



Khon Kaen Sugar Industry Public Company Limited



Natural Energy and Environmental Care
ANNUAL REPORT 2018

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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.

Develop manufacturing process and technology to achieve highest efficiency and effectiveness.

Create an environment that mutually benefits our partners of success.

Develop down-stream businesses to maximize the usage of raw materials, byproducts, 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



General Information of Company



Company Information	Khon Kaen Sugar Industry Public Company Limited
Type of Business	Manufacturer of Sugar and by products
Main Product	Raw Sugar, High Pol Sugar, White Sugar and Refined Sugar 01075747000214
Public Company No.	503 KSL TOWER 9th Floor, Sriayudhya Rd., Rajathevi District,
Head Office	Bangkok 10400, Thailand Tel. +66 2 6426 191-9 Fax. +66 2 6426 097 43 Moo 10, Nampong-Kranuan Rd., Nampong,
Factory (Branch 1)	Khon Kaen Province 40140, Thailand Tel: +66 43 432 902- 6 Fax: +66 43 441 056 255 Moo 4 Nong Ya Plong Sub-district, Wangsaphung District,
Factory (Branch 2)	Loei Province 42130, Thailand. Tel. & Fax.: +66 42 810 - 931
Homepage	www.kslgroup.com

Sugar Business Information

Company Information	Tamaka Sugar Industry Co., Ltd.	Company Information	Savannakhet Sugar Corporation (SSC)
Type of Business	Manufacturer of Sugar and by products	Type of Business	Sugar Cane Plantation and Sugar Mill
Main Product	Raw Sugar, White Sugar and Refined Sugar		Sugar Manufacturing and Distributing
Head Office	503 KSL TOWER 21th Floor, Sriayudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 229-39 Fax. +66 2 6426 228	Main Product	Raw Sugar and By products
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	Head Office & Factory	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
Company Information	New Krung Thai Sugar Factory Co., Ltd.	Company Information	Koh Kong Plantation Co., Ltd. (KPT)
Type of Business	Manufacturer of Sugar and by products	Type of Business	Sugar Cane Plantation
Main Product	Raw Sugar, White Sugar and Refined Sugar		Sugar Manufacturing and Distributing , Harbour
Head Office	503 KSL TOWER 21th Floor, Sriayudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 229-39 Fax. +66 2 6426 228	Head Office	Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Tel. (855) 35 399 333
Factory	99 Moo 6, Lumlang Sub-district, Boploy District, Kanchanaburi Province 71160, Thailand Tel. +66 34 615 350 Fax. +66 34 615 399	Company Information	Koh Kong Sugar Industry Co., Ltd. (KSI)
Company Information	New Kwang Soon Lee Sugar Factory Co., Ltd.	Type of Business	Sugar Mill and Terminal
Type of Business	Manufacturer of Sugar and by products	Main Product	Raw Sugar and By products
Main Product	Raw Sugar, High Pol Sugar, White Sugar and Refined Sugar	Head Office & Factory	Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Tel. (855) 35 399 888
Head Office	503 KSL TOWER 21th Floor, Sriayudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 229-39 Fax. +66 2 6426 228		
Factory	24 Moo 1, Ban-Nhongbua Rd., Mon-Nang Sub-district, Panutnikom District, Chonburi Province 20140, Thailand Tel. +66 38 788-203-5 Fax. +66 38 462 431-2		

Support Business Information

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

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

Company Information	KSL Agro and Trading Co., Ltd.
Type of Business	Trading domestic sugar and operating agricultural businesses
Head Office	503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 191-9 Fax. +66 2 6426 097
Branch Office	83 Moo 2, Wattananakorn Sub – District, Wattananakorn District, Sakaew Province 27160, Thailand Tel. +66 37 262-236 Fax. +66 37 262-235

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

Energy and Chemical Business Information

Company Information	KSL Green Innovation Public Company Limited
Type of Business	Producing Alcohol for gasohol and Producing Biofertilizer
Head Office	503 KSL TOWER 9th 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

Company Information	BBGI Public Co., Ltd.
Type of Business	The holding company which invests in bio-based products business.
Head Office	2098 M Tower Building, 5th Floor, Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260 Thailand Tel. +66 2 3358 899 Fax. +66 2 3358 800

Company Information	Khon Kaen Sugar Power Plant Co., Ltd.
Type of Business	Electricity Production
Head Office	503 KSL TOWER 17th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 191-9 Fax. +66 2 6426 294
Factory (Branch 1)	43 Moo 10, Nampong-Kranuan Rd., Nampong District, Khon Kaen Province 40140, Thailand Tel. +66 43 441 051-2 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. +66 42 810-931 Fax. +66 42 810-931

Company Information	KSL Material Supply Co., Ltd
Type of Business	Material Sourcing for sugarcane plantation
Head Office	503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

Other Business

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

Company Information	WSP Logistics Co., Ltd.
Head Office	88 Moo 8 Tumbon Huayhaeng Kaeng Khoi Saraburi Province 18110, Thailand Tel. +66 3 6358 309 Fax. +66 3 6358 307

References

Securities Register	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Tel. +66 2 0099 000 Fax. +66 2 0099 991
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Auditor

Company Information	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Rajanakarn Bldg. 25th Floor
Head Office	183 South Sathorn Rd., Yannawa Sub-District, Sathorn District, Bangkok, 10120 Thailand Tel. + 66 2 6765 700 Fax. + 66 2 6765 757



Mr. Manu Leopaiprote
Chairman

Message from the Board of Directors

In 2018, the consolidated financial statements of the Khon Kaen Sugar Industry Public Company Limited and its subsidiaries revealed the total revenue of THB 17,813 million, and when compared to the result of operations of the same period of the preceding year which showed the total revenue of THB 15,623 million, it showed an increase of 14 percent. The net profit this year was THB 848 million, and when compared to THB 1,970 million net profit of the previous year, it showed a 57 percent decrease. In the part of volume of sales of sugar in 2018, it increased from 687,046 tons to 1,091,228 tons, or an increase of 59 percent, whereby the average selling price reduced from THB 17,362 per ton to remain at THB 12,526 per ton.

The overall picture of the business in 2018 showed that the company had sugar cane supply higher than that of the past year, from 6.83 million tons to 11.03 million tons, or an increase of 61 percent, resulting in the use of more revolving fund and higher financial costs, an increase from THB 668 million to THB 728 million. Also, the distribution costs were higher, owing to increased sales volume as compared to that of the year before.

The main reason of reduced average price was due to the fluctuation of world sugar price, which increased in early 2017 to the level of 20 cents per pound and quickly decreased

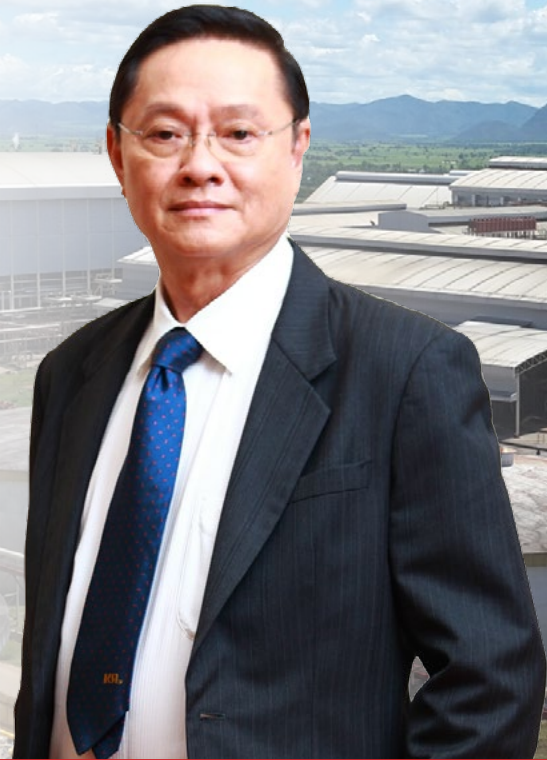
to remain at 12-13 cents per pound, as a result of global increased volume of production of sugar in 2018, coupled with the floating selling price of sugar in Thailand in 2018 which went into the same direction as world sugar price. This resulted in a decrease of the Company's average sugar selling price in 2018 when compared to that of the same period last year. However, the sale volume of sugar readily increased, thus the total revenue also increased.

The announcement of floating sugar selling price in the production seasons of 2017/2018 and 2018/2019 to support the on-going restructuring of sugar cane and sugar industry of the entire system does affect the changing of method of fixing local sugar selling prices, thereby causing changes of the Thai sugar market system in regard to the selling price of sugar within the country which changed from fixed price to fluctuating price according to the world market and was not at a high level. This may cause the revenue from the sale of sugar to be reduced, as previously the local selling prices were at fixed price and higher than the world market price.

For the local sugar consumption, it may slow down a bit and thus not sending much impacts to the business. For example, imposing sweetness tax on beverages may render the demand of sugar consumption in the local beverage industry



Mr. Chamroon Chinthammit
Chief Executive Officer and President



to be reduced somewhat, but it would not affect the overall sugar industry, because the use of sugar of local beverage industry only accounted for 5-6 percent of the total sugar production of Thailand.

In the past year, the company still attached much importance to good corporate governance, by revising its policy on corporate governance to be in line with the good corporate governance for listed companies of 2017 as published by the Office of the Securities and Exchange Commission. The Board of Directors and the executives encouraged the Company and the staff to comply with the good corporate governance as specified in the policy on corporate governance and the principles and guidelines generally accepted. The Company has strictly disclosed important information to the public through various channels and to the Stock Exchange of Thailand according to the criteria so prescribed. In 2018, the Khon Kaen Sugar Industry Public Company Limited was assessed under the Corporate Governance of Thai Listed Companies Survey Project to be at excellent level for the first time, a higher rating than good level it has been assessed continuously for many years.

In regard to the promotion and the supporting of innovations of the Company, a contest of innovations created by the staff within the group of companies was initiated, whereby prizes were awarded to the works of innovations selected in 2017. In 2018 the Company still continued this activity so as

to inspire and encourage its staff to come up with creative innovations continuously according to the main objectives of the contest and to also provide opportunity for the staff within the group of companies to apply their knowledge, ability, and new concept to create works of innovations to help develop the organization to progress further, and to support and promote the good values of the organization in respect of creativity which was in line with the vision and sustainable development of the Company.

Last but not least, in the name of the Board of Directors, we would like to thank all staff who have joined hands to develop the Company to steady growth and stability. Our heartfelt appreciation is also extended to the shareholders and business partners at all sectors who have given supports to the Company throughout. The Company shall still commit to sustainable growth and taking good care of the society, community, and environment, as always.

Income Statement Highlight

Unit : (Million THB)

Income Statement Highlight (Million THB)	2018	2017	% Change	2016
Sales and Services	17,813	15,623	14%	16,911
Cost of Sales and Services	(14,681)	(13,180)	11%	(13,279)
Gross Profit from Sales and Services	3,131	2,443	28%	3,632
Other Incomes	1,174	3,119	-62%	1,498
Gross Profit before SG&A	4,305	5,562	-23%	5,130
Selling Expenses	(770)	(424)	82%	(542)
Administration Expenses	(724)	(837)	-14%	(834)
Management Remuneration	(138)	(147)	-6%	(141)
Proceeds to Fund	(1,116)	(1,096)	2%	(1,150)
Total Cost	(2,748)	(2,503)	10%	(2,666)
Profit before financial cost and tax	1,557	3,059	-49%	2,464
Financial cost	(728)	(668)	9%	(710)
Share of Profit from Associated Company	145	121		57
Corporate Income Tax	(144)	(560)	-74%	(371)
Non-Controlling interest	18	19		(14)
Net Profit	848	1,970	-57%	1,426
EPS	0.19	0.45	-57%	0.32
Gross Margin from Sales and Services	17.6%	15.6%		21.5%
Net Profit Margin	4.8%	12.6%		8.4%

Statement of Financial Position Highlight (Million THB)	2018	2017	% Change	2016
Cash & Short Term Investments	129	153	-16%	85
Current Trade and Other receivables	2,476	1,198	107%	1,407
Short-Term Loans	1,533	1,569	-2%	1,273
Inventories	4,089	3,100	32%	2,552
Biological Assets	61	112	-46%	251
Other Current Assets	46	64	-28%	85
Investment in an associate	3,879	3,747	4%	387
Other long-term investments	335	405	-17%	371
long-term loans	243	393	-38%	358
Investment property	5,167	4,917	5%	4,496
Property, plant and equipment	26,183	26,354	-1%	26,186
Other non-current assets	1,401	977	43%	925
Total Assets	45,542	42,991	6%	38,375
Current liabilities	13,924	14,818	-6%	10,591
Non-Current liabilities	12,979	10,080	29%	11,134
Total Liabilities	26,903	24,898	8%	21,724
Total Shareholders' Equity	18,639	18,092	3%	16,650
Equity attributable to owners of the parent	18,210	17,650		16,166
D/E Ratio	1.44	1.38		1.30
IBD/E Ratio	1.26	1.20		1.13

Cash Flow Highlight (Million THB)	2018	2017	% Change	2016
Net Profit + Depre + Non Cash	2,449	2,185	12%	2,462
Change in Working Capital	(3,145)	(1,948)		1,575
from Operating Activities	(696)	236	-394%	4,038
Invest in PP&E	(1,132)	(3,098)	-63%	(1,578)
from Investing Activities	(863)	(3,320)	-74%	(1,521)
from Financing Activities	1,512	3,149	-52%	(2,620)
Change in Cash Flow	(24)	71		(86)
Ending Cash	129	153		82
EBIT	1,702	3,180	-46%	2,521
Depreciation	1,264	1,182	7%	1,247
ค่าเสื่อมราคา	2,967	4,362	-32%	3,768
EBITDA	9.07	4.98		5.77
Total Debt / EBITDA				

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 places 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. Develop manufacturing process and technology to achieve highest efficiency and effectiveness.
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.

In 2018, BBGI Co., Ltd. had transformed into the public company and had a plan to be listed on the Stock Exchange of Thailand (SET). Details are shown on the Company's news which posted on SET's website on 28 February 2018.

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)

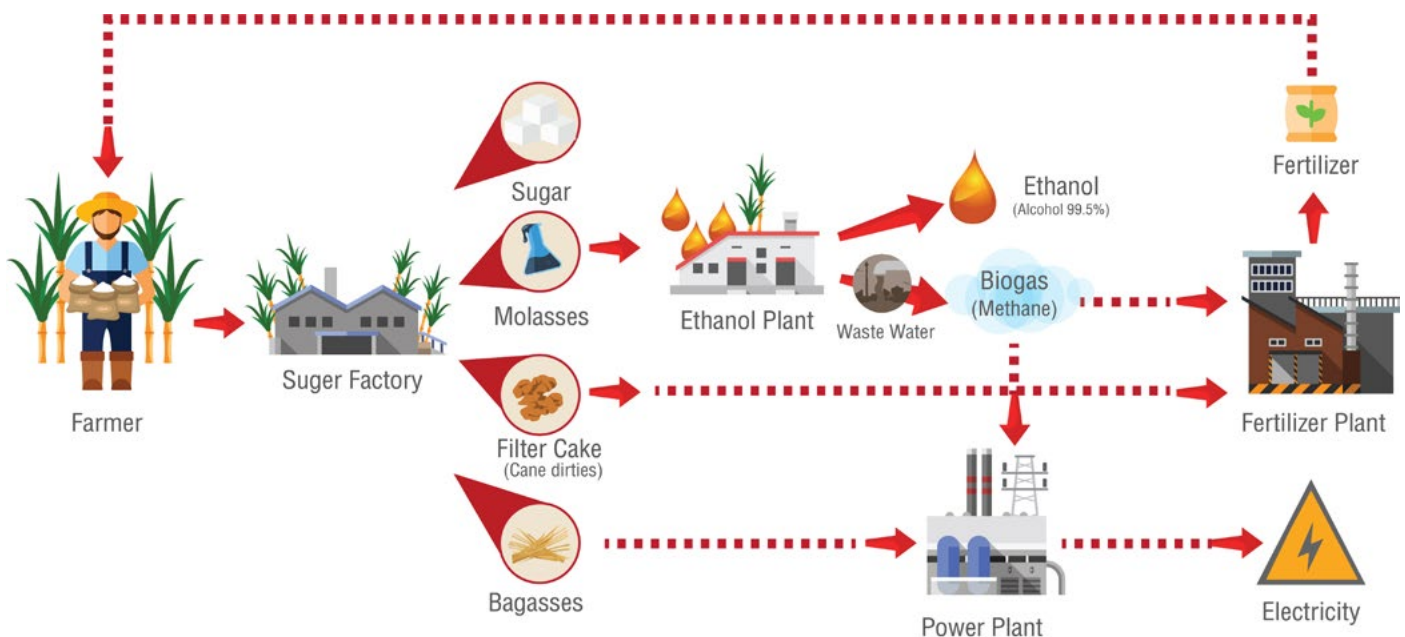
(1) Ethanol plant: Ethanol is mixed with gasoline, and the mixture is used as fuel for vehicles. Raw materials used in the Group's ethanol production include molasses and sugarcane juice (Presently, it manages by BBGI Co., Ltd.)

(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. (Presently, it manages by BBGI Co., Ltd.)

(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.

