and other risks which are to be disclosed in the Annual Report.
11. One significant duty of the Board according to the Charter is to supervise and act against any conflict of interest between directors, shareholders, stakeholders and the Company. The Board of Directors carefully considers transactions with may cause conflicts of interest after thorough consideration by the Audit Committee according to the SET legislation and procedure. The Board's authority to consider this issue depends on the size of transaction as stipulated by SET rules provided that a stakeholder



in the related transactions is not allowed to decide on those particular transactions. The correct and full disclosure of this matter shall be made in the Annual Report and Form 56-1 pursuant to the CG Policy Chapter 4 on Disclosure of information and Transparency together with the guidelines under the policy.

12. 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.
13. 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.
14. 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. 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 2017, the Board held 8 meetings, and 1 non-executive directors meeting (without the management). The non-executive directors independently express their opinion regarding management. In 8 meetings in 2017, there are 2 meetings which all directors attended (21 directors); 3 meetings which 20 directors attended; 2 meetings which 19 directors; and 1 meeting which 18 directors attended. Each director attended all meetings not less than 75 percent.

15. In Board meetings, the Chairman, Managing Director, and Company Secretary consider agendas. This is to ensure that the agendas cover important matters. Each director may propose agendas independently.
16. Office of Company Secretary and Legal sent meeting documents to each director in advance at least 7 days before the meeting date with supporting documents.

17. The quorum of Board of Directors is prescribed in the Articles of Association that there must be directors attending the meeting not less than half of the whole directors to form a quorum. The decision shall be made with majority votes. The Board's Charter additionally provides that not less than two-thirds of all directors should be in the meeting to resolve an important matter.

18. 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 Secretary.

19. 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 is 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.

20. The Board of Directors instructs to make the self-assessment form by using the form developed by SET as guidelines so as to make a framework to examine the conduct of duties of the Board regularly. The Board opines that self-assessment is an important step to good corporate governance. The assessment shall weigh the implementation of the CG Policy and/or good practices so as to improve the work of the Board to be consistent with the polices and to increase work efficiency. The self-assessment of the Board and the individual director is made annually at the end of the fiscal year.

The assessment of sub-committees is also conducted. The assessment issues partly come from SET's self-assessment form and partly from the Charter of each sub-committee so as to make more direct assessment of the sub-committees' performance.

As for the procedures of self-assessment, the Company Secretary shall send the form approved by the CG Committee to every director not less than one month before the end of fiscal year. After the tabulation is processed, the CG Committee shall give observations regarding the performance of the Board and each Committee and submit to the Board.

Anti-Corruption Process

The Company has a policy prohibiting directors, executives, and staff from committing any kind of corruption. There shall be assessed a risk from corruption and a review on compliance with the Policy regularly. Also, there shall be reviewed the guidelines on compliance and the regulations of each part so that they be in line with the changes of the laws, regulations, acceptable standards, and business of the Company.

Guidelines for Practices: The Company shall make this Policy on Anti-Corruption known to its staff for proper compliance widely and thoroughly, by preparing the Ethics on Anti-Corruption and Manual for various departments in the part relating to Policy on Anti-Corruption, for use in training, implementation, or learning by the staff, and for propagation via various suitable channels. Besides, the Company shall provide protection for the staff who reports an incident or a lead about a corruption under the criteria prescribed including regulations and work regulations concerned. A corruption is regarded as a wrongdoing and/or a dishonest act, as the case may be, and the person committing corruption is regarded as having violated the discipline and shall be subjected to punishment according to the work regulations of the Company and may also be subjected to criminal prosecution in criminal and civil courts.

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. The Company provided the Manual of Anti - Corruption which is used in July 2016 including improving all documents, and work processes to the alignment of the said commitment terms and its self-assessment guideline. The Company submitted its improvements to the Private Sector Collective Action Coalition against Corruption Council (CAC) for further consideration and endorsement.

The Company was certified a three-year member of the Private Sector Collective Action Coalition against Corruption (CAC) on 9 March 2017, The Office of Risk Management is assigned to evaluate and monitor the anti-corruption risk in accordance with the self-evaluation form that the Company had submitted and to coordinate with all functions within the Company as well as to improve necessary matters together with Internal Audit Office. The Company intends to have other stakeholders join the CAC respectively

As regards the conduct of relevant work flows, the Company assigns the Office of Risk Management to evaluate the corruption risk annually by applying COSO-ERM principles and to provide a Risk Management Manual on Fraud and Corruption to make clear practices for prevention and monitoring the corruption risk.

The Office of Risk Management is also assigned to monitor and report the implementation of the Anti-Corruption Policy on quarterly basis. The Office of Internal Audit has the annual audit plan to exercise the auditing in accordance with the internal control system and make relevant recommendations.

As for the training, the Company aims to educate the employees about the anti-corruption policy and guidelines of practices, In 2017, there are activities as follows.

1. On 1 April 2017 at the main meeting hall of Phra Haruethai Convent, the Office of Risk Management in cooperation with Procurement Department organized a seminar for suppliers, to give them knowledge about anti-corruption and persuade them to join the CAC.
2. During 20 July - 18 August 2017, the Office of Risk Management held an internal workshop on risk management on anti-corruption and had saying under oath that the employees shall not conduct any corruption.

Giving Information of Wrongdoing and Dishonest Acts

According to Corporate Governance Policy, The Company has a channel for reporting lead or information on any commission of wrongdoing and dishonest act, or whistle-blower hotline, so that the stakeholders may provide information which is beneficial to the examination, elimination, and prevention of wrongdoing or dishonest act, or lodging of complaints, and so that such be rectified accordingly.

Channels for Giving Information

1. When a staff finds, or there is reason to believe in good faith, that there has been committed a wrongdoing or a dishonest act concerning the Company or its subsidiary companies, he/she shall inform his/her superior from the level of Manager forthwith, either verbally or in writing. If such report is ignored, he/she shall notify the higher superior according to the Form of Giving Information of Wrongdoing or Dishonest Act . However, the staff should not self-conduct further inquiry or questioning any suspicious acts.



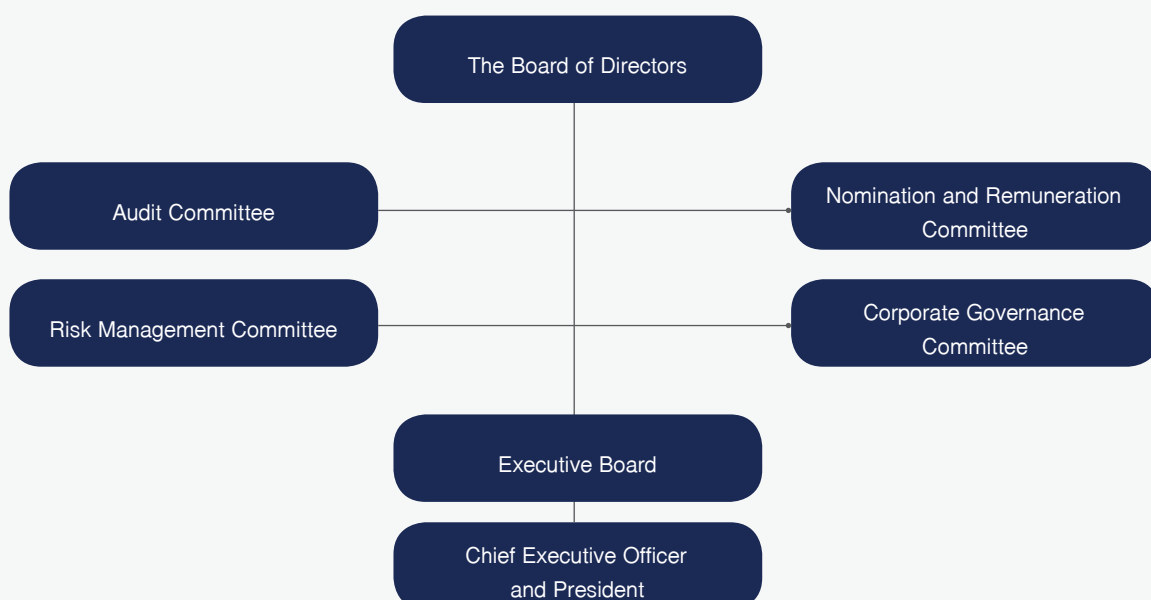
2. If a staff is in a difficult situation or he/she is not comfortable to notify the said superior, or he/she suspects that his/her superior or any executive of the Company is connected with a wrongdoing, he/she may choose to file a report through the following channels:
 - 2.1 Manager, Internal Audit Office, Tel. 02-642-6092, Ext. 127, or email: IA@kslgroup.com or chartchai@kslgroup.com.
 - 2.2 Manager, Human Resources Department, Tel. 02-642-6092, Ext. 969, or email: Ampaporn@kslgroup.com.
 - 2.3 Send email to IA@kslgroup.com on the intranet of the Company.
 - 2.4 The Chairman of the Audit Committee or the Board of Directors of the Company, at the following address:
Khon Kaen Sugar Industry PCL
 503 KSL Tower, 22nd Floor, Sri Ayudhya Road,
 Thanon Phayathai Sub-District, Rajathevi District,
 Bangkok 10400,
 or email: sitti@kslgroup.com
3. When the persons or above departments have been notified of a commission of wrongdoing or dishonest act, they must report such to the Internal Audit Office at once.
4. The Internal Audit Office shall have the duty to prepare a register of complaints and shall prepare a report summarizing the receipt of information of wrongdoing to the Audit Committee at its next meeting.
5. The Internal Audit Office shall consider initially that at which department the act of wrongdoing occurred, and shall then send the complaint to the said department for investigation, and shall also monitor the proceeding of said department from time to time.
6. The fact-finding, the investigation, the disciplinary action, and the legal action shall be in accordance with the regulations governing such.

7. Upon completion of the complaint, the work unit concerned shall report the result to the Internal Audit Office for forwarding the matter to the Audit Committee at its next meeting.

Protection of Informant

1. The Company shall not terminate employment, suspend, inflict disciplinary action, or threaten to take any action against any staff who provided information of wrongdoing. Whoever violates this clause shall be subjected to disciplinary action.
2. The Company shall protect the informant including the person rendering cooperation or assistance in the investigation in good faith from any threat and harassment.
3. The Company shall provide protection additionally and specially according to suitability, by taking into consideration the degree of severity and the importance of complaint. In the event the informant is threatened or harassed, he/she shall report such to the Managing Director for ordering the Human Resources Department to provide protecting measures for the informant suitable to the circumstances.
4. In the event a staff has reported a complaint or has provided information of wrongdoing in good faith, even though the Company finds no wrongdoing as lodged, the Company shall not inflict any punishment on the said informant. Nevertheless, if the result of investigation finds that the complaint is baseless and it was done with ill intention or an intent to yield damage to other person, or it was a giving of false statement, the Company shall consider inflicting disciplinary action to the staff who gave the information according to the work regulations, and shall also consider taking legal action against the said person.

Organization Structure



Board of Directors

As of October 31, 2017, 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 (Resigned 1 April 2017))
	Mr. Chanachai	Chutimavoraphand	Director (Appointed 1 April 2017)
4.	Mr. Pomsin	Thaemsirichai	Director
5.	Mr. Sukhum	Tokaranyaset	Director
6.	Mr. Thawatchai	Rojanachotikul	Director
7)	Ms. 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 (resigned 1 June 2017))
	Ms. Anchalee	Pipatanasern	Independent Director (appointed 29 September 2017)
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

Scope of Duties and Responsibilities

The company has 21 directors, of which 11 are non-executives (52%) and 7 are independent directors (33%), and two of them are female. 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 authorities of the Board of Directors were formerly prescribed in the CG Policy Chapter 5. The Board in meeting No 7/2016-2017 on 29 September 2017 approved the Charter of the Board of Directors to be effective on 1 October 2017. The Charter revises duties of the Board to be consistent with the CG Code as follows.

1. Administer the business by creating long-term business value, namely, good operating result, ethical and responsible conduct to stakeholders, abolition or reduction of negative impact against society and environment and corporate resilience.



2. Define objectives and business goals on the basis of sustainable value creation by taking into account the impact to society and environment and direct the operations to respond to achievements set by objectives, goals, strategies and annual action plan.
3. Ensure having the Board of Directors consisting of components and qualifications that conform to good governance, transparent and efficient selection, development of skills and knowledge necessary for performing duties responsibly, framework and mechanism to govern policy and operation of subsidiaries and affiliates, appointment of sub-committees as necessary.
4. Ensure having managing director and top executives of appropriate quality for the achievement of the Company's goals and developing top executives as well as systematic succession of positions.
5. Promote innovation that creates value for the Company and business operation that is responsible to society and environment.
6. Establish effective risk management and internal control that correspond with the achievement towards objects and goals of the Company in the long run and to prevent the leakage of important information by ways of information technology; provide policy and practices for handling conflict of interest and related transactions, anti-corruption, whistle-blowing channels for fraud and corruption.
7. Ensure financial reliability and financial report making with transparent disclosure in accordance with the law.
8. Support engagement of shareholders in important matters and respect right to information of shareholders through appropriate and timely channels.

The aforementioned 8 roles and duties are divided into several principles and guidelines as referred to the Corporate Governance Code for listed companies 2017 that is developed by the Securities and Exchange Commission.

In 2017, the Board held 8 meetings, and 1 non-executive directors meeting (without the management). The non-executive directors independently express their opinion regarding management.

The Board of Executive Directors

As of October 31, 2017, the Company's Board of Executive Directors consists of:

1)	Mr. Chamroon	Chinthammit	Chairman
2)	[Mr. Prapas	Chutimavoraphand	Executive Director
	(Resigned 1 April 2017)]		
	Mr. Chanachai	Chutimavoraphand	Executive Director
	(Appointed 1 April 2017)		
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)	Ms. Intira	Sukhanindr	Executive Director
12)	Mr. Tachpong	Pakornsiriwong	Executive Director

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

Scope of Duties and Responsibilities

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 mentioned above given to the Board of Directors shall be under the law and the Company's regulations. Any activities that benefit/may benefit or affect interests of any executive director or individual, or that may lead to conflicts of interest (according to the SEC Notification), are required to be presented by the Board of Executive Directors to the Board of Directors for consideration.

The particular executive director and the interested individual shall not be allowed to vote in the meeting concerning the matter.

In 2017, the committee held twelve meetings, and reports on their work were regularly presented to the Board of Directors. Meeting Attendance of the Nomination and Remuneration Committee is disclosed in Report of Meeting Attendance of Directors.

Audit Committee

As of October 31, 2017, 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. (Mr. Chartchai Poowong, manager of internal audit office)

Scope of Duties and Responsibilities:

- To review that the Company has accurate and sufficiently disclosed financial reports.
- To review that the Company has internal controls and internal audit activities appropriately and effectively, including considers sufficiency of manpower budget and independency of the internal audit department as well as the Audit Committee's consent on appointment, rotation, promotion, and termination the head of internal audit department, including other departments who are also responsible for internal audit activities.
- To review the risk management operations of the Company. The effects may occur at a level acceptable in order to prevent fraud and corruption.
- To review that the Company is complied with the Securities and Exchange Act and Regulations of the SET or other laws that related to the Company's industry.
- To select and propose independent person an appointment as the Company's auditor including consider his or her compensation. The Audit Committee shall call the auditor to attend a special meeting without management participation at least once a year.
- To consider compliance of connected or conflict of interest transactions, including significant asset acquisitions and disposals in accordance with the Laws and Regulations of SET and SEC in order to assure that the transactions are reasonable and provide the best interest to the Company.
- To report activities of the Audit Committee in the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and should be included at least the following information:
 - Comments on completeness and reliability of the Company's Financial Reporting
 - Comments on sufficiency of the Company's internal control systems
 - Comments on compliance with Securities and Exchange Act, Regulations of SET and SEC and other related laws to the Company's industry
 - Comments on appropriation of the auditor
 - Comments on conflict of interest transaction
 - Number of Audit Committee meetings and member's participation
 - Overall comments or observation regarding practices of the Audit Committee in accordance with the Audit Committee Charter.
 - Other statements that shareholders or general investors should be informed under scopes, authorities, and responsibilities of the Audit Committee as assigned to the Audit Committee by the Board of Directors
- To perform any assignment by the Board of Directors that agreed upon by the Audit Committee.
- While the Audit Committee are performing duties and responsibilities, the Audit Committee shall report within a reasonable period of time to the Board of Directors for corrective action if the Audit Committee observed the following transactions or events that may have material impacts to the financial status and performance of the Company.
 - Conflict of interest transaction
 - Fraud or misappropriation might occur or there is significant weakness in the internal control systems
 - Violation to the laws of SET, SEC, announcements of the SET or other related laws of the Company's industry

Should the Audit Committee report to the Board of Directors matters that significantly affect the Company's financial status and operating results, and discussion between the Committee and the Board of Directors on improvement and correction occurs, after the agreed due date, the Audit Committee finds that the matters have not been acted upon without any good reasons, one of the Committee's members may further report the finding to the Securities and Exchange Commission and the Stock Exchange of Thailand.

: Qualifications of the Audit Committee are in line with relevant SET requirements, Capital Market Board, Corporate Governance Policy and Charter of the Audit Committee. The Audit Committee comprises four



independent directors, namely, Chairman and other three members who are knowledgeable in finance, internal control, internal audit whose autobiography and qualifications are detailed in the Appendix. Mr. Sitti Leelakasamelurk, Chairman of the Audit Committee, possesses sound knowledge, understanding, professional experience in accounting and finance.

The Charter of the Audit Committee requires at least four meetings a year. In 2017, the committee holds five meetings, and reports their work to the Board of Directors on quarterly basis. Please see Report of the Audit Committee. Meeting Attendance of the Audit Committee is disclosed in Report of Meeting Attendance of Directors.

Nomination and Remuneration Committee

As of October 31, 2017, the Nomination and Remuneration Committee consists of:

- | | | | |
|----|-------------------------------------|----------------|----------|
| 1) | Mr. Pramoon | Vichiensin | Chairman |
| | (Resigned on 1 May 2017) | | |
| 2) | Mr. Karun | Kittisathaporn | Director |
| | (Chairman since 1 June 2017) | | |
| 3) | Mr. Somchat | Chinthammit | Director |
| 4) | Ms. Duangdao | Chinthammit | Director |

Remark: Mr. Pramoon Vichiensin resigned from Chairman of the Committee and from directorship, effective on 1 May 2017 and 1 June 2017 respectively. The Board of Directors appoints Mr. Karun Kittisathaporn Chairman of Nomination and Remuneration Committee, effective from 1 May 2017.

The Chairman of the Nomination and Remuneration committee shall appoint the secretary of the Nomination and Remuneration committee. (Mr. Arnon Srichamkij, Manager of Human Resources department)

Scope of Duties and Responsibilities:

1. Nomination

- (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;
- (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;
- (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

- (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) review data relating to remuneration of other companies in the same and similar industry yearly;
- (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 Company required that the Remuneration Committee and Nomination Committee be combined. The Nomination and Remuneration Committee consists of four members, namely, one Chairman and other three members. The Chairman and at least two members are independent directors (75%). Members in the Committee must possess qualifications as prescribed in the Charter of the Nomination and Remuneration Committee. The office term shall last 3 years.

The Charter of the said Committee requires at least two meetings a year or more than that if it is necessary to select corporate directors, sub-committee members or to revise remuneration. In 2017, the Nomination and Remuneration Committee holds four meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Nomination and Remuneration Committee is disclosed in Report of Meeting Attendance of Directors.

Risk Management Committee

As of October 31, 2017, the Risk Management Committee consists 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. (Mr. Sinchai Siriratanapolkul, Assistance Vice President-Office of Risk Management and System Development).

Scope of Duties and Responsibilities:

1. Develop policies to be considered by the Board of Directors 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 to monitor and evaluate the corporate risk amount, as well as maintain the appropriate risk level.
3. Review the adequacy of risk management policies and system, as well as effectiveness of the system and policies practiced.
4. Provide recommendations in line with policies and strategies determined by the Board of Directors and present those recommendations to the Board.

The Risk Management Committee consists of four members, namely, one Chairman and other three members. The Chairman and at least two members are independent directors (75%). Members in the Committee must possess qualifications as prescribed in the Charter of the Risk Management Committee. The office term shall last 3 years.

The Charter of the said Committee requires at least two meetings a year. In 2017, the Risk Management Committee holds four meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Risk Management Committee is disclosed in Report of Meeting Attendance of Directors.

Corporate Governance Committee

As of October 31, 2017, 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

The Corporate Governance Committee shall appoint the secretary of the corporate governance committee. (Mr. Dhajjai Subhapholsiri, Vice President of Company Secretary and Legal Office)

Scope of Duties and Responsibilities:

1. Consider and propose corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
2. Consider and propose practices of the Company, Board of Directors, executives, personnel and other relevant parties which are consistent with the corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
3. Monitor and supervise as well as create understanding to the Board of Directors and management for the sake of performance

pursuant to the governance policy, business ethics and governance practices;

4. Review the corporate governance policy and practices at least once a year by comparison with international standard or other appropriate standards;
5. Appoint a Secretary to the Corporate Governance Committee, sub-committees or working groups with suitable duties and responsibilities;
6. Perform other duties as assigned by the Board of Directors.

The Corporate Governance Committee consists of four members, namely, one Chairman and other three members. The Chairman and at least two members are independent directors (75%). Members in the Committee must possess qualifications as prescribed in the Charter of the Corporate Governance Committee. The office term shall last 3 years.

The Charter of the said Committee requires at least two meetings a year. In 2017, the Corporate Governance Committee holds three meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Corporate Governance Committee is disclosed in Report of Meeting Attendance of Directors.

Selection of Directors and Management

In the process of selecting an independent director or non-executive director, the Nomination and Remuneration Committee shall consider the roster of professional directors provided by Institute of Thai Directors (IOD) and also invite directors to nominate the potentials. The Committee shall then examine the qualifications of the nominated persons in accordance with the Charter and the Company's Articles of Associations as well as specific skills by taking into consideration the Company's vision, mission and strategies whether the person can serve the directorship.

The Charter of the Board of Directors prescribes the qualifications of directors as follows.

1. The qualifications prescribed by law and related regulations.
2. Knowledge, capability, experience, and expertise in specific field which are beneficial to the Company.
3. No conflict of interests with the Company.
4. Sufficient time to perform well the duties of a director of the Company, and if he/she is a director of another company, such must not be impediment to the carrying out of duties as a director of the Company; provided that a director should not be a director in more than 5 listed companies at the same time.



The CG Policy prescribes qualifications of an independent director as follows.

1. Holding shares not more than zero point five (0.5 %) of the total number of shares with voting rights of the Company, subsidiary company, affiliated company, major shareholders, or persons with powers to control the Company, however, including the shareholding of related persons of such independent director as well.
2. Not being or used to be a director who has or had a part in the management, an employee, a staff, an adviser receiving regular salaries, or a person with control power, of the Company, subsidiary company, affiliated company, major shareholder, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.
3. Not being a person who is related by blood or by registration under the law in the description of a father, a mother, a spouse, a brother/sister, and a child, including a spouse of a child of an executive, a major shareholder, a person with controlling power, or a person who is to be nominated as an executive or a person with controlling power of the Company or a subsidiary company.
4. Not having or used to have a business relations with the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, in a description that may be impediment to the exercise of discretion freely, and not being or used to be an important shareholder, or a person with controlling power of a person having business relations with the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.
5. Not being or used to be an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power, or a partner of an accounting firm having employed an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, except the period thereof has lapsed for not less than two years from the date of appointment as an independent director.
6. Not being or used to be a professional service provider, including the providing of legal consultancy service or financial consultancy service, who receives a service fee exceeding Baht two million per year from the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power or a partner of the said professional service provider, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.
7. Not being a director who is appointed to act as an agent of a director of the Company, a major shareholder, or a shareholder who is related to the major shareholder.
8. Not operating a business of the same nature as, and which is a competition to, the business of the Company or of a subsidiary company, or not being an important shareholder in a partnership, or a director who has a part in the management, an employee, a staff, an adviser receiving regular salaries or holding shares more than one percent of the total number of shares with voting rights of other company operating the same kind of business which is a competition to the business of the Company or a subsidiary company.
9. Not having any other descriptions which obstruct free expression of opinions concerning the operations of the Company.

Election and Appointment of Directors

Normally, the meeting of Shareholders elect directors as the Articles of Association prescribe that in each Annual General Meeting of Shareholders one-thirds or the nearest to one-thirds of directors shall retire from office. The Company shall arrange an agenda for election of directors in every AGM and propose the names that have been endorsed by the Nomination and Remuneration Committee and the Board of Directors for consideration.

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 exercise the casting vote.

However, in the case a position of directorship is vacant because of other reasons than retiring by rotation and the remaining term is longer than two months, the public company law and the Articles of Association vest the power to the Board of Directors to appoint a director in replacement. The Nomination and Remuneration Committee shall exercise the selection process as mentioned above and nominated the selected person to the Board of Directors to appoint. The new director shall hold office only for the remaining period of the director whom he/she has replaced.

When either the meeting of shareholders or the Board of Directors appoints directors as the case may be, the Company shall inform the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) of the new directors respectively.

Governance for subsidiaries and associates performance

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. The directors who represent the Company shall participate in decision of policy such as other project investments.

Supervision of Use of Inside Information

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

The Company stipulates code of conduct and ethic relating to the use of inside information and trading of securities, publication and interview in public

1. The Company informs executives about their obligation to disclose share holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to article 59 and article 275 of the Securities and Exchange Act B.E. 2535.
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 of share holdings, the Company's directors and executives shall report to the Office of Company Secretary and Legal in order to report to SEC or SET within the prescribed period. The Office of Company Secretary and Legal shall report any changes of share holdings of directors to the Board of Directors quarterly and to the Board of Executive Directors monthly.
4. Important inside information and confidential documents which kept as hard copies or soft files are protected and limited accessible to top executives only when necessary. If any inside information needs to be disclosed to 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.

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; however, the trading of Company's securities within one month before the financial statements disclosure shall be prohibited in order to avoid conflict of interest.

Auditor fee

In 2017, the Auditor fee of the Company and subsidiaries is in the amount of THB 8,650,000.- and Other fees (non-audit fee) is in the amount of THB 1,920,000.- which are BOI examination fee is THB 320,000.- and advisor fee/ other services is THB 1,600,000.-



Report of Meeting Attendance of Directors

No.	Name		position	Board of Directors		Executive Baord		Audit Committee		Nomination & Remuneration Committee		Risk Management Committe		Corporate Governance Committee		AGM	
				Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total
1	Mr. Manu	Leopairote	Chairman	8	8											1	1
2	Mr. Chamroon	Chinthammit	Executive Director	8	8	12	12									1	1
3	Mr. Prapas *	Chutimavoraphand	Executive Director	4	4 *	5	5 *									1	1
	Mr. Chanachai *	Chutimavoraphand	Executive Director	4	4 *	7	7 *										
4	Mr. Pornsin	Thaemsirichai	Executive Director	7	8	12	12									1	1
5	Mr. Somchai	Chinthammit	Executive Director	8	8	11	12									1	1
6	Mr. Trakarn	Chunharojrit	Executive Director	8	8	12	12									1	1
7	Ms. Duangkae	Chinthammit	Executive Director	8	8	12	12									1	1
8	Ms. Duangdao	Chinthammit	Executive Director / Nomination & Remuneration Committee	8	8	11	12			4	4					1	1
9	Mr. Tachpong	pakornsiriwongse	Executive Director	8	8	12	12									1	1
10	Mr. Chatri	Chinthammit	Director	8	8											1	1
11	Mr. Chalush	Chinthammit	Executive Director /Risk Management Committee	7	8	10	12					3	4			1	1
12	Mr. Sukhum	Tokaranyaset	Executive Director	8	8	12	12									1	1
13	Mr. Thawatchai	Rojanachotikul	Executive Director	7	8	11	12									1	1
14	Mr. Somchat	Chinthammit	Director /Nomination & Remuneration	7	8					4	4					1	1
15	Mr. Pramoon **	Vichiensin	Independent Director / Chairman of Nomination & Remuneration Committee	4	4 **					3	4					-	1
	Ms. Anchalee **	Pipatanasern	Independent Director	1	1 **												
16	Pol. Gen. Boonpen	Bumpenboon	Independent Director / Chairman of Risk Management Committee / CG Committee	8	8							4	4	3	3	-	1
17	Mr. Sitti	Leelakasamelurk	Independent Director / Chairman of Audit Committee /Risk Management Committee	7	8			5	5			4	4			1	1
18	Mr. Karun	Kittisataporn	Independent Director / Audit Committee / Nomination & Remuneration Committee / CG Committee	5	8			5	5	4	4			1	3	1	1
19	Mr. Warapatr	Todhanakasem	Independent Director / Audit Committee / Risk Management Committee / Chairman of CG Committee	7	8			5	5			4	4	3	3	1	1
20	Ms. Nongluck	Phinainitisart	Independent Director/ Audit Committee/CG Committee	7	8			5	5					2	3	1	1
21	Ms. Intira	Sukhanindr	Executive Director	8	8	12	12									1	1
	Remark: * Mr. Prapas Chutimavoraphand: Resigned 1 April 2017, Mr. Chanachai Chutimavoraphand: Appointed 1 April 2017 ** Mr. Pramoon Vichiensin: Resigned 1 June 2017, Ms. Anchalee Pipatnanasern: Appointed 29 September 2017																

Details of Directors, Executives, Controlling Persons and Company Secretary

(As of October 31, 2017)

Name Mr. Manu Leoparote

Position Independent director
Chairman of the Board of Directors

Date of Appointment as a Director 18 March 2004

Age 74 Years old

Education Background

- Honorary Degree of Doctor of Business Administration, Thammasat University, Thailand
- M.Sc. (Economics) University of Kentucky, USA
- B.Sc. in Economics (Honours), Thammasat University
- Diploma Industrial Development, Nagoya, Japan
- Diploma, National Defence College Class 34

Director Training Program

- Diploma of Chairman 2000 (3/2001),
Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) (30/2003),
Thai Institute of Directors (IOD)

Work experience/ Listed Company

2011 - Present Chairman TMC Industrial PLC.

2010 - Present Chairman ARIP PLC.

2010 - Present Chairman Jubilee Enterprise PLC.

2004 - Present Chairman Polyplex (Thailand) PLC.

2004 - Present Audit committee Thai Beverage PLC.
(Stock Exchange of Singapore)

Work experience/ Company Limited

2004 - Present Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2002 - 2006 Chairman, Small and Medium Enterprise Development
Bank of Thailand

1999 - 2004 Permanent Secretary, Ministry of Industry

Number of company shares (as of 31 October 2017)

- (None)

Relation among family within company : (None)

Name Mr. Chamroon Chinthammit

Position CEO and President
(Authorized signatory)

Date of Appointment as a Director 26 February 2004

Age 67 years old

Education Background

- Honorary Degree of Doctor of Arts (Geosocial-Based Management),
Srinakharinwirot University
- BBA in Faculty of Commerce and Accountancy (Honours), Chulalongkorn University

Director Training Program

- Director Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)
- Diploma of Chairman 2000 (10/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

1996 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

October 2017 - Present Director BBGI Co., Ltd.

2006 - Present President KSL Agro and Trading Co., Ltd.

2006 - Present President Koh Kong Sugar Industry Co., Ltd.

2006 - Present President Savannakhet Sugar Corporation

2004 - Present Director KSL Green Innovation PCL.

2003 - June 2016 President KSL Material Supply Co., Ltd.

2003 - Present President Khon Kaen Sugar Power Plant Co., Ltd.

2002 - Present President KSL Export Trading Co., Ltd.

2001 - Present President TFI Green Biotech Co., Ltd.

2000 - Present President Thai Fermentation Industry Co., Ltd.

1997 - Present President Chengteh Chinaware (Thailand) Co., Ltd.

1997 - Present Director Thai Sugar Millers Corp. Ltd.

1996 - Present President KSL Real Estate Co., Ltd.

1996 - Present Director Onnuch Construction Co., Ltd.

1989 - Present President Champion Fermentation Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 96,796,331 shares (2.195%)
- Spouse: M.L. Charuvadhana Chinthammit: 52,775,901 shares (1.197%)

Family Relationship among Directors and Executives

- Brother-in-Law of person number 2 and 4
- Brother of person number 7
- Brother of person number 8, 11, and 12
- Uncle of person number 9, 10, and 15



Name	Mr. Prapas Chutimavoraphand
Position	Director and Executive Director
Date of Appointment as a Director	26 February 2004 (Resigned 1 April 2017)
Age	79 years old

Education Background

- Vocational Certificate, School in Chonburi province

Director Training Program

- Director Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2003 - Present CEO & Managing Director
Thai Sugar Terminal PLC.

2000 - Present CEO TS Flour Mill PLC.

Work experience/ Company Limited

2004 - April 2017 Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2003 - 2016 Director Khon Kaen Sugar Power Plant Co., Ltd.

1996 - Present Managing Director Onnuch Construction Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 19,885,088 shares (0.451 %)
- Spouse: Mrs. Sumitra Chutimavoraphand: 23,074,000 shares (0.523 %)

Family Relationship among Directors and Executives

- Brother-in-Law of person number 2

Name	Mr. Pornsin Thaemsirichai
Position	Director and Executive Director (Authorized signatory) Senior Vice President - Office of Innovation
Date of Appointment as a Director	26 February 2004
Age	73 years old

Education Background

- Honorary Degree of Doctor of Philosophy (Business Management), Ramkhamhaeng University
- MBA., The University of Southern Queensland, Australia
- MS in Engineering North Dakota State University, USA.
- B.Eng. in Civil, Chulalongkorn University

Director Training Program

- Director Accreditation Program (DAP) (18/2004)
by Thai Institute of Directors (IOD)
- Director Certification Program (DCP) (50/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2013 - Present Director Sahamit Machinery PLC.

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2010 - Present Chairman Koh Kong Plantation Co., Ltd.

2007 - Present Director Savannakhet Sugar Corporation

2006 - Present Director Koh Kong Sugar Industry Co., Ltd.

2004 - Present Director KSL Green Innovation PCL.

2003 - Present Managing Director Khon Kaen Sugar Power Plant Co., Ltd.

2003 - June 2016 Director KSL Material Supplies Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 29,390,196 Shares (0.666%)
- Spouse: Mrs. Montanut Thaemsirichai: 30,688,231 Shares (0.696 %)

Relation among family within company

- Brother-in-Law of person number 2

Name	Mr.Sukhum Tokaranyaset
Position	Director and Executive Director (Authorized signatory) Senior Vice President - Accounting & Finance Date of Appointment as a Director 26 February 2004
Age	70 years old

Education Background

- Vocational Certificate Kitti Commerce College

Director Training Program

- Director Accreditation Program (DAP) (18/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

2004 - Present	Director Affiliate KSL Sugar Factories - Tamaka Sugar Industry Co., Ltd. - New Krung Thai Sugar Factory Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2008 - March 2015	Director Chantaburi Starch and Power Co., Ltd.
2006 - Present	Director Koh Kong Sugar Industry Co., Ltd.
2010 - Present	Director KSL Agro and Trading Co., Ltd.
2004 - Present	Director Chantaburi Starch Co., Ltd.
2002 - Present	Vice Chairman KSL Export Trading Co., Ltd.
1989 - Present	Director KSL Real Estate Co., Ltd.
1989 - Present	Director Champion Fermentation Co., Ltd.
2000 - Present	Director TFI Green Biotech Co., Ltd.
2000 - Present	Vice Chairman Rajaporcelain Co., Ltd.
2002 - Present	Director Thai Fermentation Industry Co., Ltd.
1998 - Present	Director Chengteh Chinaware (Thailand) Co., Ltd.
2006 - Present	Director Raja Product Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own 1,000,000 Shares (0.023 %)

Relation among family within company : (None)

Name	Mr.Thawatchai Rojanachotikul
Position	Director and Executive Director (Authorized signatory) Senior Vice President - Administration Date of Appointment as a Director 26 February 2004
Age	64 years old

Education Background

- BBA in Business Administration, Auckland Technical institute, New Zealand

Director Training Program

- Director Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

2004 - Present	Director Affiliate KSL Sugar Factories - Tamaka Sugar Industry Co., Ltd. - New Krung Thai Sugar Factory Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2006 - Present	Director Savannakhet Sugar Corporation
2006 - Present	Director KSL Agro and Trading Co., Ltd.
2002 - Present	Director TFI Green Biotech Co., Ltd.
2000 - Present	Director Thai Fermentation Industry Co., Ltd.
1998 - Present	Director KSL Export Trading Co., Ltd.
1989 - Present	Director Champion Fermentation Co., Ltd.
1989 - Present	Director KSL Real Estate Co., Ltd.
1998 - Present	Director Chengteh Chinaware (Thailand) Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 55,937,112 Shares (1.268%)
- Spouse: Mrs. Korakot Rojanachotikul: 3,166,748 Shares (0.072%)

Relation among family within company : (None)



Name	Mrs. Intira Sukhanindr
Position	Director and Executive Director (Authorized signatory) Vice President - Business Development
Date of Appointment as a Director	25 June 2010
Age	70 years old

Education Background

- Certificate of Secretary, Melbourne, Australia

Director Training Program

- Director Accreditation Program (DAP) (50/2006)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2005 - Present Director Sub Sri Thai Warehouse PLC.

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2013 - Present Director Khon Kaen Sugar Power Plant Co., Ltd.

2010 - Present Director KSL Agro and Trading Co., Ltd.

2007 - Present General Manager KSL Export Trading Co., Ltd.

2004 - Present Director Thai Fermentation Industry Co., Ltd.

2003 - Present Director Champion Fermentation Co., Ltd.

Number of company shares (as of 31 October 2017)

- 25,471,699 shares (0.5778 %)

Relation among family within company

- Sister of person number 2

Name	Ms. Duangdao Chinthammit
Position	Director and Executive Director (Authorized signatory) Nomination and Remuneration Committee Vice President - Human Resources
Date of Appointment as a Director	26 February 2004
Age	59 years old

Education Background

- MS in Agricultural Economics, University of Saskatchewan, Canada
- Bachelor of Science, Computer Information System, Western Michigan University, USA.
- Bachelor of Business Administration, Faculty of Economics and Business Administration.
Kasetsart University
- SD Forum 2/2017: Sustainability Strategy Key Blueprint for Business Growth, SET

Director Training Program

- Director Certification Program (DCP) (71/2006)
by Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2005 - Present Director Sub Sri Thai Warehouse PLC.