Figure 1 : The Relation ship between KSL's Existing Sugar Producr and KSL'v Value Added Project



As of October 31, 2018, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have the investment in subsidiaries and affiliates as follows:

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	191.66	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	487.50	100.00%	International trading and consulting
Energy and Chemical Business			
BBGI Public Company Limited ***	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.	480.00	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

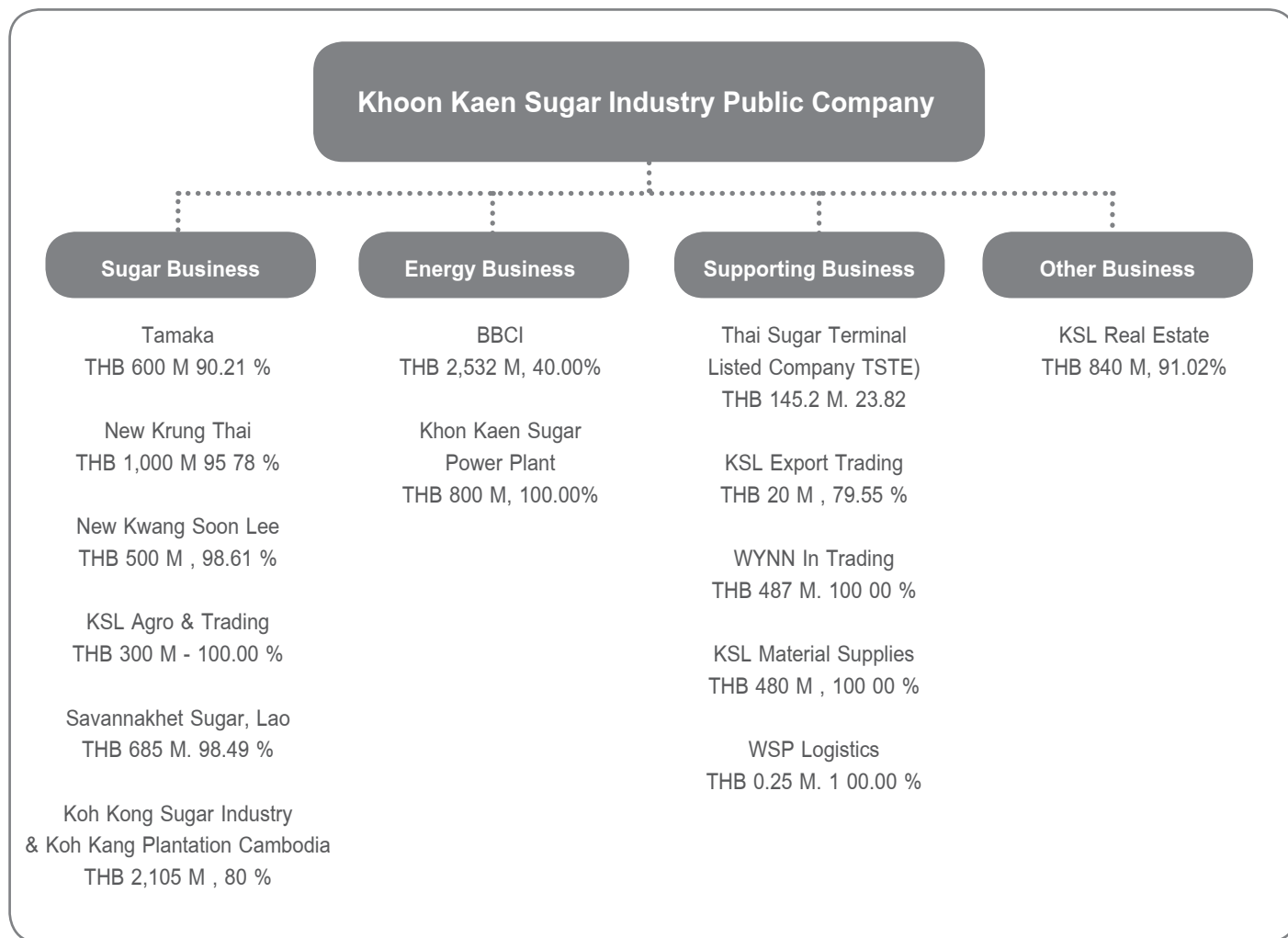
Note: Proportion of investment shown above includes both direct and indirect shareholdings

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

** Associated company: Thai Terminal Pcl. 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 Pcl. 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, 2018 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 Public 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.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

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

Revenue Structure

Company	% of Shareholding in 2018	2018 Revenue (Million THB)	%	2017 Revenue (Million THB)	%	2016 Revenue (Million THB)	%
1. Khon Kaen Sugar Industry Public Company	Mother Company	9,819	38%	8,416	33%	9,864	37%
2. Tamaka Sugar Industry Co., Ltd	90.21%	2,888	11%	3,006	12%	2,499	9%
3. New Krung Thai Sugar Factory Co., Ltd	95.78%	4,274	17%	3,631	14%	3,285	12%
4. New Kwang Soon Lee Sugar Factory	98.61%	562	2%	664	3%	534	2%
5. KSL Export Trading Co., Ltd	79.55%	17	0%	13	0%	15	0%
6. KSL Green Innovation PCL*	40.00%	0	0%	2,148	8%	2,144	8%
7. Khon Kaen Sugar Power Plant Co., Ltd	100.00%	3,643	14%	2,386	9%	2,525	10%
8. KSL Material Supplies Co., Ltd	100.00%	382	1%	362	1%	29	0%
9. KSL Real Estate Co., Ltd	91.02%	193	1%	188	1%	175	1%
10. KSL Agro and Trading Co., Ltd.	100.00%	3,420	13%	3,806	15%	4,169	16%
11. Koh Kong Plantation Co., Ltd**	80.00%	45	0%	77	0%	153	1%
12. Koh Kong Sugar Co., Ltd	80.00%	366	1%	264	1%	673	3%
13. Savannakhet Sugar Corporation	98.49%	199	1%	419	2%	241	1%
14. Wynn In Trading Co., Ltd	100.00%	0	0%	0	0%	0	0%
15. WSP Logistics Co., Ltd.	100.00%	0	0%	0	0%	0	0%
Total		25,809	100%	25,379	100%	26,307	100%
Minus Interrelated items		-7,996		-9,756		-9,396	
Total Revenues		17,813		15,623		16,911	

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

Sugar: Product Characteristic

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.

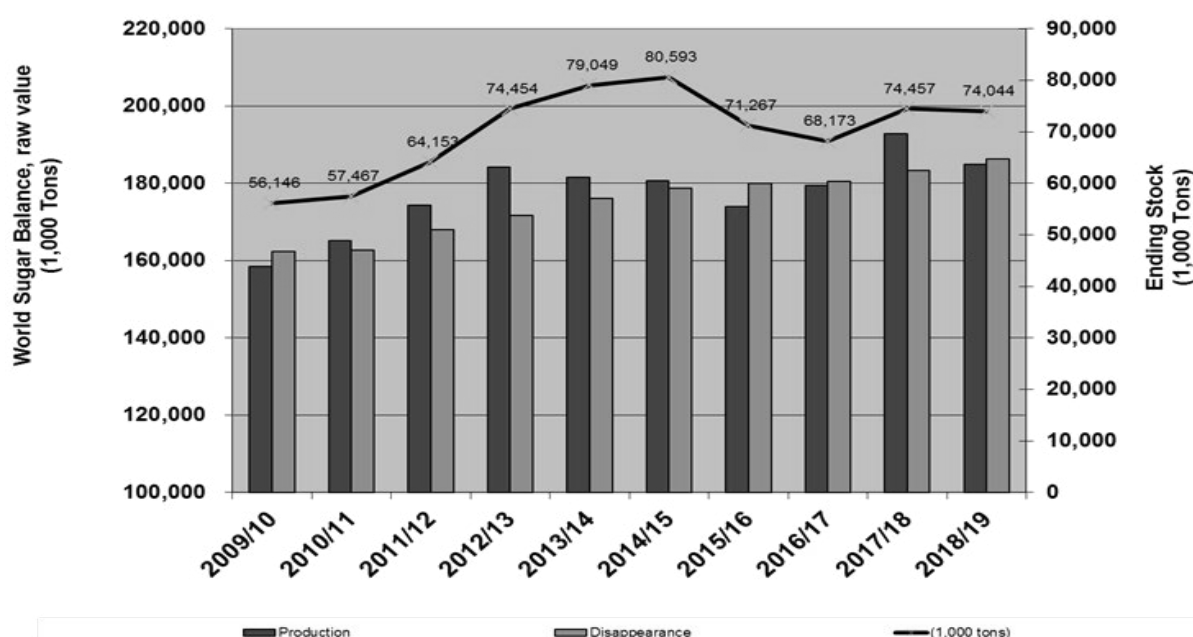
Refined sugar – Refined sugar has a color index that does not exceed 45 ICUMSA. It is especially high in purity. The sugar is used in certain industries where highly pure sugar is needed, such as pharmaceutical industry, carbonated beverage industry, and energy drink industry.

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

Chart 1: World Sugar Balance (1000 Tons, centrifugal sugar, raw value, OCT/SEP)



Note: 2018/2019 is forecasted number

Source: F.O. Licht, updated 20-12-2018

plantation. This completes the corporate value-added product ranges.

Sugar: Market and Competition

International Market and Industry Overview

The world sugar market: In 2017/2018 approximately 192.8 million tons of raw sugar was produced worldwide, representing an increase of 13.2 million tons or 7.4% from the 2016/2017. The world's total consumption demand rose to 183.3 million tons, a 2.7 million tons increase or about 1.5% growth compared to 2016/2017. However, the ending stock increases from 68.2 million tons in 2016/2017 to 74.5 million tons in 2017/2018. The stock represented 41% of the total demand, or an equivalent of 4.9 months sugar consumption. Estimated production over the world is over supplied. In the beginning of 2018, a world sugar price decreased to 12-13 cents/lbs. from 17-18 cents/lbs. in 2017.

In a mid of 2018, 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 14-15 cent/lbs. at the beginning of year to 10-13 cent/lbs. at the end of year. According to F.O. Licht's forecast on December 20, 2018, the 2018/2019 output will decrease 4.1%, from 192.8 million tons to 185 million tons. Consumption will increase by 1.6% from 183.3 million tons to 186.3 million

tons. Consequently, the world sugar supply will be deficit, with ending stock for the year 2018/2019 decreasing from 74.5 million tons to 74 million tons. Sugar stock per consumption 40 % 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 Wilmar, Cofco, Alvean, Sucden, 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

Chart 2.: World Sugar Price (NYBOT#11) during Last 10 Years



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

In 2018, Thailand encountered a situation of changes of sugar cane and sugar industry system, thereby resulting in there having been no quota system and no fixing of local sugar selling prices, which led to the free market system. Eventually, the sugar price in the country would be floating and fluctuating according to the world sugar price. And coupled with the Thai sugar premium system, the overall picture of the sale of sugar in the country as well as the exportation of sugar for sale were directed by the marketing mechanism and the production capability of each seller. The details of the proportion of sale of sugar of the group of companies were as shown in Table 3. Nevertheless, the significance of Thailand's Sugar Cane and Sugar Act in regard to benefits sharing with the sugar cane farmers remained the same

Competition Situation and Competitors

In 2018, 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 135 million tons per year and sugar manufacturing capacity of 14.7 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 sugarcanes 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 2018, 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 2.3 shows sales of different types of sugar in the past 3 years as well as ratios of sales in export markets to domestic markets.

Sugar: Product and Service Provision

Raw Material Provision Policy

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

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

Sale Volume & Price	2018			2017			2016		
	Volum Unit	Avg. Price THB / unit	Value M THB	Volum Unit	Avg. Price THB / unit	Value M THB	Volum Unit	Avg. Price THB / unit	Value M THB
Sugar	1,091,228	12,526	13,668	687,046	17,362	11,928	875,841	14,939	13,084
Domestic	199,876	17,553	3,508	199,091	19,526	3,887	219,304	19,532	4,284
Export	291,352	11,398	10,160	487,955	16,479	8,041	656,537	13,405	8,801
% Domestic Sale/Total Sale	18%			29%			25%		

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

The company emphasizes direct sale to industries with product quality and on-time delivery promises. Most customers are in business of 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 -

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 Megawatt (MW), 20 Megawatt (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 Megawatt (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.

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

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

Table 1 : Sales Volume and Average Selling Price of Electricity in the Past 3 Years

	2018	2017	2016
Sale Volume (MW-hour)	346,894	268,893	275,456
Avg. selling price (THB/MW-hour)	2,940	2,759	2,935

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 province has been registered with CDM Executive Board as a CDM project (under the Kyoto Protocol) which help carbon reduction.

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.

Risks from Raw Material Supply – 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.

To reduce above risk, 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.

Risks from Fluctuation of World Sugar Price

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 32 cents/lb and it decreased to 25, 20, and 15 cent/lb. Sugar price has fallen to its lowest at 10-12 cent/lb in the

mid of year 2018. With severe price fluctuations, because the world sugar production has been increased and the domestic sugar floating price is the same direction as the world sugar price. 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.

However, at present the Company reduced its reliance of main revenue on sugar alone, whereby the Company had expanded its business of ethanol by joining hands with potential allies that had energy expertise, and it also could successfully and efficiently build on and extend its operations to energy business, resulting in the overall operations having made some profits, despite facing sugar price fluctuation and severe reduction of sugar price.

Risks 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. 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.

In May 2016, the Brazilian Government filed a petition to the World Trade Organization (WTO) accusing the Thai Government of having imposed subsidies to the Thai Sugar Cane and Sugar Industry to an extent that it affected the sugar industry of Brazil. Throughout 2017, the Thai Government

urgently negotiated and clarified with the Brazilian Government of Thailand's rectification measures, such as, restructuring of sugar cane and sugar industry, floating of sugar selling price to be in with market mechanisms, abrogation of granulated sugar quota and reservation of granulated sugar according to designated quantity to meet the consumption demands within the country, etc. Later, in April 2018, the Brazilian Government slowed down its consideration on measures against Thailand, by asking the Thai Government to hold a clarification meeting of the progress of the situation regularly until the Thai Government would have completed the restructuring of sugar cane and sugar industry and the amendment of the Sugar Cane and Sugar Act, including related regulations and laws.

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.

Risks from Bad Debts from Credit System Provided 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, the Company was well aware of said risks and therefore developed the sugar cane subsidies system to be more efficient, by using GPS in inspecting and surveying sugar cane plantation areas to reduce the problem of claiming of right of ownership of certain farmers, and it was also used for sugar cane supply planning. The Company also developed a program for use in a tablet to monitor sugar cane and debts of each farmer efficiently, as well as the development of database of farmers in regard to the growing ability, the creation of debts, the security data, the ability to pay debts, which would help analyze suitable credit extent in line with the ability to pay debts and the value of property placed as security. This readily reduced the farmers' bad debts to be at a rather low level.

Risks from Exchange Rate

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, it 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.

Risks 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 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 equitable treatment of shareholders and 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.

Risks from Investment Project in Laos and Cambodia

The investment projects of sugar business in both countries were initiated by the Company, whereby the Company had obtained concession areas from the governments for sugar cane plantation and it was also licensed to construct sugar factories. The Company then managed its key risks in this issue as follows:

1. The quantity of sugar cane was insufficient to the production owing to climate change, natural disasters, outbreak of pests, including deteriorated soil conditions at the concession areas, thereby causing a fluctuation of sugar cane supply in each year, and thus resulting in production per area to have been insufficient to cover the break-even point.

2. Management problems, such as, lack of sugar cane growing technology in large areas, lack of infrastructure, namely road, transport system, including plantation labour shortage and capable personnel, etc., and it would take longer than expected to solve these problems and to improve the development in this regard.

3. Control from governments, especially investment projects in Cambodia where the Company faced problems of concession areas, unclear concession areas and areas of plantation of local farmers, policy on taxes, including ambiguity of local rules and regulations which had been revised and changed and which may cause disputes with the communities. Nevertheless, the said issues were given much importance by the Company and the Company was prepared to manage or rectify such problems suitably.

In 2018, projects abroad still suffered a loss and the Company readily slowed down its operations in Cambodia, while the operations in Laos the Company managed the risks by 1) budget control, 2) providing loans to farmers, partners, in order to expand the plantation areas, and 3) continuous development of deteriorated soil conditions.

Risks from Selection and Maintaining Personnel in Organization for Sustainable Growth

The business operations of the group of companies must rely on personnel mainly, and there must be sufficient and quality personnel, especially at executive level, whereby the executives must be of a number that meets the demand of the business, so as to support and implement the Company's strategies to a success. Hence, the Company found it necessary to upgrade the process of selection, maintaining, and development of potential of its staff to cope with the changed circumstances, by reducing personnel risks by imposing various measures emphasizing on individual development planning, career planning, succession planning, and leadership development program.

Besides, the Company also attached importance to human resources, by arranging training courses, whereby attendants would learn from actual performance for the development of personnel at both executive and operation levels, so that they would regularly learn new things and that it be in the same direction. Reviews were made on the providing of remuneration from working which was related to accomplishment and ability of the staff at attractive level and of international standards according to the market condition in order to create a work security for the staff, which would help reduce risks on losing its personnel and at the same time motivating and maintaining quality personnel sufficient to the need of its business continuously.

Shareholder Structure

Securities

As of October 31, 2018, the Company's registered capital is THB 2,205,121,824 and the paid up capital is THB 2,205,116,309.50. It is comprised of 4,410,243,648 ordinary shares and 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)
KSL192A	2 years	24-Feb-19	1,000
KSL198A	5 years	5-Aug-19	1,000
KSL199A	5 years	18-Sep-19	1,000
KSL202A	3 years	24-Feb-20	1,000
KSL203A	5 years	13-Mar-20	2,000
KSL206A	3 years	20-Jun-20	500
KSL215A	3 years	3-May-21	1,350
KSL27DA	10 years	7-Dec-27	2,000
KSL28DA	10 years	3-May-28	650
Total Long Term Debentures			10,500

Shareholder

On October 31, 2018, the top 10 major shareholders of the Company are as follows:

Rank	Name	No. of Shares	% of total
1	KSL Sugar Holding Co., Ltd.	1,452,000,000	33.923
2	Thai NVDR Co., Ltd.	131,573,797	2.983
3	Mr. Chanachai Chutimavoraphand	115,355,499	2.616
4	Mr. Chamroon Chinthammit	105,138,031	2.384
5	Ms. Duangdao Chinthammit	99,799,954	2.263
6	Ms. Duangkae Chinthammit	99,683,643	2.260
7	Mr. Kamondanai Chinthammit	98,623,448	2.236
8	Mr. Somchai Chinthammit	96,475,726	2.188
9	CREDIT SUISSE AG, SINGAPORE BRANCH	94,634,336	2.146
10	Mr. Piripon Chinthammit	92,647,024	2.101
Total for top ten major shareholders		2,385,940,458	54.100
11	Other shareholders	2,024,292,161	45.900
Total paid-up registered capital		4,410,232,619	100.000

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, 2018, the top 10 major shareholders of KSL Sugar Holding Co., Ltd. are as follows:

Rank	Name	No. of Share	%
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 for top ten major shareholders		61,088,948	61.09
11	Other shareholders	38,911,052	38.91
Total paid-up registered 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.

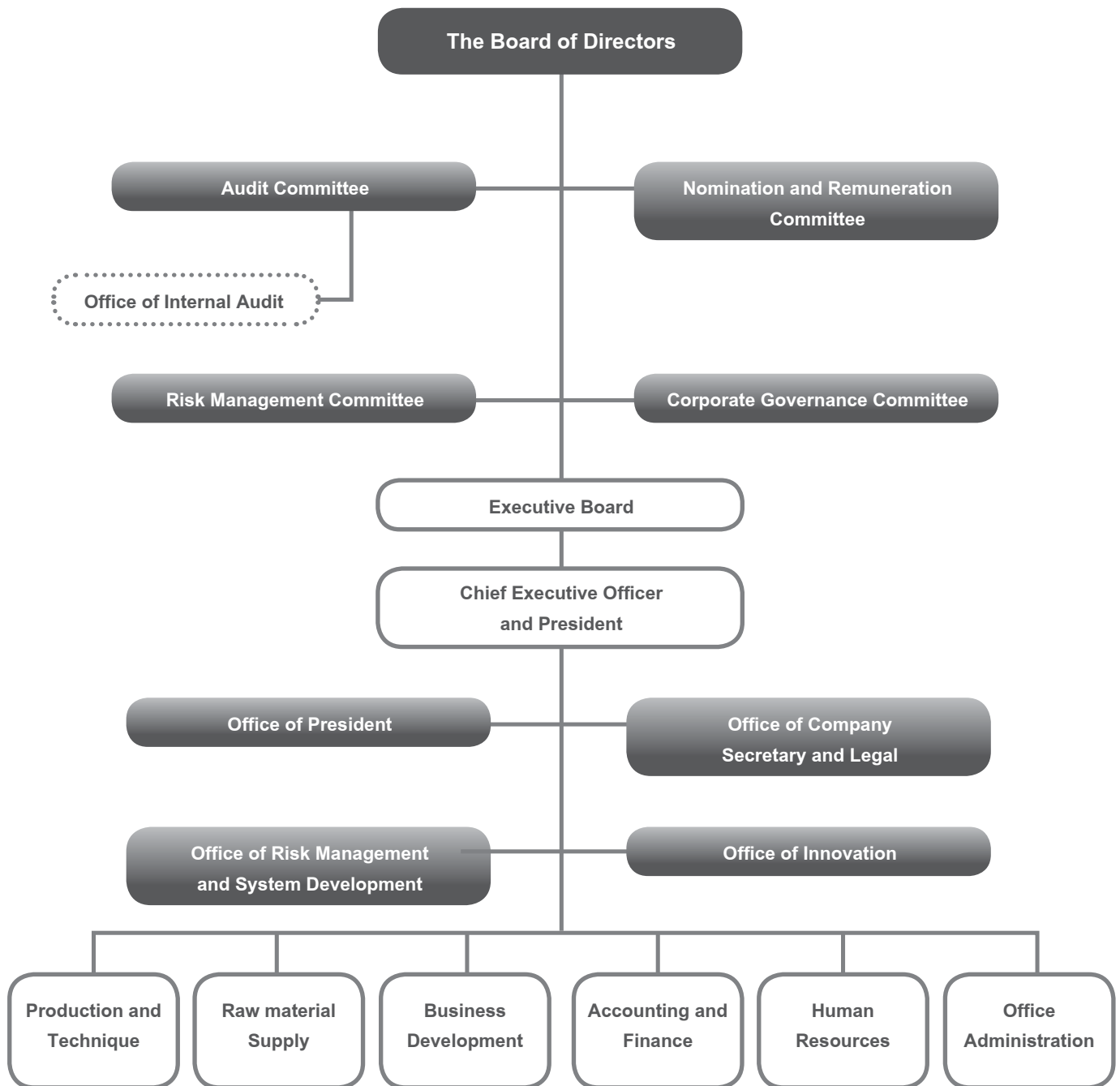
Dividend Payment Policy

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	2013	2014	2015	2016	2017
Cash (THB per share)	0.35	0.0811111111	0.0555555556	0.10	0.05
Div idend stock (THB per share)	-	0.10	0.05	-	-
Percentage of dividend to net Profit	35	37	51.90	30.92	11.19

Management Structure



THE BOARD OF DIRECTORS



1. Mr. Manu Leopaibote
Chairman and
Independent director



2. Mr. Chamroon Chinthammit
President and
Chief Executive officer



3. Mr. Pornsin Thaemsirichai
Director and Executive Director



4. Mr. Sukhum Tokaranyaset
Director and Executive Director



5. Mr. Thawatchai Rojanachotikul
Director and Executive Director



6. Ms.Intira Sukhanindr
Director and Executive Director



7. Ms.Duangdao Chinthammit
Director and Executive Director,
Nomination and Remuneration Committee



8. Mr.Chalush Chinthammit
Director and Executive Director,
Risk Management Committee



9. Mr.Somchai Chinthammit
Director and Executive Director



10. Ms.Duangkae Chinthammit
Director and Executive Director

THE BOARD OF DIRECTORS



11. Mr.Chanachai Chutimavoraphand
Director and Executive Director



12. Mr.Somchart Chinthammit
Director and Corporate
Governance Committee



13. Mr.Tachpong Pakornsiriwongse
Director and Executive Director



14. Mr.Chatri Chinthammit
Director



15.Mr.Trakan Chunharotrit
Director and Executive Director



16.Pol.Gen Boonpen Bumpenboon

Independent director and Nomination and Remuneration Committee, Corporate Governance Committee



17.Mr.Sitti Leelakasamelek

Independent director and Chairman of Audit Committee, Risk Management Committee



18.Mr.Karun Kittisataporn

Independent director and Chairman of Nomination and Remuneration Committee, Nomination and Remuneration Committee



19.Mr.Warapatr Todhanakasem

Independent director and Chairman of Corporate Governance Committee, Audit Committee



20.Ms.Nongluck Phinainitisart

Independent director and Chairman of Risk Management Committee, Audit Committee, Nomination and Remuneration Committee



21.Ms.Anchalee Pipatanasern

Independent director and Audit Committee, Corporate Governance Committee

Board of Directors

As of October 31, 2018, the Company's Board of Directors comprises the following 21 members:

1)	Mr. Manu	Leopairot	Chairman and Independent Director
2)	Mr. Chamroon	Chinthammit	Director
3)	Mr. Pornsin	Thaemsirichai	Director
4)	Mr. Sukhum	Tokaranyaset	Director
5)	Mr. Thawatchai	Rojanachotikul	Director
6)	Ms. Intira	Sukhanindr	Director
7)	Ms. Duangdao	Chinthammit	Director
8)	Mr. Chalush	Chinthammit	Director
9)	Mr. Somchai	Chinthammit	Director
10)	Ms. Duangkae	Chinthammit	Director
11)	Mr. Chanachai	Chutimavoraphand	Director
12)	Mr. Chatri	Chinthammit	Director
13)	Mr. Somchat	Chinthammit	Director
14)	Mr. Tachpong	Pakornsiriwongse	Director
15)	Mr. Trakarn	Chunharojrit	Director
16)	Pol. Gen. Boonpen	Bumpenboon	Independent Director
17)	Mr. Sitti	Leelakasamelek	Independent Director
18)	Mr. Karun	Kittisataporn	Independent Director
19)	Mr. Warapatr	Todhanakasem	Independent Director
20)	Ms. Nongluck	Phinainitisart	Independent Director
21)	Ms. Anchalee	Pipatanasern	Independent Director

The twenty-one members of the Board of Directors have no forbidden qualification as follows:

1. Never dishonestly committed a criminal offence against property.
2. Never entered into any transaction which may cause conflict of interest against the Company during the year

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.

Board of Directors' Meetings

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 meeting, 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 2018, the Board held 6 meetings, and 1 non-executive directors meeting (without the management). The non-executive directors independently express their opinion regarding management. In 6 meetings in 2018, there are 3 meetings which all directors attended (21 directors); 1 meeting which 20 directors attended; 1 meeting which 17 directors attended; and 1 meeting which 16 directors attended. In summary, 13 directors attended all meetings (6 meetings) (100%), 6 directors attended 5 meetings (83%), and 2 directors attended 4 meetings (67%). Prior to each meeting, all members received the agenda and supporting documents seven days prior to the date of the meeting to allow adequate time for their preparation.

For the Board meetings, the Board of Directors, the Chairman, the Chief Executive Officer and President, and Company Secretary consider agendas together. This is to ensure that the agendas cover important matters. Each director may propose agendas independently.

During the Board meeting, the Chairman 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.

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. The minutes is saved and kept in paper and pdf file which is easy to retrieve. They cannot be changed. Numbers of the Board meetings and attendance are disclosed. The Board sets a meeting at least every 3 months per 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.

The Executives

As of 31 October 2018, 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. Theera	Sanguandeekul	Vice President – Sugar Production
9. Mr. Dhajjai	Subhapholsiri	Company Secretary/ Vice President – Office of Company Secretary and Legal
10. Mr. Piripon	Chinthammit	Vice President – Cane supply
11. Mr. Dhanapat	Na Chiangmai	Vice President – Administration
12. Mr. Sommanus	Potiat	Vice President – Office of President
13. Ms. Yanee	Anusamornkul	(Acting) Vice President – Accounting & Finance

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

Scope of Duties and Responsibilities of CEO and President:

1. Decide on important matters related to the Company. Determine the corporate missions, objectives, guidelines, and policies. Supervise the overall work. Be responsible for the Board of Directors.

2. Have the power to employ, appoint, and transfer personnel as necessary and appropriate to be the management or staff members for corporate operations. Define appropriate functions, responsibilities, and remunerations of employees. Have the power to dismiss, lay-off, and discharge employees as appropriate.

3. Have the power to determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.

4. Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.

5. Approve the appointment of advisors needed in the corporate operations.

6. Deal with affairs concerning the Company's general operations.

The 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

Remark:

- (1) The power to approve the financial amounts mentioned is governed by legislation and regulations of the Company, the Stock Exchange of Thailand and Securities, and Exchange Commission.
- (2) BOD 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.

The Attendance of Directors in 2018

NO.	Name	Board of Directors (6 Meetings)		Executive Board (12 Meetings)		Audit Committee (5 Meetings)		Nomination & Remuneration Committee (5 Meetings)		Risk Management Committee (4 Meetings)		Corporate Governance Committee (3 Meetings)		AGM (1 Meetings)	
		Attend	%	Attend	%	Attend	%	Attend	%	Attend	%	Attend	%	Attend	%
1	Mr. Manu Leoparote	6/6	100	-	-	-	-	-	-	-	-	-	-	1/1	100
2	Mr. Chamroon Chinthammit	6/6	100	12/12	100	-	-	-	-	-	-	-	-	1/1	100
3	Mr. Pomsin Thaemsirichai	5/6	83	11/12	92	-	-	-	-	-	-	-	-	1/1	100
4	Mr. Sukhum Tokaranyaset	4/6	67	9/12	75	-	-	-	-	-	-	-	-	1/1	100
5	Mr. Thawatchai Rojanachotikul	5/6	83	12/12	100	-	-	-	-	-	-	-	-	1/1	100
6	Ms. Intira Sukhanindr	6/6	100	12/12	100	-	-	-	-	-	-	-	-	1/1	100
7	Ms. Duangdao Chinthammit	6/6	100	12/12	100	-	-	5/5	100	-	-	-	-	1/1	100
8	Mr. Chalush Chinthammit	5/6	83	11/12	92	-	-	-	-	4/4	100	-	-	1/1	100
9	Mr. Somchai Chinthammit	6/6	100	12/12	100	-	-	-	-	-	-	-	-	1/1	100
10	Ms. Duangkae Chinthammit	6/6	100	12/12	100	-	-	-	-	-	-	-	-	1/1	100
11	Mr. Chanachai Chutimavoraphand	6/6	100	10/12	83	-	-	-	-	-	-	-	-	1/1	100
12	Mr. Chatri Chinthammit	6/6	100	-	-	-	-	-	-	-	-	-	-	1/1	100
13	Mr. Somchat Chinthammit	5/6	83	-	-	-	-	-	-	-	-	3/3	100	1/1	100
14	Mr. Tachpong Pakornsiriwongse	6/6	100	11/12	92	-	-	-	-	-	-	-	-	1/1	100
15	Mr. Trakarn Chunharojrit	6/6	100	10/12	83	-	-	-	-	-	-	-	-	1/1	100
16	Pol. Gen. Boonpen Bumpenboon	5/6	83	-	-	-	-	5/5	100	-	-	3/3	100	1/1	100
17	Mr. Sitti Leelakasamelek	4/6	67	-	-	5/5	100	-	-	4/4	100	-	-	1/1	100
18	Mr. Karun Kittisataporn	5/6	83	-	-	-	-	5/5	100	4/4	100	-	-	1/1	100
19	Mr. Warapatr Todhanakasem	6/6	100	-	-	4/5	80	-	-	-	-	2/3	67	1/1	100
20	Ms. Nongluck Phinainitisart	6/6	100	-	-	5/5	100	5/5	100	4/4	100	-	-	1/1	100
21	Ms. Anchalee Pipatanasern	6/6	100	-	-	5/5	100	-	-	-	-	3/3	100	1/1	100

Remark:

1. Independent Director: 7 directors: No. 1, 16-21
2. Audit Committee: 4 directors: No. 17, 19-21
3. Nomination and Remuneration Committee: 4 directors: No. 7, 16, 18, 20
4. Risk Management Committee: 4 directors: No. 8, 17, 18, 20
5. Corporate Governance Committee: 4 directors: No. 13, 16, 19, 21
6. Annual General Meeting of Shareholder Year 2017, No. 1/2018 on 20 February 2018

Details of Directors, Executives, Controlling Persons and Company Secretary

(As of October 31, 2018)

1. Mr.Manu Leopaiprote

Position	Independent director/ Chairman of the Board of Directors
Age	75 years old
Date of Appointment as a Director	18 March 2004
Education Background	
<ul style="list-style-type: none"> • 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	
<ul style="list-style-type: none"> • 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	
2017 - Present	Chairman SVOA PLC.
2011 - Present	Chairman T.M.C. 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 - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
Number of company shares (as of 31 October 2018) :(None)	
Relation among family within company :(None)	

2. Mr. Chamroon Chinthammit

Position	CEO and President (Authorized signatory)
Age	68 years old
Date of Appointment as a Director	26 February 2004
Education Background	
<ul style="list-style-type: none"> • Honorary Degree of Doctor of Arts (Geosocial-Based Management), Srinakharinwirot University • BBA in Faculty of Commerce and Accountancy (Honours), Chulalongkorn University 	
Director Training Program	
Work experience/ Listed Company	
October 2017- Present	Director BBGI PLC.
2004 - June 2018	Director KSL Green Innovation PCL.
Work experience/ Company Limited	
1996- Present	Director Affiliate KSL Sugar Factories - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2003 - Present	President Khon Kaen Sugar Power Plant Co., Ltd.
2006 - Present	President KSL Agro and Trading Co., Ltd.
2003 - June 2016	President KSL Material Supply Co., Ltd.
2002 - Present	President KSL Export Trading Co., Ltd.
1996 - Present	President KSL Real Estate Co., Ltd.
2006 - Present	President Koh Kong Sugar Industry Co., Ltd.
October 2017- Present	Director BBGI PLC.
2004 - June 2018	Director KSL Green Innovation PCL.
2006 - Present	President Savannakhet Sugar Corporation
1997 - Present	President Chengteh Chinaware (Thailand) Co., Ltd.
2000 - Present	President Thai Fermentation Industry Co., Ltd.
2001 - June 2016	President TFI Green Biotech Co., Ltd.
1989 - Present	President Champion Fermentation Co., Ltd.
1996 - Present	Director Onnuch Construction Co., Ltd.
1997 - Present	Director Thai Sugar Millers Corp. Ltd.