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2006 - June 2016 Director KSL Material Supplies Co., Ltd.

2006 - Present Director KSL Agro and trading Co., Ltd.

1999 - Present Director KSL Real Estate Co., Ltd.

1996 - Present Director Onnuch Construction Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 99,599,954 Shares (2.258%)

Relation among family within company

- Sister of person number 2

Name Mr. Chalush Chinthammit

Position Director and Executive Director (Authorized signatory)

Risk Management Committee

Vice President - Office of President

Date of Appointment as a Director 26 February 2004

Age 49 years old

Education Background

- MBA in Finance and Banking, Mercer University, USA.
- BBA in Finance and Banking, Assumption University
- Capital Market Academy Program 10
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 6, Thailand Energy Academy
- Top Executive in Industrial Development and Investment, Class 3, Institute of Business and Industrial Development (IBID)

Director Training Program

- Director Accreditation Program (DAP) (21/2004) by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2014 - Present Director Mudman PCL.

2014 - Present Director Master Ad PCL.

July 2007 - Present Director TS Flour Mill PLC.

2007 - Present Director Thai Sugar Terminal PLC. And subsidiaries

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories

- Tamaka Sugar Industry Co., Ltd.

- New Krung Thai Sugar Factory Co., Ltd.

- New Kwang Soon Lee Sugar Factory Co., Ltd.

October 2017 - Present Director BBGI Co., Ltd.

2016 - Present Director WSP Logistics Co., Ltd.

2015 - Present Director Dhanarak Asset Development Co., Ltd.

2007 - Present Deputy Secretary-General Thai Sugar and Bio-Energy Producers Association

2006 - Present Director Savannakhet Sugar Corporation

2006 - Present Director KSL. Agro and Trading Co., Ltd

2004 - Present Director KSL Green Innovation PCL.

2003 - Present Director KhonKaen Sugar Power Plant Co., Ltd.

2003 - June 2016 Director KSL Material Supplies Co., Ltd.

2003 - Present Director Cane and Sugar Act B.E.2527 Committee

2002 - Present Director KSL Export Trading Co., Ltd.

2001 - Present Director Thai Sugar Miller Co., Ltd.

1997 - Present Director Colossal International Co., Ltd.

1997 - Present Director MMP Packaging Group Co., Ltd.

1997 - Present Director Onnuch Construction Co., Ltd.

1996 - Present Director KSL Real Estate Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 43,279,926 Shares (0.981 %)
- Children
 - Mr. Chayapat Chinthammit 11,088,000 Shares (0.251%)
 - Mr. Chatchapee Chinthammit 11,088,000 Shares (0.251%)
 - Ms. Chollapim Chinthammit 374,000 Shares (0.008 %)

Relation among family within company

- Nephew of person number 2

Name Mr. Chanachai Chutimavoraphand

Position Director and Executive Director (Authorized signatory)

Vice President - Accounting & Finance

Date of Appointment as a Director 1 April 2017

Age 45 years old

Education Background

- Master Degree of Business Administration, Tennessee University, U.S.A.
- Master Degree of Arts, Business Law, Chulalongkorn University
- Bachelor of Law, Chulalongkorn University
- Bachelor Degree, Electrical Engineering, Chulalongkorn University

Director Training Program

- Certificate of Director Accreditation Program (DAP 37/2005) by Thai Institute of Directors (IOD)

Training Program

- Orientation Course - CFO Focus on Financial Federation of Accounting Professions
- CFA Charter holder, Association for Investment Management and Research (AIMR)

Work experience/ Listed Company

2000 - Present Executive Director Thai Sugar Terminal PCL.

2000 - Present Director TS Flour Mill PCL.

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories

- Tamaka Sugar Industry Co., Ltd.

- New Krung Thai Sugar Factory Co., Ltd.

- New Kwang Soon Lee Sugar Factory Co., Ltd.

October 2017 - Present Director BBGI Co., Ltd.

2016 - Present Director WSP Logistics Co., Ltd

March 2014 - Present Director KSL Real Estate Co., Ltd.

2006 - Present Director Koh Kong Sugar Industry Co., Ltd.

2006 - Present Director Savannakhet Sugar Corporation

2003 - June 2016 Director KSL Material Supplies Co., Ltd.

2004 - Present Director KSL Green Innovation PLC.

2000 - Present Director TS Warehouse Co., Ltd.

2000 - Present Director TS G Asset Co., Ltd.

2000 - Present Director TS Oil Industry Co., Ltd.

2000 - Present Director TS Transport and Logistics Co., Ltd

1996 - Present Director Onnuch Construction Co.Ltd.

Number of company shares (as of 31 October 2017)

- Own: 115,355,499 shares (2.616 %)

Relation among family within company :

- Nephew of person number 2



Name Mr. Somchai Chinthammit

Position Director and Executive Director
Assistant Vice President - Office of President

Date of Appointment as a Director 26 February 2004

Age 65 years old

Education Background

- Certificate Mini MBA., Thammasat University
- Diploma, Computer College, Germany

Director Training Program

- Director Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2008 - Present Director Thai Sugar Terminal PLC and subsidiaries

2012 - Present Director TS Flour Mill PLC.

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2004 - Present Director Champion Fermentation Co., Ltd.

2003 - Present Director Khon Kaen Sugar Power Plant Co., Ltd.

1981 - Present Director Thai Fermentation Industry Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 96,225,726 Shares (2.182 %)
- Child: Ms. Natamont Chinthammit 17,583,759 Shares (0.399 %)

Relation among family within company

- Brother of person number 2

Name Ms. Duangkae Chinthammit

Position Director and Executive Director
Assistant Vice President - Office of President

Date of Appointment as a Director 26 February 2004

Age 62 years old

Education Background

- Diploma from Katinka School, United Kingdom
- Certificate Modern Managers Program (MMP), Chulalongkorn University

Director Training Program

- Director Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2005 - Present Director Sub Sri Thai Warehouse PLC.

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

Number of company shares (At 31 October 2017)

- Own: 99,683,643 Shares (2.260%)

Relation among family within company

- Sister of person number 2

Name Mr.Tachpong Pakornsiriwongse

Position Director and Executive Director
Assistant Vice President — Office of President

Date of Appointment as a Director 26 February 2004

Age 67 years old

Education Background

- Certificate in Financial Management, Chulalongkorn University

Director Training Program

- Director Accreditation Program (DAP) (21/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2009 - Present Director KSL Sugar Holding Co., Ltd.

2007 - May 2010 General Manager Koh Kong Sugar Industry Co., Ltd.

2004 - Present Director Koh Kong Plantation Co., Ltd

Number of company shares (as of 31 October 2017)

- Own: 158,162 Shares (0.004 %)

Relation among family within company : (None)

Name Mr. Somchat Chinthammit

Position Director (Non -Executive Director)
Nomination and Remuneration Committee

Date of Appointment as a Director 26 February 2004

Age 60 years old

Education Background

- MIM in Marketing, Thammasat University
- MBA./Marketing, Chulalongkorn University
- B.Eng in Mechanical, King Mongkut's University of Technology Thonburi

Director Training Program

- Director of Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)
- Directors Certification Program (DCP) (55/2005)
by Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) (8/2005)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company

2005 - Present Independent Director UOB Kay Hian Securities (Thailand) PLC.

Work experience/ Company Limited : (None)

Number of company shares (as of 31 October 2017)

- Own: 22,907,921 Shares (0.519%)

Relation among family within company : (None)



Name Mr. Chatri Chinthammit

Position Director (Non - Executive Director)

Date of Appointment as a Director 26 February 2004

Age 44 years old

Education Background

- Master of Science, Computer Science, Bellevue University, USA.
- BBA in Economics, University of The Thai Chamber of Commerce

Director Training Program

- Director Accreditation Program (DAP) (21/2004)
by Thai Institute of Directors (IOD)
- TLCA Executive Development Program (EDP) (1/2008)
by TLCA
- Successful FORMULATION & Execution Program (SFE) (9/2010)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co.,Ltd.
- New Krung Thai Sugar Factory Co.,Ltd.
- New Kwang Soon Lee Sugar Factory Co.,Ltd.

2000 - Present Deputy Managing Director (DMD) - Software Department
KSL IT Center Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 57,467,546 Shares (1.303 %)

Relation among family within company

- Nephew of person number 2

Name Mr. Trakarn Chunharojrit

Position Director and Executive Director

Date of Appointment as a Director 26 February 2004

Age 77 years old

Education Background

- Certificate in Accounting

Director Training Program

- Director Accreditation Program (DAP) (17/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

2004 - Present Director Affiliate KSL Sugar Factories
- Tamaka Sugar Industry Co., Ltd.
- New Krung Thai Sugar Factory Co.,Ltd.
- New Kwang Soon Lee Sugar Factory Co.,Ltd.

2006 - Present Director KSL Agro and Trading Co., Ltd.

2003 - Present Director Khon Kaen Sugar Power Plant Co.,Ltd.

2003 - June 2016 Director KSL Material Supplies Co.,Ltd.

2006 - Present Director Chengteh Chinaware (Thailand) Co.,Ltd.

2003 - June 2016 Director KSL Green Innovation Co.,Ltd.

1989 - Present Director KSL Real Estate Co.,Ltd.

Present Director KSL Sugar Holding Co.,Ltd.

Number of company shares (At 31 October 2017)

- Own: 13,621,766 Shares (0.309%)
- Spouse: Mrs. Rattana Chunharojrit 4,944,720 Shares (0.112 %)

Relation among family within company : (None)

Name Pol.Gen.Boonpen Bumpenboon

Position Independent Director
Chairman of Risk Management Committee/ Corporate Governance Committee

Date of Appointment as a Director 18 March 2004

Age 73 years old

Education Background

- MPA./ Public Administration, NIDA
- Diploma, National Defence College (37)
- LL.B., Sukhothai Thammathirat University
- BBA in Public Administration, Royal Police Cadet Academy

Director Training Program

- Director Accreditation Program (DAP) (11/2004)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

2006 - Present Council of State Office of the Council of State

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)

Name Mr. Pramoon Vichiensin

Position Independent Director
Chairman of Nomination and Remuneration Committee (Resigned 1 May 2017)

Date of Appointment as a Director 26 February 2004 (Resigned 1 June 2017)

Age 87 Years

Education Background

- Certificate in Executive Development from NIDA
- Bachelor of Laws, Thammasat University

Director Training Program

- Director of Accreditation Program (DAP) (11/2004)
by Thai Institute of Directors (IOD)
- Certificate in Audit Committee Program (ACP) (10/2005)
by Thai Institute of Directors (IOD)
- Improving The Quality of Financial Reporting (GFR) (4/2006)
by Thai Institute of Directors (IOD)

Work experience/ Listed Company : (None)

Work experience/ Company Limited

1998 - Present Qualify person in Law Bangkok Metropolitan Administration

2002 - 2003 Advisor on President The Constitutional Court

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)



Name Mr. Sitti Leelakasamelurk

Position Independent Director
Chairman of Audit Committee/ Risk Management Committee

Date of Appointment as a Director 18 March 2004

Age 64 years old

Education Background

- BA in Accounting, Chulalongkorn University

Director Training Program

- Director Accreditation Program (DAP) (11/2004)
by Thai Institute of Directors (IOD)
- Audit Committee Forum 2014,
Thai Institute of Directors (IOD)

Work experience/ Listed Company

2014 - Present Deputy Chief Executive Officer Noble Development PLC.

2009 - Present Member of the Nomination Committee and Member of the
Remuneration Committee Noble Development PLC.

1994 - Present Vice Chairman Noble Development PLC.

1991 - Nov 2014 Executive Vice President Support Line1
Noble Development PLC.

Work experience/ Company Limited

2013 - Present Director S&P Property Management Co.,Ltd.

2012 - Present Director NK Energy Co., Ltd.

2005 - Present Director BAN SUK SABAI Co., Ltd.

1995 - Present Director Continental City Co., Ltd.

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)

Name Mr. Karun Kittisataporn

Position Independent Director/ Audit Committee/ Nomination and Remuneration
Committee/ Corporate Governance Committee/ Chairman of Nomination
and Remuneration Committee (1 May 2017 replace of Mr. Pramoon Vichiensin)

Date of Appointment as a Director 3 March 2010

Age 70 years old

Education Background

- M.A. (International Trade), Syracuse University, USA (under USAID Scholarship)
- Bachelor of Commerce & Administration Victoria University of Wellington, N.Z. (under Colombo Plan Scholarship)

Director Training Program

- Director Certificate Programme, Institute of Directors (DEP) 2006
- Role of the Compensation Committee Program (RCC) 2008 by Thai Institute of Directors (IOD)
- Financial Statements for Directors Program (FSD) 2009
- Audit Committee Program (ACP) 2009

Another Training Program

- Commercial Policy Course, GATT, Geneva
- NDC.Class 8 (National Defence College of Thailand 388)
- Financial Institutions Governance Program (FGP) 2011
- Monitoring the Internal Audit Function (MIA) 2013
- Anti-Corruption for Executive Program (ACEP) 2014

Work experience/ Listed Company

April 2015 - Present Chairman of Nomination and Remuneration Committee
Central Pattana PLC.

2011 - Present Audit Committee Central Pattana PLC.

2009 - March 2015 Nomination and Remuneration Committee
Central Pattana PLC.

2008 - Present Independent Director / Chairman of Nomination and
Remuneration Committee Bank of Ayutthaya PLC.

2008 - Present Audit Committee Sahamit Machinery PLC.

Work experience/ Company Limited

2008 — October 2017 Executive Chairman The Support Art and
Crafts International Centre of Thailand

2007 - 2 September 2014 Commissioner The Insurance Commission

2006 - Present Member Council of State

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)

Name	Mr. Warapatr Todhanakasem
Position	Independent Director Chairman of Corporate Governance Committee/ Risk Management Committee / Audit Committee
Date of Appointment as a Director	3 March 2010
Age	68 years old

Education Background

- Ph.D. in Business Economics University of Illinois, Urbana-Champaign, USA
- M.S. in Economics University of Illinois, Urbana-Champaign, USA.
- M.B.A. in Finance Kellogg School of Management, Northwestern University, Evanston, Illinois, USA.
- B.Econ.(1st Class Honor) Thammasat University
- LL.B. Thammasat University

Director Training Program

- Directors Certification Program DCP 0/2000 by Thai Institute of Directors (IOD)
- The Executive Director Course EDC 1/2012 by Thai Institute of Directors (IOD)
- Certificate of International Corporate Governance, Yale University, U.S.A.
- Director Certificate Program, Australian Institute of Corporate Directors (Class Train the Trainers), Bangkok
- Capital Market Academy Program, Class 5
- The Executive Director Course of Process of Judgment, Class 15
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 9

Work experience/ Listed Company

June 2013 - Present	Director True Corporation PLC.
August 2012 - Present	Director Amata VN PLC.
2009 - Present	Chairman and Independent Director Prinsiri PLC.

Work experience/ Company Limited

Jun 2012 - Present	President Institute of Research and Development for Public Enterprises of Thailand (IRDPP)
Present	Arbitrator The Securities and Exchange Commission, Thailand
June 2012 — Present	Chairman Leadership Succession Program (LSP), by IRDP
Present	Chairman Ethics Committee, the Revenue Department

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)

Name	Ms. Nongluck Phinainitisart
Position	Independent Director Audit Committee/ Corporate Governance Committee
Date of Appointment as a Director	3 March 2010
Age	58 years old

Education Background

- Doctorate Degree in Electrical Engineering, Chulalongkorn University
- Master Degree in Electrical Engineering, University of Missouri, U.S.A.
- Bachelor Degree in Electrical Engineering, Chulalongkorn University

Director Training Program

- Director Accreditation Program (DAP) Class 4/2003
by Thai Institute of Directors (IOD)
- Director Certification Program (DCP) Class 71/2006
by Thai Institute of Directors (IOD)
- Executive Program, Harvard University, USA
- Stanford Executive Program 2013

Work experience/ Listed Company

2007 - March 2014	Chief Commercial Officer/ Executive Director Thaicom PLC.
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Work experience/ Company Limited

December 2012 - July 2014	Independent Director/ CHM of the risk management committee Government Savings Bank
January 2012 - July 2014	Chairman/ Independent Director Thailand Post Co., Ltd.

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)



Name Mrs. Anchalee Pipatanasern

Position Independent Director

Date of Appointment as a Director 29 September 2017

Age 65 years old

Education Background

- Continuing Education Program in AIS, University of Texas at Austin, USA.
- MS. (Accounting), Thammasat University
- BBA. (Accounting) (second class Honours), Thammasat Business School, Thammasat University

Director Training Program

- Director Certification Program (DCP) Class 124/2009 by Thai Institute of Directors (IOD)
- Audit Committee and Continuing Development Program (ACP) Class 30/2010 by IOD
- Advanced Audit Committee Program (Advanced ACP) Class 2/2010 by IOD
- Role of Chairman Class 25/2011 by IOD

Another Training Program

- Thammasat Leadership Program (for social) Class 2, Thammasat University

Work experience/ Listed Company

2010 - Present Audit Committee/ Independent Director AIRA Capital PCL.

2009 - Present Chairman of Audit Committee/ Independent Director Prinsiri PCL.

Work experience/ Other Organization

2004 - 2007 Vice Rector for Finance, Thammasat University

2008 - 2010 Head, Department of Accounting, Thammasat Business School, Thammasat University

2009 - Present Audit Committee/ Independent Director AIRA Securities PCL.

2012 - Present Permanent Lecturer on contract, Thammasat Business School, Thammasat University

2012 - Present Subcommittee, University Council on Finance and Property, Thammasat University

2012 - Present Committee of Real Estate Business Program, Thammasat Business School, TU.

Number of company shares (As of 31 October 2017) : (None)

Relation among family within company : (None)

Name Mr. Theera Sanguandeekul

Position Vice President - Sugar Production

Date of Appointment February 2004

Age 66 years old

Education Background

- Bachelor BSc. Chemical Technology, Faculty of Science, Chulalongkorn University
- Master MSc. Chemical Engineering ,University of Wisconsin, Madison, USA
- Executive MBA , Kasetsart University

Work experience/ Company Limited

2003 - Present Director KSL Green Innovation PLC.

2003 - June 2016 Director KSL Material Supplies Co., Ltd.

2007 - Present Director Koh Kong Sugar Industry Co., Ltd. (Cambodia)

2006 - Present Director Savannakhet Sugar Corporation (Lao PDR)

2003 — Present Director Royal Place Realty Co., Ltd.

1992 — Present Director Chareonlarp Development Co., Ltd.

2010 — Present Director Royal Residence Development Co., Ltd.

Number of company shares (as of 31 October 2017)

- Own: 1,650,000 shares (0.0374%)

Relation among family within company : (None)

Name Mr. Dhajjai Subhapholsiri

Position Vice President, Office of Company Secretary and Legal/ Company Secretary

Date of Appointment 28 March 2014

Age 61 years old

Education Background

- Master of Laws, Harvard University, USA
- Institute of Legal Education, Thai Bar Association
- Bachelor of Laws, Chulalongkorn University

Director Training Program

- Director Accreditation Program (DAP 133/2017) (IOD)

Director Training Program

- Ethical Leadership Program (ELP 6/2016)
- Fundamental Practice for Corporate Secretary (FPCS) 29/2014
- Corporate Governance for Executives (CGE) 2014
- Company Secretary Program (CSP 59/2014)

Work experience/ Listed Company

2016 - Present Chairman of the Board of Directors Wattanapat Hospital Trang PLC.

2001 - 2014 SVP, Legal Department Bangkok Bank PLC.

Work experience/ Company Limited : (None)

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)

Name Mr. Dhanapat NaChiangmai

Position Vice President - Administration

Date of Appointment 9 May 2016

Age 68 years old

Education Background

- B. Sc. In Economics, Wharton School, University of Pennsylvania, USA

Work experience/ Company Limited

2002 - 2015 Assistant Vice President - Logistics and Administration,
Thaicom Public Company Limited

Work experience/ Company Limited

1991 - 1998 Executive Director, Glaxo Wellcome Thailand Co., Ltd.

1984 - 1998 Director of Operations, Glaxo Wellcome Thailand Co., Ltd.

Number of company shares (as of 31 October 2017) : (None)

Relation among family within company : (None)



Principles for Information Disclosure and Transparency

Direct and indirect shareholding of directors at 31 October 2017 compare with 31 October 2016

No.	Name	Position	10/31/2016	10/31/2017	Share amount Increase/ (decrease)	% of voting shares	Remark
			Par 0.50 baht	Par 0.50 baht	in 2017		
1	Mr. Manu Leopairote *	Chairman/ Independent director				-	No KSL share
2	Mr. Chamroon Chinthammit ¹ (Including spouse and children)	CEO and President	146,909,132	149,572,232	2,663,100	3.39	Buy 2,663,100 shares
3	Mr. Prapas Chutimavoraphand ² (Including spouse and children)	Director	46,536,188	38,706,688	7,829,500	0.88	Sell 7,829,500 shares
4	Mr. Pornsin Thaemsirichai ³ (Including spouse and children)	Director and Senior Vice President	60,078,427	60,078,427	-	1.36 -	-
5	Mr. Sukhum Tokaranyaset	Director and Senior Vice President	484,600	1,000,000	515,400	0.02	Buy 515,400 shares
6	Mrs. Intira Sukhanindr	Director and Senior Vice President	25,471,699	25,471,699	-	0.58	-
7	Mr. Chalush Chinthammit ⁴ (Including spouse and children)	Director and Vice President	65,829,926	65,829,926	-	1.49 -	-
8	Ms. Duangdao Chinthammit	Director and Vice President	99,599,954	99,599,954	-	2.26	-
9	Mr. Thawatchai Rojanachotikul ⁵ (Including spouse and children)	Director and Senior Vice President	60,252,382	59,103,860	1,148,522	1.34	Sell 1,148,522 shares
10	Mr. Somchai Chinthammit ⁶ (Including spouse and children)	Director and Assistance Vice President	113,809,485	113,809,485	-	2.58	-
11	Ms. Duangkae Chinthammit	Director and Assistance Vice President	99,683,643	99,683,643	-	2.26	-
12	Mr. Tachpong Pakornsiriwong	Director	158,162	158,162	-	0.00	-
13	Mr. Chatri Chinthammit	Director	57,467,546	57,467,546	-	1.30	-
14	Mr. Somchat Chinthammit	Director	22,907,921	22,907,921	-	0.52	-
15	Mr. Sitti Leelakasamelurk *	Independent director	-	-	-	-	No KSL share
16	Pol.Gen Boonpen Bumpenboon *	Independent director	-	-	-	-	No KSL share
17	Mr. Pramoon Vichiensin *	Independent director	-	-	-	-	No KSL share
18	Ms. Nongluck Phinainitisart *	Independent director	-	-	-	-	No KSL share
19	Mr. Warapatr Todhanakaserm *	Independent director	-	-	-	-	No KSL share
20	Mr. Karun Kittisataporn *	Independent director	-	-	-	-	No KSL share
21	Mr. Trakarn Chunharojrit (Including spouse and children)	Director and Assistance Vice President	18,612,158	18,566,486	45,672	0.42	Sell 45,672 shares
22	Mr. Chanachai Chutimavoraphand	Vice President	115,355,499	115,355,499	0.00	2.62	-
23	Mr. Dhajjai Subhapholsiri	Vice President/ Company Secretary	-	-	-	-	No KSL share

Remark	* Independent director					
1	Mr. Chamroon	Chinthammit		Shares	96,796,331	
	M.L. Charuvadhana	Chinthammit	(Spouse)	Shares	52,775,901	149,572,232
2	Mr. Prapas	Chutimavoraphand		Shares	17,132,688	
	Mrs. Sumitra	Chutimavoraphand	(Spouse)	Shares	21,574,000	38,706,688
3	Mr. Pornsin	Thaemsirichai		Shares	29,390,196	
	Mrs. Montanut	Thaemsirichai	(Spouse)	Shares	30,688,231	60,078,427
4	Mr. Chalush	Chinthammit		Shares	43,279,926	
	Chayapat	Chinthammit	(child)	Shares	11,088,000	
	Chatchape	Chinthammit	(child)	Shares	11,088,000	
	Cholapim	Chinthammit	(child)	Shares	374,000	65,829,926
5	Mr. Thawatchai	Rojanachotikul		Shares	55,937,112	
	Mrs. Korakoj	Rojanachotikul	(Spouse)	Shares	3,166,748	59,103,860
6	Mr. Somchai	Chinthammit		Shares	96,225,726	
	Nuttamon	Chinthammit	(child)	Shares	17,583,759	113,809,485
7	Mr. Trakarn	Chunharojrit		Shares	13,621,766	
	Mrs. Rattana	Chunharojrit	(Spouse)	Shares	4,944,720	18,566,486



The Disclosure of Director Shareholding by Showing The Number of Shares Held at The Beginning And End of The Year, And Tradeduring The Year 2017 In Annual Report

Disclosure of shareholding of directors and executives in the beginning , the end, and during the year 2017

No.	Name		Position	Ordinary share 31-Oct-16 Par 0.50 Baht	Change of share during 2017				Ordinary share 31-Oct-17 Par 0.50 Baht	% of voting shares
					Buy	(Sell)	Transferee/ (Transferor)	Share dividend		
1	Mr. Manu	Leopairote *	Chairman/ Independent director	-					-	-
2	Mr. Chamroon	Chinthammit ¹ (Including spouse and children)	President and CEO	94,133,231 52,775,901	2,663,100				96,796,331 52,775,901	2.195 1.197
3	Mr. Prapas	Chutimavoraphand ² (Including spouse and children)	Director	24,962,188 21,574,000		(7,829,500)			17,132,688 21,574,000	0.388 0.489
4	Mr. Pornsin	Thaemsirichai ³ (Including spouse and children)	Director and Senior Vice President	29,390,196 30,688,231					29,390,196 30,688,231	0.666 0.696
5	Mr. Sukhum	Tokaranyaset	Director and Senior Vice President	484,600 -	515,400				1,000,000 -	0.023 -
6	Mrs. Intira	Sukhanindr	Director and Senior Vice President	25,471,699 -					25,471,699 -	0.578 -
7	Mr. Chalush	Chinthammit ⁴ (Including spouse and children)	Director and Vice President	43,279,926 22,550,000					43,279,926 22,550,000	0.981 0.511
8	Ms. Duangdao	Chinthammit	Director and Vice President	99,599,954					99,599,954	2.258
9	Mr. Thawatchai	Rojanachotikul ⁵ (Including spouse and children)	Director and Senior Vice President	55,937,112 4,315,270		(1,148,522)			55,937,112 3,166,748	1.268 0.072
10	Mr. Somchai	Chinthammit ⁶ (Including spouse and children)	Director and Assistance Vice President	96,225,726 17,583,759					96,225,726 17,583,759	2.182 0.399
11	Ms. Duangkae	Chinthammit	Director and Assistance Vice President	99,683,643					99,683,643	2.260
12	Mr. Tachpong	Pakornsiriwong	Director	158,162					158,162	0.004
13	Mr. Chatri	Chinthammit	Director	57,467,546					57,467,546	1.303
14	Mr. Somchat	Chinthammit	Director	22,907,921					22,907,921	0.519
15	Mr. Sitti	Leelakasamelurk *	Independent director	-					-	-
16	Pol.Gen Boonpen	Bumpenboon *	Independent director	-					-	-
17	Mr. Pramoon	Vichiensin *	Independent director	-					-	-
18	Ms. Nongluck	Phinainitisart *	Independent director	-					-	-
19	Mr. Warapatr	Todhanakaserm *	Independent director	-					-	-
20	Mr. Karun	Kittisataporn *	Independent director	-					-	-
21	Mr. Trakarn	Chunharojrit ⁷ (Including spouse and children)	Director and Assistance Vice President	13,621,766 4,990,392		(45,672)			13,621,766 4,944,720	0.309 0.112
22	Mr. Chanachai	Chutimavoraphand	Vice President	115,355,499					115,355,499	2,616
23	Mr. Dhajjai	Subhapholsiri	Vice President/ Company Secretary	-					-	-

Remark	* Independent director					
1	Mr. Chamroon	Chinthammit		Shares	96,796,331	
	M.L. Charuvadhana	Chinthammit	(Spouse)	Shares	52,775,901	149,572,232
2	Mr. Prapas	Chutimavoraphand		Shares	17,132,688	
	Mrs. Sumitra	Chutimavoraphand	(Spouse)	Shares	21,574,000	38,706,688
3	Mr. Pornsin	Thaemsirichai		Shares	29,390,196	
	Mrs. Montanut	Thaemsirichai	(Spouse)	Shares	30,688,231	60,078,427
4	Mr. Chalush	Chinthammit		Shares	43,279,926	
	Chayapat	Chinthammit	(child)	Shares	11,088,000	
	Chatchape	Chinthammit	(child)	Shares	11,088,000	
	Cholapim	Chinthammit	(child)	Shares	374,000	65,829,926
5	Mr. Thawatchai	Rojanachotikul		Shares	55,937,112	
	Mrs. Korakoj	Rojanachotikul	(Spouse)	Shares	3,166,748	59,103,860
6	Mr. Somchai	Chinthammit		Shares	96,225,726	
	Nuttamon	Chinthammit	(child)	Shares	17,583,759	113,809,485
7	Mr. Trakarn	Chunharojrit		Shares	13,621,766	
	Mrs. Rattana	Chunharojrit	(Spouse)	Shares	4,944,720	18,566,486



The Number of Shares Held at The Beginning And End of The Year, And Tradeduring
The Year 2017 In Annual Report

Name of Directors in Subsidiaries and Associates of Khon Kaen Sugar Industry PCL. as of October 31, 2017

[illegible]

**** NOTE :****1. Symbols and Position**

x Chairman, / Director, // Executive Director

2. Name of Subsidiaries and Associates

- | | |
|--|---|
| <ol style="list-style-type: none"> 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 PCL. 5. KSL Export Trading Co., Ltd. 6. Khon Kaen Sugar Power Plant Co., Ltd. | <ol style="list-style-type: none"> 7. KSL Green Innovation PCL. 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. 15. WSP Logistics Co., Ltd. 16. BBGI Co., Ltd. |
|--|---|



Corporate Social Responsibilities

Khon Kaen Sugar Industry Public Company Limited has set a policy to conduct its business with corporate social responsibility that covers various important aspects and relates to stakeholders inside and outside the Company as well as the general public. The policy includes seven core subjects stated in ISO 26000 and additional matters as the Company thinks appropriate to form the following nine policies.

1. Conducting business in accordance with business ethics and good governance

1.1 The Company emphasizes on conducting business with honesty, fairness, ethics and is determined to abide by laws, trade ethics and fair competition. The Company pays tax correctly and timely. The personnel at all levels are advised to perceive the importance of the corporate social responsibility.

1.2 The Company conducts its business pursuant to business ethics and corporate governance with responsibility to shareholders by respecting shareholders' right, treating the shareholders equally, giving sufficient information with respect to investment decision or material change of the Company and does not disclose to any person the inside information which would cause damages or disadvantages to shareholders. The Company manages and provides remuneration to executives and directors with transparency and accountability. The financial and non-financial reports are disclosed correctly, completely and timely in accordance with the generally accepted standards.

2. Anti-corruption

The Company manages its business on the basis of transparency and ethics and complies with the policy and laws related to anti-corruption, bribery and inappropriate benefits to government officials or private sectors. The Company prescribes the organization structure by clearly dividing duties, responsibility, work process and line of command in each division in order to facilitate the balance of power and intra-audit. The Company provides the Manual on Anti-Corruption which compiles policies, ethics, regulations, rules and work processes for the directors, executives and staff to implement.

In 2014 the Company committed 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 and was certified a three-year member of the Private Sector Collective Action Coalition against Corruption (CAC) on 9 March 2017.

3. Human Rights

The Company supports and respects human rights protection by treating all stakeholders including staff, communities and surrounding societies with respect to human values, equality and liberty. The Company does not violate basic human rights and does not discriminate against race, nationality, religion, language, skin colour, gender, age, education, physical condition or social status. The Company averts itself from involving in human right violation, e.g. child labour, forced labour and sexual harassment, etc. as well as promotes the compliance with human rights norms by arranging the venue for expression of opinions and channels for any injured persons due to alleged human right violation to file complaints and by providing appropriate remedies to the injured persons.

The Company provides training or disseminates information as to human rights and encourages its personnel to abide by human right principles.



4. Fair Treatment to Employees

The Company is well aware of the importance of human resource development and fair treatment to employees with the recognition that such matters would increase business value as well as promote competitive edge and sustainable growth of the Company. As such, policies and guidelines are prescribed as follows.

4.1 Respect to rights of employees pursuant to labour law and human rights principles.

4.2 Fair process of employment and employment conditions, including remuneration and promotion in accordance with fair evaluation.

4.3 Promotion of personnel development by providing training, seminar, workshop including assigning the personnel to relevant external seminar and workshops in order to develop their knowledge, ability, potential, attitudes, ethics and team work skill.

4.4 Providing welfare for the employees pursuant to the law, e.g., social security, provident fund etc. and additional to the law, e.g., health insurance, accident insurance, etc. including various funding, e.g. scholarship for employee's children, funeral expenses, etc.

4.5 Providing annual medical check-up to employees of all levels by taking into account risk factors relating to ranking, age, gender and work environment of each individual employee.

4.6 Providing safe working condition and sanitary workplace by issuing measures for accident prevention, encouraging awareness of safety including training, promoting good health and taking good care of workplace to keep it safe and hygienic.

4.7 Opportunity for employees to express opinions or to file complaints in respect of unfair treatment or improper conduct within the Company including due protection to such reporting employees.

5. Responsibility to Customers

The Company is determined to develop products that meet the satisfaction and utmost benefits of customers and adheres to deal with customers with responsibility and honesty in accordance with the following policies.

5.1 The Company regards the quality and standard of the products as essential by focusing on high quality raw materials, production under good standard and regular improvement of product quality so that the customers shall get good quality and hygienic products with utmost satisfaction.

5.2 The Company regards product safety as essential and wants the customers to receive the products of quality and safety that matches relevant international standards and rules.

5.3 The Company respects fair marketing by providing customers the information relating to the products which is correct, undistorted, not vague or not overstated so that the customers get correct and sufficient information for making decision.

5.4 The Company provides customer relationship scheme to communicate with customers and to receive complaints regarding the products so as to respond to the customers' need in due time.

5.5 The Company keeps confidential the customers' information and does not use the information illegitimately.



6. Responsibility to Suppliers, Creditors and Competitors

The Company adheres to covenants that are fair to suppliers; abides by the prescribed anti-corruption measures; respect the rights in property or ownership of suppliers; not takes advantages over suppliers and promotes joint activities with suppliers in respect of corporate social responsibility.

The Company abides by agreements concluded with creditors. In the case that the Company cannot repay the debt as scheduled, the Company shall inform the creditor so as to solve the matter together.

The Company competes fairly in business and does not cheat, obstruct or do any act against fair competition which is prohibited by law.

7. Environment Protection

The Company emphasizes on caretaking of environment and avoidance of jeopardizing environment. The Company manages the manufacturing process to ensure that it strictly complies with the law relating to environment protection. The Company develops manufacturing process and selects materials which are nature and environment friendly; sets precautionary measures for any operation which contains risks relating to environment. The Company utilizes resources and energy efficiently by way of reduce-reuse-recycle as much as possible and manages the waste from production process responsibly.





8. Community and Social Development

The Company is well aware of its responsibility to community and society in order to foster the strength of community. The Company, therefore, has a policy to assist and develop the society by cooperating with communities around the operating areas in various activities, providing jobs to local people, disclosing any information that would have adverse impact on community and responding rapidly and efficiently to circumstances that affect community, society and environment resulting from the Company's operation. The Company encourages its employees to build up responsibility to environment and society and cooperates with other groups or networks to develop the targeted communities each year.

9. Promotion of Innovation that responds to corporate social responsibility

The Company encourages its employees to create innovation which would respond to the above-mentioned corporate social responsibility policy, e.g. saving natural resource and energy, waste management, control of waste discharge, etc. Such innovation aimed to generate more efficiency or effectiveness may vary by different types, including novelty, improvement, adjustment, modification or alteration. The Company is willing to disseminate the innovation that would be useful to society and environment in appropriate ways.



Monitoring and Revision of Corporate Social Responsibility Policy

The Company is aware of the importance of continuing business operation within the context of corporate social responsibility. Therefore, the Company shall monitor, evaluate and revise the current projects and shall consider future CSR projects with care on regular basis.

The Company renders a Sustainability Report within the framework of Global Reporting Initiative (GRI) Level 4 by disclosing information at "core" level comprising economic, social, environmental and personnel aspects. The report has been made a separate part in the Annual Report since 2016 and shows reporting topics and indicating units pursuant to GRI and also reports activities regarding corporate social responsibility in the previous year.

KSL GROUP ACTIVITIES IN 2017

KSL Shareholders Factory Visit 2017

On March 17, 2017, Khon Kaen Sugar Industry Public Company Limited has held the site visit event to invite 72 shareholders to attend the briefing session and visit the business at New Krung Thai Sugar Factory Co., Ltd. which located at Bo Ploy District, Kanchanaburi Province (Bo Ploy Bio-Refinery Complex). In addition, the Company has also provided such shareholders the information regarding River Kwai Agri - Nature Learning Center in order to know the overview of such center. This event is deemed that the partial of the company's social responsibility activity by publishing and training in accordance with the philosophy of Sufficiency Economy.



Khon Kaen Sugar Industry Public Company Limited and its subsidiaries co-hosted merit-making ceremonies dedicated to His Majesty the late King Bhumibol Adulyadej.