Number of company shares (as of 31 October 2018)

- Own: 105,138,031 shares (2.38%)
- Spouse: M.L. Charuvadhana Chinthammit: 52,775,901 shares (1.20%)

Family Relationship among Directors and Executives

- Brother-in-Law of person number 3
- Brother of person number 6
- Brother of person number 7,9 and 10
- Uncle of person number 8,11 and 12
- Father of person number 24

3. Mr.Pornsin Thaemsirichai

Position Director and Executive Director
(Authorized signatory)
Senior Vice President - Office of Innovation

Age 73 years old

Date of Appointment as a Director 26 February 2004

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

1983 - Present Director Affiliate KSL Sugar Factories
- New Krung Thai Sugar Factory Co., Ltd.
- Tamaka Sugar Industry Co., Ltd.
- New Kwang Soon Lee Sugar Factory Co., Ltd.

2006 -Present Chairman Koh Kong Plantation Co., Ltd.

2007 -Present Director Savannakhet Sugar Corporation

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

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 2018)

- Own: 29,390,196 Shares (0.67%)
- Spouse: Mrs. Montanut Thaemsirichai: 30,688,231 Shares (0.70 %)

Relation among family within company

- Brother-in-Law of person number 2

4. Mr.Sukhum Tokaranyaset

Position Director and Executive Director
(Authorized signatory)
Senior Vice President - Accounting & Finance

Age 71 years old

Date of Appointment as a Director 26 February 2004

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
- New Krung Thai Sugar Factory Co., Ltd.
- Tamaka Sugar Industry 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 - March 2015 Director Chantaburi Starch Co., Ltd

2002 -Present Director 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 Vice Chairman Thai Fermentation Industry Co., Ltd

1998 - Present Vice Chairman Chengteh Chinaware (Thailand) Co., Ltd.

2006 - Present Director Raja Product Co., Ltd.

Number of company shares (as of 31 October 2018)

- Own 1,200,000 Shares (0.03%)

Relation among family within company : (None)

5. Mr.Thawatchai Rojanachotikul

Position Director and Executive Director
(Authorized signatory)
Senior Vice President - Administration

Age 65 years old

Date of Appointment as a Director 26 February 2004

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 - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry 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	and Deputy Managing Director (DMD) 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.
1987 - Present	Director	Chengteh Chinaware (Thailand) Co.,Ltd.

Number of company shares (as of 31 October 2018)

• Own: 55,937,112Shares (1.27%)
• Spouse: Mrs. Korakot Rojanachotikul: 3,166,748 Shares (0.07%)

Relation among family within company : (None)

6. Ms.Intira Sukhanindr

Position Director and Executive Director
(Authorized signatory)
Vice President - Business Development

Age 71 years old

Date of Appointment as a Director 25 June 2010

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 - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2010 - 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 2018)

• 25,471,699 shares (0.58 %)

Relation among family within company

- Sister of person number 2

7. Ms.Duangdao Chinthammit

Position	Director and Executive Director (Authorized signatory) Nomination and Remuneration Committee Vice President - Human Resources
Age	60 years old
Date of Appointment as a Director 26 February 2004	
Education Background	
<ul style="list-style-type: none"> • 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	
<ul style="list-style-type: none"> • 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 - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry 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 2018)	
• Own: 99,799,954 Shares (2.26%)	
Relation among family within company	
- Sister of person number 2	

8. Mr.Chalush Chinthammit

Position	Director and Executive Director (Authorized signatory) Risk Management Committee Vice President-office of President
Age	49 years old
Date of Appointment as a Director 26 February 2004	
Education Background	
<ul style="list-style-type: none"> • 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 and Executive Director Mudman PCL.
2014 - Present	Director and Audit Committee Master Ad PCL.
July 2007 – Present	Director and Executive Director TS Flour Mill PLC.
2007 – Present	Director Thai Sugar Terminal PLC.
Work experience/ Company Limited	
2004 - Present	Director Affiliate KSL Sugar Factories - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2018 – Present	Director Bangchak Bioethanol PLC.
2017 - Present	Chairman Dad Spv Co., Ltd.
31 October 2017 – Present	Director BBGI PCL.
2016- Present	Director WSP Logistics Co., Ltd.
2015 – Present	Director and Chairman of the Audit Committee Dhanarak Asset Development Co.,Ltd.
2006 - Present	Director KSL. Agro and Trading Co., Ltd
2006 - Present	Director Koh Kong Plantation Co., Ltd.
2006 - Present	Director Savannakhet Sugar Corporation
2006 -Present	Director KhonKaen Sugar Power Plant Co., Ltd.
2004 - Present	Director KSL Green Innovation PCL.
2002 - Present	Director KSL Export Trading Co., Ltd.
2001- Present	Director Thai Sugar Miller Co., Ltd.
1997 - Present	Director Onnuch Construction Co., Ltd.
1997 – Present	Director and Chairman Colossal International Co., Ltd.
1997 - Present	Director and Chairman MMP Corporation Co., Ltd.
1996 - Present	Director KSL Real Estate Co., Ltd.
Number of company shares (as of 31 October 2018)	
• Own: 43,279,926 Shares (0.98%)	
• Children	
<ul style="list-style-type: none"> o 1. Mr. Chayapat Chinthammit 11,088,000 Shares (0.25%) o 2. Mr. Chatchapee Chinthammit 11,088,000 Shares (0.25%) o 3. Ms. Chollapim Chinthammit 374,000 Shares (0.01%) 	
Relation among family within company	
- Nephew of person number 2	

9. Mr.Somchai Chinthammit

Position	Director and Executive Director Assistant Vice President - Office of President	
Age	66 years old	
Date of Appointment as a Director	26 February 2004	
Education Background		
<ul style="list-style-type: none">• Certificate Mini MBA., Thammasat University• Diploma, Computer College, Germany		
Director Training Program		
<ul style="list-style-type: none">• Director Accreditation Program (DAP) (17/2004) by Thai Institute of Directors (IOD)		
Work experience/ Listed Company		
2012 - Present	Director	TS Flour Mill PLC.
2008 - Present	Director	Thai Sugar Terminal PLC and subsidiaries
Work experience/ Company Limited		
2004 - Present	Director	Affiliate KSL Sugar Factories - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry 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.
2003 - 2015	Director	KSL Green Innovation PCL.
Number of company shares (as of 31 October 2018)		
<ul style="list-style-type: none">• Own: 96,475,726 Shares (2.19 %)• Child: Ms. Natamont Chinthammit 17,733,759 Shares (0.40 %)		
Relation among family within company		
<ul style="list-style-type: none">- Brother of person number 2		

10. Ms.Duangkae Chinthammit

Position	Director and Executive Director Assistant Vice President - Office of President	
Age	63 years old	
Date of Appointment as a Director	26 February 2004	
<hr/>		
Education Background		
<ul style="list-style-type: none">• Diploma from Katinka School, United Kingdom• Certificate Modern Managers Program (MMP), Chulalongkorn University		
Director Training Program		
<ul style="list-style-type: none">• 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 - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
Number of company shares (as of 31 October 2017)		
<ul style="list-style-type: none">• Own: 99,683,643 Shares (2.260%)		
Relation among family within company		
- Sister of person number 2		

11. Mr.Chanachai Chutimavoraphand

Position	Director and Executive Director (Authorized signatory) Vice President - Accounting & Finance (Resign March 1st 2018)
Age	46 years old
Date of Appointment as a Director	1 April 2017
Education Background	<ul style="list-style-type: none"> • Bachelor of Law, Chulalongkorn University • Master Degree of Business Administration, Tennessee University, U.S.A. • Master Degree of Arts, Business Law, Chulalongkorn University • Bachelor Degree, Electrical Engineering, Chulalongkorn University
Director Training Program	<ul style="list-style-type: none"> • Certificate of Director Accreditation Program (DAP 37/2005) by Thai Institute of Directors (IOD)
Training Program	<ul style="list-style-type: none"> • 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	CEO Thai Sugar Terminal PCL.
2000 - Present	Director TS Flour Mill PCL.
Work experience/ Company Limited	
2004 - Present	Director Affiliate KSL Sugar Factories <ul style="list-style-type: none"> - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2017 – Present	Director Ubon Bio Ethanol PLC.
October 2017 - Present	Director BBGI PLC.
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.
2002 - 2017 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 2018)	
• Own: 115,355,499 shares (2.62%)	
Relation among family within company	
-Nephew of person number 2	

12. Mr.Chattri Chinthammit

Position	Director (Non - Executive Director)
Age	45 years old
Date of Appointment as a Director	26 February 2004
Education Background	<ul style="list-style-type: none"> • Master of Science, Computer Science, Bellevue University, USA. • BBA in Economics, University of The Thai Chamber of Commerce
Director Training Program	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2000 -Present	Deputy Managing Director (DMD) <ul style="list-style-type: none"> - Software Department KSL IT Center Co., Ltd.
Number of company shares (as of 31 October 2018)	
• Own: 57,467,546 Shares (1.30%)	
Relation among family within company	
-Nephew of person number 2	

13. Mr.Somchat Chinthammit

Position	Director (Non - Executive Director) Nomination and Remuneration Committee
Age	60 years old

Date of Appointment as a Director 26 February 2004

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 and Audit Committee UOB Kay Hian Securities (Thailand) PLC.
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Work experience/ Company Limited

2004 - Present	Director Affiliate KSL Sugar Factories - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
2018 - Present	Director Chinpongsawat Co., Ltd.
2005 - Present	Director Boathouse Huahin Co., Ltd.
2003 - Present	Managing Director Top Blend International Co.,Ltd.
1989 - Present	Director Phongwilai Co.,Ltd.
1988 - Present	Director Deputy Managing Director (DMD) Bangkok Interfood Co., Ltd.
1988 - Present	Director Managing Director Thai Flour Industry Co., Ltd.

Number of company shares (as of 31 October 2018)

- Own: 22,907,921 Shares (0.52%)

Relation among family within company :(None)

14. Mr.Tachpong Pakornsiriwongse

Position	Director and Executive Director Assistant Vice President - Office of President
Age	68 years old

Date of Appointment as a Director 26 February 2004

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 - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry 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 2018)

- Own: 158,162 Shares (0.004 %)

Relation among family within company : (None)

15. Mr.Trakarn Chunharojrit

Position	Director and Executive Director
Age	78 years old
Date of Appointment as a Director	26 February 2004
Education Background	
• Certificate in Accounting	
Director Training Program	
• Director Accreditation Program (DAP)(17/2004) by Thai Institute of Directors (IOD)	
Work experience/ Listed Company	
2003 - June 2016 Director KSL Green Innovation Co., Ltd.	
Work experience/ Company Limited	
2004 - Present	Director Affiliate KSL Sugar Factories - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry 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.
2000 - Present	Director Raja Product Co., Ltd.
1997 - Present	Director Chengteh Chinaware (Thailand) Co., Ltd.
1989 - Present	Director KSL Real Estate Co., Ltd.
Present	Director KSL Sugar Holding Co., Ltd.
Number of company shares (as of 31 October 2018)	
• Own: 13,621,766 Shares (0.31%)	
• Spouse: Mrs. Rattana Chunharojrit 4,944,720 Shares (0.11%)	
Relation among family within company : (None)	

16. Pol.Gen.Boonpen Bumpenboon

Position	Independent Director
	Nomination and Remuneration Committee/ Corporate Governance Committee
Age	74 years old
Date of Appointment as a Director	26 February 2004
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	
18 December 2013 - Present	Independent Director The Platinum Group PLC.
Work experience/ Company Limited	
2006 - Present	Council of State Office of the Council of State
14 October 2005 - Present	Independent Director
Number of company shares (as of 31 October 2018) :(None)	
Relation among family within company :(None)	

17. Mr.Sitti Leelakasamelek

Position	Independent Director Chairman of Audit Committee/ Risk Management Committee
Age	65 years old
Date of Appointment as a Director	26 February 2004
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 - 28 September 2018	Deputy Chief Executive Officer Noble Development PLC.
2009 - Present	Member of the Nomination Committee and Member of the Remuneration Committee Noble Development PLC.
1994 - 28 September 2018	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 N.K.Energy Conservation 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 2018) :(None)	
Relation among family within company :(None)	

18. Mr.Karun Kittisataporn

Position	Independent Director Chairman of Nomination and Remuneration Committee / Risk Management Committee
Age	71 years old
Date of Appointment as a Director	26 February 2010
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.Class8 (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	Independent Director / 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 2018) : (None)	
Relation among family within company :(None)	

19. Mr.Warapatr Todhanakasem

Position	Independent Director Chairman of Corporate Governance Committee/ Audit Committee
Age	69 years old
Date of Appointment as a Director	26 February 2010

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 0/2000by Thai Institute of Directors (IOD)
- The Executive Director Course EDC 1/2012by 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
- Institute of Metropolitan Development Class4

Work experience/ Listed Company

28 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 (IRDP)
Present	Arbitrator	The Securities and Exchange Commission, Thailand
Present	Chairman	Ethics Committee, the Revenue Department

Number of company shares (as of 31 October 2018) :(None)

Relation among family within company :(None)

20. Ms.Nongluck Phinainitisart

Position	Independent Director Chairman of Risk Management Committee/Audit Committee/Nomination and Remuneration Committee
Age	59 years old

Date of Appointment as a Director 26 February 2010

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/ Chairman 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 2018) : (None)

Relation among family within company :(None)

21. Ms. Anchalee Pipatanasern

Position	Independent Director Audit Committee/Corporate Governance Committee
Age	66 years old
Date of Appointment as a Director	29 September 2017
Education Background	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Thammasat Leadership Program (for social) Class 2, Thammasat University
Work experience/ Listed Company	<ul style="list-style-type: none"> 2010 - Present Audit Committee/Independent Director AIRA Capital PCL. 2010 - Present Audit Committee/Independent AIRA Securities PCL. 2009 - Present Chairman of Audit Committee/ Independent Director Prinsiri PCL.
Work experience/ Other Organization	<ul style="list-style-type: none"> 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, Thammasat University 2008 - 2010 Head, Department of Accounting, Thammasat Business School, Thammasat University 2004 - 2007 Vice Rector for Finance, Thammasat University
Number of company shares (As of 31 October 2018) :	(None)
Relation among family within company :	(None)

22. Mr. Theera Sanguandeeikul

Position	Vice President - Sugar Production	
Age	67 years old	
Education Background		
<ul style="list-style-type: none">• Master MSc. Chemical Engineering ,University of Wisconsin, Madison, USA• Executive MBA , Kasetsart University• Bachelor BSc. Chemical Technology, Faculty of Science, Chulalongkorn 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 2018)		
<ul style="list-style-type: none">• Own : 1,650,000 shares (0.04%)• Spouse and Children : (None)		
Relation among family within company :(None)		

23. Mr.Dhajjai Subhapholsiri

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

Age 62 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

- September 2016 - Present Independent Director Chamni Co., Ltd.

Number of company shares (as of 31 October 2018) : (None)

Relation among family within company :(None)

24. Mr.Piripon Chinthammit

Position Vice President - Raw Material Supply

Age 38 years old

Education Background

- Master Degree in Business Administration (Organization Leadership), The University of Findlay, Ohio, U.S.A.
- Bachelor Degree in Business Administration (Marketing), Bangkok University.

Director Training Program

- Competency For Executive Management 2018
- Key Successors Development Program Year 2017
- Leadership Development Program Year 2016
- Energy Literacy for the world Year 2015

Work experience/ Listed Company : (None)

Work experience/ Company Limited

Present Director KSL Real Estate Co., Ltd.

Present Director KSL Agro and Trading Co., Ltd.

Present Director WSP Logistics Co., Ltd

Number of company shares (as of 31 October 2018)

- Own : 92,647,024 shares (2.10%)
- Spouse : Mrs. Wikanda Chinthammit 64,900 shares (0.001%)

Relation among family within company

-Son of person number 2

25. Mr.Dhanapat Na Chiangmai

Position	Vice President - Administration
Age	69 years old
Education Background	
• B. Sc. In Economics, Wharton School, University of Pennsylvania, USA	
Work experience/ Listed Company	
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 2018) : (None)	
Relation among family within company : (None)	

26. Mr.Sommanus Potisat

Position	Vice President - Office of President
Age	56 years old
Education Background	
• B.Sc. in Economics , Thammasat University 1983	
• Master of Business Administration (Marketing), Chulalongkorn University 1986	
Director Training Program	
• Director Certification Program (DCP) (105/2008) by Thai Institute of Directors (IOD)	
Work experience/ Listed Company : (None)	
Work experience/ Company Limited : (None)	
Number of company shares (as of 31 October 2018) : (None)	
Relation among family within company : (None)	

27. Ms.Yanee Anusasamornkul

Position	(Acting) Vice President - Accounting & Finance
Age	63 years old

Education Background

- MINI MASTER OF MANAGEMENT PROGRAM (40/2007) , National Institute of Development Administration
- B.S. (Agribusiness) , Faculty of Economics Kasetsart University Director Training Program
- GLOBAL MINI MBA : (ENTREPRENEURIAL MANAGER SERIES) , Thammasat University

Work experience/ Listed Company : (None)

Work experience/ Company Limited : (None)

Number of company shares (as of 31 October 2018) : (None)

Relation among family within company : (None)

Report of Changes in Securities Holdings of Directors In 2018

Disclosure of shareholding of directors and executives in the beginning, the end and during the year 2018

No.	Name		Position	Ordinary share 31-Oct-17 Par 0.50 Baht	Change of share during 2018				Ordinary share 31-Oct-18 Par 0.50 Baht	% of voting shares
					Buy	Sell	Trans- feree/ (Trans- feror)	Share divi- dend		
1	Mr.Manu Leopairote [*]	Chairman/ Independent director	●					●		
2	Mr.Chamroon Chinthammit ¹	CEO and President	96,796,331	8,341,700				105,138,031	2.38	
	(Including spouse and children)	Director and Senior	52,775,901	-				52,775,901	1.20	
3	Mr.Pornsin Thaemsirichai ²	Vice President	29,390,196	-				29,390,196	0.67	
	(Including spouse and children)	Director and Senior	30,688,231	-				30,688,231	0.70	
4	Mr.Sukhum Tokaranyaset	Vice President								
		Director and Senior	1,000,000	200,000				1,200,000	0.03	
5	Mr.Thawatchai Rojanachotikul ³	Vice President	55,937,112	-				55,937,112	1.27	
	(Including spouse and children)	Director and Senior	3,166,748	-				3,166,748	0.07	
6	Ms.Intira Sukhanindr	Vice President								
		Director and	25,471,699	-				25,471,699	0.58	
7	Ms.Duangdao Chinthammit	Vice President	99,599,954	200,000				99,799,954	2.26	
8	Mr.Chalush Chinthammit ⁴	Director	43,279,926	-				43,279,926	0.98	
	(Including spouse and children)		22,550,000	-				22,550,000	0.51	
9	Mr.Somchai Chinthammit ⁵	Director and Assistance Vice	96,225,726	250,000				96,475,726	2.19	
	(Including spouse and children)	President	17,583,759	150,000				17,733,759	0.40	
10	Ms.Duangkae Chinthammit	Director and Assistance Vice								
		President	99,683,643	-				99,683,643	2.26	
11	Mr.Chanachai Chutimavoraphand	Director	115,355,499	-				115,355,499	2.62	
12	Mr.Chatri Chinthammit	Director	57,467,546	-				57,467,546	1.30	
13	Mr.Somchat Chinthammit	Director	22,907,921	-				22,907,921	0.52	
14	Mr.Tachpong Pakornsiriwong	Director	158,162	-				158,162	0.004	
15	Mr.Trakarn Chunharojrit ^{6**}	Director	13,621,766	-				13,621,766	0.31	
	(Including spouse and children)		4,944,720	100,000	100,000			4,944,720	0.11	
16	Pol.Gen Boonpen Bumpenboon*	Independent director	●					●	-	
17	Mr.Sitti Leelakasamelurk [*]	Independent director	●					●	-	
18	Mr.Karun Kittisataporn*	Independent director	●					●	-	
19	Mr.Warapatr Todhanakaserm*	Independent director	●					●	-	
20	Ms.Nongluck Phinainitisart*	Independent director	●					●	-	
21	Ms.Anchalee Pipatanasern*	Independent director	●					●	-	

Remark

* Independent director

● No KSL share

1	Mr. Chamroon	Chinthammit	Shares	105,138,031	
	M.L. Charuvadhana	Chinthammit (Spouse)	Shares	52,775,901	157,913,932
2	Mr. Pornsin	Thaemsirichai	Shares	29,390,196	
	Mrs. Montanut	Thaemsirichai (Spouse)	Shares	30,688,231	60,078,427
3	Mr. Thawatchai	Rojanachotikul	Shares	55,937,112	
	Mrs. Korakoj	Rojanachotikul (Spouse)	Shares	3,166,748	59,103,860
4	Mr. Chalush	Chinthammit	Shares	43,279,926	
	Chayapat	Chinthammit (child)	Shares	11,088,000	
	Chatchape	Chinthammit (child)	Shares	11,088,000	
	Chatchape	Chinthammit (child)	Shares	374,000	65,829,926
5	Mr. Somchai	Chinthammit	Shares	96,475,726	
	Nuttamon	Chinthammit (child)	Shares	17,733,759	114,209,485
6	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, 2018

No.	Name		Position	Subsidiaries and Associates														
				Khon Kaen Sugar Industry PCL.														
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Mr.Manu	Leopairote	Chairman	●	●	●												
	Mr.Chamroon	Chinhammit	Director / Chief Executive Officer and President	■	■	■		●	●		●	●	●	●		●		▲
2	Mr.Pornsin	Thaemsirichai	Director / Executive Director															
4	Mr.Sukhum	Tokaranyaset	Director / Executive Director	■	■	■			▲					▲	●			
5	Mr.Thawatchai	Rojanachotikul	Director / Executive Director	■	■	■		▲			▲	▲	▲			▲		
6	Mrs.Intira	Sukhanindr	Director / Executive Director	■	■	■		▲			▲	▲	▲	▲				
7	Ms.Duangdao	Chinhammit	Director / Executive Director / Nomination and Remuneration Committee	■	■	■			▲			▲		▲				
			Director / Executive Director / Risk Management Committee	■	■	■	▲	▲	▲	▲	▲		▲					
8	Mr.Chalush	Chinhammit	Director / Executive Director	■	■	■	▲		▲	▲			▲					
9	Mr.Somchai	Chinhammit	Director / Executive Director	■	■	■	▲		▲			▲						
10	Ms.Duangkae	Chinhammit	Director / Executive Director	■	■	■												
11	Mr.Chanachai	Chutimavoraphand	Director / Executive Director	■	■	■	■		▲	▲	▲		▲	▲		▲	▲	▲
12	Mr.Chatri	Chinhammit	Director / Executive Director	▲		▲												
13	Mr.Somchat	Chinhammit	Director / Executive Director	▲		▲												
14	Mr.Tachpong	Pakornsiriwong	Director / Executive Director	■	■	■									▲			
15	Mr.Trakarn	Chunharojrit	Independent Director /	■	■	■			▲		▲		▲					
16	Pol.Gen Boonpen Bumpenboon		CG Committee / Nomination and Remuneration Committee															
			Independent Director/Chairman of															
17	Mr.Sitti	Leelakasamelurk	Audit Committee / Risk Management Committee															
18	Mr.Karu	Kittisataporn	Independent Director / Chairman of Nomination and Remuneration Committee / Risk Management															
19	Mr.Warapatr	Todhanakaserm	Committee Independent Director / Chairman of CG Committee / Audit Committee															
20	Ms.Nongluck	Phinainitisart	Independent Director / Chairman of Risk Management Committee / Audit Committee/ Nomination and Remuneration Committee															
21	Mrs.Anchalee	Pipatanasern	Independent Director / Audit Committee / CG Committee															
22	Mr.Theera	Sanguandeekul	Vice President								▲			▲		▲		
23	Mr. Piripon	Chinhammit	Vice President									▲		▲			▲	
24	Mr.Wiraj	Chunfong	Assistant Vice President												▲			
25	Mr.Thirapong	Nacasakseevee	Assistant Vice President / Managing Director											▲				

** NOTE :

1) Symbols and Position

● Chairman, ■ Director, ▲ Executive Director

2) Name of Subsidiaries and Associates

- 1 Tamaka Sugar Industry Co., Ltd.
- 2 New Krung Thai Sugar Factory Co., Ltd.
- 3 New Kwang Soon Lee Sugar Factory Co., Ltd
- 4 Thai Sugar Terminal PCL.
- 5 KSL Export Trading Co., Ltd.
- 6 Khon Kaen Sugar Power Plant Co., Ltd.
- 7 KSL Green Innovation PCL.
- 8 KSL Real Estate Co., Ltd.
- 9 ChampionFermentation Co., Ltd.
- 10 KSL Agro and Trading Co., Ltd.
- 11 Savannakhet Sugar Corporation
- 12 Koh Kong Plantation Co., Ltd.
- 13 Koh Kong Sugar Industry Co.,Ltd.
- 14 WSP Logistics Co., Ltd.
- 15 BBGI PCL.

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 for Sub-Committee are paid for directors who attend a 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 20, 2018 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

4. Meeting allowance for members of Sub-Committee: 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 2018

No	Name of Directors	Position in Board of Directors	Year 2017				Year 2018			
			Remuneration		Meeting Allowance	Total (THB)	Remuneration		Meeting Allowance	Total (THB)
			Yearly	Bonus			Yearly	Bonus		
1.	Mr. Manu Leoparote	Chairman	360,000	129,000	-	489,000	360,000	120,000	-	480,000
2.	Mr. Chamroon Chinthammit	Executive Director	300,000	107,500	14,400	421,900	300,000	100,000	14,400	414,400
3.	Mr. Pornsin Thaemsirichai	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	11,000	411,000
4.	Mr. Sukhum Tokaranyaset	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	10,000	410,000
5.	Mr. Thawatchai Rojanachotikul	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	12,000	412,000
6.	Ms. Intira Sukhanindr	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	12,000	412,000
7.	Ms. Duangdao Chinthammit	Executive Director / Nomination & Remuneration Committee	300,000	107,500	35,000	442,500	300,000	100,000	36,000	436,000
8.	Mr. Chalush Chinthammit	Executive Director / Risk Management Committee	300,000	107,500	28,000	435,500	300,000	100,000	35,000	435,000
9.	Mr. Somchai Chinthammit	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	11,000	411,000
10.	Ms. Duangkhae Chinthammit	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	12,000	412,000
11.	Mr. Chanachai Chutimavoraphand	Executive Director	175,000	80,699	6,000	261,699	300,000	100,000	12,000	412,000
12.	Mr. Chatri Chinthammit	Director	300,000	107,500	-	407,500	300,000	100,000	-	400,000
13.	Mr. Somchat Chinthammit	Director/ Corporate Governance Committee	300,000	107,500	24,000	431,500	300,000	100,000	-	400,000
14.	Mr. Tachpong Pakornsiriwongse	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	11,000	411,000
15.	Mr. Trakarn Chunharojrit	Executive Director	300,000	107,500	12,000	419,500	300,000	100,000	9,000	409,000
16.	Pol. Gen. Boonpen Bumpenboon	Independent Director / Nomination & Remuneration Committee/ Corporate Governance Committee	300,000	107,500	40,800	448,300	300,000	100,000	24,000	424,000
17.	Mr. Sitti Leelakasamerlerk	Independent Director / Chairman of Audit Committee / Risk Management Committee	360,000	129,500	60,000	549,000	360,000	120,000	60,000	540,000
18.	Mr. Karun Kittisataporn	Independent Director/ Chairman of Nomination & Remuneration Committee/ Risk Management Committee	300,000	107,500	67,200	474,700	300,000	100,000	52,800	452,800
19.	Mr. Warapatr Todhanakasem	Independent Director/ Audit Committee/ Chairman of CG Committee	300,000	107,500	75,600	483,100	300,000	100,000	24,000	424,000
20.	Ms. Nongluck Phinainitsart	Independent Director/ Chairman of Risk Management Committee/ Audit Committee/ Nomination & Remuneration Committee	300,000	107,500	48,000	455,500	300,000	100,000	75,800	475,800
21.	Ms. Anchalee Pipatanasern	Independent Director/ Audit Committee/ CG Committee	26,667.67	27,390	-	54,056.67	300,000	100,000	30,000	430,000
	Total		6,021,666.67	2,193,589	495,000	8,710,255.67	6,420,000	2,140,000	452,000	9,012,000

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

2. Remuneration for executives in 2018

Remunerations for 13 executives (listed as corporate top executives) include salaries, bonuses and allowances amounted to THB 47.08 million.

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.

Personnel

As of October 31, 2018, the Company's personnel information is as follows:

	Consolidated		งบเฉพาะกิจการ	
	2017	2018	2017	2018
Average Number of Employees (Persons)				
During Production Season	6,609	6,480	2,375	2,534
During Normal Period	5,160	4,774	1,943	1,894
Expenses related to employees (Million THB)	1,550.80	1,650.34	569.76	578.91

As of 31 October 2018, 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 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 2018, some directors have participated in training courses, for example, Ms. Nongluck Pinainitisart attended "Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance" organized by IOD; Ms. Duangdao Chinthammit (Director) attended "TMA Discovery Day 2018: Future Knowledge Hunter, organized by TMA.

Orientation of Newly Appointed Directors

The Board of Directors states that there shall be an orientation of new directors every time they assume office in the Company, so as to enable them to understand the business and various operations of the Company. In this respect, the Company Secretary is assigned to proceed with coordination in regard to related issues, such as, important information relating to the Company, the regulations which specifies the scope of powers and duties of the Board of Directors, including information relating to laws, rules and regulations, as well as numerous conditions. Besides, if a newly appointed director has not yet attended a training curriculum concerning the performance of duties of a company director, the Company will arrange for said director to attend such necessary curriculum. In 2018, however, the Company had no newly appointed directors.

In the part of executives and staff, the Company has arranged for a training curriculum for them both inside and outside the Company to increase work skills, knowledge, abilities, so as to help them achieve success in works and to create a learning atmosphere that motivates a creation of new things and work development among fellow colleagues as a team, and to set up a knowledge management for transferring to the new executives and staff.

In 2018, the Company aimed to apply more digital system in its operations. Thus, the trend of development of executives and staff is now linked to on-line skills and new work systems.

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

Corporate Governance Policy

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.

On 28th September 2018, the Board of Directors duly approved a proposal of the Corporate Governance Committee for a review of the Corporate Governance Policy (2nd Revision, 2017), and it was deemed suitable to continue using the current Policy as it had just been revised to be in line with the principle of good corporate governance for listed companies of 2017 (CG Code) of the Office of the Securities and Exchange Commission according to suitability of the business context of the Company.

The Corporate Governance of the Company covers:

Section 1: Rights of Shareholders

1. Shareholders may propose a meeting agenda and put forward their questions concerning the Annual General Meeting of Shareholders in advance as from 1st October until 30th November for the Annual General Meeting in February next year, by notifying such to the shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps were clearly posted on the website of the Company at www.kslgroup.com in the section of “Information for Investors” under the “News Room” menu.

2. Method of vote casting and counting as well as the use of voting ballots were announced before a meeting of shareholders.

3. Remuneration and criteria on providing remuneration for directors of each position, namely fixed remuneration, meeting allowances, annual remuneration, were proposed to the shareholders for consideration and approval every year.

4. The Company allowed the shareholders to cast their votes on an election of individual director, by nominating a director for voting by the shareholders one by one.

5. 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

6. The Company facilitates and encourages its shareholders to exercise their rights and votes. There is a record date for a right to attended meeting and a record date for a right of dividend payment 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. The 2017 AGM no. 1/2018 held on 20 February 2018 at Grand Ballroom, Century Park, Bangkok. 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.

7. Agenda of the 2017 Annual Shareholders’ Meeting No. 1/2018 notice covered statement of financial position, profit and loss statement, dividend payment, election of replacement

directors whose terms have ended, consideration of remuneration for directors, and appoint of auditor and audit fee.

8. In 2017 Annual Shareholders’ Meeting, No. 1/2018, the Company informed its shareholders about rules and procedure of attending the shareholders’ meeting. Shareholders were given opportunities to directly inquire the corporate directors and committees. The meeting was recorded by video recorder. 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.

9. Minutes of the AGM 2017, No. 1/ 2018 is precise and accurate. 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. The minutes were posted on the Company’s website within 14 days after the AGM date.

Section 2: Equitable Treatments of Shareholders

1. Shareholders were allowed to nominate a person of their choice for appointment as a director in advance as from 1st October until 30th November, by notifying such to the shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps were clearly posted on the website of the Company at www.kslgroup.com in the section of “Information for Investors” under the “News Room” menu. After that, the Board of Directors held a meeting to proceed with the screening process. However, in the past there had been no nominations by the shareholders whatsoever.

2. The Company attached with the Notice Calling Meeting a Letter of Proxy, per Form B., which enabled the shareholders to set their own voting direction in each agenda, so as to afford convenience to the shareholders who were unable to attend the meeting themselves to authorize an independent director or other person to attend the meeting and cast votes on their behalf. The Notice Calling Meeting of both in Thai and English languages were published on the Company’s website 30 days before the date of meeting to allow the shareholders to study the information beforehand. As for the Notice Calling Meeting of both in Thai and English language, the Company had assigned the Thailand Securities Depository Company Limited, the Share Registrar of the Company, to send such Notice to the shareholders at least 21 days in advance in the case of normal agenda, and at least 14 days in advance in the case of special agenda.

3. 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 notices 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, informs in the Meeting of Executive Board and the Board of Directors regarding 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.

4. 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 (Details in Use of Inside Information Section).

5. 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.

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

Section 3: 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 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. The Company has a policy in benefit in short term and long term such as salary and bonus. The Company establishes a provident fund for employees. Besides, the Company encourages the acquisition of knowledge through internal and external trainings so as to cope the future growth.
Rights of Customers	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. 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.