On May 27, 2017 Khon Kaen Sugar Industry Public Company Limited and its subsidiaries co-hosted religious ceremonies of monks delivering special prayers dedicated to His Majesty the late King Bhumibol Adulyadej to express gratitude towards the beloved monarch and perform good deeds in his honor. Present at the royal ceremonies at Dusit Maha Prasat Throne Hall in the Grand Palace were by Mr. Chamroon Chinthammit, Chief Executive Officer and President, together with board members, management, and staff of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries.



AWARD

Khon Kaen Sugar Industry Public Company Limited received Certificate for Collective Action Coalition Against Corruption (CAC)

On June 28, 2017 Mr. Chamroon Chinthammit, Chief Executive Officer and President, had received a Certificate of Collective Action Coalition Against Corruption, or CAC. KSL was certified in quarter 4/2016.



Khon Kaen Sugar Industry Public Company Limited was awarded for 10th consecutive establishment of Thai Labour Standards organized by the Department of Labour Protection and Welfare, Ministry of Labour

On August 25, 2017 the Department of Labor Protection and Welfare, Ministry of Labour organized the Thailand Labour Management Excellence Award Ceremony 2017. The ceremony was to honor and commend the establishments which followed the labour management standard. H.E. General Prayut Chan-o-cha, Prime Minister, acted as Chairman of the Ceremony. KhonKaen Sugar Industry Public Company Limited is able to maintain Thai Labour Standard continuously. Therefore, the Company was awarded for 10th consecutive establishment of Thai Labour Standards (honor award).





Tamaka Sugar Industry Co., Ltd. was awarded the 3Rs Award 2017

On September 15, 2017 Mr. Karonchai Thaksin, a Quality and Environment Manager and representative of Tamaka Sugar Industry Co., Ltd., received the 3Rs Award 2017 from Mr. Somchai Harnhirun, Permanent Secretary, Ministry of Industry, at BITEC Bangna Exhibition and Convention Center, under the Creative Industries Development Project for the year 2017 from the Board of Corporate Performance Development (Group 1), Department of Industrial Works. Tamaka Sugar Industry Co., Ltd. has developed environment innovation by making coaster made from bagasse (sugar cane) which is the concept using eco-friendly materials in accordance with 3Rs principle to add value to by-products from the production process.

Khon Kaen Sugar Industry Public Company Limited (KSL) is selected to be one of 100 listed best-performing publicly listed companies or ESG100 from Thaipat Institute of the Year 2017.

The ESG Rating Unit of Thaipat Institute, the Foundation for Thailand Rural Restoration Movement under the Royal Patronage, the pioneer of business-sustainability database development in Thailand, has been compiling the ESG100 list since 2015. The ESG has evaluated the quality of environmental, social and governance areas (ESG) of 656 listed companies on the Stock Exchange of Thailand (excluding companies that are undergoing rehabilitation) for 2017 based on their publicly-released reports or information from their declaration (Form 56-1), annual report, sustainability report, information on the companies' sustainability development result and Corporate Governance Report of Thai Listed Companies (CG Scoring).

Thaipat Institute, the joint organization for the Global Initiative for Sustainability Ratings (GISR), has selected Khon Kaen Sugar Industry Public Company Limited (KSL) to be in Universe of ESG100 Security Group 2017 for the third consecutive year.



Internal Control and Risk Management

Internal Control

The company sets focus on internal control covering finance, compliance with relevant laws and regulations as well as appropriate risk management that is efficient enough to prevent or mitigate risks which may cause damage to assets or reputation. The Company evaluates the operation of work in accordance with good corporate governance. In 2017, the Company is certified a membership of the Private Sector Collective Coalition against Corruption (CAC). The Board of Directors clearly defines roles and duties of each committee and the management and monitors the performance pursuant to the roles and duties and the organization structure and line of command designed to create balance of power and internal control. Goals and key performance indicators are established to evaluate efficiency and to monitor the work result in comparison to the corporate objectives regularly.

The Board of Directors annually evaluates the sufficiency of internal control system in accordance with the guidelines provided by the Securities Exchange Commission and the framework set by the Stock Exchange of Thailand with reference to the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Board of Directors and the Audit Committee consider that the Company has sufficient and appropriate internal control system for the business characteristics.

1. Internal Control

The Company clearly sets measurable business goals and action plans. The goals are revised while the actual results are compared with the goals regularly. The organization structure is made with the concept to allocate duties and to establish line of command with responsibility so as to achieve objectives with the supervision of the Board of Directors. The Company prescribes business ethics, corporate governance policy, anti-corruption practices and conflict of interest policy to express its commitment to integrity and business ethics. List of authorities and operational manuals are made and regularly revised to be in line with new standards.

The Board of Directors is independent from the management. The Board is empowered to govern and develop the internal control system. The Board also promotes the development of personnel so that they shall be capable to administer and take responsibility for the internal control effectively.

As regards anti-corruption matters, the Company provides risk evaluation of internal fraud.

2. Risk Evaluation

The Company is aware of the evaluation of the risks that may cause adverse effect to business operation. The Risk Management Committee together with the Risk Management Office evaluates risk factors both from outside and inside the organization that may have impact upon the business. The Office identifies and analyses all type of relevant risks including fraud and corruption and categorizes materials risks pursuant with the effects and probability to occur in each business process and establishes risk management plans. The risk factors are revised every year.

3. Operational Control

The Company has internal control that is consistent with the risks and types of business. The control is clearly allocated to each functional unit as defined in the manual of authorities and the manuals of operation which are made and revised to suit the organization structure and present operation. Each functional unit is designed to balance the power and to cross-examine appropriately, particularly the task that incurs significant risks so as to mitigate or reduce errors such as financial transactions, sales, procurement, asset supervision, personnel management, etc. The internal audit office is set up to audit each operation regularly in accordance with rules, regulations, manual of authorities and manual of operation to ensure sufficient and appropriate internal control. There is efficient operation of work including the use of information technology to help conduct the work more rapidly and efficiently.

4. Information technology and communications

The Company strengthens information technology system and communication, promotes and supports continuous system development so that the information is correct and updated. The Company uses the information technology system that is up-to-date, efficient and data-secured to collect data, process data, store data and monitor data so that the administration, the decision-making, policy regarding information technology security and the use of information by directors, executives and staff can be done safely and correctly within reasonable time.

The Company provides appropriate communication channels to convey messages regarding duties, responsibility and other matters to personnel and specifies secured channels for submitting clues or complaints regarding fraud and corruption. Also, there is communication in respect of issues that may cause impact to internal control between internal functional units and between the Company and third parties.

5. Monitoring system

The Audit Committee audits the internal control system which is submitted by the Office of Internal Audit. The internal audit office examines, monitors and evaluates the operation to ensure that the findings arising from audit process are rectified in reasonable time. The independent Auditor evaluates the internal control regarding finance and accounting and submits the audit result to the Audit Committee on a quarterly and yearly basis. In the previous year, there is no significant flaw as to the internal control audit.

Risk Management

The Risk Management Committee stipulates risk management policy, risk factors and risk management process for the management to bring to practice so as to help the management to consider control points to manage the risks to the acceptable level. The management is responsible for the business planning, the operation, the specification, analysis and evaluation of work structure by taking into consideration the internal and external risk factors.

In 2017, the Risk Management Committee and the Office of Risk Management implement the Risk Management Activity Plan as follows.

1. provide an operational manual on inventory, sugar storage, weighing station, security guards so that the staff know and follow the work process and the functional units improve the work process respectively.
2. revise Charter of the Risk Management Committee, objectives, scope of authority and responsibility, manual on risk management and operational manual of the risk management office.
3. provide training content, namely, 2017 manual of risk management on fraud and ISO 9001 version 2015.
4. conduct training for executives and staff from 7 operational sites including head office with the aforesaid content and support the change of ISO 9001 version 2008 to ISO 9001 version 2015.
5. provide risk evaluation process on fraud and corruption for 2017/2018 pursuant to FRA Tool: Fraud Risk Assessment Tool and guidelines of practice as to governing and control to prevent and to monitor risks from fraud and corruption. In case of high probability, the responsible person must provide plan to control or to prevent the occurrence of incidents. The office also coordinates with the responsible persons to monitor the evaluation result and the internal audit office to examine the information whether the responsible person has complied with the plan and guidelines of anti-corruption and fraud prevention.
6. organize a training for suppliers and customers regarding anti-corruption at a meeting for such purpose on 1 April 2017 at Phra Haruethai Convent School in Bangkok to emphasize the intention of the Company to operate its transparent and fair business and to convince the suppliers and customers for the participation in the anti-corruption coalition as the Company has recently done.
7. specify causes of organizational risk and the responsible persons in each division for each risk for the year 2017/2018 as approved by the Risk Management Committee.
8. provide plans to support analysis and evaluation of new risks in 2017/2018 and make preliminary guidelines with measures to respond the risks.
9. hold preparatory meeting for the risk management office to work on various sites pursuant to the supporting plans.
10. support the making of 2017 report stating risk status by the responsible person of each division in 7 sites
11. report the risk status in 2017 to the Board of Directors showing information as to risks that are stable, decreasing and increasing together with causes so that the management can use for planning and operation respectively.

The Risk Management Committee concludes that the internal control system of the company group is at acceptable standard and the risk management shall be improved to be consistent with the objectives of the Company and functional units.



Related party transactions

Related party transactions for the year ended 31 October 2017 and 2016 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 of October 31, 2017

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 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%.
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
Thai Sugar Terminal Public Company Limited Locating, silo warehouse and property rental	Thai Sugar Terminal Public Company Limited is an associate of and controlled by the company which owns 23.82% of the associate's shares. Major shareholders and directors of the company own 17.42% of the subsidiary's shares. The company also has common directors namely Mr. Somchai Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.
BBGI Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	BBGI Company Limited is an associate of and controlled by the company which owns 40.00% of the associate's shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.

Related Companies

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 Raja Ceramics 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.
Raja Ceramics Co., Ltd. Manufacture and distribution of ceramic products	Raja Ceramics Co., Ltd. is controlled by the same shareholder group of the company who owns 49.10% of Raja Ceramics 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 42.76% 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 70.38% of On Nuj Construction Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit, Ms. Duangkae Chinthammit and Ms. Duangdao Chinthammit.
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 88.75% 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.
KSL Green Innovation Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.

* K.K. Wood Industry Co., Ltd. and Amarco Co., Ltd., registered the dissolution with the Ministry of Commerce in the first quarter of 2017.



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 2017 and 2016)

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 17	31 Oct 16	
Thai Fermentation Industry Co., Ltd.	Khon Kaen Sugar Industry Public Company Limited	• Sales of molasses	-	588	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. The subsidiary provided a service of modify machine to Thai Fermentation Industry which carried out at cost plus administrative expense.
		• Gain on sale of investments	-	10,700	
		• Other accounts receivable	-	3	
	Tamaka Sugar Industry Co., Ltd.	• Sales of molasses	-	15	
		• Other accounts receivable	-	-	
K.K. Wood Industry Co., Ltd.	Khon Kaen Sugar Industry Public Company Limited	• Sales of supply and parts	-	439	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.
		• Trade accounts receivable Sale of sugar	-	11	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	• Sale of chemical and water	2,241	963	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.
		• Other accounts payable	115	140	
Tamaka Sugar Industry Co., Ltd.		• Sale of chemical and water	8	12	
New Krung Thai Sugar Factory Co., Ltd.		• Sale of chemical and water	7	13	
New Kwang Soon Lee Sugar Factory Co., Ltd.		• Sale of chemical and water	67	48	
Khon Kaen Sugar Industry Public Company Limited	K.K. Wood Industry Co., Ltd.	• Purchase of property	-	54,185	K.K. Wood Industry Co., Ltd., which operates sift sugar grade size special to Mondelez International (Thailand) Co., Ltd. Since 2003, had the plans to out of business and the Company wishes to purchase machineries to be used in production of the Company.
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Export Trading Co., Ltd.	• Service fees of goods exporting	5,120	7,743	Sugar exporting has to be made by only company that authorized by Cane and Sugar Board in the Royal Gazette according to the sugarcane and sugar act. The Company's group and Prachaup Industry Co., Ltd. therefore established K.S.L. Export Trading Co., Ltd. to only be export agent and documental support. K.S.L. Export Trading Co., Ltd. will charge service fees at cost plus administrative expenses according to volume of goods.
Tamaka Sugar Industry Co., Ltd.		• Service fees of goods exporting	1,221	1,606	
New Krung Thai Sugar Factory Co., Ltd.		• Service fees of goods exporting	2,243	2,320	
New Kwang Soon Lee Sugar Factory Co., Ltd.		• Service fees of goods exporting	683	803	
Savannakhet Sugar Corporation		• Service fees of goods exporting	360	304	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 17	31 Oct 16	
Khon Kaen Sugar Industry Public Company Limited	Thai Sugar Terminal Public Company Limited and its subsidiary company	• Service fees for goods custody and transfer	178	40,798	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	320	2,164	
		• Other accounts receivable	-	1,264	
		• Other accounts payable	-	2,377	
Tamaka Sugar Industry Co., Ltd.		• Service fees for goods custody and transfer	12,706	12,663	
		• Other income	704	1,325	
		• Other accounts receivable	-	21	
		• Other accounts payable	1,050	105	
New Krung Thai Sugar Factory Co., Ltd.		• Service fees for goods custody and transfer	7,500	8,599	
		• Other income	-	140	
		• Other accounts receivable	-	9	
		• Other accounts payable	3,586	1,059	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	• Service fees of computerized activities	5,302	6,471	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	175	665	
Tamaka Sugar Industry Co., Ltd.		• Service fees of computerized activities	2,012	2,710	
		• Prepaid expenses	56	36	
New Krung Thai Sugar Factory Co., Ltd.		• Service fees of computerized activities	2,815	3,001	
		• Prepaid expenses	133	120	
New Kwang Soon Lee Sugar Factory Co., Ltd.		• Service fees of computerized activities	1,662	1,690	
		• Prepaid expenses	49	45	
K.S.L. Real Estate Co., Ltd.		• Service fees of computerized activities	172	140	
K.S.L. Export Trading Co., Ltd.		• Service fees of computerized activities	167	164	
Savannahet Sugar Corporation		• Service fees of computerized activities	635	558	
Koh Kong Sugar Industry Co., Ltd.		• Service fees of computerized activities	461	519	
Koh Kong Plantation Co., Ltd.		• Service fees of computerized activities	143	143	



1.2 Rental fee (for the year ended 31 October 2017 and 2016)

Unit : Thousand Baht

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)		Necessity and reasonableness of Connected Transaction
			31 Oct 17	31 Oct 16	
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 (01/11/16 - 31/10/18). As at September 1, 2017, The company require for decreased office rental area to 196.69 square meters at the rate of Baht 300 per square meter per month (01/09/17 - 31/10/18).	727	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 (01/01/17 - 31/12/17)	1,784	1,784	
	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 (01/08/17 - 31/07/18)	1,557	1,557	
	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 and has canceled the rental on October 31, 2016.	-	21	
	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 and has canceled the rental on October 31, 2016.	-	79	
	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 every 3 years (01/10/17 - 30/09/20)	121	121	
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 (04/08/16 - 03/08/19) and has canceled the rental on July 31, 2017.	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 2017 and 2016)

Unit : Thousand Baht

For the year ended 31 October 2017

Borrower	Lender	As at 1 Nov 2016	Loan addition during the period	Repayment during the period	As at 31 Oct 2017	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	KSL Tower Juristic Person office	6,900	-	(1,900)	5,000	112	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 2016

Borrower	Lender	As at 1 Nov 2015	Loan addition during the period	Repayment during the period	As at 31 Oct 2016	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	KSL Tower Juristic Person office	6,100	900	(100)	6,900	127	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 2017

Borrower	Lender	As at 1 Nov 2016	Loan addition during the period	Repayment during the period	As at 31 Oct 2017	Interest paid	Necessity and reasonableness of Connected Transaction
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	552,339	(552,339)	-	3,248	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.

Unit : Thousand Baht

For the year ended 31 October 2016

Borrower	Lender	As at 1 Nov 2015	Loan addition during the period	Repayment during the period	As at 31 Oct 2016	Interest paid	Necessity and reasonableness of Connected Transaction
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	659,471	(659,471)	-	3,518	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 17.42% of the TSTE's shares. The Company owns 23.82% of the TSTE's shares and has no policy to increase its capital proportion. Moreover, the shareholders and directors have no intention to transfer their benefits to one of these two companies. 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 and in the year 2016, the Company sold its all investment in Champion Fermentation Co., Ltd. to Thai Fermentation Industry Co., Ltd.

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

Year 2016 Mr. Niti Jungnitnirundr,
Certified Public Accountant, Registration No. 3809,
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Year 2017 Mr. Niti Jungnitnirundr,
Certified Public Accountant, Registration No. 3809,
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

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

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

Year 2016 The Auditor reviewed corporate financial statements and issued unconditional opinions.

Year 2017 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 the year of 2015 - 2017 include a total of 14 subsidiaries

Table 1: Percentage of Direct and Indirect Corporate Shareholding

	Percentage of Shareholding		
	2015	2016	2017
Tamaka Sugar Industry Company Limited	90.21	90.21	90.21
New Krung Thai Sugar Factory Company Limited	95.78	95.78	95.78
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	98.61
KSL Real Estate Company Limited*	91.02	91.02	91.02
KSL Export Trading Company Limited**	79.55	79.55	79.55
KSL Material Supplies Company Limited	100.00	100.00	100.00
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	100.00
KSL Green Innovation Public Company Limited***	100.00	100.00	-
KSL Agro and Trading Company Limited	100.00	100.00	100.00
WSP Logistic Company Limited****	-	100.00	100.00
Savannah Sugar Corporation	98.49	98.49	98.49
Koh Kong Plantation Company Limited*****	80.00	80.00	80.00
Koh Kong Sugar Industry Company Limited	80.00	80.00	80.00
Wynn In Trading Company Limited	100.00	100.00	100.00

NOTE:

* The Company holds shares indirectly through Tamaka Sugar Industry Company Limited

** The Company holds shares indirectly through New Krung Thai Sugar Factory Company Limited, Tamaka Sugar Industry Company Limited and New Kwang Soon Lee Sugar Factory Company Limited.

*** KSL Green Innovation Public Company Limited, formerly KSL's subsidiary. Currently The Company holds its shares indirectly through BBGI Company Limited which is a associated company

**** WSP Logistic Company Limited, established in year 2016, currently still does not operate, the company objective is to provide logistics services.

***** The Company holds shares indirectly through Wynn In Trading Company Limited.

3. Profit and Loss Statement

In 2017, the company generated the revenues from operations of THB 15,623 million, in total, decreasing from that in the previous year by 8%. The revenue from sales amounted to THB 15,371 million and the revenue from services amounted to THB 252 million. Regarding the increase in world sugar price in 2017, the export sugar price increased by 16-20% but the company had sales volume, dropped by 27% from lower sugar cane volume. In addition, the revenue from ethanol sales and electrical sales decreased. As a result, revenue from operations, in total, decreased from that in the previous year by 8%.

The company recorded the total cost of THB 13,180 million, decreased 1% from previous year. The gross profit decreased 33% from THB 3,632 million to THB 2,443 million.

Other incomes in 2017 amounted to THB 3,416 million, compared to THB 1,498 million in 2016. The increases came from as follows:

	2017	2016
(1) Gain from asset sales	-	21 million
(2) Gain on fair value adjustments of investment property	426 million	1,138 million
(3) Gain (Loss) from exchange rate	53 million	30 million
(4) Gain (Loss) from derivatives	4 million	26 million
(5) Gain from Asset sales	2,370 million	45 million
(6) Other incomes	563 million	238 million
Total	3,416 million	1,498 million

As a result, the company had the profit before the selling and administrative expenses THB 5,859 million, increased by 14%, compared to previous year.

Regarding the selling and administrative expenses

- (1) The company incurred selling expenses totaled THB 424 million, decreasing by 22% due to decrease in export volume.
- (2) Administrative expenses totaled THB 1,134 million, increasing by 36% which caused by loss from asset impairment, Loss on asset disposal and Loss on fair value adjustments of biological assets.
- (3) Remuneration to executives THB 147 million
- (4) Fee paid to Sugar Fund, THB 1,096 million, dropped from previous year at THB 1,150 million.



Subsequently, the company had the profit before financial cost and tax expenses totaled THB 3,059 million, increasing by 24 %.

In 2017, the company incurred financial cost of THB 668 million, a decrease by 6%. The corporate income tax burden amounts to THB 560 million. Apart from that, there are THB 19 million of minor interest

and THB 121 million of profit sharing from affiliated companies. The company's net profit increased by 38% from the previous year, from THB 1,426 million to THB 1,970 million in 2017.

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

Income Statement Highlight (Million THB)	12M_2015	12M_2016	12M_2017	% Change
Sales and Services	17,475	16,911	15,623	-8%
Cost of Sales and Services	(13,783)	(13,279)	(13,180)	-1%
Gross Profit from Sales and Services	3,692	3,632	2,443	-33%
Other Incomes	523	1,498	3,416	128%
Gross Profit before SG&A	4,216	5,130	5,859	14%
Selling Expenses	(618)	(542)	(424)	-22%
Administration Expenses	(659)	(834)	(1,134)	36%
Management Remuneration	(140)	(141)	(147)	4%
Proceeds to Fund	(1,157)	(1,150)	(1,096)	-5%
Total Cost	(2,575)	(2,666)	(2,800)	5%
Profit before financial cost and tax	1,641	2,464	3,059	24%
financial cost	(817)	(710)	(668)	-6%
Share of Profit of Associated Company	55	57	121	
Corporate Income Tax	(39)	(371)	(560)	51%
Non-Controlling interest	22	(14)	19	
Net Profit	862	1,426	1,970	38%
EPS	0.21	0.32	0.45	38%
Gross Margin from Sales and Services	21.1%	21.5%	15.6%	
Net Profit Margin	4.9%	8.4%	12.6%	

With reference to the company's revenue structure, the total revenues from operations were THB 15,623 million. The company had revenues from sales of sugar and molasses amounted to THB 11,943 million, accounting for 79% of the total revenue. Revenues from sales of ethanol and gasoline totaled THB 2,100 million, representing 14% of the total revenue. Electricity sales, which the corporate power generation

facilities had distributed to Grid (EGAT & PEA), amounted to THB 751 million, accounting for 5% of the total revenue. Revenues from service amounted to THB 252 million, and other revenues amounted to THB 11 million. The rest of the revenues were generated from trading amounted to THB 467 million.

Table 3 : Consolidated Revenue Structure in the past 3 years

Revenue Structure (Million THB)	12M_2015		12M_2016		12M_2017		% Change
Sales and Services							
Sugar Sales	12,933	76%	13,084	79%	11,928	79%	-9%
Molasse Sales	330	2%	326	2%	15	0%	-95%
Other Income from sugar & molasses	113	1%	154	1%	98	1%	-36%
Electric Sales	1,011	6%	808	5%	751	5%	-7%
Ethanol and Benzene Sales	2,510	15%	2,023	12%	2,100	14%	4%
Fertilizer Sales	17	0%	5	0%	0	0%	-97%
Wheat Flour, Palm oil and Sacks	0	0%	0	0%	0	0%	
Services	158	1%	167	1%	252	2%	51%
Others	18	0%	13	0%	11	0%	-19%
Total	17,090	100%	16,580	100%	15,157	100%	-9%
Trading Activities							
Sales of fuels	298	77%	185	56%	242	52%	30%
Sales of fertilizer	64	17%	118	36%	197	42%	67%
Sales of Supplies	23	6%	26	8%	28	6%	6%
Total	386	100%	331	100%	467	100%	41%

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

Statement of Financial Position Highlight (Million THB)	12M_2015 Restate	12M_2016 Restate	12M_2017	% Change
Cash & Short Term Investments	175	85	153	80%
Trade and Other receivables	2,119	1,407	1,292	-8%
Short-Term Loans	1,097	1,273	1,569	23%
Inventories	3,394	2,552	3,100	21%
Biological Assets	342	251	112	-55%
Other Current Assets	92	85	64	-25%
Investment in an associate	357	387	3,747	869%
Other long-term investments	374	371	405	9%
long-term loans	480	358	393	10%
Investment property	3,355	4,496	4,917	9%
Property, plant and equipment	24,934	26,186	26,354	1%
Other non-current assets	800	925	884	-4%
Total Assets	37,517	38,375	42,991	12%
Current liabilities	8,028	10,591	14,818	40%
Non-Current liabilities	15,047	11,134	10,080	-9%
Total Liabilities	23,075	21,724	24,898	15%
Total Shareholders' Equity	14,442	16,650	18,092	9%
Equity attributable to owners of the parent	13,991	16,166	17,650	
D/E Ratio	1.60	1.30	1.38	
IBD/E Ratio	1.47	1.13	1.20	



In 2017, the company and its subsidiaries had the total assets of THB 42,991 million, 12% increased from the total assets of previous year of THB 38,375 million. Total liabilities increased by 15% from THB 21,724 million in 2016 to THB 24,898 million in 2017 which affected total debt to equity ratio increased from 1.30 in 2016 to 1.38 in 2017 and interest-bearing debt to equity ratio also increased from 1.13 in 2016 to 1.20 in 2017. The accounts that changed significantly compared to 2016 are as follows;

- (1) 23% increase in Short term loans due to that the company bought back post date cheque from the farmer, higher than those of previous year
- (2) Inventories decreased by 21% from higher sugar stock volume, compared to the amount of year 2016.
- (3) 9% increase in Investment property from the appraisal in higher value of the asset.
- (4) Property, plant and equipment increased by 1%, from transfer in asset under construction.
- (5) Other non-current assets decreased by 4%, from Loss from non-operating asset impairment.
- (6) Current liabilities increased by 40% while non-current liabilities decreased by 9% due to the Company borrowed short-term debt to temporarily finance project (Bridging loan) before switch to long-term debt and also the portion of long-term debt which will be due within 1 year in 2017.

5. Cash Flow Statement

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

Cash Flow Highlight (Million THB)	12M_2015	12M_2016 Restate	12M_2017	% Change
Net Profit + Depre + Non cash	2,785	2,462	2,185	-11%
Change in Working Capital	(1,319)	1,575	(1,948)	
from Operating Activities	1,466	4,038	236	-94%
Invest in PP&E	(573)	(1,578)	(3,098)	96%
from Investing Activities	(552)	(1,521)	(3,320)	118%
from Financing Activities	(782)	(2,620)	3,149	-220%
Change in Cash Flow	0	(86)	71	
Ending Cash	168	82	153	
Depreciation	1,139	1,247	1,182	-5%

In 2017, the company and its subsidiaries received cash flows from their operations before change in working capital totaled THB 2,185 million, a 11% decreased from year 2016 due to the decrease from overall operations, while in 2017, the company had more inventories. As a result in 2017, the company and its subsidiaries have THB 236 million of cash flow from operating activities or decreased by 94%.

Regarding the cash flows from investing activities, the company and its subsidiaries had cash paid in (net) totaled THB 3,098 million, of which THB 3,320 million was mainly invested in properties, plants and equipment (net) mainly from the expansion project of sugar mill and power plant in Wangsapung District, Loei Province.

Regarding financing activities in 2016, the company and its subsidiaries received the net cash of THB 3,149 million, mainly from financial institutions loan and debt instrument issuance.

6. Financial Ratios

Table 6 : Financial Ratios

Financial Ratios (Million THB)	12M_2015	12M_2016	12M_2017
Short term liquidity ratios			
Current Ratio	0.90	0.53	0.42
Acid Test Ratio	0.42	0.26	0.20
Collection period	45	38	32
Days of inventory	103	82	78
Capital Structure and Solvency ratio			
D/E Ratio	1.60	1.30	1.38
IBD/E Ratio	1.47	1.13	1.20
LTD to equity	1.04	0.67	0.56
Return on Investment ratios			
ROA	2%	4%	5%
ROE	6%	9%	11%
Operating Performance ratios			
Gross Profit Ratio	21%	21%	16%
Operating Profits to Sales	9%	15%	20%
Pretax Profit to Sales	5%	11%	16%
Net income to Sales	5%	8%	13%
Market Measures			
Book Value per Share	3.49	3.67	4.00
Earning Per Share	0.21	0.32	0.45

According to the 2017 financial ratios, liquidity ratios that is part of Current ratio and Acid test ratio had reduced due to the Company borrowed short-term debt to temporarily finance project (Bridging loan) before switch to long-term debt and also the portion of long-term debt which will be due within 1 year in 2017. However, the company had the plan to re-balance this mismatch by financing some long-term loan or issue new debenture.

Regarding solvency ratios, it can be seen that the D/E ratio and IBD/E ratio had slightly increased as a result of debt financing.

In terms of profitability ratios, the gross profit margin was decreased compare to the previous year, while Operating Profit to sales, Pretax profit to sales, and Net Income to Sales improved, mainly from gain on fair value adjustments of investment property and gain on sale of investment in subsidiaries.



Management Discussion and Analysis

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries (“KSL”) would like to report our financial performance of year 2017 (November 2016 – October 2017). The Company recorded a net profit of THB 1,952 million, compared to the net profit of THB 1,440 million last year, representing an increase of 36%. The details were, as followings:

Drought caused lower cane production

In 2016, drought in Thailand caused the Company less cane production in 2017. The Company has crushed cane in 2017, 6.83 million tons compare to 7.61 million tons in 2016 or 10% less. As a result, (1) Thailand sugar business: Higher cane cost and higher production cost per unit, (2) Oversea sugar business : Damaged cane plantation and impairment loss from damaged cane THB 203 million, (3) Ethanol business : Higher cost of production due to average molasses cost increased from 3,649 THB/ton to 4,305 THB/ton in 2017, (4) Power business : Higher biomass cost.

As a result, the gross profit margin dropped in the consolidate income statement from 21% to 16% in 2017.

World sugar price volatility

At the beginning of 2017, world sugar price has climbed up to 20 cent/lb then dropped sharply to 14 – 15 cent/lb during last quarter of the year due to funds speculation and global sugar supply forecasted to be surplus in 2018. As a result, the Company recorded average selling price increase from 14,939 THB/ton to 17,362 THB/ton or increased by 16%. However the Company recorded sales volume decrease from 875,841 tons to 687,046 tons and marked to market loss from inventory THB 301 million.

Other incomes

In 2017, the subsidiary’s ethanol business has amalgamated with Bio-fuel business of subsidiary of Bangchak Corporation PCL. This amalgamation in accounting aspect has to be a sell of existing subsidiary, and then invest in the new bio-fuel company instead (KSL’s new associated company). As a result, the Company recorded gain from amalgamation of THB 2,370 million or THB 1,896 million after tax. In addition, the Company has recorded impairment loss from non-operating asset of THB 223 million which mostly consisted of appraisal of Oversea business’s asset and also recorded additional Employee benefit reserve of THB 56 million due to the new labor law which new retirement compensation rate will apply soon.

For overall 2017 performance, the Company recorded a net profit of THB 1,952 million, compared to the net profit last year at THB 1,440 million, representing an increase of 36%. The Company’s total assets were recorded at THB 42,991 million, with total liabilities of THB 24,899 million and total shareholders’ equity of THB 18,092 million. Debt to Equity Ratio (D/E) and Interest Bearing Debt to Equity Ratio represented are at 1.38 and 1.20, respectively.



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, 2017, the statement of financial position, the operating results, and cash flows accurately according to generally accepted accounting principles.



Mr. Manu Leopaibote
Chairman



Mr. Chamroon Chinthammit
Chief Executive Officer
& President

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at October 31, 2017, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2017, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, as discussed in Note 2.3 to the financial statements, the Company and its subsidiaries have initially adopted the Accounting Standard No. 41, “Agriculture” commencing November 1, 2016. The corresponding figures thus have been retrospectively restated to be in accordance with those new accounting policies.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Measurement of fair value of investment in an associate and gain from sales of investment in subsidiaries which are resulted from amalgamation</p> <p>The Company's management measures the value of investment in an associate resulted from amalgamation of a subsidiary of the Company and a subsidiary of Bangchak Corporation Public Company Limited as at October 31, 2017, by exercising their judgement in estimating its fair value by setting significant assumptions in forecasting the results of operations including future sales volume and sales price, costs of production and administration, long-term growth rate and weighted average cost of capital (discounted rate) of each subsidiary of such associate. The difference between value of investment in subsidiaries before amalgamation and fair value of investment in an associate resulted from amalgamation is recorded as gain on sales of investment in subsidiaries for the year ended October 31, 2017.</p> <p>We consider that the measurement of fair value of investment in an associate and recording of gain on sales of investment in subsidiaries resulted from amalgamation are key audit matters because of materiality of transactions and complexity of estimation using management's judgement.</p> <p>The accounting policy and disclosure of investment in associate are in Notes 3.6, 4 and 11.</p>	<p>Significant audit procedures include</p> <ul style="list-style-type: none"> • Reading and understanding the condition of amalgamation and control power after amalgamation as stipulated in the Amalgamation Agreement • Understanding and evaluating the Company's management procedures for measurement of investment in an associate and recording of gain on sales of investment in subsidiaries including testing and evaluation the reasonableness of key significant assumptions which consisted of <ul style="list-style-type: none"> - Assumptions used for plan and forecast future cash flow of each subsidiary of an associate by understanding the process to obtain such figures, comparing assumptions with external and internal sources and comparing forecast cash flow to the actual results of operations including comparing long-term growth of each subsidiaries to the forecast economic and industry - Discounted rate by evaluating whether the rate is appropriate by comparing the Company's weighted average cost of capital and other information with other comparative companies. • Evaluation whether valuation of investment in an associate and gain on sales of investment in subsidiaries are appropriate and related disclosure in the notes to the financial statements is sufficient in accordance with the financial reporting standards.

Key Audit Matters

Audit Responses

Impairment on investment in subsidiaries in foreign countries in the separate financial statements and of building and equipment of those subsidiaries in foreign countries in the consolidated financial statements

As there are 3 subsidiaries in foreign countries having net loss continuously and substantial deficit as at October 31, 2017 which the Company's management consider as indicators of impairment on investment in the subsidiaries in foreign countries in the separate financial statements and on building and equipment of those subsidiaries in foreign countries in the consolidated financial statements. As such, the Company's management estimate realizable values of its investment in subsidiaries and of buildings and equipment of such subsidiaries for consideration of their losses on impairment. The realizable values are estimated at higher of their values in use and their fair values less costs to sell those assets.

- Values in use are estimated by exercising the Company's management judgment in connection with the judgement on significant assumptions to forecast the results of operations including future sales volume and sales price, costs of production and administration, long-term growth rate and weighted average cost of capital (discounted rate) of each subsidiaries.
- Fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management.

We consider that the exercising of management's judgment relate to significant assumptions for estimation of impairment on investment in subsidiaries in foreign countries in the separate financial statements and impairment of building and equipment of those subsidiaries in the consolidated financial statements are key audit matter because of materiality of transactions and complexity of estimation of realizable values of the Company's investment in subsidiaries and of buildings and equipment of subsidiaries.

The accounting policy and disclosure of investment and impairment of investment in subsidiaries are in Notes 3.6 and 12.

Significant audit procedures include

- Understanding and evaluating the reasonableness of indicator of impairment on investment in subsidiaries in foreign countries in the separate financial statements and impairment of building and equipment of those subsidiaries in the consolidated financial statements.
- Understanding and evaluating the procedures of the Company's management for measurement of investment in subsidiaries including testing and evaluation the reasonableness of key significant assumption which consisted of
 - Assumptions used for plan and forecast future cash flow of each subsidiary by understanding the process to obtained such figures, comparing assumptions with external and internal sources and comparing forecast cash flow to the actual results of operations including comparing long-term growth of each subsidiaries to the forecast economic and industry.
 - Discounted rate by evaluating whether the rate is appropriate by comparing the Company's weighted average cost of capital and other information with other comparative companies.
- Testing and evaluating the report of independent appraiser whether independent appraiser has knowledge, competency and fairness, and evaluating whether the procedures and reasonableness of assumptions used in estimation of building and equipment values.
- Evaluating whether the disclosure in the notes to the financial statements is sufficient in accordance with the financial reporting standards.



Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Group.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Niti Jungnitnirundr

Certified Public Accountant (Thailand)

Registration No. 3809

BANGKOK

December 22, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



STATEMENTS OF FINANCIAL POSITION

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT OCTOBER 31, 2017

UNIT : BAHT

	Notes	Consolidated Financial Statements			Separate Financial Statements		
			"Restated"	"Restated"		"Restated"	"Restated"
		As at	As at	As at	As at	As at	As at
		October 31,	October 31,	November 1,	October 31,	October 31,	November 1,
		2017	2016	2015	2017	2016	2015
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	5.2	153,003,915	82,310,755	168,021,065	11,894,182	20,856,186	42,206,281
Temporary investments		23,760	2,724,766	6,839,374	-	-	-
Trade and other receivables	7	1,291,592,694	1,407,276,153	2,119,293,957	880,893,530	980,114,240	2,395,815,409
Short-term loans	8	1,569,258,589	1,273,097,453	1,096,635,110	5,373,550,020	2,484,005,635	1,784,395,560
Inventories	9	3,099,981,854	2,551,548,641	3,393,616,627	1,884,927,836	1,298,017,899	2,192,591,140
Biological assets	10	111,894,503	250,734,092	341,564,070	5,853,825	11,502,090	14,555,872
Other current assets		63,932,416	84,752,393	91,550,865	46,062,046	45,495,595	46,749,922
Total Current Assets		6,289,687,731	5,652,444,253	7,217,521,068	8,203,181,439	4,839,991,645	6,476,314,184
NON-CURRENT ASSETS							
Investments in associates	4 and 11	3,746,845,314	386,600,371	356,860,049	3,381,614,766	136,747,288	194,147,191
Investments in subsidiaries	4 and 12	-	-	-	4,775,811,396	5,786,096,202	6,060,380,805
Other long-term investments	13	405,335,197	370,795,300	373,504,062	398,174,055	370,324,775	370,324,775
Long-term loans	14	393,199,212	358,063,846	480,477,523	1,404,914,760	4,395,437,803	4,409,737,929
Investment property	15	4,917,206,835	4,496,183,778	3,354,562,730	1,544,915,482	1,499,684,003	1,013,557,788
Property, plant and equipment	16	26,354,311,858	26,185,988,447	24,934,213,098	9,203,863,790	7,947,679,169	7,463,493,638
Intangible assets		48,146,718	46,275,784	47,683,415	37,040,499	34,016,422	36,109,081
Deferred tax assets	22.2	13,213,508	2,830,109	9,939,697	-	-	-
Other non-current assets	17	822,774,936	875,649,203	742,293,886	26,963,991	7,597,329	6,193,878
Total Non-Current Assets		36,701,033,578	32,722,386,838	30,299,534,460	20,773,298,739	20,177,582,991	19,553,945,085
TOTAL ASSETS		42,990,721,309	38,374,831,091	37,517,055,528	28,976,480,178	25,017,574,636	26,030,259,269

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT OCTOBER 31, 2017

UNIT : BAHT

	Notes	Consolidated Financial Statements			Separate Financial Statements		
			"Restated"	"Restated"		"Restated"	"Restated"
		As at	As at	As at	As at	As at	As at
		October 31,	October 31,	November 1,	October 31,	October 31,	November 1,
		2017	2016	2015	2017	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Short-term borrowings from financial institutions	18	8,508,780,110	3,757,025,777	4,188,897,059	4,260,785,360	1,108,000,000	935,001,787
Trade and other payables	19	1,595,348,418	1,711,609,813	1,168,663,324	1,101,787,294	905,766,039	695,977,401
Current portion of long-term debentures	20	2,998,989,350	2,999,307,425	999,908,704	2,998,989,350	2,999,307,425	999,908,704
Current portion of long-term borrowings	21	1,623,833,330	2,011,633,330	1,511,593,330	1,223,833,330	1,205,833,330	705,833,330
Short-term borrowings	6.1	5,000,000	6,900,000	6,100,000	545,200,000	482,900,000	1,265,100,000
Current income tax payable		30,393,276	25,325,610	59,596,131	-	-	-
Other current liabilities		55,952,915	78,797,513	93,307,260	11,967,980	12,846,457	22,642,763
Total Current Liabilities		14,818,297,399	10,590,599,468	8,028,065,808	10,142,563,314	6,714,653,251	4,624,463,985
NON-CURRENT LIABILITIES							
Long-term debentures	20	6,494,445,369	6,993,762,810	9,989,250,923	6,494,445,369	6,993,762,810	9,989,250,923
Long-term borrowings	21	2,032,000,000	3,055,833,330	4,517,466,660	1,980,000,000	2,203,833,330	2,859,666,660
Deferred tax liabilities	22.3	1,190,006,596	739,563,386	247,190,427	477,892,053	148,274,515	64,697,497
Employee benefit obligations	23	264,742,366	261,286,846	217,435,891	112,075,741	107,426,505	91,774,405
Other non-current liabilities		98,997,867	83,354,128	75,332,319	41,650,302	29,186,820	27,577,630
Total Non-Current Liabilities		10,080,192,198	11,133,800,500	15,046,676,220	9,106,063,465	9,482,483,980	13,032,967,115
TOTAL LIABILITIES		24,898,489,597	21,724,399,968	23,074,742,028	19,248,626,779	16,197,137,231	17,657,431,100



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT OCTOBER 31, 2017

UNIT : BAHT

Notes	Consolidated Financial Statements			Separate Financial Statements		
	As at	"Restated"	"Restated"	As at	"Restated"	"Restated"
	October 31,	October 31,	November 1,	October 31,	October 31,	November 1,
	2017	2016	2015	2017	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)						
SHAREHOLDERS' EQUITY						
SHARE CAPITAL						
Authorized share capital						
4,410,243,648 ordinary shares of Baht 0.50 each	2,205,121,824	2,205,121,824		2,205,121,824	2,205,121,824	
4,009,312,522 ordinary shares of Baht 0.50 each			2,004,656,261			2,004,656,261
Issued and paid-up share capital						
4,410,232,619 ordinary shares of Baht 0.50 each						
fully paid	2,205,116,310	2,205,116,310		2,205,116,310	2,205,116,310	
4,009,312,407 ordinary shares of Baht 0.50 each			2,004,656,204			2,004,656,204
fully paid						
SHARE PREMIUM ACCOUNT - ORDINARY SHARES	2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199
RETAINED EARNINGS						
Appropriated						
Legal reserve	220,512,200	220,512,200	200,466,000	220,512,200	220,512,200	200,466,000
Unappropriated	10,584,282,739	9,004,709,766	7,973,535,203	3,554,072,983	2,668,936,413	2,848,046,491
OTHER COMPONENTS OF EQUITY	1,693,639,643	1,789,332,672	866,269,876	801,712,707	779,433,283	373,220,275
TOTAL EQUITY ATTRIBUTABLE TO OWNERS						
OF THE PARENT	17,649,990,091	16,166,110,147	13,991,366,482	9,727,853,399	8,820,437,405	8,372,828,169
NON-CONTROLLING INTERESTS	442,241,621	484,320,976	450,947,018	-	-	-
TOTAL SHAREHOLDERS' EQUITY	18,092,231,712	16,650,431,123	14,442,313,500	9,727,853,399	8,820,437,405	8,372,828,169
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	42,990,721,309	38,374,831,091	37,517,055,528	28,976,480,178	25,017,574,636	26,030,259,269

STATEMENTS OF PROFIT OR LOSS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDEN OCTOBER 31, 2017

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2017	2016	2017	2016
Revenues from sales and revenues from rendering of services					
Revenues from sales		15,370,900,452	16,744,461,945	8,207,641,053	9,721,413,840
Revenues from rendering of services		252,449,270	166,710,882	208,439,489	142,929,351
Total Revenues		15,623,349,722	16,911,172,827	8,416,080,542	9,864,343,191
Costs of sales of goods and rendering of services					
Costs of sales of goods		(13,073,456,018)	(13,143,499,906)	(7,834,331,662)	(8,277,323,350)
Costs of rendering of services		(106,560,355)	(135,214,452)	(146,712,874)	(83,564,185)
Total Costs		(13,180,016,373)	(13,278,714,358)	(7,981,044,536)	(8,360,887,535)
Gross profit		2,443,333,349	3,632,458,469	435,036,006	1,503,455,656
Gain (Loss) on sales and disposal of assets		(19,757,776)	21,260,048	266,283	91,086,897
Gain on fair value adjustments of investment property		426,259,308	1,138,275,998	45,168,135	486,106,848
Gain (Loss) on exchange rate		53,166,005	37,226,250	(74,887,354)	(7,826,894)
Gain on sales of investments in subsidiaries		2,370,353,122	-	2,634,597,274	-
Other incomes		565,950,362	301,103,361	527,808,174	640,414,395
Selling expenses		(1,519,292,072)	(1,691,459,467)	(625,689,048)	(811,426,011)
Administrative expenses		(837,028,671)	(757,925,496)	(342,478,318)	(319,814,677)
Management benefit expenses	6.2	(147,141,807)	(141,312,434)	(50,507,750)	(48,566,150)
Loss on impairment of investments in subsidiaries		-	-	(400,299,205)	(744,534,596)
Loss on impairment of property, plant and equipment		(222,645,523)	(75,747,704)	-	(16,782,135)
Loss on fair value adjustments of biological assets		(54,383,398)	-	(6,053,835)	-
Finance costs		(668,129,437)	(709,982,998)	(514,185,853)	(551,698,388)
Share of profit of investments in associates		120,914,119	56,881,078	-	-
Profit before income tax (expense) income		2,511,597,581	1,810,777,105	1,628,774,509	220,414,945
Income tax (expense) income	22.1	(559,852,032)	(370,517,011)	(316,791,055)	13,873,224
PROFIT FOR THE YEAR		1,951,745,549	1,440,260,094	1,311,983,454	234,288,169
PROFIT ATTRIBUTABLE TO :					
Owners of the parent		1,970,395,073	1,426,152,258	1,311,983,454	234,288,169
Non-controlling interests		(18,649,524)	14,107,836	-	-
		1,951,745,549	1,440,260,094	1,311,983,454	234,288,169
EARNINGS PER SHARE	28				
Basic earnings per share	BAHT	0.447	0.323	0.297	0.053
Basic number of ordinary shares	SHARES	4,410,232,619	4,410,232,619	4,410,232,619	4,410,232,619

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



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDEN OCTOBER 31, 2017

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2017	2016	2017	2016
Profit for the year	1,951,745,549	1,440,260,094	1,311,983,454	234,288,169
Other comprehensive income (expense) :				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating financial statements	(119,980,669)	(23,408,245)	-	-
Changes in the fair value of available-for-sale securities - net of tax	22,279,424	-	22,279,424	-
	<u>(97,701,245)</u>	<u>(23,408,245)</u>	<u>22,279,424</u>	<u>-</u>
Items that will be not reclassified subsequently to profit or loss:				
Gain (loss) on revaluation of assets - net of tax	(4,090,286)	1,059,868,715	-	452,466,717
Actuarial gain (loss) - net of tax	32,869,813	(44,304,844)	14,176,358	(16,412,041)
	<u>28,779,527</u>	<u>1,015,563,871</u>	<u>14,176,358</u>	<u>436,054,676</u>
Total other comprehensive income (expense)	<u>(68,921,718)</u>	<u>992,155,626</u>	<u>36,455,782</u>	<u>436,054,676</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>1,882,823,831</u></u>	<u><u>2,432,415,720</u></u>	<u><u>1,348,439,236</u></u>	<u><u>670,342,845</u></u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	1,924,903,186	2,397,477,274	1,348,439,236	670,342,845
Non-controlling interests	(42,079,355)	34,938,446	-	-
	<u><u>1,882,823,831</u></u>	<u><u>2,432,415,720</u></u>	<u><u>1,348,439,236</u></u>	<u><u>670,342,845</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDEN OCTOBER 31, 2017

UNIT : BAHT													
Note	Owners of the Parent												
	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity						Non-controlling interests	Total shareholders' equity	
			Appropriated	Unappropriated	Other comprehensive income (expense)				Losses on internal restructuring of entities under common control	Losses on change in shareholding ratio in subsidiaries			Total other components of equity
					Legal reserve	Exchange differences on translating financial statements	Gain (loss) on re-measuring available-for-sale investments	Gain (loss) on asset revaluation					
		Ordinary shares											
	2,205,116,310	2,946,439,199	220,512,200	9,004,709,766	40,450,599	-	2,123,651,784	(263,275,867)	(111,493,844)	1,789,332,672	16,166,110,147	16,650,431,123	
For the year ended October 31, 2017													
	Beginning balance as at November 1, 2016												
Changes in shareholders' equity during the period													
24	-	-	-	(441,023,242)	-	-	-	-	-	-	(441,023,242)	(441,023,242)	
	-	-	-	18,286,252	-	-	(21,976,099)	-	-	(21,976,099)	(3,689,847)	(4,090,286)	
	-	-	-	31,914,890	-	-	-	-	-	-	31,914,890	32,869,813	
	-	-	-	1,970,395,073	(95,996,354)	22,279,424	-	-	-	(73,716,930)	1,896,678,143	1,854,044,304	
Total comprehensive income (expense) for the year													
	2,205,116,310	2,946,439,199	220,512,200	10,584,282,739	(55,545,755)	22,279,424	2,101,675,685	(263,275,867)	(111,493,844)	1,693,639,643	442,241,621	18,092,231,712	
Ending balance as at October 31, 2017													

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 ENDEN OCTOBER 31, 2017

UNIT : BAHT										
	Note	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity			Total shareholders' equity	
				Appropriated	Unappropriated	Other comprehensive income	Total	other components of equity		
"Restated"										
For the year ended October 31, 2016										
Beginning balance as at November 1, 2015 - as previously reported										
Effects of the changes in accounting policies										
- Investment property		-	-	-	591,745,585	(146,830,279)	517,481,506	517,481,506	7,919,789,403	
- Assets not yet used in operation for land		-	-	-	5,554,412	2,569,048		2,569,048	444,915,306	
Beginning balance as at November 1, 2015 - after adjustment		2,004,656,204	2,946,439,199	200,466,000	2,848,046,491	373,220,275	373,220,275	373,220,275	8,123,460	
Changes in shareholders' equity during the year										
- Dividends paid	24	-	-	-	(222,733,609)	-	-	-	(222,733,609)	
- Dividends stock	24	200,460,106	-	-	(200,460,106)	-	-	-	-	
- Legal reserve	24	-	-	20,046,200	(20,046,200)	-	-	-	-	
- Transfer of gain of asset revaluation		-	-	-	46,253,709	(46,253,709)	(46,253,709)	(46,253,709)	-	
- Unrealized actuarial losses adjustment		-	-	-	(16,412,041)	-	-	-	(16,412,041)	
- Total comprehensive expense for the year		-	-	-	234,288,169	452,466,717	452,466,717	452,466,717	686,754,886	
Ending balance as at October 31, 2016		2,205,116,310	2,946,439,199	220,512,200	2,668,936,413	779,433,283	779,433,283	779,433,283	8,820,437,405	

UNIT : BAHT



SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDEN OCTOBER 31, 2017

UNIT : BAHT									
	Note	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity			Total shareholders' equity
				Appropriated	Unappropriated	Total			
				Legal reserve		Gain on remeasuring available-for-sale investments	asset revaluation	other components of equity	
For the year ended October 31, 2017									
Beginning balance as at November 1, 2016		2,205,116,310	2,946,439,199	220,512,200	2,668,936,413	-	779,433,283	779,433,283	8,820,437,405
Changes in shareholders' equity during the year									
- Dividends paid	24	-	-	-	(441,023,242)	-	-	-	(441,023,242)
- Unrealized actuarial losses adjustment		-	-	-	14,176,358	-	-	-	14,176,358
- Total comprehensive income for the year		-	-	-	1,311,983,454	22,279,424	-	22,279,424	1,334,262,878
Ending balance as at October 31, 2017		2,205,116,310	2,946,439,199	220,512,200	3,554,072,983	22,279,424	779,433,283	801,712,707	9,727,853,399

UNIT : BAHT

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

STATEMENTS OF PROFIT OR LOSS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDEN OCTOBER 31, 2017

UNIT : BAHT

	Consolidated Financial Statements		Separate Financial Statements	
	"Restated"		"Restated"	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax (expense) income	2,511,597,581	1,810,777,105	1,628,774,509	220,414,945
Adjustments for:				
Dividend income	(14,956,534)	-	(20,493,188)	(7,294,130)
Doubtful accounts - trade and other receivables	26,221,568	54,949,489	8,246,103	8,111,172
Share of gain of investment in an associate	(120,914,119)	(56,881,078)	-	-
Amortization of premium on bonds	59,485	123,713	-	-
Employee benefit expenses	74,038,776	18,734,971	33,510,710	7,888,629
Loss on obsolete goods and supplies	5,525,630	27,732,860	258,146	27,732,860
Loss on diminution in value of inventories (reversal)	301,324,060	(159,699,008)	208,966,800	(24,898,270)
Loss from plantation	154,637,006	36,257,152	-	-
Depreciation and amortization	1,182,249,244	1,247,360,500	352,846,605	411,960,580
Loss (gain) on sales and disposal of assets	20,419,605	(21,042,914)	(266,283)	(91,086,897)
Loss on impairment of assets	222,726,671	75,747,704	-	16,782,135
Loss on impairment of investments in subsidiaries	-	-	400,299,205	744,534,596
Gain on sales of investments in an associate	-	(45,223,547)	-	(10,700,000)
Gain on sales of investments in subsidiaries	(2,370,353,122)	-	(2,634,597,274)	-
Gain on fair value adjustments of investment property	(426,259,308)	(1,138,275,998)	(45,168,135)	(486,106,848)
Unrealized loss on exchange rate	7,292,816	3,581,135	85,902,645	20,215,078
Loss on fair value adjustments of biological assets	54,383,398	-	6,053,835	-
Interest income	(111,254,867)	(101,723,484)	(208,380,799)	(217,752,182)
Interest expenses	663,808,074	706,072,390	509,864,490	547,787,780
Finance costs	4,321,363	3,910,608	4,321,363	3,910,608
	<u>2,184,867,327</u>	<u>2,462,401,598</u>	<u>330,138,732</u>	<u>1,171,500,056</u>
Operating assets (increase) decrease				
Trade and other receivables	(60,484,193)	707,353,511	83,150,720	320,244,942
Inventories	(1,189,424,846)	1,036,745,724	(796,134,884)	891,738,651
Biological assets	25,762,169	91,292,224	(405,571)	3,053,783
Other current assets	26,278,192	6,112,628	11,596,625	6,864,872
Other non-current assets	62,526,260	86,130,263	(15,973,844)	(1,403,451)
Operating liabilities increase (decrease)				
Trade and other payables	10,484,485	552,693,576	198,805,309	225,529,539
Other current liabilities	(5,359,271)	(14,960,057)	(878,477)	(9,796,306)
Employee benefit obligations	(23,929,539)	(30,057,765)	(11,141,027)	(12,751,580)
Other non-current liabilities	15,643,739	8,472,119	12,463,481	1,609,190
Cash received (paid) from operating activities	<u>1,046,364,323</u>	<u>4,906,183,821</u>	<u>(188,378,936)</u>	<u>2,596,589,696</u>
Interest paid	(681,693,325)	(715,519,611)	(528,902,577)	(554,720,660)
Income tax expense paid	(128,235,788)	(152,889,462)	(8,450,538)	(5,610,545)
Net cash provided by (used in) operating activities	<u>236,435,210</u>	<u>4,037,774,748</u>	<u>(725,732,051)</u>	<u>2,036,258,491</u>



STATEMENTS OF PROFIT OR LOSS (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDEN OCTOBER 31, 2017

UNIT : BAHT

	Consolidated Financial Statements		Separate Financial Statements	
	"Restated"		"Restated"	
	2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for the purchase of temporary investments	(337)	(343)	-	-
(Increase) decrease in short-term loans to related parties and others	(171,400,000)	-	153,027,799	(544,035,302)
Increase in short-term loans to farmers	(109,606,105)	(156,580,156)	(226,062,176)	(162,172,599)
Cash payments for investments in an associate	-	(16,400,096)	-	(16,400,096)
Cash received from sales of investments in an associate	-	84,500,000	-	84,500,000
Cash payments for investments in subsidiaries	-	-	(284,604)	(470,249,994)
Cash received from sales of investments in subsidiaries	-	-	-	-
Cash payments for purchases of other long-term investments	(6,748,759)	-	-	-
Cash received from redemption of other long-term investments	2,700,000	6,700,000	-	-
(Increase) decrease in loans for cane plantation development	(61,477,505)	21,480,370	10,324,663	(25,350,000)
Decrease in long-term loans to related parties and others	10,845,333	33,333,334	77,755,333	33,333,334
Cash received from interest income	110,600,057	95,574,939	216,235,080	214,560,907
Cash received from dividends of subsidiaries and others	20,493,188	4,264,399	20,493,188	275,530,000
Cash payments for purchases of property, plant and equipment	(3,115,121,873)	(1,957,248,877)	(1,601,185,979)	(531,340,040)
Cash received from sales of property, plant and equipment	16,886,952	378,776,367	455,900	59,340,202
Cash payments for purchase of investment properties	(4,936,679)	(4,919,366)	(63,344)	(19,367)
Cash received from sales of investment properties	117,850	-	-	-
Cash payments for purchase of assets not yet used in operation	(9,613,085)	(18,731,201)	(31,937)	-
Cash received from sales of assets not yet used in operation	930,429	8,622,497	-	-
Cash payments of purchase of intangible assets	(3,363,646)	(431,042)	(2,380,426)	(2,538,692)
Cash received from sales of intangible assets	-	93,327	-	-
Net cash used in investing activities	(3,319,694,180)	(1,520,965,848)	(1,351,716,503)	(1,084,841,647)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in short-term borrowings from financial institutions	4,907,968,973	(434,869,495)	3,157,000,000	170,000,000
(Decrease) increase in short-term borrowings from related parties	(1,900,000)	800,000	62,300,000	235,800,000
Cash received from long-term debentures	2,496,043,121	-	2,496,043,121	-
Cash payment for long-term debentures	(3,000,000,000)	(1,000,000,000)	(3,000,000,000)	(1,000,000,000)
Cash received from long-term borrowings	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Cash payment for long-term borrowings	(1,811,633,330)	(1,961,593,330)	(1,205,833,330)	(1,155,833,330)
Cash payments for dividends to shareholders of the parent	(441,023,242)	(222,733,609)	(441,023,241)	(222,733,609)
Cash payments for non-controlling interests	-	(1,564,488)	-	-
Net cash provided by (used in) financing activities	3,149,455,522	(2,619,960,922)	2,068,486,550	(972,766,939)
Exchange differences on translation of cash of foreign subsidiaries	4,496,608	17,441,712	-	-
Net increase (decrease) in cash and cash equivalents	70,693,160	(85,710,310)	(8,962,004)	(21,350,095)
Cash and cash equivalents at the beginning of the year	82,310,755	168,021,065	20,856,186	42,206,281
Cash and cash equivalents at the end of the year	153,003,915	82,310,755	11,894,182	20,856,186

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDEN OCTOBER 31, 2017

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 IV 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 32.92% 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 2016) "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 except for the reassessment of control over the investees by the management of the Company which has effected to the change in the structure of the Group for the preparation of the consolidated financial statements as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at	As at		
	October 31, 2017	October 31, 2016		
	%	%		
Subsidiaries in which the Company holds shares directly				
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 Material Supplys Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of fertilizer and trading spare part of agricultural
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
KSL Green Innovation Public Company Limited	-	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
WSP Logistic Company Limited	100.00	100.00	Thailand	Service transport and shipping goods
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
Subsidiaries in which the Company holds shares directly and indirectly				
K.S.L. Export Trading Co., Ltd.*	79.55	79.55	Thailand	Export sugar as exporting agent
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
Subsidiary in which the Company holds the shares indirectly through Wynn In Trading Co., Ltd.				
Koh Kong Plantation Company Limited	80.00	80.00	Cambodia	Agricultural operation

* The Company holds shares indirectly through New Krung Thai Sugar Factory Company Limited, Tamaka Sugar Industry Company Limited and New Kwang Soon Lee Sugar Factory Company Limited.

** The Company holds shares indirectly through Tamaka Sugar Industry Company Limited.

The accounting period of subsidiaries ended the same date as the Company (accounting period ended on October 31) except for 5 subsidiaries whose accounting periods ended December 31, as follows:

- New Krung Thai Sugar Factory Company Limited
- Tamaka Sugar Industry Company Limited
- New Kwang Soon Lee Sugar Factory Company Limited
- KSL Agro & Trading Company Limited
- WSP Logistic Company Limited

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, 2016, 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, 2016 onwards, in the preparation and presentation of financial statement as follows:

Thai Accounting Standards (TAS)

TAS No. 1 (Revised 2015)	Presentation of Financial Statements
TAS No. 2 (Revised 2015)	Inventories
TAS No. 7 (Revised 2015)	Statement of Cash Flows
TAS No. 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS No. 10 (Revised 2015)	Events after the Reporting Period
TAS No. 11 (Revised 2015)	Construction Contracts
TAS No. 12 (Revised 2015)	Income Taxes
TAS No. 16 (Revised 2015)	Property, Plant and Equipment
TAS No. 17 (Revised 2015)	Leases
TAS No. 18 (Revised 2015)	Revenue
TAS No. 19 (Revised 2015)	Employee Benefits
TAS No. 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS No. 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS No. 23 (Revised 2015)	Borrowing Costs
TAS No. 24 (Revised 2015)	Related Party Disclosures
TAS No. 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS No. 27 (Revised 2015)	Separate Financial Statements
TAS No. 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS No. 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS No. 33 (Revised 2015)	Earnings per Share
TAS No. 34 (Revised 2015)	Interim Financial Reporting
TAS No. 36 (Revised 2015)	Impairment of Assets
TAS No. 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS No. 38 (Revised 2015)	Intangible Assets
TAS No. 40 (Revised 2015)	Investment Property
TAS No. 41	Agriculture



Thai Financial Reporting Standards (TFRS)

TFRS No. 2 (Revised 2015)	Share-based Payment
TFRS No. 3 (Revised 2015)	Business Combinations
TFRS No. 4 (Revised 2015)	Insurance Contracts
TFRS No. 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS No. 6 (Revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS No. 8 (Revised 2015)	Operations Segments
TFRS No. 10 (Revised 2015)	Consolidated Financial Statements
TFRS No. 11 (Revised 2015)	Joint Arrangements
TFRS No. 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS No. 13 (Revised 2015)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operations Activities
TSIC 15 (Revised 2015)	Operations 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)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2015) Employee Benefits
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	The Money Remitted State

The Group has applied the aforementioned financial reporting standards. However, the Group's management assessed and believe that the application of those financial reporting standards has no significant effects to the financial statements being presented, except TAS 41, "Agriculture".

The Adoption of TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant

TAS 41 and the Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant prescribe the accounting treatment for recognition and measurement of biological asset, bearer plant and agricultural produce. The Company determines the accounting policies as disclosed in Notes 3.5 and 3.8.

However, the cumulative effect of this change in accounting policies have no material impact on the previous year's financial statements presented herein for comparison, except for the presentation in the statements of financial position as follows:

	Consolidated		Unit : Million Baht	
	Financial statements		Financial statements	
	Previously presented	Currently presented	Previously presented	Currently presented
As at October 31, 2016				
Deferred cane plantation costs	407.24	-	21.99	-
Biological assets (see Note 10)	-	250.73	-	11.50
Bearer plant (see Note 16)	-	156.51	-	10.49
As at November 1, 2015				
Deferred cane plantation costs	517.93	-	24.81	-
Biological assets	-	341.56	-	14.55
Bearer plant	-	176.37	-	10.26

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

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Group believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied, except TAS 27 (revised 2016), "Separate Financial Statements".

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016), "Investments in Associates and Joint Ventures". However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.



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 Temporary investments

Temporary investments are fixed deposit with maturity term over 3 months up to 12 months with no obligation commitments and investments in debt securities classified as held-to-maturity, which will be matured within 1 year from the date in the statement of financial position. Such investments are stated at the amortized cost.

3.3 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.

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value, and adjusted by allowance for obsolete and diminution in value of inventories. Cost is calculated as follows:

- 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.
- Real estate development are calculated by using the specific method which consist of land cost, fulling cost, construction cost, utility system development cost and direct cost to acquire the products and set them to be ready for sale.
- Factory supplies are calculated using the moving average method.
- Bagasse, direct raw materials and trading finished goods are calculated 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; therefore, revenues from sales of such products are presented as deduction to production costs in each production season.

3.5 Biological assets

The Company's and its subsidiaries' biological asset is sugar cane and their agricultural produce is harvested cane which are measured at their fair value less costs to sell at the point of harvest.

The fair value of domestic harvested cane is determined based on reference to the Office of Cane and Sugar Board's cane price and of oversea harvested cane is determined using the price that market participants entered into transactions at that market.

Gains or losses on changes in fair value of biological asset and agricultural produce are recognized in profit or loss for the period when incurred.

In case the fair value cannot be reliably measured, the biological asset shall be measured at its cost less any accumulated depreciation and allowance of impairment (if any). Once the fair value of such a biological asset becomes reliably measurable, biological asset shall be measured at its fair value less costs to sell.

3.6 Investments

3.6.1 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.

3.6.2 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.

3.6.3 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.



3.6.4 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.

3.6.5 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.

3.7 Investment property

Investment property consist of land, land improvement and building and warehouse leased out that is held for rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group.

Investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets replacement value or discounted cash flow projections. Valuation is performed as of the financial position date by independent professional valuers.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

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 and bearer plant 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 and bearer plant 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	3 - 90	years
Buildings and construction	3 - 76	years
Machineries and equipment	2 - 50	years
Motor vehicles and labor saving tools	2 - 28	years
Furniture and office equipment	2 - 37	years
Bearer plant	3	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 as follows computer software and land concession are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Amortization of computer software is calculated by the straight-line method over estimated useful lives between 3 - 10 years.

Amortization of land concession is calculated by the straight-line method within 60 - 90 years.

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

3.10 Assets not used in operation

Assets not used in operation are assets for business expansion in the future consist of land 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. 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.

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 capitalized 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 as other components of equity 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 segments of the Group. By the business segment that sources products or provides services which have different risks and return from the risks and return of the products or services provide by other business segments.

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 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.



In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.29 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.

The significant accounting estimates which requires the Company's and its subsidiaries' management to exercise the significant judgments consist of the following:

1. Measurement of fair value of investment in an associate which is resulted from amalgamation

Estimate and setting significant assumptions in forecasting the results of operations including future sales volume and sales price, costs of production and administration, long-term growth rate and weighted average cost of capital (discounted rate) of each subsidiaries of such associate.

2. Estimation of realizable values of the Company's investment in subsidiaries in foreign countries and of buildings and equipment of subsidiaries.

Estimate realizable values of its investment in subsidiaries and of buildings and equipment of such subsidiaries for consideration of their loss on impairment. The realizable values are estimated at higher of their values in use and their fair values deducted by sales cost of assets, whereby

- Values in use are estimated exercising the Company's management judgment in connection with the judgement on significant assumptions to forecast the results of operations including future sales volume and sales price, costs of production and administration, long-term growth rate and weighted average cost of capital (discounted rate) of each subsidiaries
- Fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management.

4. AMALGAMATION IN SUBSIDIARY TO CHANGE TO ASSOCIATE

The Board of Directors' Meeting of the Company No.6/2016-2017 held on July 19, 2017 approved the amalgamation between KSLGI Company Limited (KSLGI) a subsidiary of the Company which will be incorporated to accept the transfer of and hold 99.99% of total issued shares in KSL Green Innovation Public Company Limited (KGI), a subsidiary of the Company and BBP Holding Company Limited (BBH), a new subsidiary of Bangchak Corporation Public Company Limited (BCP). Such amalgamation is in accordance with the agreements on business alliance for bio-based product businesses. The Company and Bangchak Corporation Public Company Limited entered into the agreement on July 19, 2017.

On July 20, 2017, KSLGI Company Limited was registered as a limited company under Thai law held with the registered capital of Baht 832.00 million (83.20 million ordinary shares with a par value of Baht 10.00 each). Subsequently, as at September 30, 2017, KSLGI Company Limited was transferred of and hold 99.99% of total issued shares in KSL Green Innovation Public Company Limited according to the amalgamation plan.

On October 31, 2017, BBGI Company Limited (BBGI) which is a new entity arising from the amalgamation between KSLGI Company Limited and BBP Holding Company Limited, was entitled to all the assets, liabilities, rights, obligations and commitments of both companies. The amalgamation was completed on the date specified according to the amalgamation agreement dated July 19, 2017.

The amalgamation acquired the allocation of share capital to shareholders of KSLGI Company Limited and BBP Holding Company Limited in exchange for the new shares based on the following:

One existing share in KSLGI	:	1.21730769 shares in BBGI
One existing share in BBH	:	0.89364706 shares in BBGI

As at October 31, 2017, the Company holds 40% and Bangchak Corporation Public Company Limited holds 60% of all BBGI Company Limited. The Company has been identified as the seller and loses its control power over KSL Green Innovation Public Company Limited and has BBGI Company Limited as an associate from this amalgamation.



Details of net assets of KSL Green Innovation Public Company Limited and KSLGI Company Limited on the disposal date are as follows:

	Unit : Thousand Baht
Cash and cash equivalents	14,534
Trade and other receivables	138,109
Inventories	508,364
Other current assets	2,813
Property, plant and equipment (see Note 16)	1,201,078
Intangible assets	1,012
Other non-current assets	6,335
Short-term borrowings from financial institutions	(452,000)
Trade and other payable	(53,617)
Current Portion of long-term borrowings (see Note 21)	(200,000)
Current income tax payable	(5,630)
Other current liabilities	(8,760)
Long-term borrowings (see Note 21)	(200,000)
Deferred tax liabilities (see Note 22.3)	(3,038)
Employee benefit obligations (see Note 23)	(4,729)
Other non-current liabilities	(200)
Total net assets	<u>944,271</u>

As a result, the Company changed accounting treatment from investment in subsidiary (KSLGI and KGI) to investment in associate (BBGI) using the fair value method, as at October 31, 2017 amount of Baht 3,244.87 million and recognized gain on disposal of investment in subsidiary in the consolidated and separate financial statements for the year ended October 31, 2017 amounting to Baht 2,370.35 million and Baht 2,634.60 million, respectively.

5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

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

Type of Transactions	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	“Restated” 2016	2017	“Restated” 2016
Purchases of property, plant and equipment which have not yet been paid	95,982	179,651	53,814	42,562
Transfer of other current assets to inventories	-	62,712	-	-
Transfer of property, plant and equipment to investment property and assets not used in operations	58,376	5,095	3,361	-
Transfer of equipment to intangible assets	5,969	4,398	5,729	-
Transfer of investment property to property, plant and equipment and assets not used in operations	4,658	2,676	-	-
Decrease in short-term borrowings from subsidiaries by offsetting against dividend received	-	-	-	815,000
Decrease in short-term borrowings from subsidiaries by offsetting against other receivables	-	-	-	203,000
Decrease in short-term borrowings from subsidiaries by offsetting against investments in subsidiaries	-	-	624,000	-
Transfer of other current assets to other non-current assets	8,395	-	-	-
Transfer of other non-current liabilities to other current liabilities	-	450	-	-

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

Type of Transactions	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Cash	2,460	3,214	1,182	2,070
Current accounts deposits	40,864	16,593	(318)	7,854
Savings accounts deposits	109,680	62,504	11,030	10,932
Total	<u>153,004</u>	<u>82,311</u>	<u>11,894</u>	<u>20,856</u>



6. 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:

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

Type of Balances	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2017	2016	2017	2016
Trade and other receivables				
Subsidiaries	-	-	165.68	275.67
Associates	-	1.30	-	1.27
Related parties	34.57	0.03	6.26	0.03
Total	<u>34.57</u>	<u>1.33</u>	<u>171.94</u>	<u>276.97</u>
Short-term loans (see Note 8)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>4,625.92</u>	<u>2,136.23</u>
Other current assets				
Subsidiaries	-	-	32.83	40.00
Related parties	1.02	0.43	0.17	0.23
Total	<u>1.02</u>	<u>0.43</u>	<u>33.00</u>	<u>40.23</u>
Long-term loans				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,300.00</u>	<u>4,266.96</u>
Other non-current assets				
Subsidiaries	-	-	3.29	0.02
Related parties	0.02	-	-	-
Total	<u>0.02</u>	<u>-</u>	<u>3.29</u>	<u>0.02</u>
Trade and other payables				
Subsidiaries	-	-	113.76	100.79
Associates	4.63	3.54	-	2.38
Related parties	8.39	2.58	3.96	0.23
Total	<u>13.02</u>	<u>6.12</u>	<u>117.72</u>	<u>103.40</u>

Type of Balances	Consolidated		Unit : Million Baht	
	Financial Statements	Financial Statements	Separate	Financial Statements
	2017	2016	2017	2016
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	0.68	0.49
Related parties	-	0.02	-	-
Total	-	0.02	0.68	0.49
Short-term borrowings				
Subsidiaries	-	-	540.20	476.00
Related parties	5.00	6.90	5.00	6.90
Total	5.00	6.90	545.20	482.90
Other current liabilities				
Subsidiaries	-	-	0.03	0.02
Related parties	-	0.02	-	0.02
Total	-	0.02	0.03	0.04
Other non-current liabilities - others				
Subsidiaries	-	-	0.47	0.58
Related parties	1.55	1.32	1.55	1.30
Total	1.55	1.32	2.02	1.88

As at October 31, 2017 and 2016, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 1.96% - 3.39% per annum and 1.90% - 3.60% per annum, respectively.

As at October 31, 2017 and 2016, long-term loans to subsidiaries represented loans with maturity date within 2020 carrying the interest rates at 3.73% per annum and 2.03% - 3.73% per annum, respectively.

As at October 31, 2017 and 2016, short-term borrowings from subsidiaries and related parties represented promissory notes payable on demand, carrying the interest rates at 1.83% - 1.92% per annum and 1.90% - 3.60% per annum, respectively.



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

Type of Transactions	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2017	2016	2017	2016
Revenues from sales and services				
Subsidiaries	-	-	3,446.03	3,605.26
Related parties	2.02	3.02	-	1.07
Total	<u>2.02</u>	<u>3.02</u>	<u>3,446.03</u>	<u>3,606.33</u>
Cost of sales and services				
Subsidiaries	-	-	2,877.72	2,038.77
Associates	11.56	8.24	11.56	8.24
Related parties	1.47	6.41	1.33	0.74
Total	<u>13.03</u>	<u>14.65</u>	<u>2,890.61</u>	<u>2,047.75</u>
Other income				
Subsidiaries	-	-	194.96	505.78
Associates	1.02	7.89	0.32	6.43
Related parties	4.50	15.34	4.48	15.33
Total	<u>5.52</u>	<u>23.23</u>	<u>199.76</u>	<u>527.54</u>
Selling expenses				
Subsidiaries	-	-	5.16	7.74
Associates	20.38	53.81	0.18	32.56
Total	<u>20.38</u>	<u>53.81</u>	<u>5.34</u>	<u>40.30</u>
Administrative expenses				
Subsidiaries	-	-	3.28	5.52
Related parties	16.29	17.91	6.16	7.18
Related juristic person	11.44	11.57	10.10	10.19
Total	<u>27.73</u>	<u>29.48</u>	<u>19.54</u>	<u>22.89</u>
Financial cost				
Subsidiaries	-	-	8.42	13.49
Related juristic person	0.11	0.13	0.11	0.13
Total	<u>0.11</u>	<u>0.13</u>	<u>8.53</u>	<u>13.62</u>
Management compensation				
Short-term employee benefits	147.14	141.31	50.51	48.57
Post-employment benefits	4.32	5.10	1.82	2.19
Total	<u>151.46</u>	<u>146.41</u>	<u>52.33</u>	<u>50.76</u>

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.

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

2017

Company Name	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related party	Same group of shareholder and Mutual directors
On Nuj Construction Co., Ltd.	Related party	Same group of shareholder and Mutual directors
Raja Ceramics Co., Ltd.	Related party	Same group of shareholders
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
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building
KSL Green Innovation Public Company Limited	Related party	Same common shareholder and Mutual director

* K.K. Wood Industry Co., Ltd. and Amarco Co., Ltd., registered the dissolution with the Ministry of Commerce in the first quarter of 2017.