Rights of Suppliers	<p>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.</p> <p>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.</p> <p>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 2018, sent letters to suppliers by informing them of the CG policies together with Anti-corruption policy. 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.</p>
Rights of Creditors	<p>The Company has the Corporate Governance Policy 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.</p>
Right of Competitors	<p>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.</p>
Rights of Community and Society	<p>The Company attached importance to the sustainable development under the framework of the Global Reporting Initiative (GRI), as well as compliance with the laws and regulations related to environments. Further, the Company provided knowledge and training to its staff in relation to environments and it operated the business attentively by taking into account impacts to the natural resources and environments. 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. The Company invests in the Philanthropic Fund (3rd year) under the concept of Thai Pat Institute to establish an investment that can creates return to use for public interest to help society in a continual manner. The Fund is managed by TISCO Securities.</p>
Human Rights	<p>The Company has the policy not to involve in human right violation by providing in the Corporate Governance Policy. 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.</p> <p>Each site 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.</p>
Environment	<p>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-call Submerged Aerated Fixed Film (SAF) to treat condensate water from ethanol production process at Boploy district, Kanchanaburi province.</p>

Intellectual Property	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-call Submerged Aerated Fixed Film (SAF) to treat condensate water from ethanol production process at Boploy district, Kanchanaburi province.
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, sub-district 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.

Section 4: Disclosure of Information and Transparency

The Company ensures that 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. Financial statement, other related information, and business operation are disclosed within prescribed period after audited and certified by the auditor.

2. 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.

3. 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.

4. 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 in Form 56-1 and 56-2.

5. A Report on the Board of Directors' Responsibilities for Financial Statements is provided along with the auditor's report in 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 the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Chairman and CEO/ President.

6. Contents of the Company's website consist of directors and executives' information (position, education, shareholding, experience, picture) 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.

7. The Company specifies that directors and executives need to prepare a report of interests of directors, executives and related persons according to Section 89/14 of Securities and Exchange Act B.E. 2535 (1992) as amended and review a report within October every year or when information has been changed by sending to the Office of Company Secretary and Legal.

8. 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

the Company's investor relations team.

In 2018, the Company has activities as follows:

Activity in 2018	Number of Times per Year
1. Analyst Meeting	4 times
2. Company visit	2 times
3. Business Performance Publish	4 times
4. Provide Information and query via E-mail	30 times
5. Roadshow (Singapore and Malaysia)	1 times

Section 5: 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 and not limit for any gender. Detailed profiles, qualifications, experiences, and shareholding of directors are included in Details of Directors, Executives, Controlling

reached by email at ir@kslgroup.com or the following contacts:

1. Mr. Meechai Piyavisadpat
Telephone: 02-642-6230
Email: meechai@kslgroup.com

2. 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 Malaysia with the securities companies. Visits to the Company have been arranged for domestic and foreign investors. Appointments can be made in advance with

Persons and Company Secretary. Board consists 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.

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. Pornsin	Thaemsirichai	/			/
4.	Mr. Sukhum	Tokaranyaset	/			/
5.	Mr. Thawatchai	Rojanachotikul	/			/
6.	Ms. Intira	Sukhanindr	/			/
7	Ms. Duangdao	Chinthammit	/		/	/
8	Mr. Chalush	Chinthammit	/			/
9	Mr. Somchai	Chinthammit	/			/
10	Ms. Duangkae	Chinthammit	/	/		/
11	Mr. Chanachai	Chutimavoraphand	/	/		/
12	Mr. Chatri	Chinthammit	/	/		
13.	Mr. Somchat	Chinthammit	/	/		
14	Mr. Tachpong	Pakornsiriwongse	/			
15	Mr. Trakarn	Chunharojrit		/		
16	Pol.Gen. Boonpen	Bumpenboon		/	/	
17	Mr. Sitti	Leelakasamelerk		/	/	
18	Mr. Karun	Kittisataporn		/	/	
19	Mr. Warapatr	Todhanakasem		/	/	
20	Ms. Nongluck	Phinainitisart		/	/	
21	Ms. Anchalee	Pipatanasern		/	/	
Total			14	11	7	10

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 Chief Executive Officer.

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 Chintammit)

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 1 September 2017 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 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.

15. The Board of Directors stated that there must be prepared (1) Self-Assessment Form of the entire Board of Directors, (2) Self-Assessment Form of Committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Corporate Governance Committee, (3) Self-Assessment Form of Individual Director, so as to enable the directors to jointly review the performances, rectify problems and obstacles, and consider results of operations, for assessment of their past year's performances, and also to find ways to improve efficiency of the Board of Directors in the following years which would lead to the development according to good governance guidelines.

Performance assessment results

The self-assessment is made annually at the end of the fiscal year. There are 2 categories: (1) Performance assessment form for the committee as a whole (2) Performance assessment form for the committee self-assessment. As for the procedures of self-assessment, the Office of Company Secretary and Legal shall send the form 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.

In 2018, performance assessment results are as follows:

Board of Directors/Sub-Committees	Performance assessment results for the committee as a whole
1. Board of Directors	3.29/5.00
2. Audit Committee	3.48/5.00
3. Nomination and Remuneration Committee	2.90/5.00
4. Risk Management Committee	3.23/5.00
5. Corporate Governance Committee	3.57/5.00

Board of Directors	Performance assessment results for the committee self-assessment
Board of Directors	3.27/5.00

Section 6 : 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.

The Office of Company Secretary and Legal prepared documents and gathered information for the Company to declaration Anti-Corruption. 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.

On 9 March 2017, 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.

In 2018, the Corporate Governance Committee and the Risk Management Office had carried out important activities as follows:

1. Reviewed the Anti-Corruption Policy, the Corruption Countering Measures Manual, and the Risk Management Manual on Anti-Corruption. Communications were made to the staff and the interested persons of the Company.
2. Arranged activities for the executives and the staff of the affiliated companies of KSL Group to take an oath that they shall not be involved with corruption practices of any kind, on 7th December 2017 at the Eternity Room, Pullman Bangkok King Power Hotel. The Company also took part in activities of anti-corruption with the Thai private sector allies on the National Anti-Corruption Day and the International Anti-Corruption Day.
3. Prepared text documents for use in the training courses of corruption practices examination, by providing training courses for the executives and the staff of all 7 places of business, including the head office. A total of 266 executives and staff attended the activities and training courses.
4. Encouraged all departments to make an assessment of risk regarding corruption practices of 2018/2019 according to the FRA Tool (Fraud Risk Assessment Tool) and set guidelines for compliance concerning supervision and control to prevent and monitor risks from corruption practices, by specifying significant risk factors or opportunities. The persons responsible for such risks must prepare a prevention control or a rectification plan to prevent corruption practices and must also monitor such operations, whereby the internal auditor of the Company

shall review the information to see if the persons responsible for said risks actually complied with the plan and principle of compliance under the anti-corruption policy.

5. Supported the preparation of summary reports on corruption risks of 2018 by the persons responsible for risks according to the lines of work of all 7 affiliated companies, including the head office, altogether 2 times.
6. Summarized the risk situations of 2018 of the group of companies and submitted same to the Corporate Governance Committee, together with detailed causes, so that the Management may use same for further actions and planning.

Section 7 : 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, 2018, the Company's Board of Directors comprises the following 21 members:

1) Mr. Manu	Leopairote	Chairman and Independent Director
2) Mr. Chamroon	Chinthammit	Director
3) Mr. Pornsin	Thaemsirichai	Director
4) Mr. Sukhum	Tokaranyaset	Director
5) Mr. Thawatchai	Rojanachotikul	Director
6) Ms. Intira	Sukhanindr	Director
7) Ms. Duangdao	Chinthammit	Director
8) Mr. Chalush	Chinthammit	Director
9) Mr. Somchai	Chinthammit	Director
10) Ms. Duangkae	Chinthammit	Director
11) Mr. Chanachai	Chutimavoraphand	Director
12) Mr. Chatri	Chinthammit	Director
13) Mr. Somchat	Chinthammit	Director
14) Mr. Tachpong	Pakornsiriwongse	Director
15) Mr. Trakarn	Chunharojri	Director
16) Pol. Gen. Boonpen	Bumpenboon	Independent Director
17) Mr. Sitti	Leelakasamelek	Independent Director
18) Mr. Karun	Kittisataporn	Independent Director
19) Mr. Warapatr	Todhanakasem	Independent Director
20) Ms. Nongluck	Phinainitisart	Independent Director
21) Ms. Anchalee	Pipatanasern	Independent Director

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.

Scope of Duties and Responsibilities

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.

The Board of Executive Directors

As of October 31, 2018, the Company's Board of Executive Directors consists of:

1) Mr. Chamroon	Chinthammit	Chairman
2) Mr. Pornsin	Thaemsirichai	Executive Director
3) Mr. Sukhum	Tokaranyaset	Executive Director
4) Mr. Thawatchai	Rojanachotikul	Executive Director
5) Ms. Intira	Sukhanindr	Executive Director
6) Ms. Duangdao	Chinthammit	Executive Director
7) Mr. Chalush	Chinthammit	Executive Director
8) Mr. Somchai	Chinthammit	Executive Director
9) Ms. Duangkae	Chinthammit	Executive Director
10) Mr. Chanachai	Chutimavoraphand	Executive Director
11) Mr. Tachpong	Pakornsiriwong	Executive Director
12) Mr. Trakarn	Chunharojrit	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 2018, the committee held twelve meetings, and reports on their work were regularly presented to the Board of Directors. Meeting Attendance of the Executive Board is disclosed in Report of Meeting Attendance of Directors in 2018.

Audit Committee

As of October 31, 2018, the Audit Committee comprises of:

1) Mr. Sitti	Leelakasamelek	Chairman/ Independent Director
2) Mr. Warapatr	Todhanakasem	Independent Director
3) Ms. Nongluck	Phinainitisart	Independent Director
4) Ms. Anchalee	Pipatanasern	Independent 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:

1. To review that the Company has accurate and sufficiently disclosed financial reports.
2. 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.
3. To review the risk management operations of the Company. The effects may occur at a level acceptable in order to prevent fraud and corruption.
4. 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.
5. 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.
6. 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.
7. 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:
 - 7.1 Comments on completeness and reliability of the Company's Financial Reporting
 - 7.2 Comments on sufficiency of the Company's internal control systems
 - 7.3 Comments on compliance with Securities and Exchange Act, Regulations of SET and SEC and other related laws to the Company's industry
 - 7.4 Comments on appropriation of the auditor
 - 7.5 Comments on conflict of interest transaction
 - 7.6 Number of Audit Committee meetings and member's participation
 - 7.7 Overall comments or observation regarding practices of the Audit Committee in accordance

with the Audit Committee Charter.

- 7.8 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
8. To perform any assignment by the Board of Directors that agreed upon by the Audit Committee.
9. 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.
 - 9.1 Conflict of interest transaction
 - 9.2 Fraud or misappropriation might occur or there is significant weakness in the internal control systems
 - 9.3 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 autography and qualifications are detailed in the Appendix. Mr. Sitti Leelakasamelark, Chairman of the Audit Committee and Ms. Anchalee Pipatanasern possesses sound knowledge, understanding, professional experience in accounting and finance.

The Charter of the Audit Committee requires at least four meetings per year. In 2018, 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 in 2018.

Nomination and Remuneration Committee

As of October 31, 2018, the Nomination and Remuneration Committee consists of:

1) Mr. Karun	Kittisathaporn	Chairman/Independent Director
2) Pol. Gen. Boonpen	Bumpenboon	Independent Director
3) Ms. Nongluck	Phinainitisart	Independent Director
4) Ms. Duangdao	Chinthammit	Director

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

Scope of Duties and Responsibilities:

1. Nomination

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

2. Remuneration

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

The 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 per year or more than that if it is necessary to select corporate directors, sub-committee members or to revise remuneration. In 2018, the Nomination and Remuneration Committee holds five 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 in 2018.

Risk Management Committee

As of October 31, 2018, the Risk Management Committee consists of:

1) Ms. Nongluck	Phinainitisart	Chairman Chairman/Independent Director
2) Mr. Sitti	Leelakasamelek	Independent Director
3) Mr. Karun	Kittisathaporn	Independent 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 four meetings per year. In 2018, 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 in 2018.

Corporate Governance Committee

As of October 31, 2018, the Corporate Governance Committee comprises of:

- | | | |
|----------------------|--------------|-------------------------------|
| 1. Mr. Warapatr | Todhanakasem | Chairman/Independent Director |
| 2. Pol. Gen. Boonpen | Bumpenboon | Independent Director |
| 3. Ms. Anchalee | Pipatanasern | Independent Director |
| 4. Mr. Somchat | Chinthammit | 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 three meetings a year. In 2018, 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 in 2018.

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 2018, the Auditor fee of the Company and subsidiaries is in the amount of THB 7,460,000.- and other fees (non-audit fee) is in the amount of THB 555,000.- which BOI examination fee is THB 160,000.- and other services fee is THB 395,000.-

Adaption of CG code

The Company reviewed Corporate Governance Policy referring from CG Code, year 2017 of the Securities and Exchange Commission. The Corporate Governance Committee found that the Company follows and adapts mostly rules and notified to the Board of directors in the Board Meeting 6/2017-2018 on 28 September 2018.

Report of Corporate Governance Committee

In 2018, the Corporate Governance Committee held altogether 3 meetings, whereby 92 percent of the committee members attended the meetings, to perform its duties according to the scope of responsibilities specified in the Corporate Governance Committee's Charter, the results of which were then reported to the Board of Directors every time, which can be summarized as follows:

- Considered revising the policy on corporate governance and business ethics to ensure that it be updated and suitable to the business of the Company and be in line with the laws and the good corporate governance principle for listed companies of 2017.
- Considered revising the Corporate Governance Committee' Charter.
- Considered revising the operations of the Company at the Annual General Meeting of Shareholders to ensure that it be in accordance with the laws, rules, and good practices, which included the giving of rights to shareholders to propose an issue for inclusion in the meeting agendas and to nominate persons for election as directors.
- Monitored the operations of the Company to ensure that it be in accordance with the good corporate governance principle for listed companies of 2017 as well as the policy on corporate governance of the Company.
- Considered operation guidelines of the Company so that it be in line with the good corporate governance for listed companies of 2017 in the part other than that specified in the policy on corporate governance.
- Monitored the Company's compliance under anti-corruption policy.
- Revised the self-assessment forms of the Board of Directors and individual directors.
- Acknowledged the report on anti-corruption.
- Acknowledged the Company's assessment at excellent level by a survey corporate governance survey of Thai listed companies of 2018, as well as the recommendations for improvement of corporate governance under the CGR Project of 2018 as organized by the Thai Institute of Directors, and provided recommendations for improvements to the Company.
- Acknowledged the Company's selection to be included in the ESG 100 (Environmental, Social and Governance 100) of 2018 as organized by the ESG Rating Agency of the Thaipat Institute for the 4th continuous year.
- Acknowledged the result of quality assessment on holding annual general meeting of shareholders of 2018 at 94 percent and proposed recommendations for improvement to the Company.



(Mr. Warapatr Todhanakasem)
Chairman of Corporate Governance Committee

Report of Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) has the duties to select persons who have possessed suitable qualifications to hold the position of a director of the Company, committee members in various committees duly assigned with the powers and duties and responsibilities directly by the Board of Directors, and to review the structure, size, and constitution of the Board of Directors, and to also jointly set guidelines on assessment of results of performances of the directors of the Company, and to consider remuneration of the directors for forwarding to the Board of Directors. During 2017 – 2018, the Nomination and Remuneration Committee held altogether 5 meetings.

- 1st Meeting held on 15th December 2017: Agenda 1, Consideration of Completion of Office Term of Retiring Directors. The meeting considered the knowledge, ability, experience, and past performances of the retiring directors and duly passed a resolution that all 7 directors should be reappointed for another term, and that it be proposed to the Meeting of Shareholders for approval in due course. Agenda 2, Review of “Remuneration and Reward (Bonus) for Directors”, Directors, and Committee Members. The meeting was of opinion that the fixing of remuneration for the directors was still appropriate, when compared to the data of a survey of remuneration of director of the IOD in the same industrial group and the agricultural and food group, whereby consideration was based on the suitability of the size of business and the result of operations, and passed a resolution that it be proposed to the Board of Directors accordingly.

The meeting also proposed the “Annual NRC Plans”, namely the Plan on Reduction of Number of Directors/Procedures on Setting Targets and Assessment of Performance of CEO/Prescription of Qualifications of Director of Company/Director Training and Development Plan/High-Ranking Executive Succession Plan/Setting of Work Plan Calendar, as well as increasing the number of meetings from 2 times/year to 4 times/year in order to monitor the performances for more concrete successful operations.