2016

Company Name	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related party	Same group of shareholder and Mutual directors
On Nuj Construction Co., Ltd.	Related party	Same group of shareholder and Mutual directors
Raja Ceramics Co., Ltd.	Related party	Same group of shareholders
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
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building

All of the aforementioned related entities are incorporated in Thailand.

Prachuap Industry Co., Ltd. holds no part in management of the Company, but is a related company, where certain directors of Prachuap 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.

7. TRADE AND OTHER RECEIVABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2017	2016	2017	2016
Trade receivables	774,625	943,453	591,680	765,798
Farmer receivables	384,827	309,238	208,680	130,431
Other receivables	20,490	15,689	10,139	12,123
Prepaid expenses	32,738	37,652	17,793	17,232
Advance payment	12,657	16,574	8,146	4,767
Accrued income	66,256	84,670	44,456	49,763
Total trade and other receivables	1,291,593	1,407,276	880,894	980,114

7.1 Trade receivables as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2017	2016	2017	2016
Related parties	33,619	2	170,066	266,621
Others	742,886	945,255	421,614	499,177
Total	776,505	945,257	591,680	765,798
<u>Less</u> Allowance for doubtful accounts	(1,880)	(1,804)	-	-
Total trade receivables	774,625	943,453	591,680	765,798

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

7.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	Financial Statements
	2017	2016	2017	2016
Domestic trade receivables				
Not yet due	17,114	2	131,518	239,955
Overdue not over 3 months	5	-	23,131	26,666
Total	17,119	2	154,649	266,621
Foreign trade receivables				
Not yet due	16,500	-	6,816	-
Overdue not over 3 months	-	-	8,601	-
Total	16,500	-	15,417	-
Total trade receivables - related parties	33,619	2	170,066	266,621

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

7.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	Financial Statements
	2017	2016	2017	2016
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	201,273	181,966	72,875	58,378
Overdue not over 3 months	67,278	59,742	34,988	21,541
Total	268,551	241,708	107,863	79,919
Foreign trade receivables				
Not yet due	394,101	442,321	292,722	417,908
Overdue not over 3 months	36,065	1,350	21,029	1,350
Total	430,166	443,671	313,751	419,258
Total of business are to manufacture and distribute sugar and molasses	698,717	685,379	421,614	499,177
Manufacture and distribution of alcohol and electricity				
Domestic trade receivables				
Not yet due	17,748	187,547	-	-
Overdue not over 3 months	15,133	61,813	-	-
Total of business of manufacturing and distributing of alcohol and electricity	32,881	249,360	-	-
Other business				
Domestic trade receivables				
Not yet due	2,307	3,279	-	-
Overdue not over 3 months	1,969	678	-	-
Overdue not over 3 months and not over 6 months	71	-	-	-
Overdue over 12 months	6,941	6,559	-	-
Total other business	11,288	10,516	-	-
Total	742,886	945,255	421,614	499,177
Less Allowance for doubtful accounts	(1,880)	(1,804)	-	-
Total trade receivables - others	741,006	943,451	421,614	499,177



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

7.2 Farmer receivables as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Cane receivables				
Before Season 2012/2013	35,776	45,833	6,023	6,615
Season 2012/2013	21,906	27,923	5,259	6,465
Season 2013/2014	39,555	40,946	6,283	6,844
Season 2014/2015	46,777	54,698	12,921	13,088
Season 2015/2016	49,446	79,180	15,331	22,345
Season 2016/2017	53,371	-	23,837	-
Total cane receivables	246,831	248,580	69,654	55,357
Advance payment				
Season 2015/2016	-	95,891	-	93,021
Season 2016/2017	197,958	-	164,183	-
Total advance payment for purchases of cane	197,958	95,891	164,183	93,021
Receivables from fuel oil, fertilizer and other services	9,681	8,607	9,455	8,418
Total	454,470	353,078	243,292	156,796
<u>Less</u> Allowance for doubtful accounts	(69,643)	(43,840)	(34,612)	(26,365)
Total farmer receivables	384,827	309,238	208,680	130,431

Cane receivables are farmer receivables which had not yet delivered cane in according to contract, most of cane receivables are secured.

8. SHORT-TERM LOANS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Short-term loans to subsidiaries and related parties (see Note 6.1)	-	-	1,766,197	2,136,233
Short-term loans to other	181,000	-	181,000	-
Short-term loans to farmers	1,075,055	965,448	473,971	247,908
Current portion of long-term loans to subsidiaries (see Note 6.1)	-	-	2,859,727	-
Current portion of long-term loans to others	31,733	41,333	31,733	41,333
Current portion of loans for cane plantation development	281,471	266,316	60,922	58,532
Total short-term loans	1,569,259	1,273,097	5,373,550	2,484,006

Short-term loans to other as at October 31, 2017, in the consolidated and separate financial statements represent loans the form of promissory notes with 90 days maturity, carrying interest rates at MLR - 1.50% per annum. The interest is payable at the end of each month. Such loans are guaranteed by the director of such company.

Short-term loans to farmers as at October 31, 2017 and 2016, in the consolidated and separate financial statements represent loans the form of discounted check purchase for post-dated checks which the Company and its subsidiaries issued to the farmers on purchases of sugar cane, which the farmers discounted sale to the Company and its subsidiaries with interest rates based on average lending rates of commercial banks.

9. INVENTORIES

Inventories as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Sugar and molasses	2,490,630	1,560,120	1,542,500	771,747
Alcohol and bio-fertilizer	39,463	182,593	-	-
Bagasse	125,006	93,279	-	-
Real estate development	62,712	62,712	-	-
Factory supplies	199,922	179,693	161,688	141,252
Machine maintenance supplies	526,774	510,827	423,828	418,881
	3,444,507	2,589,224	2,128,016	1,331,880
<u>Less</u> Allowance for obsolete inventories	(39,388)	(33,862)	(34,121)	(33,862)
Allowance for diminution in value of inventories	(305,137)	(3,813)	(208,967)	-
Total inventories	3,099,982	2,551,549	1,884,928	1,298,018

Movements of allowance for obsolete inventories for the years ended October 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Beginning balance	(33,862)	(6,129)	(33,862)	(6,129)
<u>Add</u> Increase during the years - recognized as expense of sales for the years	(5,526)	(27,733)	(259)	(27,733)
Ending balance	(39,388)	(33,862)	(34,121)	(33,862)

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Beginning balance	(3,813)	(163,512)	-	(24,898)
<u>Add</u> Increase during the years - recognized as cost of sales for the years	(324,397)	(22,681)	(208,967)	-
<u>Less</u> Reversal during the years	23,073	182,380	-	24,898
Ending balance	(305,137)	(3,813)	(208,967)	-



10. BIOLOGICAL ASSETS

Movements of biological assets for the years ended October 31, 2017 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Financial Statements	
	2560	2559	2560	2559
Beginning book value	250,734	341,564	11,502	14,556
Gain (loss) on arising from change in fair value	(55,629)	(10,641)	2,465	95
Additional costs from cane plantation during the period	196,448	252,002	11,908	11,502
Amortization of cane plantation costs during the period	(218,864)	(334,731)	(20,021)	(14,651)
Loss from plantation	(54,294)	(3,345)	-	-
Exchange differences on translating financial statements	(6,500)	5,885	-	-
Ending book value	111,895	250,734	5,854	11,502

The methods and assumptions used in estimating the fair value of biological asset have been determined based on fair value less costs to sell. The valuation involves certain assumptions and estimates such as the final cane price for the current production season, a sweetness level and quantity of sugar cane (see Note 19). The fair value is hierarchy level 3.

11. INVESTMENTS IN ASSOCIATES

Investments in associates as at October 31, consisted of:

Consolidated Financial Statements

Company Name	Paid-up		Percentage of		Unit : Thousand Baht					
	Share Capital		Shareholding		2017		Dividend for the period 2017	2016		Dividend for the year 2016
	2017	2016	%	%	Cost	Equity		Cost	Equity	
			2017	2016						
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	455,593	5,478	90,267	340,157	4,227
T S G Assets Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	2,061	2,061	-
T S Oil Industry Co., Ltd.*	500,000	500,000	0.62	0.62	3,089	3,089	-	3,089	3,089	-
T S Flour Mill Public Company Limited*	342,051	342,051	0.07	0.07	313	218	59	313	276	37
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	-	509	509	-
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	40,508	40,508	-
BBGI Co., Ltd.**	2,532,000	-	40.00	-	3,244,868	3,244,867	-	-	-	-
Total					3,381,615	3,746,845	5,537	136,747	386,600	4,264

* An associate considering by significant influence of the Company to Thai Sugar Terminal Public Limited, which is parent company of this associate.

** BBGI Company Limited (BBGI) arose from the amalgamation between KSLGI Company Limited (KSLGI) and BBP Holding Company Limited (BBH) which was registered on October 31, 2017 (see Note 4).

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Unit : Thousand Baht	
	share Capital		Shareholding				Dividends	
	2017	2016	%	%	2017	2016	For the year ended	
			2017	2016			2017	2016
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	90,267	5,478	4,227
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 Company Limited*	342,051	342,051	0.07	0.07	313	313	59	37
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	-	-
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	-
BBGI Co., Ltd.**	2,532,000	-	40.00	-	3,244,868	-	-	-
Total					3,381,615	136,747	5,537	4,264

* An associate considering by significant influence of the Company to Thai Sugar Terminal Public Limited, which is parent company of this associate.

** BBGI Company Limited (BBGI) arose from the amalgamation between KSLGI Company Limited (KSLGI) and BBP Holding Company Limited (BBH) which was registered on October 31, 2017 (see Note 4).

12. INVESTMENTS IN SUBSIDIARIES

Investments subsidiaries as at October 31, consisted of:

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Unit : Thousand Baht	
	Share Capital		Shareholding				Dividends	
	2017	2016	%	%	2017	2016	For the year ended	
			2017	2016			October 31,	
							2017	2016
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	-	-
New Kwang Soon Lee Sugar Factory Company Limited	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 Company Limited	20,000	20,000	33.88	33.88	6,775	6,775	-	3,049
KSL Material Supplys Company Limited	480,000	480,000	100.00	100.00	479,119	479,119	-	-
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	-
KSL Green Innovation Public Company Limited **	-	610,000	-	100.00	-	609,986	-	304,993
KSL. Agro & Trading Company Limited	300,000	300,000	100.00	100.00	300,000	300,000	-	-
KSL WSP Logistic Company Limited	250	250	100.00	100.00	250	250	-	-
Savannakhet Sugar Corporation	684,757	684,757	98.49	98.49	674,178	674,178	-	-
Koh Kong Sugar Industry Company Limited *	1,167,660	1,167,660	80.00	80.00	932,589	932,589	-	-
Wynn In Trading Company Limited *	487,497	487,497	100.00	100.00	487,497	487,497	-	-
Total					5,926,529	6,536,515	-	308,042
Less Allowance for impairment of investments					(1,150,718)	(750,419)	-	-
Total investments subsidiaries					4,775,811	5,786,096	-	308,042

* 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% 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. As at October 31, 2017, loss of Koh Kong Plantation Company Limited exceed 75% of the registered share capital. The Company's management is performing to resolve its loss less than 75% of the registered share capital.

** The Company loses control of a subsidiary from amalgamation on October 31, 2017 (see Note 4).



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

	Unit : Thousand Baht Separate Financial Statements	
	2017	2016
Beginning balance	5,786,096	6,060,381
Additional investments		
KSLGI Company Limited (see Note 4)	831,715	-
KSL Material Supplys Company Limited	-	470,000
KSL WSP Logistic Company Limited	-	250
Selling investments		
KSL Green Innovation Public Company Limited (see Note 4)	(609,986)	-
Decrease from amalgamation		
KSLGI Company Limited (see Note 4)	(831,715)	-
Increase in allowance for impairment of investments		
Savannakhet Sugar Corporation	(137,670)	(402,557)
Koh Kong Sugar Industry Company Limited	(262,629)	(341,978)
Ending balance	<u>4,775,811</u>	<u>5,786,096</u>

The Board of Directors Meeting No. 5/2016 on June 24, 2016 has approved the establishment of a new subsidiary, WSP Logistic Company Limited, to operate the transportation and logistics. With authorized share capital of Baht 1,000,000 (100,000 shares at par value of Baht 10.00 each) which Baht 2.50 per share totaling Baht 250,000, was called and paid-up. Such subsidiary incorporated with the Ministry of Commerce on August 23, 2016. The Company directly invested 100%.

In accordance with the minute of Extraordinary General Meeting of Shareholders No.1 of the annual 2016 of KSL Material Supplys Company Limited held on October 13, 2016, has resolution to increase of registered capital totaling amount of Baht 470,000,000 by newly issued ordinary shares totaling amount 47,000,000 shares at the par value of Baht 10.00 totaling amount of Baht 480,000,000. The subsidiary company has registered and articles of association letter with the Commercial Business Development Department of the Ministry of Commerce, on October 31, 2016. The Company directly invested 100%.

As at October 31, 2016, in consistent with Thai Accounting Standard No. 36 “Impairment of Assets”, the Company has made an assessment of impairment loss to investment in Savannakhet Sugar Corporation and Koh Kong Sugar Industry Company Limited, the forecasted cash flows covering a period of 20 years and using the discounted rates at 9.30% - 9.70% p.a. and recorded impairment loss of investments in subsidiaries amounting to Baht 744.53 million in the separate statements of profit or loss and other comprehensive income for the year ended October 31, 2016. Subsequently, as at October 31, 2017, the Company has additional made an assessment of impairment loss to investment, the independent appraiser evaluates the assets that generate future cash inflows and recorded impairment loss of investments in subsidiaries amounting to Baht 400.30 million in the separate statements of profit or loss and other comprehensive income for the year ended October 31, 2017.

However, the Company firmly believes that the subsidiaries could be carried according to plan and remain the potential for further growth in the future.

13. OTHER LONG-TERM INVESTMENTS

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

	Parentage of Shareholding		Consolidated		Unit : Thousand Baht	
	Direct and indirect		Financial Statements		Separate	
	2017	2016	2017	2016	2017	2016
	%	%				
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	-	350,000	-	350,000
- TISCO ESG Investment Fund for Society			20,000	20,000	20,000	20,000
Total			20,795	370,795	20,325	370,325
Marketable equity securities-Available-for-sale-securities						
- Madman Public Company Limited	7.46	-	350,000	-	350,000	-
Gain from the reclassification of investment			82,952	-	82,952	-
Change in fair value			(55,103)	-	(55,103)	-
Net			377,849	-	377,849	-
Held-to-maturity debt securities - government bonds			6,749	2,724	-	-
<u>Less</u> Amortization			(58)	(22)	-	-
Current portion			-	(2,702)	-	-
Net			6,691	-	-	-
Total other long-term investments			405,335	370,795	398,174	370,325

In the second quarter of 2017, the investment in Mudman Co., Ltd. was changed from general investment to investment in available-for-sale securities since Mudman Public Company Limited was registered with the Stock Exchange of Thailand and started trading on April 11, 2017 which gain from the reclassification of investment of Baht 82.95 million was recognized.

The fair value of investments in available-for-sale securities is the offer price on the Stock Exchange of Thailand which is hierarchy level 1.

14. LONG-TERM LOANS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Financial Statements	
	2017	2016	2017	2016
Long-term loans to subsidiaries (see Note 6.1)	-	-	4,159,728	4,266,963
Long-term loans to others	66,221	86,667	66,221	86,667
Loans for cane plantation development	707,427	645,950	141,050	151,375
<u>Less</u> Current portion (included as part of short-term loans, see Note 8)	(313,204)	(307,649)	(2,952,382)	(99,865)
Total	460,444	424,968	1,414,617	4,405,140
<u>Less</u> Allowance for doubtful debts	(67,245)	(66,904)	(9,702)	(9,702)
Total long-term loans	393,199	358,064	1,404,915	4,395,438

As at October 31, 2017 and 2016, most of long-term loans to others is loan to individual of Baht 60.00 million and Baht 80.00 million, respectively, which is under lending limit of Baht 120.00 million on August 31, 2015 principal installment payable every six months on the last working day of February and August of each year for 6 installments at Baht 20.00 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. Subsequently, in 2017, the agreement is amended to pay for 4 installments at Baht 15.00 million, and the first installment is due in February 2018.



As at October 31, 2017 and 2016, loans for cane plantation development included in the consolidated financial statements of Baht 685.78 million and Baht 624.30 million, respectively, and in the separate financial statements of Baht 119.40 million and Baht 129.73 million, respectively, were the loans to farmers the purpose to buy land for cane plantation, agricultural machineries and equipment. The loan agreements were entered into for the periods of 1 - 8 years, or longer. Loans carry interest rates of 7.12% - 8.00% per annum and 7.25% - 8.00% per annum, respectively, which the farmers mostly use land and vehicles as collateral. For the remaining loans for cane plantation development of Baht 21.65 million for each year were loans to other personals and parties for purchases of agricultural machineries for planting cane 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 loan is secured by such agricultural machineries.

15. INVESTMENT PROPERTY

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

2017

	Consolidated Financial Statements			Unit : Thousand Baht Separate Financial Statements		
	Land	Buildings and Warehouses	Total	Land	Buildings and Warehouses	Total
Fair value :						
As at November 1, 2016	2,617,149	1,879,035	4,496,184	927,955	571,729	1,499,684
Adjustment and reclassification	(4,709)	51	(4,658)	-	-	-
Purchases	-	4,936	4,936	-	63	63
Disposals	-	(402)	(402)	-	-	-
Gain from fair value adjustments on investment property	366,247	54,900	421,147	27,547	17,621	45,168
As at October 31, 2017	<u>2,978,687</u>	<u>1,938,520</u>	<u>4,917,207</u>	<u>955,502</u>	<u>589,413</u>	<u>1,544,915</u>

2016

	Consolidated Financial Statements			Unit : Thousand Baht Separate Financial Statements		
	Land	Buildings and Warehouses	Total	Land	Buildings and Warehouses	Total
Fair value :						
As at November 1, 2015	1,644,150	1,710,413	3,354,563	529,088	484,470	1,013,558
Adjustment and reclassification	(1,574)	-	(1,574)	-	-	-
Purchases	4,900	19	4,919	-	19	19
Gain from fair value adjustments on investment property	969,673	168,603	1,138,276	398,867	87,240	486,107
As at October 31, 2016	<u>2,617,149</u>	<u>1,879,035</u>	<u>4,496,184</u>	<u>927,955</u>	<u>571,729</u>	<u>1,499,684</u>

For the years ended October 31, 2017 and 2016, the Company and its subsidiaries recognized rental income from investment property of Baht 203.58 million and Baht 195.51 million, respectively, in the consolidated statements of income, and of Baht 51.48 million and Baht 47.98 million, respectively, in the separate statements of income.

Represented fair value of investment property which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using income approach and market approach which is hierarchy level 3.

16. PROPERTY, PLANT AND EQUIPMENT

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

2017

Unit : Thousand Baht

	Consolidated Financial Statements								
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	Total
Cost :									
As at November 1, 2016	850,225	1,522,517	6,211,168	22,040,659	1,824,246	291,879	1,668,078	297,906	34,706,678
Adjustment and reclassification	1,539	29,164	(4,210)	(94,040)	-	(772)	(29,107)	-	(97,426)
Purchases	124,057	70	37,480	31,959	60,967	19,306	2,711,562	61,700	3,047,101
Disposals/written off	(900)	(104)	(26,018)	(18,513)	(42,021)	(6,666)	(562)	(56,196)	(150,980)
Amalgamation	(50,699)	(21,492)	(321,843)	(1,276,560)	(7,493)	(26,442)	(61,454)	-	(1,765,983)
Transfer in (out)	-	49,306	82,914	475,561	3,490	2,687	(613,958)	-	-
Translation of financial statements differences	-	(28,851)	(30,177)	(75,657)	(12,846)	(874)	(775)	(5,287)	(154,467)
As at October 31, 2017	924,222	1,550,610	5,949,314	21,083,409	1,826,343	279,118	3,673,784	298,123	35,584,923
Accumulated depreciation :									
As at November 1, 2016	-	(379,474)	(1,220,117)	(7,769,223)	(1,077,929)	(236,175)	-	(138,389)	(10,821,307)
Adjustment and reclassification	-	(1,436)	8,601	7,022	-	(170)	-	-	14,017
Depreciation for the year	-	(35,948)	(169,797)	(783,873)	(106,797)	(26,612)	-	(52,530)	(1,175,557)
Disposals/written off	-	87	2,412	17,355	31,470	6,485	-	-	57,809
Amalgamation	-	8,043	47,460	510,407	2,751	17,251	-	-	585,912
Translation of financial statements differences	-	9,871	5,712	12,436	8,027	821	-	850	37,717
As at October 31, 2017	-	(398,857)	(1,325,729)	(8,005,876)	(1,142,478)	(238,400)	-	(190,069)	(11,301,409)
Differences on revaluation of assets :									
As at November 1, 2016	2,339,528	-	-	-	-	-	-	-	2,339,528
Amalgamation	(22,858)	-	-	-	-	-	-	-	(22,858)
As at October 31, 2017	2,316,670	-	-	-	-	-	-	-	2,316,670
Allowance for impairment of assets :									
As at November 1, 2016	(29,540)	-	(6,363)	-	-	-	-	(3,008)	(38,911)
Increased	-	-	-	(152,035)	(9,285)	-	-	(47,492)	(208,812)
Amalgamation	1,851	-	-	-	-	-	-	-	1,851
As at October 31, 2017	(27,689)	-	(6,363)	(152,035)	(9,285)	-	-	(50,500)	(245,872)
Net book value :									
As at October 31, 2017	3,213,203	1,151,753	4,617,222	12,925,498	674,580	40,718	3,673,784	57,554	26,354,312



**“Restated”
2016**

Unit : Thousand Baht

Consolidated Financial Statements									
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	Total
Cost :									
As at November 1, 2015	730,353	1,454,203	6,140,642	21,724,413	1,848,115	273,335	938,710	218,755	33,328,526
Adjustment and reclassification	(500)	(7,067)	(20,232)	(9,884)	5	(274)	11,013	-	(26,939)
Purchases	160,112	85,494	126,850	125,477	45,910	11,456	1,302,335	119,741	1,977,375
Disposals/written off	(39,740)	(84,982)	(117,919)	(167,959)	(67,177)	(3,435)	(2,217)	(30,835)	(514,264)
Transfer in (out)	-	84,186	91,673	393,132	1,497	11,075	(581,563)	-	-
Translation of financial statements differences	-	(9,317)	(9,846)	(24,520)	(4,104)	(278)	(200)	(9,755)	(58,020)
As at October 31, 2016	850,225	1,522,517	6,211,168	22,040,659	1,824,246	291,879	1,668,078	297,906	34,706,678
Accumulated depreciation :									
As at November 1, 2015	-	(365,637)	(1,081,699)	(7,032,202)	(1,047,354)	(213,442)	-	(39,385)	(9,779,719)
Adjustment and reclassification	-	(3,440)	2,419	3,748	-	585	-	-	3,312
Depreciation for the year	-	(32,731)	(160,673)	(831,436)	(90,659)	(26,583)	-	(99,135)	(1,241,217)
Disposals/written off	-	19,274	18,185	87,048	57,618	3,008	-	-	185,133
Translation of financial statements differences	-	3,060	1,651	3,619	2,466	257	-	131	11,184
As at October 31, 2016	-	(379,474)	(1,220,117)	(7,769,223)	(1,077,929)	(236,175)	-	(138,389)	(10,821,307)
Differences on revaluation of assets :									
As at November 1, 2015	1,412,609	-	-	-	-	-	-	-	1,412,609
Adjustment and reclassification	(14,314)	-	-	-	-	-	-	-	(14,314)
Increased	1,007,588	-	-	-	-	-	-	-	1,007,588
Disposals	(66,355)	-	-	-	-	-	-	-	(66,355)
As at October 31, 2016	2,339,528	-	-	-	-	-	-	-	2,339,528
Allowance for impairment of assets :									
As at November 1, 2015	(12,400)	-	(6,363)	-	-	-	-	(3,008)	(21,771)
Adjustment and reclassification	2,350	-	-	-	-	-	-	-	2,350
Increased	(22,582)	-	-	-	-	-	-	-	(22,582)
Disposals	3,092	-	-	-	-	-	-	-	3,092
As at October 31, 2016	(29,540)	-	(6,363)	-	-	-	-	(3,008)	(38,911)
Net book value :									
As at October 31, 2016	3,160,213	1,143,043	4,984,688	14,271,436	746,317	55,704	1,668,078	156,509	26,185,988

Accumulated depreciation as at October 31,

2017

Thousand Baht 1,175,557

2016 (Restated)

Thousand Baht 1,241,217

2017

Unit : Thousand Baht

	Separate Financial Statements								
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	Total
Cost :									
As at November 1, 2016	407,137	318,285	1,524,401	7,197,884	612,610	121,510	515,815	25,933	10,723,575
Adjustment and reclassification	(3,361)	29,027	(37,151)	(156)	-	156	(12,345)	-	(23,830)
Purchases	46,495	-	313	10,031	10,410	3,896	1,546,983	3,571	1,621,699
Disposals/written off	(900)	-	-	(678)	(4,740)	(4,679)	-	-	(10,997)
Transfer in (out)	-	1,084	50,770	109,254	2,833	1,393	(165,334)	-	-
As at October 31, 2017	449,371	348,396	1,538,333	7,316,335	621,113	122,276	1,885,119	29,504	12,310,447
Accumulated depreciation :									
As at November 1, 2016	-	(40,817)	(338,266)	(2,889,197)	(348,352)	(96,771)	-	(15,448)	(3,728,851)
Adjustment and reclassification	-	(1,387)	8,503	21	-	(21)	-	-	7,116
Depreciation for the year	-	(11,984)	(46,716)	(237,969)	(28,959)	(12,993)	-	(9,141)	(347,762)
Disposals/written off	-	-	-	660	4,739	4,560	-	-	9,959
As at October 31, 2017	-	(54,188)	(376,479)	(3,126,485)	(372,572)	(105,225)	-	(24,589)	(4,059,538)
Differences on revaluation of assets :									
As at November 1, 2016	974,292	-	-	-	-	-	-	-	974,292
As at October 31, 2017	974,292	-	-	-	-	-	-	-	974,292
Allowance for impairment of assets :									
As at November 1, 2016	(21,337)	-	-	-	-	-	-	-	(21,337)
As at October 31, 2017	(21,337)	-	-	-	-	-	-	-	(21,337)
Net book value :									
As at October 31, 2017	1,402,326	294,208	1,161,854	4,189,850	248,541	17,051	1,885,119	4,915	9,203,864



**“Restated”
2016**

Unit : Thousand Baht

	Separate Financial Statements								Total
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	
Cost :									
As at November 1, 2015	397,162	300,409	1,659,379	6,997,942	605,812	112,563	313,149	15,383	10,401,799
Adjustment and reclassification	-	-	960	(962)	2	-	(4,238)	-	(4,238)
Purchases	23,821	974	21,233	57,555	17,839	5,760	392,036	10,550	529,768
Disposals/written off	(13,846)	-	(177,795)	(21)	(11,856)	(236)	-	-	(203,754)
Transfer in (out)	-	16,902	20,624	143,370	813	3,423	(185,132)	-	-
As at October 31, 2016	407,137	318,285	1,524,401	7,197,884	612,610	121,510	515,815	25,933	10,723,575
Accumulated depreciation :									
As at November 1, 2015	-	(30,395)	(354,503)	(2,588,738)	(335,280)	(83,467)	-	(5,128)	(3,397,511)
Adjustment and reclassification	-	-	(878)	878	-	-	-	-	-
Depreciation for the year	-	(10,422)	(46,766)	(301,358)	(24,928)	(13,535)	-	(10,320)	(407,329)
Disposals/written off	-	-	63,881	21	11,856	231	-	-	75,989
As at October 31, 2016	-	(40,817)	(338,266)	(2,889,197)	(348,352)	(96,771)	-	(15,448)	(3,728,851)
Differences on revaluation of assets :									
As at November 1, 2015	463,313	-	-	-	-	-	-	-	463,313
Purchases	557,232	-	-	-	-	-	-	-	557,232
Disposals	(46,253)	-	-	-	-	-	-	-	(46,253)
As at October 31, 2016	974,292	-	-	-	-	-	-	-	974,292
Allowance for impairment of assets :									
As at November 1, 2015	(7,319)	-	-	-	-	-	-	-	(7,319)
Purchases	(16,782)	-	-	-	-	-	-	-	(16,782)
Disposals	2,764	-	-	-	-	-	-	-	2,764
As at October 31, 2016	(21,337)	-	-	-	-	-	-	-	(21,337)
Net book value :									
As at October 31, 2016	1,360,092	277,468	1,186,135	4,308,687	264,258	24,739	515,815	10,485	7,947,679

Accumulated depreciation as at October 31,

2017	Thousand Baht	347,762
2016 (Restated)	Thousand Baht	407,329

As at October 31, 2017 and 2016, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 448.03 million and Baht 487.43 million, respectively, in the consolidated financial statements, are located on the concessional and which the ownership will be transferred to the lesser when the agreements are expired (see Note 30.7.3).

As at October 31, 2017 and 2016, assets at cost of Baht 4,461.68 million and Baht 4,013.62 million, respectively, in the consolidated financial statements, and of Baht 2,534.27 million and Baht 2,260.77 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2017 and 2016, land which is recorded at revaluation method with the net value of Baht 3,213.20 million and Baht 3,160.21 million, respectively, in the consolidated financial statements and Baht 1,402.33 million and Baht 1,360.09 million, respectively, in the separate financial statements represented fair value of land which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using the market approach which is hierarchy level 3. As at October 31, 2017 and 2016, land net book value at the cost method of Baht 924.22 million and Baht 850.23 million, respectively, in the consolidated financial statements, and of Baht 449.37 million and Baht 407.14 million, respectively, in the separate financial statement.

As at October 31, 2017, buildings, machinery and labor saving tools of three foreign subsidiaries was revalued by the independent professional qualified appraisers. The basis of valuation for buildings, machinery and labor saving tools are market value and depreciated replacement cost. The fair value of building, machinery and labor saving tools are less than net book value. The Company recognizes loss on impairment of assets amount of Baht 161.32 million in the consolidated financial statement for the year ended October 31, 2017.

17. OTHER NON-CURRENT ASSETS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Assets not yet used in operation				
- Land	731,017	718,125	3,393	-
- Machinery and Equipment	28,574	35,862	-	-
Other non-current assets	63,184	121,662	23,571	7,597
Total other non-current assets	822,775	875,649	26,964	7,597

As at October 31, 2017 and 2016, assets not yet used in operation of Baht 731.02 million and Baht 718.12 million, respectively, represented fair value of land which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using the market approach which is hierarchy level 3. As at October 31, 2017 and 2016, land net book value at the cost method of Baht 341.29 million and Baht 328.40 million, respectively, in the consolidated financial statements.

18. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Promissory notes	7,512,995	3,757,026	3,265,000	1,108,000
Bills of exchange	995,785	-	995,785	-
Total short-term borrowings from financial institutions	8,508,780	3,757,026	4,260,785	1,108,000



As at October 31, 2017 and 2016, promissory notes have maturity period ranging from 1 - 6 months. Part of the promissory notes in the consolidated financial statements from one commercial bank by two and a subsidiary of Baht 249.22 million and Baht 1.30 million from a commercial banks, respectively, are the borrowings denominated in US dollar carrying interest rates between LIBOR+2.00% and LIBOR+1.50% to LIBOR+2.00% per annum, respectively. The remaining are borrowings denominated in Baht, carrying interest rates at 1.87% - 2.68% per annum and 1.90% - 2.70% per annum, respectively. Promissory notes, in the separate financial statements, are borrowings denominated in Baht, carrying interest rates at 1.87% - 1.98% per annum and 1.90% - 2.01% per annum, respectively.

As at October 31, 2017, bills of exchange in the consolidated and the separate financial statements represented the borrowings denominated in Baht, carrying interest rate at 1.65% per annum.

19. TRADE AND OTHER PAYABLES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Trade payables - related parties	10,040	2,325	89,193	87,341
Trade payable - others				
- Payables for cane purchases	360,051	724,238	121,888	230,566
- Other trade payables	83,342	61,470	2,829	21,687
Advances received for sales of goods	82,515	20,442	44,574	13,714
Accrued fees payable to the Office of the Cane and Sugar Fund	54,774	38,842	23,663	5,456
Other accrued expenses	235,151	178,212	141,044	109,894
Payables on purchases of assets	149,227	242,030	57,581	45,541
Other payables	620,248	444,051	621,015	391,567
Total trade and other payables	<u>1,595,348</u>	<u>1,711,610</u>	<u>1,101,787</u>	<u>905,766</u>

As at October 31, 2017, the Company and its three subsidiaries purchased canes for the production season 2016/2017 using the initial cane price for production season 2016/2017 announced by the Cane and Sugar Board in the Royal Gazette dated April 17, 2017. The price is Baht 1,050.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 63.00 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 2016/2017. 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, 2017 from the estimate made by the management of the Company and its subsidiaries at cane price of Baht 1,285.52 - 1,376.06 per ton with average sweetness level at 11.06 - 12.81 c.c.s.

20. LONG-TERM DEBENTURES

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

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	2017	2016
Unsecured senior debt debentures	9,493,434	9,993,070
<u>Less</u> Current portion	<u>(2,998,989)</u>	<u>(2,999,307)</u>
Net	<u>6,494,445</u>	<u>6,993,763</u>

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, 2017									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate	Number of Units	Total Value	Deferred debenture issuance cost	Net	Fair Value
				per annum	Issued				
1	KSL185A	3 years	May 7, 2018	2.88	2,000,000	2,000,000	475	1,999,525	2,014,200
2	KSL189A	3 years	September 25, 2018	2.50	1,000,000	1,000,000	535	999,465	1,006,642
3	KSL192A	2 years	February 24, 2019	2.34	1,000,000	1,000,000	1,052	998,948	1,004,286
4	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	654	999,346	1,035,717
5	KSL199A	5 years	September 18, 2019	4.07	1,000,000	1,000,000	663	999,337	1,034,554
6	KSL202A	3 years	February 24, 2020	2.56	1,000,000	1,000,000	1,224	998,776	1,007,448
7	KSL203A	5 years	March 13, 2020	3.48	2,000,000	2,000,000	1,332	1,998,668	2,054,539
8	KSL206A	3 years	June 20, 2020	2.50	500,000	500,000	631	499,369	501,028
Total long-term debentures					<u>9,500,000</u>	<u>9,500,000</u>	<u>6,566</u>	<u>9,493,434</u>	<u>9,658,414</u>

Unit : Thousand Baht									
Consolidated Financial Statements/Separate Financial Statements as at October 31, 2016									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate	Number of Units	Total Value	Deferred debenture issuance cost	Net	Fair Value
				per annum	Issued				
1	KSL172A	3 years	February 27, 2017	3.84	1,000,000	1,000,000	138	999,862	1,006,885
2	KSL174A	3 years	April 30, 2017	3.63	1,000,000	1,000,000	335	999,665	1,009,388
3	KSL175A	3 years	May 16, 2017	3.60	1,000,000	1,000,000	220	999,780	1,009,869
4	KSL185A	3 years	May 7, 2018	2.88	2,000,000	2,000,000	1,395	1,998,605	2,030,127
5	KSL189A	3 years	September 25, 2018	2.50	1,000,000	1,000,000	974	999,026	1,007,599
6	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	979	999,021	1,050,787
7	KSL199A	5 years	September 18, 2019	4.07	1,000,000	1,000,000	993	999,007	1,046,245
8	KSL203A	5 years	March 13, 2020	3.48	2,000,000	2,000,000	1,896	1,998,104	2,066,557
Total long-term debentures					<u>10,000,000</u>	<u>10,000,000</u>	<u>6,930</u>	<u>9,993,070</u>	<u>10,227,457</u>

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	
	2017	2016
Beginning book value	9,993,070	10,989,160
Debentures issuance during the years	2,500,000	-
Redemptions during the years	(3,000,000)	(1,000,000)
Amortized debenture issuance cost	364	3,910
Ending book value	<u>9,493,434</u>	<u>9,993,070</u>



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

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

As at October 31, 2017 and 2016, the Company maintains the debts with interest to equity ratio in accordance with the conditions (see Note 26).

- The Company shall proceed the credit rating the entire term. 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.

As at October 31, 2017, the credit rating of the debentures was not lower than the Company's credit rating.

21. LONG-TERM BORROWINGS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Borrowings	3,655,833	5,067,466	3,203,833	3,409,666
Less Current portion	(1,623,833)	(2,011,633)	(1,223,833)	(1,205,833)
Long-term borrowings	<u>2,032,000</u>	<u>3,055,833</u>	<u>1,980,000</u>	<u>2,203,833</u>

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2016	2016	2017	2016
Beginning book value	5,067,466	6,029,060	3,409,666	3,565,500
Additional borrowings during the years	1,000,000	1,000,000	1,000,000	1,000,000
Repayment during the years	(2,011,633)	(1,961,594)	(1,205,833)	(1,155,834)
Amalgamation	(400,000)	-	-	-
Ending book value	<u>3,655,833</u>	<u>5,067,466</u>	<u>3,203,833</u>	<u>3,409,666</u>

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

	Consolidated Financial Statements		Separate Financial Statements	
	2017	2016	2017	2016
	%	%	%	%
Borrowings - Baht currency	2.00 - 4.25	2.00 - 4.25	2.00 - 3.80	2.00 - 3.86

Maturity of long-term borrowings were as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Within 1 year	1,623,833	2,011,633	1,223,833	1,205,833
Over 1 year and within 5 years	2,032,000	3,055,833	1,980,000	2,203,833

The significant terms of such borrowings are as follows:

Credit Limit	Balances At as October 31,		Interest rate	Principal repayment	Interest payment	Commencing repayment	Maturity
	2017	2016					
	Thousand Baht	Thousand Baht					
The Company							
1. Baht 2,500 million	350,000	850,000	AMLR - Fixed rate	Semi-annual	Monthly	May 2013	March 2019
2. Baht 1,500 million	750,000	1,050,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2015	November 2019
3. Baht 1,000 million	700,000	900,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020
4. Baht 1,000 million	400,000	600,000	AMLR - Fixed rate	Semi-annual	Monthly	April 2015	October 2019
5. Baht 1,000 million	1,000,000	-	Fixed rate	Semi-annual	Monthly	April 2016	October 2023
6. Baht 11.30 million	-	2,000	Fixed rate	Annual	Monthly	June 2012	June 2017
7. Baht 23 million	3,833	7,666	Fixed rate	Annual	Annual	June 2013	June 2019
Total	3,203,833	3,409,666					
The subsidiaries							
8. Baht 800 million	-	200,000	AMLR - Fixed rate	Semi-annual	Monthly	February 2014	February 2019
9. Baht 1,000 million	-	600,000	Fixed rate	Semi-annual	Monthly	April 2015	October 2019
10. Baht 1,000 million	200,000	400,000	AMLR - Fixed rate	Semi-annual	Monthly	March 2012	June 2018
11. Baht 1,000 million	252,000	452,000	AMLR - Fixed rate	Semi-annual	Monthly	August 2014	February 2019
12. Baht 33.90 million	-	5,800	Fixed rate	Annual	Annual	June 2012	June 2017
Total	452,000	1,657,800					
Grand Total	3,655,833	5,067,466					

* AMLR is the average MLR of 4 large Thai financial institutions

In the consolidated and separate financial statements as at October 31, 2017 and 2016, most of the borrowings are guaranteed by the Company and its subsidiaries. The subsidiaries insured certain structure and machine with transferring beneficial right to lenders, the commercial banks. The sixth, seventh and twelfth credit lines are borrowing for purchases of agricultural equipment with secured by the executive directors of the Company and guaranteed cheques of the Company.

In addition, the Company and its subsidiaries have to abide to certain financial conditions, the Company and its subsidiaries have to maintain the debt with interest-to-equity ratio. And the subsidiaries have to maintain the shareholding ratio of the Company 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. As at October 31, 2017 and 2016, the Company and its subsidiaries can maintain the ratios as stipulated in the agreements.



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

22.1 Income tax expense (income)

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2017	2016	2017	2016
<u>Current income tax</u>				
Current income tax expense (income)	130,180	102,193	(3,713)	-
<u>Deferred income tax</u>				
Deferred income tax expense (income) and temporary differences	429,672	268,324	320,504	(13,873)
Total	559,852	370,517	316,791	(13,873)

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:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2017	2016	2017	2016
Profit before income tax expense (income)				
- Promoted sector-exempted from income tax	(165,219)	133,401	-	-
- Non-promoted sector	2,676,817	1,677,376	1,628,775	220,415
Total profit before income tax expense (income)	2,511,598	1,810,777	1,628,775	220,415
Statutory tax rate (%)	20	20	20	20
Income tax expense				
- Non-promoted sector	535,363	335,475	325,755	44,083
Total income tax	535,363	335,475	325,755	44,083
Effect on income tax from exempted taxable income	(419,100)	(220,674)	(325,755)	(44,083)
	116,263	114,801	-	-
Prior year income tax expense (income)	13,917	(12,608)	(3,713)	-
Deferred income tax expense (income)	429,672	268,324	320,504	(13,873)
Income tax expense (income)	559,852	370,517	316,791	(13,873)

22.2 Deferred tax assets - net as at October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2017	2016	2017	2016
Deferred tax assets - net				
Employee benefit obligations	8,904	587	-	-
Loss carried forward	103,538	2,243	-	-
Depreciation	(6,097)	-	-	-
Allowance for diminution in value of inventories	12,518	-	-	-
Gain on asset revaluation	(66,070)	-	-	-
Allowance for doubtful accounts	16,676	-	-	-
Change in fair value of investment property	(69,646)	-	-	-
Others	13,391	-	-	-
Deferred tax assets - net	13,214	2,830	-	-

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

2017

2017

Unit : Thousand Baht					
Consolidated Financial Statements					
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Items as recognized in shareholders' equity directly	As at October 31, 2017
Deferred tax assets - net					
Employee benefit obligations	587	9,442	(1,125)	-	8,904
Loss carried forward	2,243	101,295	-	-	103,538
Depreciation	-	(6,097)	-	-	(6,097)
Allowance for diminution in value of inventories	-	12,518	-	-	12,518
Gain on asset revaluation	-	(66,070)	-	-	(66,070)
Allowance for doubtful accounts	-	16,676	-	-	16,676
Change in fair value of investment property	-	(69,646)	-	-	(69,646)
Others	-	13,391	-	-	13,391
Deferred tax assets - net	2,830	11,509	(1,125)	-	13,214

2016

2016

Unit : Thousand Baht					
Consolidated Financial Statements					
	“Restated” As at November 1, 2015	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Items as recognized in shareholders’ equity directly	As at October 31, 2016
Deferred tax assets - net					
Employee benefit obligations	1,281	(721)	27	-	587
Loss carried forward	1,208	1,035	-	-	2,243
Depreciation	(269)	269	-	-	-
Allowance for diminution in value of inventories	11,655	(11,655)	-	-	-
Gain on asset revaluation	(14,455)	-	14,455	-	-
Allowance for doubtful accounts	361	(361)	-	-	-
Change in fair value of investment property	9,768	(9,768)	-	-	-
Others	391	(391)	-	-	-
Deferred tax assets - net	9,940	(21,592)	14,482	-	2,830

Unrecognized deferred tax assets of three foreign subsidiaries, as at October 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	Consolidated	
	Financial Statements	
	2017	2016
The following deferred tax assets have not been recognized		
Temporary differences	(167,216)	(154,717)
Loss carried forward	289,753	284,058
	<u>122,537</u>	<u>129,341</u>



As at October 31, 2017, the Company's management assessed that the deferred tax assets will not be utilized in full amount because the future taxable profit of subsidiaries will not be sufficient to utilize such deferred tax assets. The loss carried forward which is not recognized deferred tax asset of Baht 289.75 million, will be matured by the years 2018 to 2022.

22.3 Deferred tax liabilities - net as at October 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016	2017	2016
Deferred tax liabilities - net				
Allowance for doubtful accounts	(11,208)	(18,702)	(8,863)	(7,213)
Allowance for diminution in value of inventories	(45,858)	(1,226)	(41,793)	(1,226)
Allowance for impairment in subsidiary investments	-	-	(230,144)	(148,907)
Allowance for impairment in other long-term investments	-	(1,177)	-	(1,177)
Employee benefit obligations	(43,187)	(51,385)	(22,415)	(21,485)
Gain on asset revaluation	479,606	551,270	194,858	194,858
Loss carried forward	(164,820)	(178,919)	(164,722)	(94,696)
Depreciation	68,483	37,383	30,892	5,595
Change in fair value of investment property	444,607	425,368	242,925	230,738
Change in fair value of biological assets	(3,209)	-	(1,211)	-
Gain from amalgamation	482,573	-	482,573	-
Others	(16,980)	(23,049)	(4,208)	(8,213)
Deferred tax liabilities - net	<u>1,190,007</u>	<u>739,563</u>	<u>477,892</u>	<u>148,274</u>

The movements of deferred tax liabilities for the years ended October 31, are as follows:

2017

	Unit : Thousand Baht Consolidated Financial Statements				
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Amalgamation	As at October 31, 2017
Deferred tax liabilities - net					
Allowance for doubtful accounts	(18,702)	7,494	-	-	(11,208)
Allowance for diminution in value of inventories	(1,226)	(44,632)	-	-	(45,858)
Allowance for impairment in other long-term investments	(1,177)	1,177	-	-	-
Employee benefit obligations	(51,385)	(502)	7,754	946	(43,187)
Gain on asset revaluation	551,270	(66,070)	(1,023)	(4,571)	479,606
Loss carried forward	(178,919)	14,099	-	-	(164,820)
Depreciation	37,383	30,883	-	217	68,483
Change in fair value of investment property	425,368	19,239	-	-	444,607
Change in fair value of biological assets	-	(3,209)	-	-	(3,209)
Gain from amalgamation	-	482,573	-	-	482,573
Others	(23,049)	129	5,570	370	(16,980)
Deferred tax liabilities - net	<u>739,563</u>	<u>441,181</u>	<u>12,301</u>	<u>(3,038)</u>	<u>1,190,007</u>

2016

Unit : Thousand Baht				
Consolidated Financial Statements				
	“Restated” As at November 1, 2015	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2016
Deferred tax liabilities - net				
Allowance for doubtful accounts	(11,290)	(7,412)	-	(18,702)
Allowance for diminution in value of inventories	(20,386)	19,160	-	(1,226)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(42,640)	2,096	(10,841)	(51,385)
Gain on asset revaluation	294,692	-	256,578	551,270
Loss carried forward	(229,712)	50,889	(96)	(178,919)
Depreciation	124,765	(87,382)	-	37,383
Change in fair value of investment property	136,516	288,852	-	425,368
Others	(3,578)	(19,471)	-	(23,049)
Deferred tax liabilities - net	247,190	246,732	245,641	739,563

2017

Unit : Thousand Baht				
Separate Financial Statements				
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2017
Deferred tax liabilities - net				
Allowance for doubtful accounts	(7,213)	(1,650)	-	(8,863)
Allowance for diminution in value of inventories	(1,226)	(40,567)	-	(41,793)
Allowance for impairment in subsidiary investments	(148,907)	(81,237)	-	(230,144)
Allowance for impairment in other long-term investments	(1,177)	1,177	-	-
Employee benefit obligations	(21,485)	(4,474)	3,544	(22,415)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(94,696)	(70,026)	-	(164,722)
Depreciation	5,595	25,297	-	30,892
Change in fair value of investment property	230,738	12,187	-	242,925
Change in fair value of biological assets	-	(1,211)	-	(1,211)
Gain from amalgamation	-	482,573	-	482,573
Others	(8,213)	(1,565)	5,570	(4,208)
Deferred tax liabilities - net	148,274	320,504	9,114	477,892



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2016

	Unit : Thousand Baht			
	Separate Financial Statements			
	“Restated”			
	As at November 1, 2015	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2016
Deferred tax liabilities - net				
Allowance for doubtful accounts	(5,591)	(1,622)	-	(7,213)
Allowance for diminution in value of inventories	(4,980)	3,754	-	(1,226)
Allowance for impairment in subsidiary investments	-	(148,907)	-	(148,907)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(18,355)	973	(4,103)	(21,485)
Gain on asset revaluation	93,305	-	101,553	194,858
Loss carried forward	(89,776)	(4,920)	-	(94,696)
Depreciation	(3,525)	9,120	-	5,595
Change in fair value of investment property	94,167	136,571	-	230,738
Others	629	(8,842)	-	(8,213)
Deferred tax liabilities - net	<u>64,697</u>	<u>(13,873)</u>	<u>97,450</u>	<u>148,274</u>

23. 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 profit or loss in respect of these defined benefit plans for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2017	Financial Statements 2016	Financial Statements 2017	Financial Statements 2016
Current service cost	12,647	10,245	5,791	4,269
Interest cost	5,424	8,490	2,198	3,620
Past service cost	55,968	-	25,522	-
Total	<u>74,039</u>	<u>18,735</u>	<u>33,511</u>	<u>7,889</u>

Movement in the present value of employee benefit obligations for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2017	Financial Statements 2016	Financial Statements 2017	Financial Statements 2016
Employee benefit obligations brought forward	261,287	217,436	107,427	91,774
Current service cost	12,647	10,245	5,791	4,269
Interest cost	5,424	8,490	2,198	3,620
Past service cost	55,968	-	25,522	-
Actuarial (gain) loss on the estimation of the obligations	(41,926)	55,174	(17,720)	20,515
Benefit paid during the year	(23,929)	(30,058)	(11,142)	(12,751)
Amalgamation	(4,729)	-	-	-
Employee benefit obligations carried forward	<u>264,742</u>	<u>261,287</u>	<u>112,076</u>	<u>107,427</u>

The significant actuarial assumptions used to provision for employee benefit obligations as at October 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2017 %	2016 %	2017 %	2016 %
Discount rate	1.67 - 2.93	1.70 - 2.74	2.19 - 2.80	1.90 - 2.17
Expected rate of salary increase	5.00	6.00	5.00	6.00
Voluntary resignation rate (Depended on employee's age)				
- Monthly employees	4.00 - 34.00	10.00 - 100.00	7.00 - 11.00	10.00 - 100.00
- Daily employees	3.00 - 100.00	4.00 - 100.00	9.00 - 22.00	12.00 - 46.00

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at October 31, are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2017	2016	2017	2016
<u>Discount rate</u>				
Discount rates, decrease of 0.5 percent	0.58 - 86.61	0.04 - 109.27	86.61	109.27
Discount rates, increase of 0.5 percent	0.48 - 85.14	0.03 - 105.68	85.14	105.68
<u>Salary growth rates</u>				
Salary growth rates, decrease of 0.5 percent	0.48 - 86.64	0.03 - 107.43	86.64	107.43
Salary growth rates, increase of 0.5 percent	0.57 - 87.92	0.04 - 109.14	87.92	109.14
<u>Turnover rates</u>				
Turnover rates, decrease of 1 percent	0.65 - 86.80	0.04 - 111.13	86.80	111.13
Turnover rates, increase of 1 percent	0.42 - 83.87	0.03 - 104.13	83.87	104.13

24. 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	Ordinary Shares per share	Dividends Paid Million Baht	Dividends Paid Date	Addition Legal Reserve
- Dividends paid from the Company's result of operations from November 1, 2015 to October 31, 2016	No. 1/2017 held on February 24, 2017	4.41	0.10	-	441.02	March 23, 2017	-
- Dividends paid from the Company's result of operations from November 1, 2014 to October 31, 2015	No. 1/2016 held on February 26, 2016	4.01	0.06	0.05	423.21	March 25, 2016	20.05

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 percent of the authorized share capital and this reserve is not available for distribution as dividends. As at October 31, 2017 and 2016, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.



25. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses included the compensation paid to the directors of the Company and its subsidiaries which do not include salaries and related benefits in accordance to Section 90 of Public Company Act are as follows:

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2017	2016	2017	2016
For the years ended October 31,	9.09	9.01	9.09	9.01

26. 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 in the consolidated financial statements not to exceed the covenants of the debenture issuances (see Note 20) and the loan agreements (see Note 21).

As at October 31, debt with interest to equity ratio in the consolidated financial statements are as follows:

	2017	2016
Debt with interest to equity	1.20 : 1.00	1.13 : 1.00

27. EXPENSES BY NATURE

Significant expenses by nature for the years ended October 31, are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2017	2016 "Restate"	2017	2016 "Restate"
Salaries, wages and other employee benefits	1,382,584	1,420,095	533,494	523,696
Depreciation and amortization	1,182,249	1,247,360	352,847	411,961
Fees paid to the Office of the Cane and Sugar Fund	1,095,557	1,149,835	441,214	506,900
Maintenance expenses	651,798	785,324	239,711	244,860
Transportation expenses	508,729	629,153	188,228	305,228
Raw material and supply used	10,448,253	8,664,216	5,198,432	4,681,020
Purchase finished goods	121,917	23,491	2,065,694	1,585,074
Changes in finished goods and goods in process	(622,211)	1,084,842	(611,796)	819,990
Loss on fair value adjustments of biological assets	54,383	-	6,054	-
Loss from obsolete supplies and spare parts	5,856	27,733	588	27,733
Loss on impairment of investments in subsidiaries	-	-	400,299	744,534
Loss on impairment of assets	222,646	75,748	-	16,782
Loss on exchange rate	-	-	74,887	7,827
Management benefit expenses	147,142	141,312	50,508	48,566
Finance costs	668,129	709,983	514,186	551,698
Other operating expenses	781,363	696,050	540,800	385,667
Total	16,648,395	16,655,142	9,995,146	10,861,536

28. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share were based on dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares held by the outsiders outstanding during the period. Basic earnings per share for the years ended October 31, 2017 and 2016 are as follows:

2017

	Consolidated Financial Statements			Separate Financial Statements		
	Profit	Number of	Earnings	Profit	Number	Profit
	for the year	shares	per share	for the year	of shares	per share
	Thousand	Thousand	Baht	Thousand	Thousand	Baht
	Baht	Shares		Baht	Shares	
Basic and diluted earnings per share						
For the year ended to ordinary equity holders	1,970,395	4,410,233	<u>0.447</u>	1,311,983	4,410,233	<u>0.297</u>

2016 (Restate)

	Consolidated Financial Statements			Separate Financial Statements		
	Profit	Number of	Earnings	Profit	Number	Profit
	for the year	shares	per share	for the year	of shares	per share
	Thousand	Thousand	Baht	Thousand	Thousand	Baht
	Baht	Shares		Baht	Shares	
Basic and diluted earnings per share						
For the year ended to ordinary equity holders	1,426,152	4,410,233*	<u>0.323</u>	234,288	4,410,233*	<u>0.053</u>

* Number of share as at October 31, 2016 changed from the stock dividend adjustment.

29. 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.

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, 2017 and 2016, the Group has revenue with a single external customer in electricity sector in the amount of Baht 751.67 million and Baht 808.69 million, respectively, of the Group's total revenue.

Details of the operating segments of the Group are as follows:

Consolidated Statements of profit or loss

For the years ended October 31, 2017 and 2016

	Unit : Million Baht																		
	Manufacture and Distribution of Sugar and Molasses				Manufacture and Distribution of Alcohol				Manufacture and Sale of Electricity				Real Estate Rental		Others Business		Inter-Transaction		Total
	“Restate”																		“Restate”
	2017	Overseas	Thai	2016	2017	Overseas	Thai	2016	2017	Overseas	Thai	2016	2017	Overseas	Thai	2016	2017	2016	2016
Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas
Net revenue from operation - other	11,447	604	12,677	896	2,100	2,023	752	809	168	158	552	348	-	-	15,623	16,911	-	-	-
Net revenue from operation - related parties	6,058	152	6,147	167	-	-	1,634	1,716	-	-	1,912	1,366	(9,756)	(9,396)	-	-	-	-	-
Total	17,505	756	18,824	1,063	2,100	2,023	2,386	2,525	168	158	2,464	1,714	(9,756)	(9,396)	15,623	16,911	-	-	-
Profit from operations	4,843	86	3,715	31	263	360	476	617	486	969	141	125	(436)	(687)	5,859	5,130	(2,800)	(2,666)	(2,666)
Selling, administrative expenses and others	(651)	(92)	(687)	(84)	(28)	(36)	(66)	(75)	(25)	(30)	-	(3)	194	205	(668)	(710)	121	57	57
Finance costs															(560)	(371)			
Share of profit of investment in an associate															1,952	1,440			
Income tax expenses																			
Net profit																			
Add (Less) Profit (loss) for the year of non-controlling interest															18	(14)			
Profit for the year to owners of the parent															1,970	1,426			
Interest income	297	6	291	7	-	6	-	-	-	-	2	3	(194)	(205)	111	102			
Depreciation	(636)	(74)	(645)	(91)	(73)	(40)	(328)	(327)	-	-	(19)	(45)	-	-	(1,130)	(1,148)			
Consolidated Statements of Financial Position																			
As at October 31, 2017 and 2016																			
Trade and other receivables	1,401	47	1,452	72	-	198	61	168	15	12	136	166	(368)	(661)	1,292	1,407			
Inventories	2,113	219	1,423	145	-	334	139	62	-	-	630	637	(1)	(49)	3,100	2,552			
Property, plant and equipment	15,783	2,975	14,437	3,275	-	907	7,485	7,041	-	1	425	757	(314)	(370)	26,354	26,048			
Central assets	19,579	298	17,342	513	-	15	29	104	3,989	3,635	305	455	(11,955)	(13,696)	12,245	8,368			
Total Assets	38,876	3,539	34,654	4,005	-	1,454	7,714	7,375	4,004	3,648	1,496	2,015	(12,638)	(14,776)	42,991	38,375			
Total Liabilities	24,499	2,890	21,467	2,907	-	948	2,405	2,363	884	964	686	461	(6,466)	(7,386)	24,898	21,724			



30. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2017 and 2016, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

30.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 2,060.07 million and Baht 1,455.67 million, respectively, and in the separate financial statements amounting to Baht 1,879.91 million and Baht 816.63 million, respectively.

30.2 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:

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2017	2016	2017	2016
For the production season 2016/2017	-	1,106.95	-	370.17
For the production season 2017/2018	1,167.01	-	472.11	-

30.3 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.

- 30.4 A subsidiary entered into an electricity sale-purchase agreement with the Provincial Electricity Authority (PEA) on September 18, 2012, PEA 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 PEA 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.
- 30.5 The consolidated and separate financial statements have commitments, contingent liabilities and credit facilities as follows:

Unit : Million						
Consolidated Financial Statements						
Currency	As at October 31, 2017			As at October 31, 2016		
	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments						
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	2,829.88	-	3,417.35	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	7.50	-	1.97	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	74.10	-	-	-
Contingent Liabilities						
Letters of guarantees (unspecified credit limit)	THB	-	91.68	-	81.45	-
Letters of credit and trust receipts	THB	120.00	-	120.00	-	170.00
Letters of credit	USD	10.00	-	11.90	1.90	10.00
Letters of credit	EURO	-	-	2.01	2.01	-
Overdraft and short-term borrowings	THB	22,255.70	5,901.27	16,354.43	2,720.73	18,791.47
Short-term borrowings	USD	50.50	7.50	43.00	0.04	50.46
Joint credit line in short-term borrowings	THB	3,676.50	2,362.50	1,314.00	1,035.00	1,330.00
Joint credit line in short-term borrowings	USD	-	-	20.00	-	20.00
Long-term borrowings	THB	3,655.83	3,655.83	-	5,067.47	-
Unit : Million						
Separate Financial Statements						
Currency	As at October 31, 2017			As at October 31, 2016		
	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments						
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	2,058.08	-	1,642.85	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	7.50	-	1.93	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	74.10	-	-	-
Contingent Liabilities						
Letters of guarantees (unspecified credit limit)	THB	-	9.78	-	4.13	-
Letters of credit and trust receipts	THB	30.00	-	30.00	-	30.00
Letters of credit	EURO	-	-	2.01	2.01	-
Overdraft and short-term borrowings	THB	11,593.70	4,265.00	7,328.70	1,108.00	8,437.20
Short-term borrowings	USD	10.50	-	10.50	-	10.50
Joint credit line in short-term borrowings	THB	3,676.50	2,362.50	1,314.00	1,035.00	1,330.00
Joint credit line in short-term borrowings	USD	-	-	20.00	-	20.00
Long-term borrowings	THB	3,203.83	3,203.83	-	3,409.67	-



The above credit facilities are partially secured 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 are secured by the executive directors of the Company and guaranteed cheques of the Company. In addition, for certain credit facilities, if they are utilized, certain inventories of the Company and its subsidiaries will be used as collateral, however, as at October 31, 2017 and 2016 the Company and its subsidiaries do not use those facilities.

The Company and its subsidiaries are required to comply with certain financial conditions for joint commitments and contingent liabilities, which the Company and its subsidiaries have to maintain the debt with interest-to-equity ratio. And the subsidiaries have to maintain the shareholding ratio of the Company 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.

30.6 The Company and its subsidiaries have the remaining commitments under the various contracts as follows:

Unit : Million

Consolidated Financial Statements					
Currency	As at October 31, 2017		As at October 31, 2016		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	1,018.23	168.64	1,070.15	207.36
Machine and equipment purchase agreements	THB	489.43	107.51	317.72	49.65
	USD	13.60	0.46	13.60	1.42
	EURO	-	-	2.88	2.01

Unit : Million

Consolidated Financial Statements									
Outstanding Contractual Commitments									
Currency		As at October 31, 2017				As at October 31, 2016			
		Within 1 year	1 - 5 years	Over 5 years	Total	Within 1 year	1 - 5 years	Over 5 years	Total
Leased concessions									
agreements	USD	0.17	0.68	11.48	12.33	0.17	0.68	11.69	12.54
Rental agreements	THB	15.58	27.69	-	43.27	5.61	11.87	-	17.48

Unit : Million

Separate Financial Statements					
Currency	As at October 31, 2017		As at October 31, 2016		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	620.33	84.25	704.01	98.22
Machine and equipment purchase agreements	THB	467.87	95.46	304.59	40.46
	EURO	-	-	2.88	2.01

Unit : Million

Separate Financial Statements							
Outstanding Contractual Commitments							
	As at October 31, 2017			As at October 31, 2016			
	Currency	Within 1 year	1 - 5 years	Total	Within 1 year	1 - 5 years	Total
Rental agreements	THB	5.86	9.87	15.73	5.61	11.87	17.48

30.7 Other significant agreements

- 30.7.1 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 according to the license.
- 30.7.2 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, 2017 and 2016, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate.
- 30.7.3 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 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, 2017 and 2016, the subsidiaries have already utilized the area of 9,398.69 hectares, equal for both years. 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 16).
- 30.7.4 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person 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 0.48 million. As at October 31, 2017 and 2016, the balances of the advance lease fee paid are USD 0.42 million and USD 0.43 million, respectively, which is presented as part of other non-current assets.



31. 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 with the details mainly as follows:

Unit : Thousand Baht					
Consolidated Financial Statements					
As at October 31, 2017					
	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years		
Financial Assets					
Saving accounts deposits	-	-	-	109,680	109,680
Fixed account deposits	24	-	-	-	24
Loans for cane plantation development	281,470	354,373	4,090	249	640,182
Short-term loans to farmers	1,034,514	10,330	-	30,211	1,075,055
Short-term loans to others	181,000	-	-	-	181,000
Long-term loans to others	41,983	24,238	-	-	66,221
Other long-term investments	-	-	6,691	-	6,691
Total	<u>1,538,991</u>	<u>388,941</u>	<u>10,781</u>	<u>140,140</u>	<u>2,078,853</u>
Financial Liabilities					
Short-term borrowings from financial institutions	8,508,780	-	-	-	8,508,780
Short-term borrowings from related parties	5,000	-	-	-	5,000
Long-term debentures	2,998,989	6,494,446	-	-	9,493,435
Long-term borrowings	<u>1,223,833</u>	<u>1,980,000</u>	<u>-</u>	<u>452,000</u>	<u>3,655,833</u>
Total	<u>12,736,602</u>	<u>8,474,446</u>	<u>-</u>	<u>452,000</u>	<u>21,663,048</u>

Unit : Thousand Baht

Consolidated Financial Statements

As at October 31, 2016

	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years	Interest Rate	
Financial Assets					
Saving accounts deposits	-	-	-	62,504	62,504
Fixed account deposits	23	-	-	-	23
Loans for cane plantation development	257,821	314,656	1,815	4,754	579,046
Short-term loans to farmers	896,631	8,814	-	60,004	965,449
Long-term loans to others	41,333	45,334	-	-	86,667
Other long-term investments	2,702	-	-	-	2,702
Total	1,198,510	368,804	1,815	127,262	1,696,391
Financial Liabilities					
Short-term borrowings from financial institutions	3,757,026	-	-	-	3,757,026
Other short-term borrowings	6,900	-	-	-	6,900
Long-term debentures	2,999,307	6,993,763	-	-	9,993,070
Long-term borrowings	1,409,733	2,805,734	-	852,000	5,067,467
Liabilities from long-term lease agreements	1,323	-	-	-	1,323
Total	8,174,289	9,799,497	-	852,000	18,825,786

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 Baht

Currency	Consolidated Financial Statements				Separate Financial Statements			
	2017		2016		2017		2016	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	15.79	9.03	15.60	2.58	56.22	-	11.91	-
YEN	-	2.50	-	2.50	-	-	-	-
RIEL	975.58	79.68	711.48	92.03	-	-	-	-
LAK	108.52	602.24	252.97	489.34	-	-	-	-

As at October 31, 2017 and 2016, 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 Baht	
Currency	Amount fixed in contract				Currency	Amount earned in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements		Financial Statements			Financial Statements		Financial Statements	
	2017	2016	2017	2016		2017	2016	2017	2016
USD	-	30.99	-	47.74	THB	-	1,098.04	-	1,693.00

Net fair values of financial derivatives of the Company and its subsidiaries as at October 31, are as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2017	2016	2017	2016
Net loss on fair values of contracts	-	(6.35)	-	(13.33)

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 1 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:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2017	2016	2017	2016
Gain on commodity swap contracts	3.66	26.49	36.05	14.32

Net fair values of financial derivatives as at October 31, of the Company and its subsidiaries are as follows:

	Currency	Unit : Million Baht	
		Consolidated/Separate	
		Financial Statements	Financial Statements
		2017	2016
Net fair values for commodity swap contracts	USD	1.09	(0.85)

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. The Group's management of the Company and its subsidiaries believes that the risk of default by receivables is low.

Fair value

Cash and cash equivalents, temporary investments, trade and other receivables, short-term loans, other current assets, short-term borrowings from financial institutions, trade and other payables, short-term borrowings, current income tax payable and other current liabilities, the carrying values approximate their fair values due to the relatively short period to maturity.

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

The transactions disclosed in the following table, are considered that the book value of financial assets and liabilities recognized in the consolidated and separate financial statements are different from their fair values.

	Consolidated / Separate Financial Statement		Fair value Hierarchy	Valuation technique of fair value
	Book value Million Baht	Fair value Million Baht		
As At October 31, 2017				
Financial liabilities				
Long-term debentures	9,493	9,658	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
As At October 31, 2016				
Financial liabilities				
Long-term debentures	9,993	10,227	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.

The fair values of derivative financial instruments, which are forward contracts and cross currency swap contracts are assessment determined by discounted cash flows method. Future cash flows are estimated based on relevant market price discounting the weighted average cost (interest rate swap contracts at the end of the reporting period), are the market prices adjusted by credit risk of the counter parties which are hierarchy level 3 and the commodity swap contracts are calculated by using the raw sugar and white sugar prices from The Exchange and Bloomberg at the end of the reporting period as though the Company and its subsidiaries have settled those contracts at the end of the reporting period are hierarchy level 2.



32. PROVIDENT FUND

The Company and ten 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, 2017 and 2016, the group companies and their employees monthly contribute to the fund at the rate of 3% - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Co., Ltd. will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2017 and 2016, the Company and its subsidiaries contributed in amounts of Baht 32.60 million and Baht 30.08 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 13.57 million and Baht 12.30 million, respectively, in the separate financial statements.

33. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

Two domestic subsidiaries received 4 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, commencing from the date of first receiving operation revenue of promoted businesses. The details are as follows:

<u>Certificate No.</u>	<u>Sections Privilege</u>	<u>Date</u>	<u>Promoted activity types</u>	<u>Commenced date of revenues generated</u>	<u>Expire date</u>
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 - Production of biological fertilizers or organic fertilizers	December 6, 2011 December 30, 2011	December 31, ,2019 December 31, ,2019
2364(1)/2554*	25, 26, 28, 31, 34, 35(1), 35(2), and 35(3)	September 20, 2011	- Production of biological - Production of biological	February 29, 2012 February 28, 2013	December 31, ,2019 February 28, 2021
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

* The Promotion Certificates No. 1064(2)/2552 and 2365(1)/2554 belong to KSL Green Innovation Public Company Limited, which the Company loses control power in this subsidiary from amalgamation on October 31, 2017 (see Note 4).

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 expired 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 (VAT) at 0% for sales of sugar cane to manufacture sugar for export. This certificate is valid for the period of 1 year from August 1, 2015 to July 31, 2016. The Ministry of Economy and Finance, Kingdom of Cambodia had announced the execution of VAT on the supply of agricultural products has not adapted to exempt VAT announced by April 2016.

34. EVENTS AFTER THE REPORTING PERIOD

The minute of Board of Executive Directors' meeting No.1/2017-2018 of the Company held on November 24, 2017, approved issued debentures by private placement 1 set, 2,000,000 units per set at par value of Baht 1,000 each, totaling Baht 2,000 million. The term is for 10 years and with redemption date on December 7, 2027, carrying interest at 3.74% per annum. The Company shall maintain the interest bearing debt to shareholders' equity ratio in the consolidated financial statements as at October 31, of each year, at not more than 2 : 1 for the entire debentures terms.

On December 7, 2017, the Company issued debentures by private placement to the financial institution amount of Baht 2,000 million in accordance with the conditions of the approval of Board of Executive Directors' meeting.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 22, 2017.



Sustainability Report

This Sustainability Report for 2017, the information in which lasts from 1 November 2016 to 31 October 2017, is in accordance with Global Reporting Initiative (GRI-G4) of Core Level in respect of the following issues.



Environment

Energy

Aggregated Energy consists of heat energy and electricity energy used in the area of the Company or the factory. The data of heat energy is collected from quantity of fuel recorded in accounting or from meter multiplied with heat conversion. Data of electricity usage is collected from electricity invoice submitted by the provider.

Greenhouse Gas

The amount of GHG means the released quantity of GHG in the operation that is calculated according to the guideline for evaluating carbon footprint provided by the Greenhouse Gas Management Organization (Public Organization) revised the first time on 1 October with the following scope of report.

- GHG with direct occurrence (Scope 1) is generated from activities within the Company's control e.g., boiler, vehicles used in Company transportation.
- GHG with indirect occurrence (Scope 2) is generated from the purchase of electricity from external sources.

The report of quantity of GHG (Scope 1) and GHG (Scope 2) uses the quantity of used fuel multiplied with the parameter of released GHG based on the Greenhouse Gas Management Organization (Public Organization).

Emissions

Dust, Sulphur Oxide and Nitrogen Oxide are calculated by using the concentration measured pursuant to the law multiplied with the flow rate of wind and working hours of machinery.

Water Withdrawal

The volume of water withdrawal is the withdrawal of water from various sources to be used in the Company's activities. The data is collected from invoices. The water sources consist of surface water and underground water.

Waste

Waste is divided into two types, namely, hazardous waste and non-hazardous waste pursuant to the Notification of the Ministry of Industry on the management of waste or non-used materials B.E. 2548. The quantity of waste is reported from the weighing of waste.



Safety

Information regarding employees and business partners which is collected from company's staff, outsourced workers and contractors.

Aggregated Accident rate occurred in formation to **200,000** hours per person



The recording of safety data consists of

1. Aggregated accident rate means the number of accidents which occur in each 200,000 hours per person.
2. Accident rate resulting in stoppage of work means the number of accidents which results in stoppage of work which occur in each 200,000 hours per person.
3. Rate of Stoppage of work from accident means the number of stoppage day resulting from accidents which occur in each 200,000 hours per person.
4. Rate of Leave means the number of days of leave resulting from accidents and sick leave due to work, not including leave for rest and leave to give birth which occur in each 200,000 hours per person.

Procedures of reporting issues of sustainability materiality (G4-18)

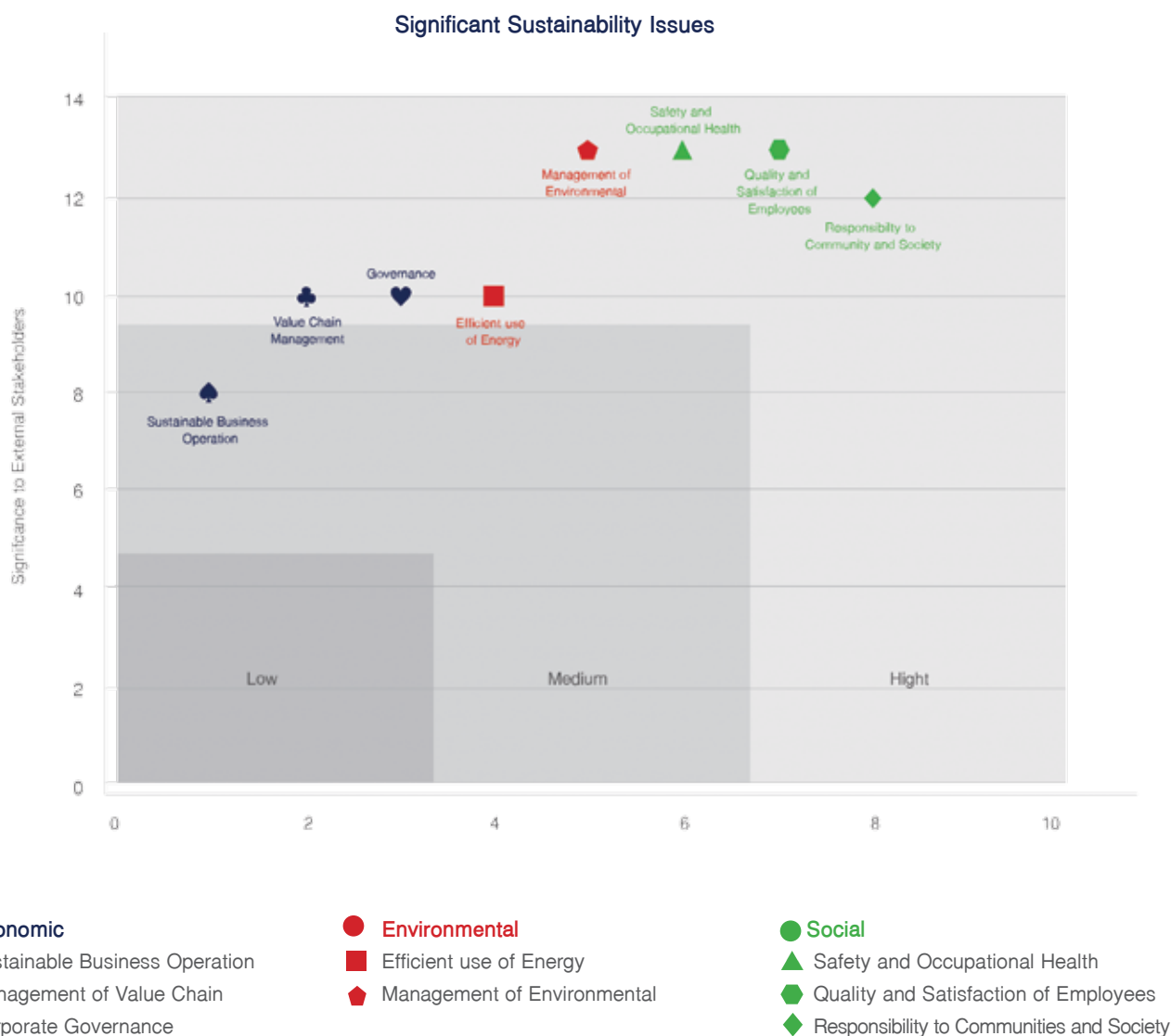
The group of companies has prescribed three significant issues on sustainability for the first time this year (between the fiscal year starting from 1 November 2015 to 31 October 2016), namely, economic, social and environmental issues and has prescribed important sub-issues together with the hearing from stakeholders with these steps.