- 2nd Meeting held on 8th March 2018: The meeting considered revising the Annual NRC Plans and monitored the progress of the preparation of high-ranking executive succession plan, including important agenda, namely completion of office term of the CEO as there had been proposed for his reappointment for the 2nd time since 2014 up to the present, whereby there was reviewed the preparation of qualifications, position capabilities, and job description of high-ranking executives as well.
- 3rd Meeting held on 4th June 2018: The meeting drafted the criteria on consideration of “basic qualifications, knowledge, experience, of a director of the Company”, which would be beneficial to the business operations of the Company, for use as framework in selecting future directors. The meeting also reviewed the human resources management strategic plan, to ensure efficient and effective human resources management, by noting that the current high-ranking executives were at a rather old-age by average, thus, there should be urgently considered an issue of “succession of important positions”, and an approval for reappointment of executive and staff after reaching retirement age should be made only in necessary circumstance. The meeting also proposed a prioritization of strategic plan and various projects of the human resources line of work, by selecting first projects which were of utmost importance and yielding severe impacts for implementation first. The meeting invited the CEO to give an interview to jointly review the past year’s operations and considered the work plans for the next 4 years.
- 4th Meeting held on 4th September 2018: The meeting considered the completion of office term of the directors and monitored the progress of the director training and development plan, for example, orientation of new director project and curriculum which was a requirement of the IOD, and also amended 12 necessary qualifications of a director of the Company, while also proposed procedure on setting targets and assessment of work accomplishment of the CEO in the following year. The meeting further considered the draft plan of the Nomination and Remuneration Committee of 2019, and also reviewed the remuneration and reward (bonus) for directors.

- 5th Meeting held on 29th October 2018: The 5th Meeting was held on a special occasion to invite the CEO of the Company to jointly attend the meeting to consider 2 important agendas, namely procedures on setting targets and assessment by adopting the Balanced Score Card (BSC) principle, whereby 4 factors were considered, namely finance, marketing and customers, learning and development, internal processing. The meeting also considered the work plans and the guidelines on reduction of number of directors in the Board of Directors to be of a more suitable size in the future.
- Besides, at every meeting, there was always an agenda for monitoring the progress of operations on “Succession Planning”, for the purpose of personnel development, creation of leaders at all levels and lines of work, and also an agenda regarding the completion of office term of the directors of 2018 and a preparation of announcement for a selection of qualified persons to replace the retiring directors. The meeting also reviewed the Charter of the Nomination and Remuneration Committee and proposed that there should be a review on the process of proposal for selection and appointment of committees so that it be more suitable, whereby a reshuffling of committee members of the committees was proposed so as to enable learning and changes. The meeting resolved that the directors be sent to attend a training at the IOD which would help the directors to learn the current data and situation. The committee members of the Nomination and Remuneration Committee also assessed their own performances for the development of working procedures and compliance with the principle of good corporate governance.

For a selection of directors of the Company and committee members in various committees, the Nomination and Remuneration Committee had made its consideration by taking into account their qualifications, knowledge, ability, skills, experiences, expertise, and leadership, as well as vision and attitude towards the organization, which would be beneficial to the business operation of the Company. The Committee also considered the size, structure, and constitution of the Board of Directors, so as to promote good corporate governance and so that the management be carried out effectively and be in line with the requirements of the authorities and the changed circumstances.

As at 31st October 2018, the Board of Directors of the Company comprised 21 directors, namely 7 independent directors, 5 non-executive directors, 9 executive directors. Under this constitution, it was considered to be appropriate. Regarding the remuneration of directors, executive directors, and committee members, as shown in the Remuneration of Board of Directors and Executives 2018, the Nomination and Remuneration Committee duly assessed such and deemed that it was suitable. In this instance, the said remuneration was considered and approved also by the Board of Directors.



(Mr. Karun Kittisatporn)

Chairman of Nomination and Remuneration Committee

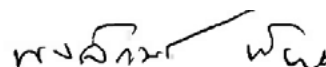
Report of Risk Management Committee

The Board of Directors is well aware of the importance of risk management which affects its business operations as well as the target duly set. Therefore, in order to create confidence and reliability to the investors and the stakeholders regarding the Company's operations, a Risk Management Committee, which comprises committee members who have good understanding of the business, is appointed to perform the duties of directing and reviewing the risk management framework of the Company according to the roles in the Charter of the Risk Management Committee, and then proposes guidelines on suitable risk management to the Management, while at the same time promoting risk management at all levels of the entire organization in line with international standards.

In 2018, the Risk Management Committee held 4 meetings altogether, the significant points of which can be summarized as follows:

1. Supervised and considered the policy and main risk management of the Company to ensure that they were suitable and in line with the direction of business operation, strategic plans, and targets of the organization under changed circumstances.
2. Considered approving main risk issues of the Company and the risk management plan of 2018 under risk appetite, by imposing concrete and practicable mitigation plan.
3. Proposed proposals to the Management in regard to management improvement by placing the organization's risk as a part in the drafting of strategic plans and the setting of targets for the following year.
4. Monitored the risk management quarterly and proposed recommendations for improvement of risk management so that it be more effective, by setting a leading key risk indicator and a lagging key risk indicator.
5. Assessed and reported the results of risk management of the Company and submitted same to the Board of Directors continuously and regularly.

The Risk Management Committee is committed to performing its duties to ensure that the Company's supervision and management be carried out at suitable level. In doing so, it is confident that the Company's operations are efficiently performed and can achieve the targets duly planned in all areas.



(Ms. Nongluck Phinainitisart)

Chairman of Risk Management Committee

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. 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 manual of anti-corruption measurement and 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 2018, the Risk Management Committee and the Office of Risk Management implement the Risk Management Activity Plans as follows:

1. 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 year 2018/2019
2. specify causes of organizational risk and the responsible persons in each division for each risk for the year 2018/2019 as approved by the Risk Management Committee.
3. provide plans to support analysis and evaluation of new risks in 2017/2018 and make preliminary guidelines with measures to respond the risks.
4. hold preparatory meeting for the risk management office to work on various sites pursuant to the supporting plans.
- 5 support the making of 2018 report stating risk status by the responsible person of each division in 7 sites with head office.
6. report the risk status in 2018 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.

Corporate Social Responsibilities



The Board of Directors' Meeting No. 5/2018 on 21 August 2018 reviewed and approved the Corporate Social Responsibilities Policy (CSR) of Khon Kaen Sugar Industry Public Company Limited which 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 Reward in 2018

Shareholders site visit 2018

On March 16, 2018, Khon Kaen Sugar Industry Public Company Limited invited shareholders for a company visit. On this occasion, 74 shareholders attended the site visit at New Krung Thai Sugar Factory Co., Ltd. located in Bo Ploy District, Kanchanaburi Province (Bo Ploy Bio- Refinery Complex) and got a briefing from the factory executives as well as the visit to KSL River Kwai Natural Agricultural Center to conceptualize the operation of the Center as an arm to handle social activities of the group of companies through the dissemination and training in accordance with the Sufficiency Economy Principles



Books for Kids Project (Year 3) by Khon Kaen Sugar Industry PLC (Wang Sapung Branch)

On November 3, 2017, KSL group donated books supplemental to the curriculum and sports equipment for the third consecutive year to 8 schools around the factory of Wangsapung Branch, namely, Bann Wang Hai Noan Somboon School, Bann Wang Kok Due School, Bann Mueng Bang School, Bann Nong Pad Farn School, Bann Na Dok Mai School, Bann Nong Nor School, Bann Nong Kham and Bann Koke Fak School, Wangsapund District, Loei Province.


ESG100
 Environmental Social Governance 2018

100 อันดับหลักทรัพย์ที่มีความโดดเด่นในการดำเนินงานด้าน ESG (ESG100)

ADVANC	AJ	AOT	BAFS	BAY	BCH	BCP	BCPG	BCMS	BEM
BOAT	BH	BJC	BTS	BWG	CENEL	OK	COM7	CPALL	CPF
CPN	D	DELTA	DTAC	DTC	EGOD	ERW	GLOW	GPSC	GULF
HANA	HMPRO	INTUCH	IRC	IRPC	ITEL	ML	JUBILE	KBANK	KCE
KKP	KSL	KTB	KTC	KYE	LH	LHFG	LPN	M	MBK
MINT	MOONG	NSI	NTV	PB	PPS	PSH	PTT	PTTEP	PTTGC
RIJH	ROBINS	S&J	SAT	SCB	SOC	SIS	SMIT	SMPC	SNC
SFA	SPALI	SPI	SPRC	STANLY	SUC	SWC	SYNEX	SYNTEC	TACC
TCAP	TFMAMA	THANI	THP	TISCO	TKS	TMB	TMD	TMT	TOG
TOP	TPCH	TRIP	TTW	TU	TVC	TWPC	VGI	VNT	WINNER

 Agro & Food Industry (AGRI) Consumer Products (CONSUMP) Financials (FINANCIAL) Industrials (INDUS)
 Property & Construction (PROP/CON) Resources (RESOURCE) Services (SERVICE) Technology (TECH)

Khon Kaen Sugar Industry Public Company Limited (KSL) is one of 100 listed companies with outstanding business performance or ESG100 from Thaipat Institute of the Year 2018.

The ESG rating section of Thaipat Institute, Foundation for Rural Restoration of Thailand under the Patronage of His Majesty the King has developed sustainable business database in Thailand since 2015 and continued for the fourth year by evaluating environmental, social and governance information (ESG) of the listed companies.

By the evaluation in the year 2018 of 683 listed companies (not including securities under rehabilitation) with reference to the reports disclosed to public that include Annual Information Report (Form 56-1), Annual Report, Sustainability Report and performance data related to sustainability development of the Company as well as the Corporate Governance Report of Listed Companies (CG Scoring),

Thaipat Institute, the Global Initiative for Sustainability Rating (GISR), selects Khon Kaen Sugar Industry Public Company Limited (KSL) into the 2018 Universe of ESG 100 for the fourth consecutive year.

Tamaka Sugar Industry Co., Ltd. received 3Rs Awards, Zero Waste Achievement Award and 3Rs+Award (bronze level) from the Department of Industrial Work, Ministry of Industry for the year 2018

On August 21, 2018, Mr. Karunchai Taksin- Manager of Quality and Environment, represented Tamaka Sugar Industry Co., Ltd. to receive 3Rs Awards, Zero Waste Achievement Award and 3Rs+Award (bronze level) from Mr. Monkol Pruekwattana, Director General of the Department of Industrial Work. The factory achieved the evaluation for good waste management standard system inside the factory in accordance with the 3Rs principles under the Project on Development of Potential to manage Waste by Industrial Management of the Department of Industrial Work, Ministry of Industry at the Grand Ballroom, second floor, Royal City Hotel, Pinklao, Bangkok.





Network Group 9 tracing the King's Track to continue good virtue of Tamaka Sugar Industry Co., Ltd. received the first rank award for Excellent Industry Network maintaining the environment for the year 2018

On October 18, 2018, Tamaka Sugar Industry Co., Ltd. by Mr. Karanchai Taksin as Chairman of the members of Network Group 9 tracing the King's Track to continue good virtue represented the group to receive a plaque of honor, the first rank award for Excellent Industry Network maintaining the environment for the year 2018 from Dr. Pasu Loharachun, Permanent Secretary of the Ministry of Industry at Centra by Centara Hotel, Government Center and Convention Center, Changwattana Road. He also attended the discussion session and expressed vision in the event.



Network Group 9 tracing the King's Track to continue good virtue consisted of the volunteers-employees of Tamaka Sugar Industry Co., Ltd. to do activities concerning environment such as building check dam for water resource, reforestation, canal dredging and community activities to benefit the society as well as to conduct surveillance to prevent factory pollution with continuation and sustainability.

Related party transactions

Related party transactions for the year ended 31 October 2018 and 2017 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, 2018

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 through Wynn In Trading Co., Ltd. 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 Public 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

Company name	Relationship
K.S.L. IT Center Co., Ltd. Provide computerized and database services to parent company and related parties	K.S.L. IT Center Co., Ltd. is controlled by 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. Chattri 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.
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 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.
KSL Green Innovation Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	The company also has common directors namely Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.
Bangchak Bioethanol (Chachoengsao) Co., Ltd. Manufacture and distribution of ethanol alcohol and biogas	The company also has common directors namely Mr. Chalush Chinthammit.

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 2018 and 2017)

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 18	31 Oct 17	
Thai Fermentation Industry Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	- Sales of sugar	28	29	The Company and its subsidiaries sold sugar to Thai Fermentation Industry as welfare for employees. The transactions arose in ordinary course of business which carried out at market price on normal terms.
	New Krung Thai Sugar Factory Co., Ltd.	- Sales of sugar	30	29	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Sale of chemical - Other accounts payable	2,179 199	2,241 115	The Company purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The price charged between each other is the market price which has conditions according to the general normal trade.
KSL Green Innovation Public Company Limited	Khon Kaen Sugar Industry Public Company Limited	- Sale of Molasses	824,633	647,122	The Company and its subsidiaries sold molasses to KSL Green Innovation Public Company Limited as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms.
		- Trade accounts receivable	186,844	5,697	
		- Advances received for sales of goods	119,129	-	
	Tamaka Sugar Industry Co., Ltd.	- Sale of Molasses	239,043	310,878	
		- Trade accounts receivable	74,637	-	
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	New Krung Thai Sugar Factory Co., Ltd.	- Advances received for sales of goods	42,505	-	
		- Sale of Molasses	453,011	318,101	
		- Trade accounts receivable	52,419	813	
	New Kwang Soon Lee Sugar Factory Co., Ltd.	- Advances received for sales of goods	13,403	-	
		- Sale of Molasses	-	70,960	
Khon Kaen Sugar Industry Public Company Limited	New Kwang Soon Lee Sugar Factory Co., Ltd.	- Sale of Raw Sugar	46,690	-	The subsidiaries sold raw sugar to Bangchak Bioethanol (Chachoengsao) Co., Ltd. as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms.
		- Trade accounts receivable	20,615	-	
Tamaka Sugar Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	9,650	5,120	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.
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of goods exporting	1,836	1,221	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of goods exporting	3,664	2,243	
Savannakhet Sugar Corporation		- Service fees of goods exporting	665	683	
		- Service fees of goods exporting	330	360	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 18	31 Oct 17	
Khon Kaen Sugar Industry Public Company Limited	Thai Sugar Terminal Public Company Limited and its subsidiary company	- Service fees for goods custody and transfer	3,049	178	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	
Tamaka Sugar Industry Co., Ltd.		- Service fees for goods custody and transfer	20,908	12,706	
		- Other income	370	704	
		- Other accounts payable	932	1,050	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	27,527	7,500	
		- Other accounts payable	4,650	3,586	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	5,557	5,302	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	159	175	
Tamaka Sugar Industry Co., Ltd.		- Service fees of computerized activities	1,931	2,012	
		- Prepaid expenses	49	56	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of computerized activities	2,872	2,815	
		- Prepaid expenses	121	133	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of computerized activities	1,488	1,662	
		- Prepaid expenses	45	49	
K.S.L. Real Estate Co., Ltd.		- Service fees of computerized activities	106	172	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	164	167	
Savannakhet Sugar Corporation		- Service fees of computerized activities	517	635	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	436	461	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	98	143	

1.2 Rental fee (for the year ended 31 October 2018 and 2017)

Unit : Thousand Baht

Lessor	Lessee	Significant Transaction	Amount (Thousand Baht)		of Connected Transaction
			31 Oct 18	31 Oct 17	
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 - 31/10/17). 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).	708	727	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.
	Thai Fermentation Industry Co., Ltd.	Warehouse rental area of 200 square meters at the rate of Baht 100 per month and are allowed to be renewed annually (01/08/18 - 31/07/19)	240	240	
	Raja Ceramics Co., Ltd.	Office rental area of 495.54 square meters and car park at the rate of Baht 300 per month and are allowed to be renewed annually (01/01/18 - 31/12/18) and the increased temporary rental space of 202.84 square meters at the rate of Baht 200 per month (01/11/17 - 31/12/17).	1,865	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 every 3 years (01/08/18 - 31/07/21).	1,557	1,557	
	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	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 2018 and 2017)

Unit : Thousand Baht

For the year ended 31 October 2018							
Borrower	Lender	As at 1 Nov 2017	Loan addition during the period	Repayment during the period	As at 31 Oct 2018	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	KSL Tower Juristic Person office	5,000	300	(1,500)	3,800	80	Khon Kaen Sugar Industry Public Company Limited has got financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.80-1.84% 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
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 1.97-2.05% 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 2017	Loan addition during the period	Repayment during the period	As at 31 Oct 2018	Interest paid	Necessity and reasonableness of Connected Transaction
Prachaup Industry Co.,Ltd.	K.S.L. Export Trading Co., Ltd.	-	278,100	(278,100)	-	1,039	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 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)	-	3,243	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:-

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.

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 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

Year 2018 Ms. Juntira Juntrachaichaoat, Certified Public Accountant, Registration No. 6326, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd

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

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

Year 2017 The Auditor reviewed corporate financial statements and issued unconditional opinions.

Year 2018 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 2016 - 2018 include a total of 13 subsidiaries

(In 2016, the Company had 14 subsidiaries since KSL Green Innovation Public Company Limited was consolidated)

Table 1: Percentage of Direct and Indirect Corporate Shareholding

	Percentage of Shareholding		
	2018	2017	2016
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
KSL Agro and Trading Company Limited	100.00	100.00	100.00
WSP Logistic Company Limited****	100.00	100.00	100.00
Savannakhet 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 Public 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 2018, the company generated the revenues from operations of THB 17,813 million, in total, increasing from that in the previous year by 14%. The revenue from sales amounted to THB 17,407 million and the revenue from services amounted to THB 406 million. Regarding the decrease in world sugar price in 2018, the export sugar price decreased by 28-32% but the company had sales volume, increased by 59% from higher sugar cane volume. In addition, the revenue from molasses sales and electrical sales increased. As a result, revenue in total, increased from that in the previous year by 14%.