Step 1 Important issues are prescribed to be consistent with the Company's vision, mission, strategies, risks and the stakeholders' perspectives in accordance with the standard indicators used in Global Reporting Initiative (GRI).

Step 2 Prioritize the materiality of the issues obtained in Step 1 by assigning the relevant units to select the important issues within the framework which requires the priority of issues pursuant to the sustainable development of the group of companies and the benefits of the stakeholders.

Step 3 Re-check the materiality of the issues obtained in Step 2 by assigning the relevant units to present the issues which are reviewed in Step 3 to the Executive Board for approval the reporting of these sustainability issues to public.

Step 4 The Company assigns the internal audit office to recheck the procedures of evaluating material issues, collection and processing of data, participation of stakeholders, operation in respect of society, safety and environment so that the information is correct and complete.



Scope of the Report (G4-17)

The information regarding sustainability as hereby reported belongs to the group of companies which are value-chain related to each other, namely, the companies that operate sugar business, biomass electricity business and ethanol business, dividing by branches where the factories are located.

Company	Environment					Safety	Human Resources
	Energy	Greenhouse Gas	Emission	Water With- drawal	Waste	Accident	Training
Khon Kaen Sugar Industry PLC (Nampong Branch)	●	●		●	●	●	●
Khon Kaen Sugar Industry PLC (Wangsapung Branch)	●	●		●	●	●	●
Tamaka Sugar Industry Co., Ltd.	●	●	●	●	●	●	●
New Krung Thai Sugar Industry Co., Ltd.	●	●		●	●	●	●
New Kwang Soon Lee Sugar Factory Co., Ltd.	●	●	●	●	●	●	●
Khon Kaen Power Co., Ltd. (Nampong Branch)	●	●	●	●	●	●	●
Khon Kaen Power Co., Ltd. (Wangsapung Branch)	●	●	●	●	●	●	●
Khon Kaen Power Co., Ltd. (Boploy Branch)	●	●	●	●	●	●	●
KSL Green Innovation Co., Ltd. (Nampong Branch)	●	●		●	●	●	●
KSL Green Innovation Co., Ltd. (Boploy Branch)	●	●		●	●	●	●
Headquarters	●	●	●	●	●	●	●

Corporate Governance Structure (G4-34)

The Corporate Governance Committee is the body which has roles and duties as reported in topic at 49 at page Scope of Duties and Responsibilities. The mentioned roles and duties include the mission to supervise the Company to implement the policy regarding environment and society because apart from the good corporate governance to steer the operation with transparency, integrity, accountability

and conscience, the policy also requires the Company to take into account the protection of environment and social development, risk assessment and impact on environment and safety before investment, compliance with laws concerning environment and natural resources, production management to minimize impact on environment and natural resources.

Material Issues and Scope of impact inside and outside the Company (G4-19,G-20,G4-21)

Sustainability Issues of the group of Companies		Sustainability Issues pursuant to GRI (G4-19)	Scope of Impact (G4-20, G4-21)		
			on internal units of the Company	on stakeholders outside the Company	related external stakeholders
1. Sustainable business operation	<ul style="list-style-type: none"> proper strategies risk management and internal control 	<ul style="list-style-type: none"> strategy making process corporate governance 	●	●	shareholders, creditors, farmers
2. value-chain management	<ul style="list-style-type: none"> raw materials procurement procurement of goods and contractors 	<ul style="list-style-type: none"> evaluation of farmers and suppliers regarding environment aspects, labor protection and human rights 		●	farmers, suppliers, contractors
3. Corporate governance	<ul style="list-style-type: none"> corporate governance business ethics measures against fraud and corruption 	<ul style="list-style-type: none"> implementation of corporate governance policy and Manual on measures against fraud and corruption recognition of integrity corporate culture formulation 	●	●	shareholders, staff, farmers, suppliers, customers, society
4. Efficient use of energy	<ul style="list-style-type: none"> reduction of energy use optimization of energy use 	<ul style="list-style-type: none"> measurement of used energy energy management 	●	●	Community, government units
5. Environmental management	<ul style="list-style-type: none"> reduction of emission management of industrial waste 	<ul style="list-style-type: none"> environment standard community grievances 	●	●	Community, government units, customers
6. Occupational Health and Safety	<ul style="list-style-type: none"> safety of staff safety of machinery and equipment emergency management 	<ul style="list-style-type: none"> occupational health and safety checking of machinery and equipment safety manual compliance handling emergency 	●	●	Staff, suppliers, government units
7. Quality and Satisfaction of staff	<ul style="list-style-type: none"> Personnel Development Keeping of personnel and recruitment benefits and welfare 	<ul style="list-style-type: none"> training staff recruitment succession plan for high ranking staff relationship management between employer and employee 	●		Staff, customers
8. Responsibility to community and society	<ul style="list-style-type: none"> good relationship with community solution of problems to community 	<ul style="list-style-type: none"> steady relationship building increase of quality of life to community 	●	●	Farmers, community, government units, customers



Stakeholders related to the group of companies (G4-25)

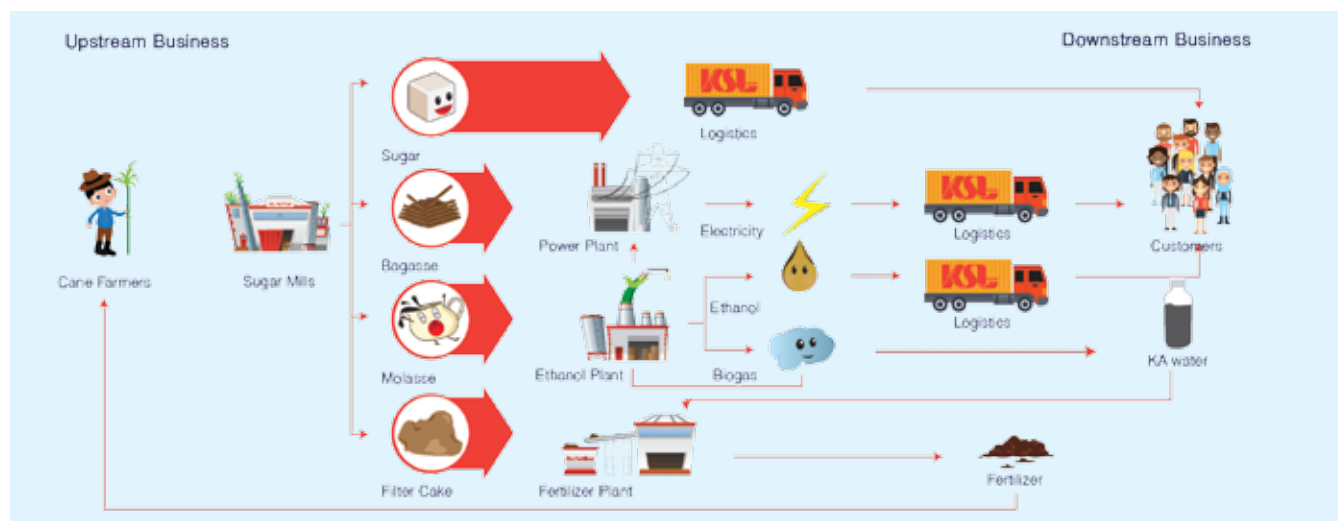
The group of companies has categorized the stakeholders both inside and outside the companies into 8 groups, namely, cane farmers, shareholders, suppliers/contractors, customers, financial institution creditors, community/society, government units (including government agencies and local administration) which are consistent with the group of stakeholders as prescribed in the Corporate Governance Policy (1st revision). Each group of stakeholders has different expectation and receives different impact from the operation of the companies. The group of companies has considered the matters thoroughly in formulating sustainability information that is shown in the Annual Report.

Table of Stakeholders (G4-24, 26, 27)

Groups of Stakeholders (G4-24)	Behavior/incidents of interest (G4-26)	Issues received form the stakeholders (G4-27)
cane farmers 	<ol style="list-style-type: none"> 1. farmer visit 2. farmer meeting 3. invitation to company ceremony or activities 	<ol style="list-style-type: none"> 1. more promotion in terms of technology and revolving fund 2. rapid discharge of sugar cane at the factory 3. farmers' cooperation
shareholders 	<ol style="list-style-type: none"> 1. Annual General Meeting 2. Annual Report 3. disclosure of information to Stock Exchange of Thailand 4. Quarterly meeting with analysts (Opportunity Day for investors) 5. communication to various channels e.g., telephone, emails, website 6. inquiry or complaints through provided channels 	<ol style="list-style-type: none"> 1. appropriate and steady return of investment 2. prudent investment 3. transparency and accountability
Suppliers / contractors 	<ol style="list-style-type: none"> 1. meeting and seminars communication to various channels e.g., telephone, emails, website 2. complaints through provided channels 3. attending activities of the companies 	<ol style="list-style-type: none"> 1. fair and transparent procurement 2. timeliness of job reception 3. timeliness of payment for goods /fee 4. work safety
customers 	<ol style="list-style-type: none"> 1. visiting customers 2. inviting customers to visit factories 3. survey of customers' satisfaction 4. communication to various channels e.g., telephone, emails, website 5. complaints through provided channels 	<ol style="list-style-type: none"> 1. acknowledgment of customers' need 2. quality improvement of products 3. improvement of delivery 4. improvement of after sale service 5. compliance with human rights principles, environment standard and labor standard
Financial institution creditors 	<ol style="list-style-type: none"> 1. Annual Report 2. Financial statements 3. disclosure of information for credit analysis 	<ol style="list-style-type: none"> 1. timeliness of payment 2. use of appropriate financial service
staff 	<ol style="list-style-type: none"> 1. Newsletter 2. intranet ,video-conference 3. meeting / seminar / training 4. annual division meeting 5. meeting between supervisors and staff 6. annual employee evaluation 	<ol style="list-style-type: none"> 1. competitive benefit and remuneration 2. promotion through career path 3. self- development 4. recognition from supervisor and colleagues
Community / society 	<ol style="list-style-type: none"> 1. regular interaction with community 2. attending community's activities 3. advice on occupational opportunity to community 	<ol style="list-style-type: none"> 1. reduction of impact form factory to community 2. support to community's activities 3. elevation of community's living standard
Local administration / government units 	<ol style="list-style-type: none"> 1. attending and supporting activities 2. coordination with government agencies 3. permission or license seeking as required by law 	<ol style="list-style-type: none"> 1. compliance with laws 2. cooperation with government agencies for local development 3. abolition or reduction of environmental impact on community



Economy Aspects



1. Sustainable Business Operation.

The Company is well aware that, in doing business sustainably, there must be a good balance between business stability (including yearly profit and long-term growth of business) and care of environment, society and corporate governance.

As for business stability, the Company has operated its business in line with the vision and strategies and reviewed or solved the problems to respond to the goals within the framework of corporate governance. The Policy has set a clear path that the Company's business process must not create environmental and social problems and shall promote activities that help protect environment and develop society simultaneously.

2. Value-chain management (G4-12)

The Group regards the significance of major value-chain, consisting of cane farmers, manufacturing standard and customer's need.

Cane Farmers

The group of companies produces sugar from main raw material – sugar cane. The Companies, therefore, regard cane farmers very important stakeholder. Since 2015, the group had developed iCane Project to manage cane farming and procurement which aimed to benefit both the cane farmers and the mills.

Project iCane consists of four sub-projects, namely, iFarm, iMap, iForm and iCash. The project is meant to develop quality and efficiency of promotion for farmers and cane growing by applying information technology innovation to improve the process so as to be able to respond the farmers' need and to enhance the efficiency of service for the farmers.

Imap and iForm projects have been implemented and the equipments are used by the staff to do the task more efficiently.



iForm project is an innovation bringing technology to develop the work process of staff by reducing working steps and increasing convenience to farmers.

Previous pattern

1. Use paper forms for farmers
2. Bring papers to process in office
3. 5-14 days for total work process

New pattern

1. Input farmers' information to tablets
2. Upload information for consideration
3. 2-6 days for total work process

The use of technology makes the work convenient and rapid and reduces unnecessary work process. The farmers can manage their time and receive quick service while the staff can solve problems immediately.





iMap project concerns the use of similar technology to iForm but focuses on the management of cane farm information, ranging from planting areas, maintenance, harvesting, logistics, monitoring as well as anticipation the time to harvest. It helps manage the cane farms more effectively by reducing the waiting time to load sugar cane at the mills. The sugar cane is thus of better quality.

Apart from the above-mentioned, the group has renders organic cane project and CCS project.

Organic Cane Project is aimed to plant sugar cane with organic agriculture by using organic fertilizer in the farm to produce 100 per cent from nature sugar cane and to keep the soil surface. The sugar cane price shall be higher. By average, the sugar cane using organic fertilizer get 1-2 % higher price than those grown with chemical fertilizer.

CCS in cane Project is a cooperation among Yamaha, the Office of Cane and Sugar Board and KSL group of companies to experiment the use of Yamaha air plane to put the fertilizer in the farm to increase CCS scale in sugar cane. The Project aims at higher value of sugar cane at the same quantity. The farmers shall get higher price from high CCS sugar cane. The sugar mills shall get good quality of sugar cane to produce good quality sugar to their customers.

Quality Policy:

“Quality Sugar with **highest efficiency,** on-time delivery, **customer’s confidence,** **consumer’s safety**”

Production standards and customer requirements.

Manufacturing Standard

Manufacturing standard includes accepted manufacturing process in the mills. As all of customers are industrial customers, the companies deem manufacturing standard as high priority. The products must comply with the customers’ standards or internationally or domestically accepted standards.

The group of companies have corporate governance policy and guidelines in respect of customers in a Chapter on Roles of Stakeholders such as the use of international standard, quality management , TIS 56-2552, etc.

Apart from the said corporate governance policy, the group emphasizes on sustainable business operation throughout the value chain. The world class standard regarding sustainable production of agricultural goods in cane and sugar industry, namely, Bonsucro, is adopted. The standard applies to the production process, starting from the growing of sugar cane in the farm, the production of sugar in the mills to the delivery of goods to customers. As such, the standard integrates sustainability of the economic, social and environmental aspects. It helps reduce cost, develop quality and quantity of production, comply with labor standard and human right protection, conserve environmental balance as well as develop the cane farmers’ quality of life.

At present, buyers in the world market accept Bonsucro standard in respect of sustainability ranging from upstream to downstream and have procurement policy to use raw materials that pass the production process under certified sustainability standard. This is a further step of the Company to build up sustainability and to increase competitive edge in the world market.

Customers’ need

To respond to customers’ highest satisfaction regarding quality and product standard, the Company deems very important to deliver the goods on time, to extend international standard service and to maintain customers’ confidential information as well as to exercise business ethics in respect of responsibility and relationship with the customers in the long run.

The Company communicates with customers through various channels and makes customer visits to acknowledge customers’ needs and to convey useful information to customers.

By the same token, the Company invites customers to visit and to audit the work process of the Company and the factories so that the customers can consider the Company’s potential and capacity to supply the products as per the customers’ standard. The Company also surveys the customers’ satisfaction annually and takes into consideration the customers’ comments to improve the Company’s service and production process.

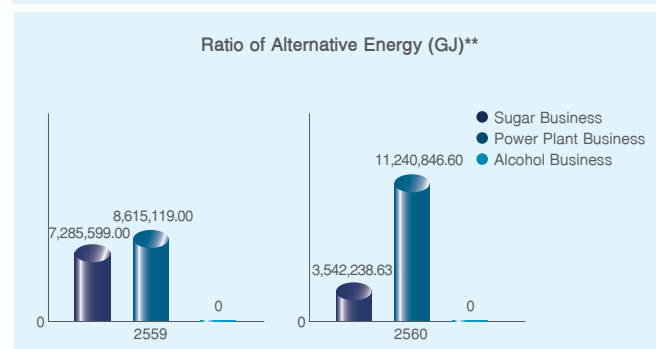
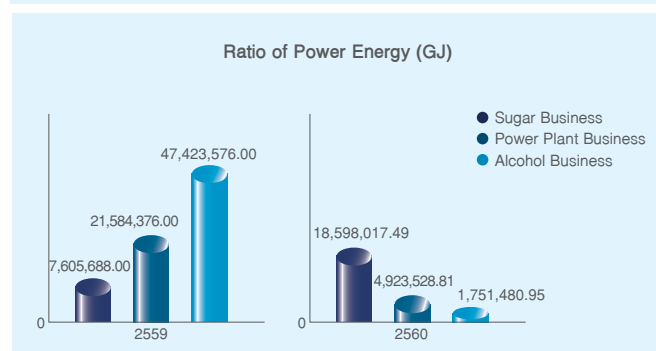
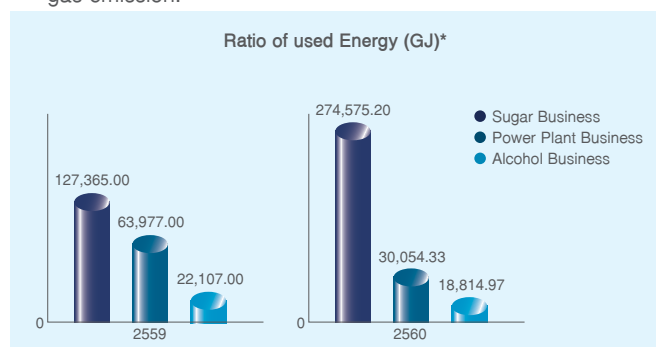
3. Corporate Governance

The Company considers the corporate governance an essential mechanism for the Company to administer a good relationship with all stakeholders, namely, shareholders, staff, farmers, suppliers, customers, communities and government agencies. The Company therefore has a clear policy of corporate governance regarding each group of stakeholders so that the operation shall be subject to transparency, accountability, efficiency and responsibility to society and environment.

This report alludes to the Corporate Governance Policy and the governance at 38

4. Efficiency in Energy Use (G4-EN4)

The group of companies regards the management of energy and climate change as important matters to prevent any effect to community, environment and costsaving related to energy. Furthermore, the stakeholders also emphasize in issues related to climate change and global warming caused by greenhouse gas emission.



Note

*Diesel/Benzene (Litre) x Conversion rate (Megajoule)

1000

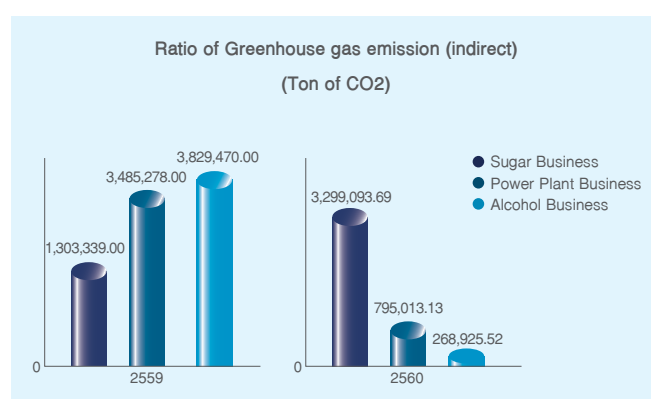
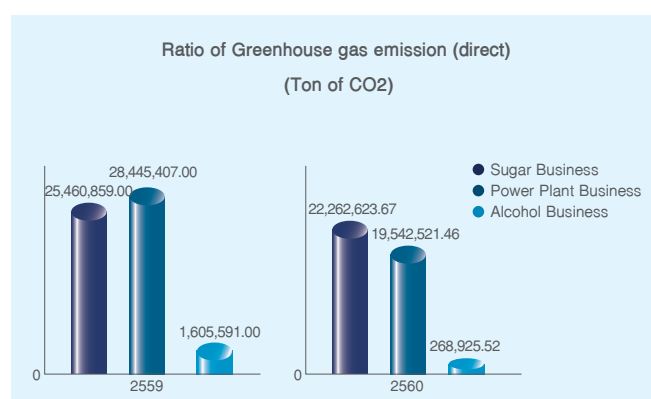
**Alternative Energy is bagasse derived from sugar production process

***Bagasse (Ton) x Low Heating Value

0.004186

Greenhouse Gas Management (G4-EN 15,G4-16)

The group of companies conducts measures to reduce greenhouse gas, both direct and indirect, to reduce energy use in sugar manufacturing process and in office. Also, there is a promotion to reduce energy use along with increasing area for containing greenhouse gas by increasing green area in factory, reforestation and to promote activities related to community forest across country by cooperation with government agencies and other organizations.



Note

* Direct Greenhouse Gas Emission is the volume of diesel/benzene/LPC (litre) x Emission factor = Ton carbon dioxide

* Indirect Greenhouse Gas Emission is the volume of electricity bought from external source (Megawatt / Hour) X Emission factor = Ton carbon dioxide

* Emission Factor is referred to Thailand Greenhouse Gas Management Organization (Public Organization)

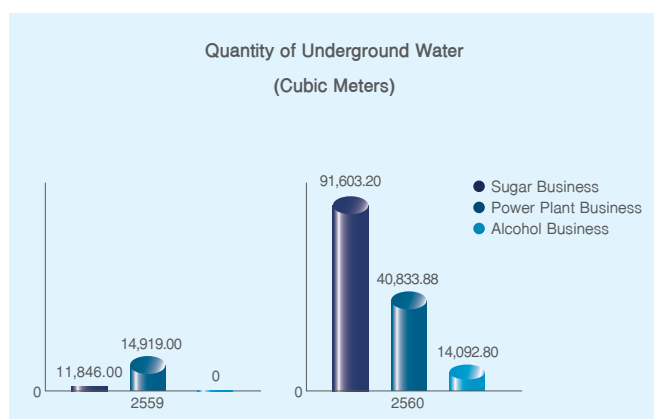
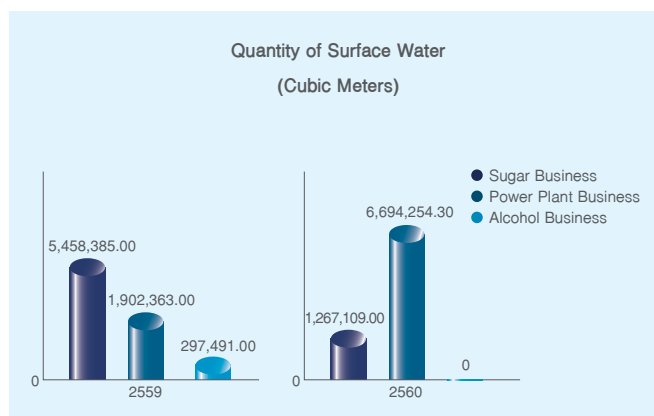


5. Environment Management

Water Management (G4-EN-8)

Water pumping from raw water source is classified into 2 portions, namely water in manufacturing process and water in office. Wastewater from sugar manufacturing process is mainly water from cooling system used in exchanging temperature. Wastewater will be transmitted into treatment system by sedimentation and deposition and then reduced temperature approximate with nature, before emission from factory, in order to ensure water quality as emitted in line with required standard such as standards of Royal Irrigation Department and Ministry of Industry. The process is meant to prevent adverse effect to biological diversity of water source. For water used in office, after standard treatment, the treated water will be used in watering system, agriculture demonstration plot and wetlands.

Water from outside water sources outside of 2016



The group of companies has measures to control quantity of water for best utilization by applying with 3R as follows;

Reduce Reducing quantity of using water in factory during crushing period, by using condensate water (water derived from condensed steam) in manufacturing process to reduce the use of soft water, controlling proper blow down rate of steam boiler and controlling the use as necessary of soft water to reduce using chemical/water.

Reuse Reusing water/using water effectively; water from cooling system (condenser water) will be used with water system to get rid of ash from steam boiler, to wash boiler, to clean floor of factory; reusing water from cooling system of operating room; taking blow down water from cooling tower to blend with condenser water system.

Recycle used water will be treated and used in condenser cooling system, fire protection system, spraying bagasses, spraying truck parking ground to prevent dust and watering trees and green areas to ensure limitation of quantity of drainage out into environment as necessary, The group of companies installs treatment system suitable with wastewater in each type to be effective in treatment system and to get post-treatment quality water in order to prevent effect to water source and utilization by the community.

Submerge Aerated Fixed Film Project (Reused Water)

Each year, there is condensate water of approximately 400,000 - 600,000 cubic meter (varying to the crushed sugar cane volume). The group of companies is aware of this waste and attempt to treat the waste water so that it can be reused for utmost benefit and shall not cause adverse effect to community and environment. The project is accordingly designed.

The objectives of the project are

1. To treat and to reduce the sugar which is mixed in the condensate water and to reuse the water
2. To reduce the shortage of raw water to be used in the mills
3. To reduce environmental impact

Goals of the project

Control sugar value before release to raw water pond to 0 ppm. Increase the amount of raw water to be used in the plant 100%



Increase the amount of raw water.



100%

Control sugar before release to raw water pond to be at 0 ppm.



Note The information regarding awards belongs to Tamaka Sugar Industry Co., Ltd.

Benefit from the project

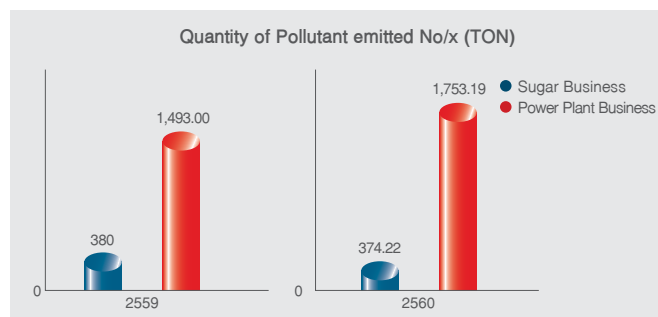
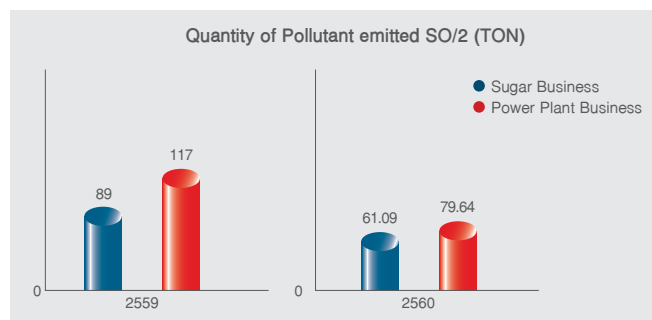
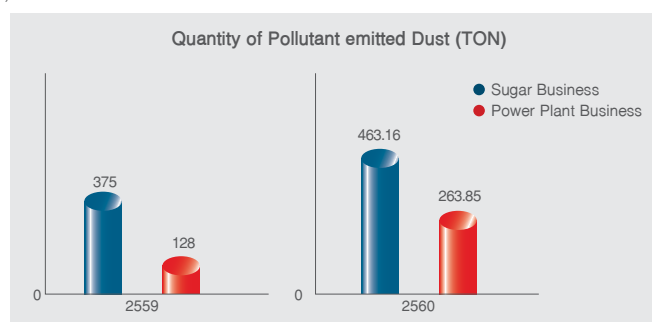
1. 100 % reuse of water
2. Reduce the discharge of waste water to environment to zero waste which no effect to community and environment

Note The Information as to Submerge Aerated Fixed Film (SAF) belongs to New Krung Thai Sugar Factory Co., Ltd.

The group also receives awards in respect of environment such as Green Industry Level 3, Award on Waste Management in accordance with 3Rs, Clean Technology Award, Environmental Governance Award, CSR-DIW Continuous Award, Conservation and Rehabilitation of River Award (Ministry of Industry), etc.

Air Pollution Reduction (G4-EN21)

The group of companies materializes the reduction of impact occurring from operation and also realizes the importance of being with community surrounding the factory by closely measuring the amount of gas emission as required by law, inspecting operation related to environment aspects to be in line with plan and target to ensure that the impact on the surrounding community shall be minimized and the operation shall be respectively improved.

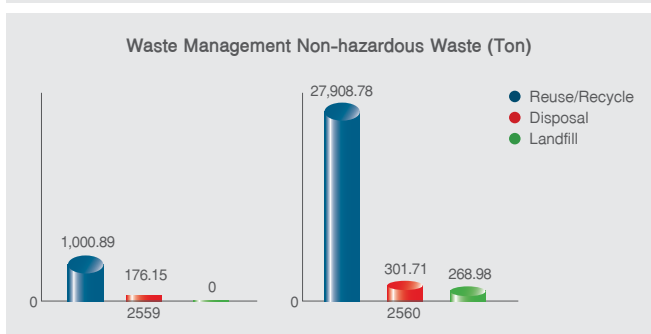
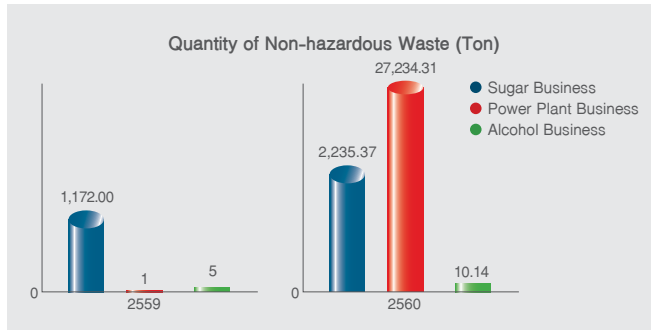
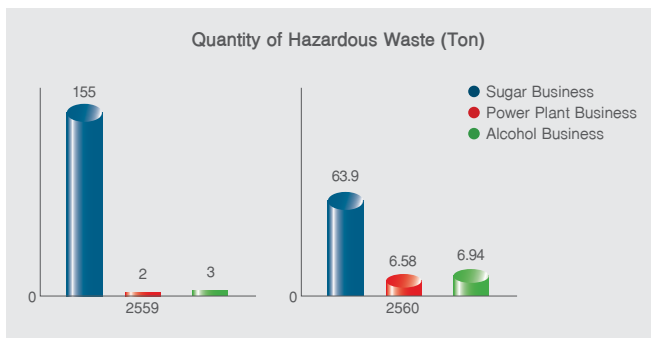


* no report of ethanol business because of no burning process



Industrial Solid Waste Management (G4-EN23)

To ensure least quantity of remains from manufacturing and maintenance process to be disposed, the group of companies controls the use of raw materials and equipments for maintenance effectively and selects the method of disposing remains with minimal effect against environment. Each factory is careful about selecting the waste management provider and its careful disposal method which must be in compliance with the laws. Furthermore, the factory keeps monitoring the disposal of the waste management provider to ensure that the waste will be managed correctly and properly, in accordance with standard Ministry of Industry.



Creative Industrial Development Project

Tamaka Sugar Industry Co., Ltd. In cooperation with the Department of Industry has developed a process to compress the bagasse left from manufacturing process to make environment-friendly cup saucer.

The project originated by the Department of Industry is created to increase competitive capacity for industrial entrepreneurs and SMEs, to build business and investment opportunity, to solve environmental problems concretely so that the pollution shall be managed effectively.





Social Aspects



activities

“SAFETY Health and ENVIRONMENT (She DAY)”

6. Safety and Occupational Health (G4-LA6)

The Company regards the importance of safety and hygienic conditions in the workplace both at the office and factories and sets up a Committee on Safety, Occupational Health and Environment in the factories to take care of the safety and hygienic conditions of the employees by examining the safety in the workplace regularly, installing alarm system within the premises, providing fire extinguishers and fire exit, scheduling annual fire evacuation. The factories additionally build work environment which is safe for employees, contractors and visitors with controlling measures as well as provide training for security staff to build confidence to the stakeholders.

Safety is priority. The group of companies, therefore, sets a target to be the organization without any accident to employees, contractors and all interested parties to prevent any losses to life and property.

Kiken Yoshi Training (KYT) activities- Training for Alert

KYT activity is training for awareness of hazard. It is a group activity to have work safety by training the anticipation of hazard with the concept of quick and accurate cooperation by pointing fingers and verbal repeat. The training covers technical knowledge, sensitivity of hazard awareness including concentration, enthusiasm, unity building and all in one coordination.

KYT activity emphasizes on self-problem fixing by promoting the uncompelled activity by the staff. The activity is important to build discipline, unity and enthusiasm that are all useful in the workplace.

KYT activity keeps the staff alert of human error before start working as the accident may happen at any time and may cause unpredictable damage.

It is the activity that the operating staff shall participate by thinking of imminent danger in the work and warn themselves by applying “finger pointing and keep saying” method.

The conditions of KYT activity is that everyone must speak out with sincerity and must listen to opinions of others. It needs serious co-thinking or brainstorming. It is well aware that the order for safety of the supervisors is not enough because the staff would practice only when they get the order which sometimes does not match with the on-site problems.

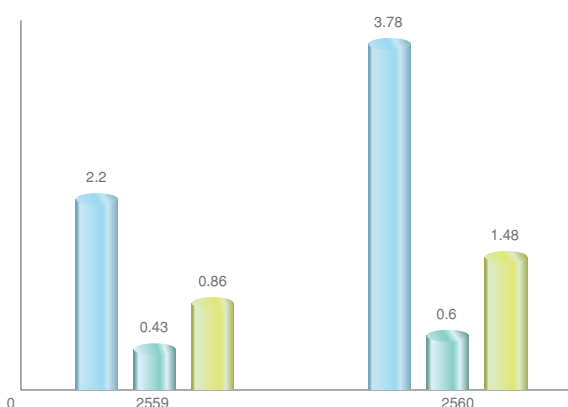


Safety, Health and Environment Activity (SHE Day)

SHE day activity is the activity that the group organized in June of every year in order to make the employees aware of work safety. The activity focuses on educating the staff in respect of using safety equipments. The expert in each field shall be invited to teach the employees. There is a monthly safety check in each section in the factory so that the staff shall be repeatedly warned of work safety with a valuation by giving marks to employees. The employee who gets the highest mark shall be awarded and complimented as a good example for other employees.

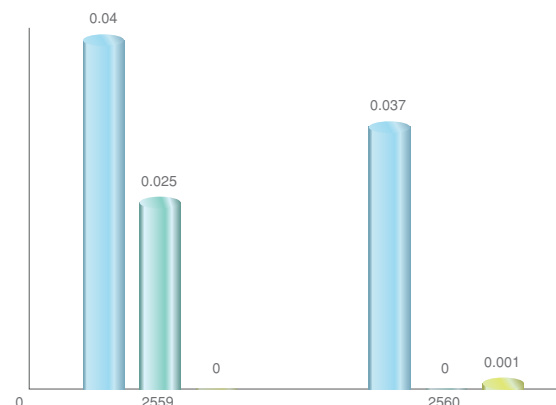
Injury Rate (IR) (Time)

● Permanent Employees (Male) ● Permanent Employees (Female) ● Contractors



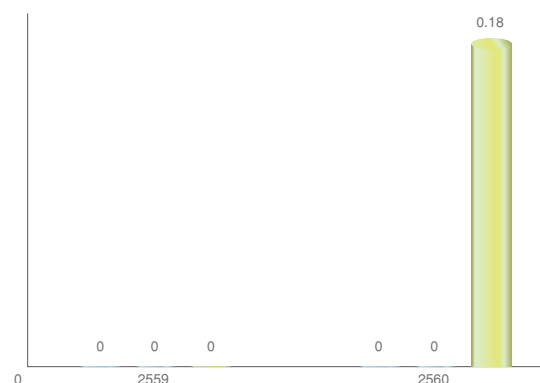
Lost Day Rate (LDR) (Day)

● Permanent Employees (Male) ● Permanent Employees (Female) ● Contractors



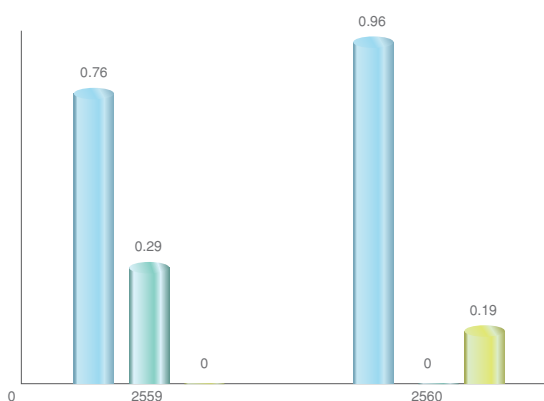
Fetalities Rate (FR) (Person)

● Permanent Employees (Male) ● Permanent Employees (Female) ● Contractors



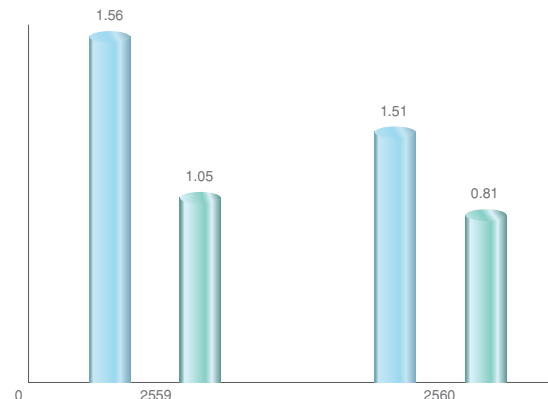
Occupational Diseases Rate (ODR) (Time)

● Permanent Employees (Male) ● Permanent Employees (Female) ● Contractors



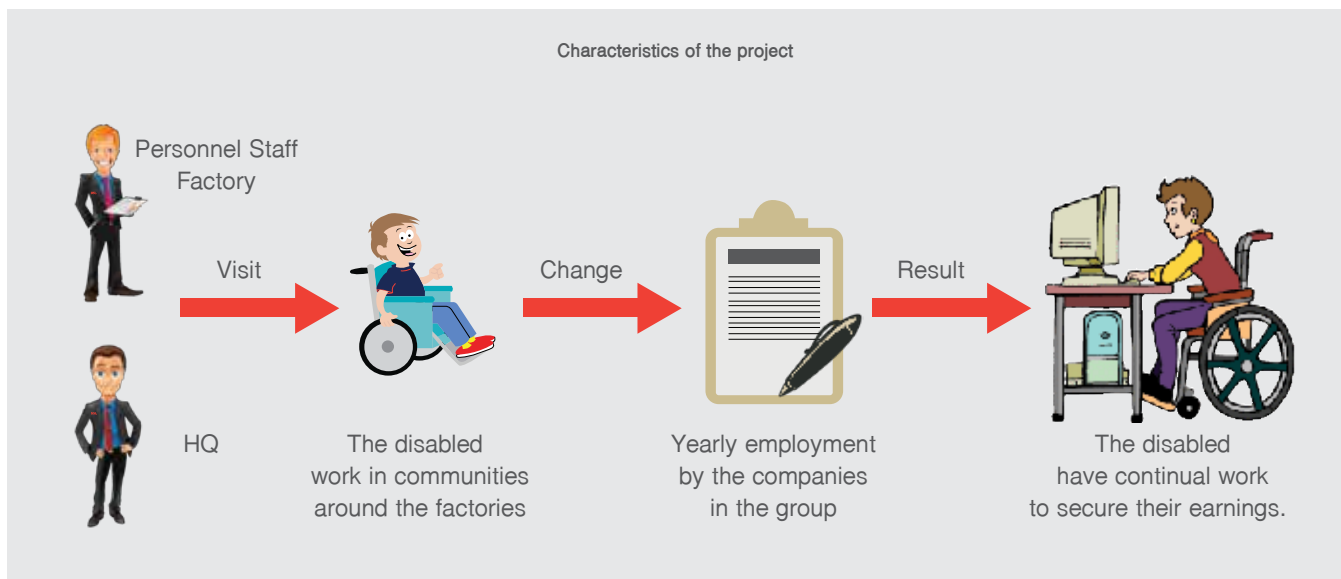
Absentee Rate (AR) (Day)

● Permanent Employees (Male) ● Permanent Employees (Female)



Note

- Accident Frequency Rate is the index to measure accident in the organization which is calculated from the number of persons who incur accident comparing with the standard of 100 employees, working 8 hours a day in 250 days per year which is equivalent to 200,000 man-hour per year
- Information regarding contractors are from two companies — Khon Kaen Sugar Industry PLC (Wangsapung Branch) and Khon Kaen Sugar Power Plant (Wangsapung Branch)



7. Quality and Satisfaction of Employees

Employee is a starting point to drive business towards success. Therefore, the group of companies adheres for human resource management by promoting employee potential throughout working period including active recruitment for qualified employees ready to help propel the organization to sustainable growth. The group of companies also focuses on management and personnel development to make the group of companies the organizations at the top ranking which people want to work with.

The group of Companies uses recruitment channels to solicit both insiders and outsiders by appropriate testing and interviewing to ensure that the companies would have persons suitable to the jobs on the basis of capability and right qualifications and non-discrimination against race, nationality, tribes, religion, social status, gender, age, disability, political thought and marital status. The group of companies promotes the employment of disabled persons to give them opportunity of suitable employment. Every new employee has to acknowledge in writing as to the goals and the key indicators of the tasks. The employees who have knowledge and capability shall be promoted in their career path with high expectation in them to be strong cadre of the entity.

It is true that there is a trend in industry to replace workers with machinery and technology to reduce production cost. Nonetheless, human workers are still important mechanism to propel business particularly in sugar industry which still needs workers in each process ranging from sugar planting, sugar cane harvesting, transportation, production and export. The group of companies is aware of the importance of human resource, therefore, it operates the business with respect to labor rights and human rights.

The group has originated employing the disabled with cooperation from the Social Innovation Foundation that help select the disabled to work with the group at suitable positions in order to support the disabled to have equal dignity and to live with others in the society with pride.

Khon Kaen Sugar Industry PLC and its subsidiaries receive a Certificate in Honor for the Project on New Dimension to build work and occupation for the Disabled in 2017

The Project on New Dimension to build work and occupation for the Disabled is a society supporting project originated with the cooperation of the Social Innovation Foundation and Khon Kaen Sugar Industry PLC to support continual work for the disabled instead of the payment to Disabled Supporting Fund previously done by the Company.

The group envisages the value of social employment through the cooperation with the Social Innovation Foundation and the Ministry of Labor that organize the convergence of the disabled and the potential employers. These disabled persons have been working in social units in some positions such as nanny for disabled children in welfare places, cleaners in hospitals, data recording staff in provincial units. The Company is interested in employing the disabled while the information shows that in 2017 the group has a quota to hire 41 disabled employees but has hired less number. Therefore, instead of paying a fee to the Fund as previously done, the companies choose to employ the disabled who are working in social units around the factories to work with the companies.





Interview

Khun Rachanon Charnnavy

HR, Head Office

“Employing the disabled to work in the surrounding areas of the company and in the factory is a way to assist and to create social opportunity for the disabled to work and gain secured income which is better than the previous method where the disabled are employed subject to the entity’s budget that is uncertain, dependent on the size of budget and the support at a specific time. This project is good for helping and caring the society together.”

The change from fee payment to the Disabled Supporting Fund to direct employment is a way to create human value to the disabled so that they can have their own earning to rely on themselves and live among others with dignity. The adaptation of selection process and potential development to decrease social inequality are deemed a creation of social value that is consistent with the Sufficiency Economy Principles of the late King Rama IX.

Such administration brings about the award of Honor Certificate from the Social Innovation Foundation and the Ministry of Labor to the group’s six companies, namely, Khon Kaen Sugar Industry Plc, New Kwang Soon Lee Sugar Factory Co., Ltd., New Krung Thai Sugar Factory Co., Ltd., Khon Kaen Power Plant Co., Ltd and KSL Green Innovation Plc. The employment is on yearly basis; the employers shall conduct evaluation for the next year employment.

It is an opportunity to expand corporate social responsibility in the coming years. In case an employee becomes crippled due to sickness or accident and is not able to do the normal work and dismissed, he could be further supported by doing this yearly work instead. This could be an extension of the project to benefit the members of KSL family.

The Company and all related parties put effort to render policy and implement various practices to help develop the employees’ quality of life and, at the same time, to build a better standard of corporate social responsibility.

The commitment of the Company to maintain its Thai labor standard has been recognized by being awarded Thailand Labor Management Excellence Award 2017 as it keeps maintaining the standard for 10 consecutive years.



The group of companies provides welfare and benefits for all level of employees more than those required by law with the purpose to elevate quality of life and stability of the employees, e.g., provident fund, group insurance and accident insurance, welfare loan and supporting fund. The companies promotes the work-life balance of the employees by providing leave varying to years of work with the companies.

As for right and liberty, the group of companies communicates to employees through intranet so that the employees shall get useful information and updated operation of the companies thoroughly and rapidly. The employees are encouraged to express their opinion or to negotiate various matters and take into account their opinions and suggestions which are useful for the employees and the companies.

Employees of all levels are important to the companies no matter of race, religion, gender. All employees are equal and are treated equally. They are entitled to welfare without discrimination. The promotion is done by a committee which consists of executives from different units to ensure transparency and fairness. Besides, the Company encourages the acquisition of knowledge through internal and external trainings so as to cope the future growth. The Company establishes a provident fund for employees.

The group pays serious attention to the Thai labor standard because the compliance with the standard is the respect to basic human rights and is well accepted by all stakeholders. **The result also benefits the employers, employees and the nation.**

Employers' benefits

1. Goods and services are accepted that they are generated from a source that is reliable and trustworthy as to fair management of labor and social responsibility regarding labor standard
2. Marketing mechanism for competition in both domestic and international markets
3. Good image that fosters creative public relations
4. Support and respect internationally-declared human rights
5. Good relationship between employers and employees

Employees' benefits

1. Good morale and work security through human right protection
2. Protection of employees' rights not less than that provided by law
3. Freedom to collective bargaining
4. No employment discrimination due to differences in nationality, race, religion, age, gender, attitude and disability
5. Safety, occupational health and good working environment

Nation's benefits

1. Competitive edge to develop economy with equality to integrate with world economy
2. Elevation of the country's image regarding quality of goods and services under standard criteria, fair labor management and corporate social responsibility

The commitment of the Company to maintain its Thai labor standard has been recognized by being awarded Thailand Labor Management Excellence Award 2017 as it keeps maintaining the standard for 10 consecutive years.



Management and Personnel Development (G4-LA9)

The Company sets target to have personnel trained in line with the directions and strategies of the Company so that the employees have potential and efficiency in handling the work and have opportunity to progress in their career paths. The internal training by internal or external facilitators covers matters which are related to the work as well as ethics. The employees may attend external training or seminars to enhance their knowledge. The Company establishes training plan and budget each year and encourages the transfer of knowledge among employees in the group of companies.

The Company regards that an important part of personnel development is to create courses that are necessary for the employees which consist of mandatory courses and courses for potential development.

Mandatory course is either the course that requires all employees to attend or the course that is specially designed for specific group of employees.

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.

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.

Quality Management System (ISO 9001: 2008)

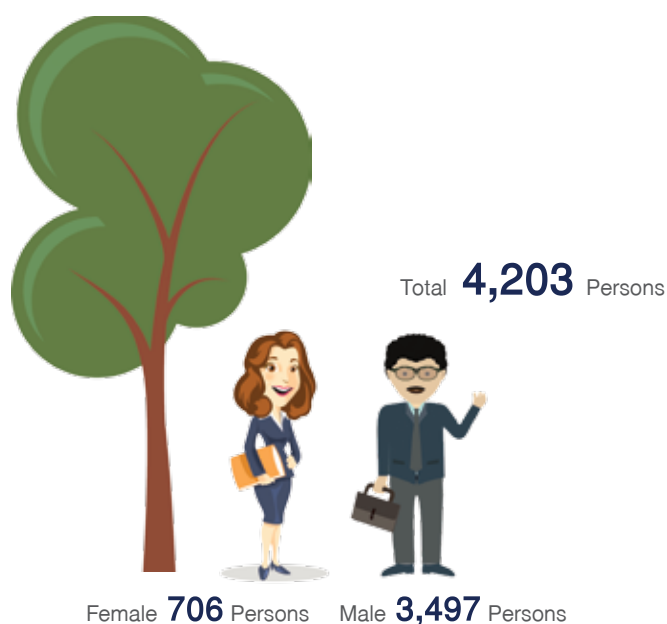
This course provides relevant employees with knowledge and understanding of the ISO 9001:2008 quality management system. Employees shall learn to master their assigned tasks and responsibilities and follows the required production and quality standard so that customers can have confidence in our products that are managed and produced under internationally accepted standards.

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.

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.

Training Curriculum: Increase Potential with the King's Disciplines

The training is held at KSL's Natural Agricultural Center, River Kwae, during July-November 2017. This curriculum is aimed to develop the employees by learning and applying the Working Principles and Sufficiency Economy of the late King Rama IX. The target is to educate the employees the ways to be self-dependent by reducing expenses and increasing family income with suitable activities.

Courses for Potential Development

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.

Executive Level

The development courses and training for executive level focuses on new management knowledge and techniques so that the executives 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.

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.

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.

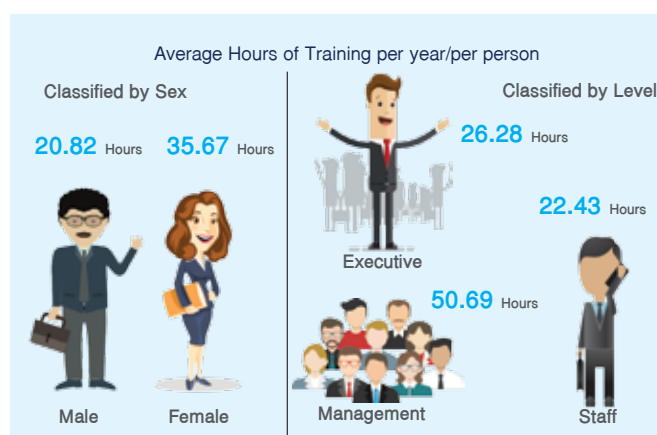
Operation Level

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.

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 requires 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 course.



Succession Plan

The Board of Directors is well aware that the prosperity and development of the entity shall depend upon the personnel of capability and conscience. The Board assigns the management to regard the management and development of personnel as an important matter.

The Company properly selects a person to fill an important administrative position of each level to ensure that the Company will have an executive of competence who is suitable to the position and is capable to manage the work smoothly and to replace another person appropriately. The Board of Directors assigns the Selection and Remuneration Committee collects information and contacts professional institutes to give advice to the succession plan project. The Company has prescribed the succession plan as follows.

1. Identifying important or principal position
2. identifying potential or competence of a principal position
3. analytical process to identify a successor
4. individual development plan



Building corporate culture for growth with sustainability

The group commits to achieve its vision with sustainable growth. Core values of desired characteristics are established and communicated to all employees so that they know, understand and practice continuously with the expectation that the core values shall soon be developed to the corporate culture. The core values are D-I-S-C, consisting of:

D - **Dynamic** which is broadly defined as energetic and prompt to changes for the better. The meaning is elaborated to include the following characters.

- Ability to change and to adapt including to evaluate strategies, plans and work process to cope with the change of surrounding circumstances
- Ability to obtain knowledge in the work and the business, to develop skills and expertise as necessary for the future
- Ability to decide in appropriate time and on sufficient information.

I - **Integrity** means, in the broad sense, honesty, keeping one's words and doing the right things. The meaning is elaborated to include the following characters.

- Commitment to honesty, transparency, accountability and promise keeping
- Treating people with equality, non-discrimination and respect to others' dignity
- Adherence to good governance, business ethics and social responsibility
- Punctuality and communication with correct information at the right time with no distortion or concealing the facts that should be disclosed including expression of useful opinions

S - **Synergy** means coordination, combination of strength to make multiple impacts. The meaning is elaborated as the following characters.

- Co-thinking, co-working and sharing of knowledge
- Clear communication of duties, responsibility and expectation
- Creative conclusion and recommendations

C - **Creativity** is meant to include development and application of new things to reality. The meaning is elaborated as the following characters.

- Development of work methodology, new products or services
- Making decision and implementation subject to acceptable risk level through risk assessment, monitoring the success and failure for further improvement.

KSL Innovation Award 2017

The award program is launched in 2017 for the first time. The Award is aimed to promote the core value, C-Creativity within the organization. Employees are invited to present their creative work, both in category of software and hardware. Each category is divided into three levels, namely, conceptual, prototype and commercialized.

Several projects are submitted in accordance with the criteria announced in advance. The appointed committee selects the projects that are useful and applicable to the business. In 2017, there are 18 projects that are granted the awards.

The committee organizes the Innovation Awards 2017 to present the awarded projects in details to executives and colleagues and to confer awards to the winners.

To communicate the core values to all employees of the group of companies, the Company appoints

KSL Brand Ambassador to perform the task of introducing the meaning of core values for acknowledgement and understanding. The Brand Ambassador cadre also helps organize various activities that induce the understanding and familiarity with the core values in each work place, such as morning talk, signage and standee, in-house voice broadcasting, orientation and training, voting for idols who have characters of D, I, S and C, KYT activities, Safety, Health and Environment Day activities, etc.

Responsibility to Community and Society

The Company supports the organizing of activities and plays a part in supporting activities, concerning charity or community development, so as to create good relations with the communities and to also upgrade their quality of life, particularly those living in the areas under operations by the Company. Such supports may be in the form of donations of money or articles according to suitability of each activity, taking in consideration the need of the receivers and according to local traditions and customs.

The Company and subsidiaries in other provinces which are in Nampong district, Khon Kaen province; Wangsapung district, Loei province; Tamaka and Boploy district, Kanachanburi province; Panusnikom district, Chonburi province, participated and supported activities and community development to upgrade their quality of life. Activities are giving knowledge of sufficient economy philosophy for job, making bio fertilizers, plan on saving money, etc.



Besides, the Company and subsidiaries participated and supported activities, concerning charity to create good relations with the communities. Activities are created small dams, donated money, sugar, and rice to schools and temples, money donation for children education, donated and built roofs for temples and sport field for school, donated books and sport equipment to schools, donate blankets to communities, volunteer with hospitals for villagers health check-up.



The activities of sufficiency economy toward communities



Baan Samnak Yen Sufficiency Economy Learning Center

KSL continues the royal wish in terms of unity

Ban Nong Mai Kaen Sufficiency Economy Learning Center, located at Moo 8, Nong Lan Sub-District, Tamaka District, Kanjanaburi Province. This center was initiated by Mr. Wanchai Yatkham, village headman, who studied the philosophy of sufficiency economy at KSL River Kwai Agri- Nature Learning Center and brought it to his village and turned the empty land into the community learning space with the collaboration of community, temples, schools and Khon Kaen Sugar Industry Company Limited. The space becomes the learning space of the sufficiency economy of the community and people from outside of the village. Moreover, Nong Mai Kaeng Community is also the learning space for the senior social and health clubs. It is currently able to welcome more than 1,500 visitors per year.

1. Tamaka Sugar Industry Company Limited

Baan Samnak Yen Sufficiency Economy Learning center (Baan Samnakyen women initiative recycling group), located at Moo. 1, Pratan Sub-District, Tamaka District, Kanjanaburi Province, led by Miss Thamruethai Pratan and 20 members of the group applied the royal wish in terms of unity to organize and manage their group until it becomes well-known and lots of organizations and cohort groups come to visit them and learn from them. This builds up the unity and fraternity in the community and also makes more incomes for the local people in the community. The learning space is consisted of 2 zones which are

1. Waste management, segregation and value added learning
2. Self-dependence learning space regarding the philosophy of sufficiency economy supported by Khon Kaen Sugar Industry Public Company Limited which used the space in the households to plant, burn charcoal, feed worms and make bio fertilizer. Moreover, it is also used as a place where the women initiative recycling group makes products such as herbal soap bar, chips and tea. The space is also used for rice farming, poultry farming and Thai buffalo preservation. This is a role model for the other communities, so there are more than 2,500 visitors come visit each year.



Ban Nong Mai Kaen Sufficiency Economy Learning Center

KSL continues the royal wish in terms of responsibility





Wat Mo Thao Sufficiency Economy Learning Center

KSL continues the royal wish in terms of education

Wat Mo-thao Sufficiency Economy Learning Center and YaiKiam Sweet Banana Crisp Group, located at Moo 2, Chong Sadao Sub-District, Mueang District, Kanjanaburi Province, are the gathering of folks in the community in order to process banana products such as butter, BBQ, pandan, salty and sweet flavors. They also used the sugar cane from the organic cane farm of KSL River Kwai Agri-Nature Learning Center organic to make sweet banana crisps which helps create the higher perceived value for their products. Nowadays, the group gains more than 7,000 Baht from selling the products per month.

Baan Donrak Sufficiency Economy Learning Center, located at Moo 6, Pratan Sub-District, Tamaka District, Kanjanaburi Province, is the learning space of worm feeding and breeding and vermicomposting. The center sells these products in cheap prices. Mr. Suthon Malai opens his house as a learning space and always volunteers himself in the community services of Baan Samnak Yen. Nowadays, there are more than 1,500 visitors come visit the space per year.



Baan Donrak Sufficiency Economy Learning Center

KSL continues the royal wish in terms of sacrifice



Tharuapittayakhom School Sufficiency Economy Learning Center

KSL continues the royal wish in terms of education

Tharuapittayakhom School Sufficiency Economy Learning Center, located at Tha Rua Sub-District, Tamaka District, Kanjanaburi Province, was initiated by the collaboration between Tharuapittayakhom School and KhonKaen Sugar Industry Public Company Limited. Teachers and students joined the training of quality of life development regarding the philosophy of sufficiency economy and brought knowledge from the training to develop their school such as catfish farming, charcoal and Pyroligneous acid making. The students gain more extra money from selling these products. The center has more than 1,000 visitors per year.



Baan Rai Sufficiency Economy Learning Center

KSL continues the royal wish in terms of frugality

Baan Jong Jaroen Economy Learning Center, located at Lum Rang Sub-District, Bo Phloi District, Kanjanaburi Province, led by Mr. Wasan Trakun-osod, village headman and cane agriculturist. In 2012, he studied about the philosophy of sufficiency economy at KSL River Kwai Agri-Nature Learning Center. He brought knowledge back to his village and turned his house into the community's learning center by the support of Khon Kaen Sugar Industry Company Limited (New Krungthai Sugar Company Limited). It is the learning space that provides the knowledge on reducing costs in cane farming by using bio fertilizer instead of chemical fertilizer etc. They also have a group which produces the products for reducing the household expenses. There are more than 2,000 visitors come visit this center per year.



Baan Wangthong Sufficiency Economy Learning Center

KSL continues the royal wish in terms of agricultural career

2. New Krung Thai Sugar Factory Company Limited

Baan Rai Sufficiency Economy Learning Center, located at Ban Rai Pattana, Lum Rang Sub-District, Bo Phloi District, Kanjanaburi Province, is owned by Mr. Sarai Ora-iam. It has 40 Rai of farming area which consists of cane, pineapple, corn, vegetable and herb and households. The activities include charcoal and bio fertilizer making and livestock. Sarai can reduce the expenses in his household more than 2,000 Baht per month and has regular incomes all year. He has 1,200 visitors per year come visit his house to learn about his lifestyle.



Baan Jong Jaroen Sufficiency Economy Learning Center

KSL continues the royal wish in terms of sufficiency economy

Baan Wangthong Sufficiency Economy Learning Center, located at Lum Rang Sub-District, Bo Ploy District, Kanjanaburi Province, led by Mr. Chuchart Klahan is the self-dependence area. People do cane farming with less chemical fertilizer, rice farming and backyard gardening. Not only consuming in their households but they also sell these products and gain more money. They get supports from the livestock company to make use of the animal waste, to produce effective microorganisms. So, they can reduce chemical products which cause health and environmental problems.





Baan Nong Hoi School Sufficiency Economy Learning Center

KSL continues the royal wish in terms of sufficiency economy

Mr. Sompit Saotong is one of the employees of Agro & Trading Company Limited who studied the theory of sufficiency economy at KSL River Kwai Agri-Nature Learning Center and he currently takes care of the activities of Baan Hua Chang sufficiency economy learning space (KSL AGRO) located at 83 Moo 2 Wattana Nakorn Sub-District, Wattana Nakorn District, Sra Kaew Province. In the learning space, there are 2 ponds which are used as a source of water storage. Moreover, there are also organic fertilizer and animal waste fertilizer making workshops which can reduce costs and expenses in household and farming. Also, feeding catfish in the plastic pond in the backyard, feeding hens, sprouting Bhutan mushroom and making charcoal help maximize the efficiency of space management and local people also consume their own products and sell them to gain extra income. Later, more people are interested in this model, try to learn and imitate this model in order to have better quality of life. People in the community also learn together and help each other.

3. New Kwang Soon Lee Sugar Factory Company Limited

Baan Nong Hoi, located at Pha-ka Sub-District, Wattana-nakorn District, Sra Kaew Province, applied the theory of sufficiency economy with school management and curriculum in every course including local studies in order to embed the ideas of sufficiency economy to students. Moreover, it could make students have appropriate knowledge and be more logical, organized and ethical.

The integration of academic activities and sufficiency economy activities to support the student lunch project is initiated by growing organic vegetables, sprouting mushroom, feeding catfish and foresting etc. The products from this project are normally used as ingredients for student lunch. The school got supports from New Kwan Sun Lee Company Limited (KSL). The company provided the initial funding of 32,000 Baht to the school and sent some specialists to give trainings and execute the project.

As a result, students had good and hygienic food which made them healthier and have better academic performance. The school also had an excellent achievement of being the role model in sufficiency economy learning of 2016 and passed the evaluation from the minister of education.



Baan Hua Chang Sufficiency Economy Learning Center

KSL continues the royal wish in terms of sufficiency economy

New Kwang Sun Lee Sugar Company Limited (KSL) supports Baan Kud Muang Sufficiency Economy Learning Center, located at 98 Moo 6, Ban Dan Sub- District, Aranyaprathet District, Sra Kaew Province, which has 30 members. They applied knowledge from the theory of sufficiency economy in their daily life such as making an account for saving up and not being too extravagant, growing plants on their land and feeding animals. Province, which has 30 members. They applied knowledge from the theory of sufficiency economy in their daily life such as making an account for saving up and not being too extravagant, growing plants on their land and feeding animals.

Recently, Baan Kud Muang Sufficiency Economy Learning Center welcomes a lot of visitors and gain more income. Their learning space consists of 2 areas.

1. Banana farm and banana processing area
2. Animal such as insects, local hens, fish and beautiful doves
3. Vegetable and fruits in the backyard garden such as chili, eggplant, galangal, lemongrass, papaya, mango and guava

Recently, there are more than 1,000 visitors per year.



Baan Kud Muang Sufficiency Economy Learning Center

KSL continues the royal wish in terms of sufficiency economy



Baan Nong Hua Chang Sufficiency Economy Learning Center

KSL continues the royal wish in terms of sufficiency economy

Mrs. Thongyun Chansak, 61 years old, is an agriculturist who does sugarcane farming regarding the theory of sufficiency economy and also makes the daily household account. She grows a various kinds of plants and feed animals in order to gain more income for the family in between waiting for the harvest season of canes. During that time, KSL was building the sufficiency economy learning center. So, Mrs. Thongyun joined the project. She shared some areas in sugarcane farming for fish ponds and also growing a various kinds of plants such as mango, jackfruit, bamboo, lime, papaya, banana and also feeding pigs and hens. These become the food source of the household and neighbors and also learning space of the community.





Bodhivijjalaya College Sufficiency Economy Learning Center

The college of sufficiency economy for community strengthening and natural restoration regarding the sufficiency economy theory of H.M. the late King Bhumibol

Srinakharinwirot University sees the benefit and importance of the theory of sufficiency economy and other theories that lead to sustainable development. It also gives academic services to the society by building Bodhivijjalaya College at Sra Kaew province by the collaboration of academic alliances, government sector and private sectors, social organization, press and citizens. The memorandum of agreement about the sufficiency economy for alternative energy and watershed was signed on March 30, 2007 at the Sra Kaew provincial government center. One of the key idea of this MOA is to establish Bodhivijjalaya College, Sra Kaew province.

On November 25, 2016, the dean of Bodhivijjalaya College met Mr. Chamroon Chinthammit, Chief Executive Officer and President of Khon Kaen Sugar Industry Company Limited to receive more donation of 18-Rai land (previously, the company donated 81 Rai in 2008). In total, it is 99 Rai and the funding of 1,500,000 Baht. This is to support the center business and operation. The center also initiated a lot of activities and built up many infrastructures such as fish ponds, chicken coops, cow and goat barns, vegetable and fruit gardens, organic cassava and sugarcane farming, clay house building workshop, charcoal making. The college used the products from these activities as ingredients for student lunch. So, they can save a lot of money and spend more on learning space development.

Voluntary Education Center is the place for hosting the 10 voluntary camps of the university per year from both academic service and student development sections (students are from 19 colleges, 250 students per camp). This is a part of general education course called 'Sufficiency Economy Theory'. Also, it is a learning space for the community under the project 'reduce the study time, increase the play time' of Sra Kaew province and it is also opened for general visitors. The income gained from all activities goes to poor students who need additional financial aid. Moreover, it is the center for hosting and initiating academic activities and projects in the community. Recently, 4,000 visitors, per year, consisted of students and general visitors visit and study at the center.

4. Khon Kaen Sugar Industry Public Company Limited

Baan Kham Bon Sufficiency Economy Learning Center, located at Ban Kham Bon, Bua Ngern Sub-District, Nam Pong District, Khonkaen Province, led by Mrs.Chidapha Phinit and 10 more members of the group applied the royal wish in terms of persistence to search for the innovation to develop its products such as mulberry tea, cocoon soap bar, etc. The space becomes the learning center of the community by the support of Khon Kaen Sugar Industry (PLC).

The enterprise group recently gains 10,000 Baht per month and 5,000 visitors come visit every year.



Baan Kham Bon Sufficiency Economy Learning Center

KSL continues the royal wish in terms of persistence

Khok Sung Prachasan School Sufficiency Economy Learning Center, located at Ban Khok Sung, Nam Pong Sub-District, Nam Pong District, Khonkaen Province, led by Mrs. Wiboonrat Bussarraka, school director and other 5 teachers work on the project.

Khon Kaen Sugar Industry Public Company Limited supports on building up 5 learning stations to be as a learning space for the community and general visitors who are interested in sufficiency economy theory. The project consists of 2 sections as follows:

1. The learning center which consists of chicken coops, wild pig barn, vegetable garden, forest planting and solar cells.
2. 4-Rai organic sugarcane is a demonstrating farm to the sugarcane agriculturists

The sufficiency economy is included in the curriculum, so students can apply their knowledge to their family farm. The center also welcomes local folks and general visitors who are interested in the sufficiency economy theory. There are more than 500 visitors come visit per year.



Khok Sung Prachasan School Sufficiency Economy Learning Center

KSL continues the royal wish in terms of education



Baan Jumpha Hua Bong School Sufficiency Economy Learning Center

KSL continues the royal wish in terms of education

Mrs. Suchada Nongyotha leads Baan Khok Sung Sufficiency Economy Learning Center, located at Baan Khok Sung, Khok Sung Sub-District, Ubolratana District, Khonkaen Province. She is an agriculturist who has been trained in quality of life of community development regarding the theory of sufficiency economy at Ruknam Rukdin Sufficiency Economy Learning Center. The center runs all activities in 20-Rai land which consist of the integrating farm of rice and sugarcane and the learning center by the support of Khon Kaen Sugar Industry Public Company Limited. The center has a lot of learning station for the visitors who are interested and want to

Baan Jumpha Hua Bong School Sufficiency Economy Learning Center, located at Baan Jumpha Hua Bong, Sai Moon Sub-District, Nam Pong District, Khonkaen Province, is supported by Khon Kaen Sugar Industry Public Company Limited. Teachers and students are interested in the activities related to the theory of sufficiency economy such as sprouting Bhutan mushroom, growing banana trees, vegetables in order to make organic food source for student lunch. Moreover, it can serve as teaching and learning tools for students and their parents. There are 200 visitors come visit per year.



Baan Khok Sung Sufficiency Economy Learning Center

KSL continues the royal wish in terms of sufficiency economy



Baan Muang Wan Sufficiency Economy Learning Center, located at Baan Muang Wan, Muang Wan Sub-District, Nampong District, Khon Kaen Province, organized by Mr. Somkid Kaoma, a cane farmer of the Company. This learning center is in area of 30 rai which consists of sugar cane cultivation area, rice cultivation area, cassava cultivation area, and sufficiency economy learning center area (supported by KSL). This learning center disseminates knowledge to community more than 600 people per year.



Baan Muang Wan Sufficiency Economy Learning Center

KSL follows Royal wish: Sufficiency Economy



Baan Sang Seng Sufficiency Economy Learning Center

KSL follows Royal wish: Sufficiency Economy

Baan Sang Saeng Sufficiency Economy Learning Center, located at Baan Sang Seng, Wang Chai Sub-District, Nampong District, Khon Kaen Province, organized by Ms.Cane Supanputta. This learning center is in area of 10 rai which consists of sugar cane cultivation area, rice cultivation area, housing, mix agriculture (farming, bio fertilize) and sufficiency economy learning center area (supported by KSL). This learning center disseminates knowledge to community more than 500 people per year.



Baan Nong Seang Sufficiency Economy Learning Center

KSL follows Royal wish: Agriculture and Environment

Baan Nong Seang Sufficiency Economy Learning Center, located at Baan Nong Seang, Takrasern Sub-District, Nampong District, Khon Kaen Province, organized by Mr.Boonlai Auddoddorn, who was a rice farmer and changed to a cane farmer of the Company. This learning center area is divided into 3 zones which are cane field, chili field, and mix agriculture. This learning center disseminates knowledge to community more than 500 people per year.

This Sufficiency Economy Learning Center is located at Bann Hua Bung Jampa, Moo. 11, PangTui Sub- district, Nampong District, Khon Kaen Province, organized by Ms. Suvimol Mulsadu (Nang teacher), a retired teacher. She donated her area 5 rai to be a learning center. Community can cultivate this area. KSL has supported activities in this area, for example, cane planting, chicken farming, and household saving. This learning center disseminates knowledge to community more than 1,000 people per year.



Baan Sum Chareon Sufficiency Economy Learning Center

KSL follows Royal wish: Saving

This Sufficiency Economy Learning Center is located at No. 55, Baan Nong Hin Tang, Moo 10, Nalao Sub-District, Nawang District, Nong Bua Lam Pu Province, organized by Mr. Wuttichai Saengpitak with 6 members and 6 speakers. They follows Royal Wish: Diligent and Unity. KSL has supported additional more knowledge under a project in total of six stations to do different tasks, as follows: To make charcoal and others, To produce household appliances for reducing household expense and for selling, To product bio-fertilizer liquid and Composted fertilizer, To plant Non-Toxic Vegetables for consumption and selling, To process rice, To raise ducks and chicken and buffalo. This learning center disseminates knowledge to community more than 1,500 people per year.



Rak Din Rak Nam Sufficiency Economy Learning Center (Water and Soil Conservative)

KSL follows Royal wish: Unity

This Sufficiency Economy Learning Center is located at No. 48, Moo 6, Pa Kao Sub-District, Pa Kao District, Loei Province, organized by Mr. Satit Tangduang and his member family. They follows Royal Wish: saving and sufficiency economy for their living by KSL supported. Area of 12 rai is agriculture for cane, forest, mulberry, fruit and vegetable, animal farming: chicken, fish, frog. Household income is more than 15,000 baht per month.



Pa Rak Nam Sufficiency Economy Learning Center

KSL follows Royal wish: Diligent and Unity





Baan Mueng Beng Sufficiency Economy Learning Center

KSL follows Royal wish: Education

This Sufficiency Economy Learning Center is located at Moo 3, Sri Songkram Sub-District, Wansapung District, Loei Province, organized by Mr.Meg Promsri and his family. Supported by KSL, this family divided area 3 parts from cane planting, rubber planting, corn planting into cane planting, vegetable and fruit planting, animal farming. This learning center disseminates knowledge to community more than 300 people per year.



Suan Rung Thip Sufficiency Economy Learning Center

KSL follows Royal wish: Development

This Sufficiency Economy Learning Center is located at Moo 18, Nong Ya Plong Sub-District, Wangsapung District, Loei Province, is organized by KSL and teachers/ students who are interested in sufficiency economy in school. There are many activities such as flowers planting for flower weaver, banana tree planting for craft, wicker works for additional income. Baan Mueng Beng school is knowledgeable place to teachers, students, and parents for more than 500 people per year.



Baan Noon Sawang Sufficiency Economy Learning Center

KSL follows Royal wish: Agriculture and Environment

This Sufficiency Economy Learning Center is located at Moo 6, Pak Puan Sub-District, Wangsapung District, Loei Province, organized by Ms.Rungthip Tanka and her family. Supported by KSL, this area is for cane planting and using dung instead of chemical fertilizer, animal farming, vegetable planting. This learning center disseminates knowledge to community more than 200 people per year.

This Sufficiency Economy Learning Center is located at Moo 18, Nong Ya Plong Sub-District, Wangsapung District, Loei Province, organized by Mr. Tub Visetya and his family. Supported by KSL, 30 rai of his area is cane planting, fruit planting, bamboo and others and making bio-fertilizer liquid. This learning center disseminates knowledge to community more than 200 - 300 people per year.



Rai Visetya Sufficiency Economy Learning Center

KSL follows Royal wish: Diligent

Empower Training Project (The King's Philosophy)

Empower Training Project (The King's Philosophy) held July - November 2017 in KSL River Kwai Natural Agriculture Center followed the philosophy of His Majesty King Bhumibol Adulyadej including sufficient economy philosophy such as self-reliance to reducing household expense and increasing household income by activities of Sufficient Economy Learning Center to factory (employee's houses).



Empower Training Project (The King's Philosophy) proceeded to factory:

1. Tamaka Sugar Industry Co., Ltd.

Sufficiency Economy Learning Center to factory (employee's house):
Self-Reliance

Mr. Jirapong (Top) Prasongsuk, KSL's employee, lives with his mother and nephew. In the past, he made additional income by selling fighting fish. After he learned more about sufficiency economy, he then joined sufficiency economy learning center to factory (employee's house). KSL supported chicken breeding and frog. He learnt many things such as planting, growing and harvesting organic fruits and vegetables. He can reduce household expense 1,200 baht per month.



2. New Krung Thai Sugar Factory Co., Ltd.

Sufficiency Economy Learning Center to factory (employee's house):
Self-Reliance





3. New Kwang Soon Lee Sugar Factory Co., Ltd.

Sufficiency Economy Learning Center to factory (employee's house):
Self-Reliance Fish farming and organic vegetable

4. Khon Kaen Sugar Industry Public Company Limited (Namong Branch)

Sufficiency Economy Learning Center to factory (employee's house):
Self-Reliance

5. Khon Kaen Sugar Industry Public Company Limited (Wangsapung Branch)

Sufficiency Economy Learning Center to factory (employee's house):
Self-Reliance

Chicken/duck farming, organic vegetable planting, bio-fertilizer liquid and composted fertilizer production



Sustainable business with Coca-Cola for woman farmers

This session is coordinated with Tamaka Sugar Industry Co., Ltd., New Krung Thai Sugar Factory Co., Ltd., KSL Agro and Trading Co., Ltd. and Coca — Cola for woman farmers to enhance knowledge — basic income account, basic financial management for farmers.



Life Quality Development for Community with sustainable economy philosophy (9-12 October 2017)



Life Quality Development for Handicaps with sustainable economy philosophy



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Khon Kaen Sugar Industry Public Company Limited

Head office 503 KSL TOWER, 9th Floor,

Sriayudhya Road, Rajathevi District

Bangkok 10400, Thailand.

Tel: 66-2642-6191-9

Fax: 66-2642-6097



www.kslgroup.com