The company recorded the total cost of goods sold of THB 14,681 million, increased 11% from previous year. The gross

profit increased 28% from THB 2,443 million to THB 3,131 million.

Other incomes and other loss in 2018 compared 2017 are shown as follows:

	2018 (million)	2017 (million)
(1) Revenue from compensation of sugar production and distribution	440	-
(2) Gain (Loss) from exchange rate	57	53
(3) Gain (Loss) on fair value adjustments of biological asset	(33)	(54)
(4) Gain on fair value adjustments of investment property	241	426
(5) Gain from Amalgamation	-	2,370
(6) Gain from Asset sales	(3)	(19)
(7) Gain (Loss) from asset impairment	(4)	(223)
(8) Other incomes	475	566
Total	1,173	3,119

As a result, the company had the profit before the selling and administrative expenses THB 4,305 million, decreased by 23%,

compared to previous year.

Regarding the selling and administrative expenses

- (1) The company incurred selling expenses totaled THB 770 million, increasing by 82% due to increase in export volume.
- (2) Administrative expenses totaled THB 724 million, decreasing by 14%
- (3) Remuneration to executives THB 138 million
- (4) Fee paid to Sugar Fund, THB 1,116 million, increased slightly from previous year at THB 1,096 million.

Subsequently, the company had the profit before financial cost and tax expenses totaled THB 1,557 million, decreasing by 49%.

In 2018, the company incurred financial cost of THB 728 million, or increased by 9%. The corporate income tax burden amounts to THB 144 million and THB 145 million of profit sharing from affiliated companies. Apart from that, there are THB 18 million of non-controlling interest. The company's net profit decreased by 57% from the previous year, from THB 1,970 million to THB 848 million in 2018.

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

Income Statement Highlight (Million THB)	12M_2018	12M_2017	12M_2016 Restate	% Change
Sales and Services	17,813	15,623	16,911	14%
Cost of Sales and Services	(14,681)	(13,180)	(13,279)	11%
Gross Profit from Sales and Services	3,132	2,443	3,632	28%
Other Incomes	1,173	3,119	1,498	-62%
Gross Profit before SG&A	4,305	5,562	5,130	-23%
Selling Expenses	(770)	(424)	(542)	82%
Administration Expenses	(724)	(837)	(834)	-14%
Management Remuneration	(138)	(147)	(141)	-6%
Proceeds to Fund	(1,116)	(1,095)	(1,150)	2%
Total Cost	(2,748)	(2,503)	(2,666)	10%
Profit before financial cost and tax	1,557	3,059	2,464	-49%
Financial cost	(728)	(668)	(710)	9%
Share of Profit from Associated Company	145	121	57	
Corporate Income Tax	(144)	(560)	(371)	-74%
Non-Controlling interest	18	19	(14)	
Net Profit	848	1,970	1,426	-57%
EPS	0.19	0.45	0.32	-57%
Gross Margin from Sales and Services	17.6%	15.6%	21.5%	
Net Profit Margin	4.8%	12.6%	8.4%	

The company's revenue structure in 2018, the total revenue was THB 17,813 million. The company had revenues from sales of sugar and molasses amounted to THB 15,288 million, accounting for 89% of the total operating revenue. There is no revenue from sales of ethanol and gasoline since Amalgamation at the end of 2017. Electricity sales, which distributed to Grid (EGAT & PEA), amounted to THB 1,211 million, accounting for 7% of the total operating revenue. Revenues from service amounted to THB 405 million, and other revenues amounted to THB 89 million. The rest of the revenues were generated from trading amounted to THB 750 million.

Table 3 : Consolidated Revenue Structure in the past 3 years

Revenue Structure (Million THB)	12M_2018		12M_2017		12M_2016 Restate		% Change
Sales and Services	13,668	80%	11,928	79%	13,084	79%	15%
Sugar Sales	1,620	9%	15	0%	326	2%	10693%
Molasse Sales	64	0%	98	1%	154	1%	-34%
Other Income from sugar & molasses	1,211	7%	751	5%	808	5%	61%
Electric and Steam Sales	0	0%	2,100	14%	2,023	12%	-100%
Ethanol and Gasoline Sales	4	0%	0	0%	5	0%	2525%
Fertilizer Sales	405	2%	252	2%	167	1%	61%
Services	89	1%	11	0%	13	0%	730%
Others	17,063	100%	15,157	100%	16,580	100%	13%
Total							
Trading Activities							
Sales of fuels	440	59%	242	52%	186	56%	82%
Sales of fertilizer	273	36%	197	42%	118	36%	39%
Sales of Supplies	37	5%	28	6%	26	8%	32%
Total	750	100%	467	100%	331	100%	61%
Total Sales and Services	17,813		15,623		16,911		14%

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_2018	12M_2017	12M_2016 Restate	% Change
Cash & Temporary Investments	129	153	85	-16%
Current Trade and Other receivables	2,476	1,198	1,407	107%
Short-Term Loans	1,533	1,569	1,273	-2%
Inventories	4,089	3,100	2,552	32%
Biological Assets	61	112	251	-46%
Other Current Assets	46	64	85	-28%
Investment in an associate	3,879	3,747	387	4%
Other long-term investments	335	405	371	-17%
long-term loans	243	393	358	-38%
Investment property	5,167	4,917	4,496	5%
Property, plant and equipment	26,183	26,354	26,186	-1%
Other non-current assets	1,401	977	925	43%
Total Assets	45,542	42,991	38,375	6%
Current liabilities	13,924	14,818	10,591	-6%
Non-Current liabilities	12,979	10,080	11,134	29%
Total Liabilities	26,903	24,898	21,724	8%
Total Shareholders Equity	18,639	18,092	16,650	3%
Equity attributable to owners of the parent	18,210	17,650	16,166	
D/E Ratio	1.44	1.38	1.30	
IBD/E Ratio	1.26	1.20	1.13	

In 2018, the company and its subsidiaries had the total assets of THB 45,542 million, 6% increased from the total assets of previous year of THB 42,991 million. Total liabilities increased by 8% from THB 24,898 million in 2016 to THB 26,903 million in 2018 which affected total debt to equity ratio increased from 1.38 in 2017 to 1.44 in 2018 and interest-bearing debt to equity ratio also increased from 1.20 in 2017 to 1.26 in 2018. The accounts that changed significantly compared to 2017 are as follows;

(1) 107% increase in Current trade and other receivable due to higher amount of receivable due in November 2018 than previous year.

(2) Inventories increased by 32% from higher sugar stock volume, compared to the amount of previous year.

(3) 5% increase in Investment property from the appraisal in higher value of the asset.

(4) Biological assets decreased by 46%, from fair value adjustment.

(5) Other non-current assets increased by 43%, from Receivables from Revenue from compensation of sugar production and distribution.

(6) Current liabilities decreased by 6% while non-current liabilities increased by 29% due to the Company borrowed long-term debt to re-balance debt profile from short-term to long-term.

5. Cash Flow Statement

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

Cash Flow Highlight (Million THB)	12M_2018	12M_2017	12M_2016 Restate	% Change
Net Profit + Depre + Non Cash Change	2,449	2,185	2,462	12%
in Working Capital	(3,145)	(1,948)	1,575	
from Operating Activities	(696)	236	4,038	-394%
Invest in PP&E	(1,132)	(3,098)	(1,578)	-63%
from Investing Activities	(863)	(3,320)	(1,521)	-74%
from Financing Activities	1,512	3,149	(2,620)	-52%
Change in Cash Flow	(24)	71	(86)	
Ending Cash	129	153	82	
Depreciation	1,264	1,182	1,247	7%

In 2018, the company and its subsidiaries received cash flows from their operations before change in working capital totaled THB 2,449 million, a 12% increased from year 2017 due to the increase from overall operations, while in 2018, the company had more inventories. As a result in 2018, the company and its subsidiaries have THB (696) million of cash flow from operating activities or decreased by 394%.

Regarding the cash flows from investing activities, the company and its subsidiaries had cash paid in (net) totaled THB 863 million, of which THB 1,132 million was mainly invested in properties, plants and equipment (net) from the expansion project of sugar mill and power plant in Wangsapung District, Loei Province.

Regarding financing activities in 2018, the company and its subsidiaries received the net cash of THB 1,512 million, mainly from financial institutions loan and debt instrument issuance.

6. Financial Ratios

Table 6 : Financial Ratios

Financial Ratios (Million THB)	12M_2018	12M_2017	12M_2016 Restate
Short term liquidity ratios			
Current Ratio	0.60	0.42	0.53
Acid Test Ratio	0.30	0.20	0.26
Collection period	47	44	29
Days of inventory	93	100	78
Capital Structure and Solvency ratio			
D/E Ratio	1.44	1.38	1.30
IBD/E Ratio	1.26	1.20	1.13
LTD to equity	0.61	0.47	0.60
Return on Investment ratios			
ROA	2%	5%	4%
ROE	5%	11%	9%
Operating performance ratios			
Gross Profit Ratio	18%	16%	21%
Operating Profits Margin	9%	20%	15%
Pretax profit to sales	5%	16%	11%
Net income to Sales	5%	13%	8%
Market Measures			
Book Value per Share	4.13	4.00	3.67
Earning Per Share	0.19	0.45	0.32

According to the 2018 financial ratios, liquidity ratios that is part of Current ratio and Acid test ratio had improved due to the Company borrowed long-term debt to re-balance debt profile from short-term to long-term. However, the current portion of long-term debt of which the company had intention to finance fixed asset but has schedule to repay within 12 months are used in liquidity ratio calculation.

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

In terms of profitability ratios, the gross profit margin was increased compare to the previous year, while Operating Profit to sales, Pretax profit to sales, and Net Income to Sales decreased, mainly from huge gain on Amalgamation in 2017 which is considered to be extraordinary it

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, 2018, the statement of financial position, the operating results, and cash flows accurately according to generally accepted accounting principles.



(Mr. Manu Leopaiprote)

Chairman



(Mr. Chamroon Chinthammit)

Chief Executive Officer & President

Report of Audit Committee

The Audit Committee has been appointed under a resolution of the Board of Directors and comprises 4 committee members which are independent directors. In 2018, the Audit Committee held joint meetings with the Management, the Internal Audit Office, and the auditor, altogether 5 times.

All 4 committee members have possessed excellent expertise and experience in accounting, finance, law and business. Moreover, Mr. Sitti Leelakasameerkerk and Ms. Anchalee Pipatanasern have extensive knowledge and experience in financial accounting and are suitable to perform their duties in reviewing the reliability of the financial statements according to the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Audit Committee has duly performed its duties according to the Charter of the Audit Committee and as assigned by the Board of Directors, by attaching importance to the reviewing of financial reports, related transactions, and internal auditing works, and also promoted and encouraged the Company to comply with the best practices of listed companies so that the Company may have good corporate governance, good risk management, and effective internal control. The issues which were considered by the Audit Committee in the past year can be summarized as follows:

1. Review of Financial Reports

The Audit Committee had duly reviewed the quarterly financial statements and the annual financial statements of 2018 of the Company and of its subsidiaries, by holding meetings to discuss viewpoints jointly with the auditor, the Management, and the Internal Audit Office, to ensure that the preparation of financial reports was done accurately and completely according to the standards of financial reporting, which included the disclosure of financial reports sufficiently and in time for the interests of the investors and the users of financial statements. Besides, the Audit Committee also held meetings with the auditor without the presence of the Management so as to ensure that the auditor performed his duties and expressed his opinions freely and independently.

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

The Audit Committee had duly reviewed the compliance under the policy on corporate governance and ethics of the Company, including the compliance with related laws and regulations, and it was found that the directors, the executives, and the staff did comply therewith in all respects. As for the related transactions or transactions which may have conflict of interests, it was specified that the concerned persons must file reports of such transactions to the Audit Committee regularly every quarter. Further, the Audit Committee assigned the Internal Audit Office to review the compliance with the policy on anti-corruption and propose same to the Audit Committee and the Board of Directors for due consideration.

3. Review of Risk Management

The Audit Committee had also considered and reviewed the criteria on assessment of risk at organization level according to the COSO-ERM Guidelines of the Risk Management Office for use in assessing risk factors which may send impacts to the business operation of the Company both in the short term and long term periods.

4. Sufficiency of Internal Control System

The Audit Committee had supervised the internal auditing works to ensure that the internal auditing be conducted freely and efficiently, by approving the annual auditing plan duly prepared based on important risks of the Company, and also monitored the progress of the performance of the Internal Auditing Office quarterly to review its operations and quality and to ensure that the internal control of the Company was sufficient, efficient, and in line with the internal control standards.

5. Suitability of Auditor

In the past accounting period, the Audit Committee is of opinion that the auditor of the Deloitte Touche Tohmatsu Jaiyos Audit Company Limited had performed the duties according to the auditing professional standards and performed his duties independently and had good understanding of the business of the Company, while also having possessed suitable qualifications, knowledge, and experience.



(Mr. Sitti Leelakasameerkerk)
Chairman of Audit Committee

Management Discussion and Analysis

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries ("KSL") would like to report our financial performance of year 2018 (Nov 2017 – Oct 2018). The Company recorded total revenue of THB 17,813 million compare to THB 15,623 million last year, representing a increase of 17% and recorded net profit of THB 848 million compare to net profit of THB 1,970 million at the same period last year, representing a decrease of 57%. The details were as followings;

Total Revenue

Increase in total revenue in 2018 due to increase in sugar sales volume from 687,046 tons last year to 1,091,228 tons or increase by 59%, however average selling price decrease from 17,362 THB/ton to 12,526 THB/ton.

At the beginning of 2017, world sugar price has climbed up to 20 cent/lb then dropped sharply to 12 – 13 cent/lb now, due to global sugar supply is surplus in 2018 with the additional of domestic price decrease from the new sugar regime that domestic price will float along with global price. As a result, the Company recorded average sugar price decrease from the previous year but the Company recorded sales volume increase as mentioned above. Therefore; the net effect is total revenue increased.

Other incomes

A reason of decrease in other income in 2018 compared to the same period previous year mainly due to in 2017, one of subsidiary which operates 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.

For 2018, there is no amalgamation gain as in 2017 but recorded revenue from compensation of sugar production and distribution, foreign exchange gain. Therefore; the net effect is decrease in other income.

Distribution Cost

An increase of distribution cost compares to the same period last year due to increase in sales volume that mentioned above. The Company incurred distribution cost THB 1,886 million compare to THB 1,519 million previous year.

Financial Cost

In 2017/18 harvesting season, the Company has crushed sugarcane 11.03 million tons compare to 6.83 million tons last year or increased by 61%. Therefore; the Company used more working capital to finance inventory that increased financial cost of THB 728 million compare to THB 668 million at the same period last year.

For overall 2018 performance, the Company recorded total revenue of THB 17,813 million compare to THB 15,623 million last year, representing an increase of 14% and net profit of THB 848 million compare to the net profit same period last year at THB 1,970 million, representing a decrease of 57%. The Company's total assets were recorded at THB 45,542 million, with total liabilities of THB 26,903 million and total shareholders' equity of THB 18,639 million. Debt to Equity Ratio (D/E) and Interest Bearing Debt to Equity Ratio represented at 1.44 and 1.26, respectively.

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, 2018, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ 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, 2018 and its financial performance and its 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’ Code of Ethics for Professional Accountants 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.

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>Impairment on investments 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</p> <p>As there are 3 subsidiaries in foreign countries having net loss continuously and substantial deficit as at October 31, 2018 which the Company's management consider as indicators of impairment on investments 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.</p> <ul style="list-style-type: none"> - 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 subsidiary. - 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. <p>We consider that the exercising of management's judgment relate to significant assumptions for estimation of losses on impairment on investments in 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 are key audit matters because of materiality of transactions and complexity of estimation of realizable values of the Company's investments in subsidiaries and of buildings and equipment of the subsidiaries in foreign countries.</p> <p>The accounting policies and disclosure of investments and impairment of investments in subsidiaries are in Notes 3.6 and 13, and of buildings and equipment of the subsidiaries in foreign countries are in Notes 3.11 and 18.</p>	<p>Significant audit procedures include</p> <ul style="list-style-type: none"> • Understanding and evaluating the reasonableness of indicator of impairment on investments in subsidiaries in foreign countries in the separate financial statements and impairment of building and equipment of those foreign 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 evaluating the reasonableness of key significant assumption which consisted of <ul style="list-style-type: none"> - Assumptions used for plan and forecast future cash flows of each subsidiary by understanding the process to obtain such figures, comparing assumptions with external and internal sources and comparing forecast cash flows to the actual results of operations including comparing long-term growth of each subsidiary 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 and the Company 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.



Juntira Juntrachaichoat

Certified Public Accountant (Thailand)

Registration No. 6326

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

December 21, 2018

Statements of Financial Position

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at	As at	As at	As at
		October 31,	October 31,	October 31,	October 31,
		2018	2017	2018	2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.2	129,241,732	153,003,915	8,029,157	11,894,182
Temporary investments		24,084	23,760	-	-
Trade and other current receivables	7	2,476,064,732	1,198,417,330	2,260,746,708	872,710,150
Short-term loans	8	1,533,146,034	1,569,258,589	2,057,737,919	5,373,550,020
Inventories	9	4,088,957,195	3,099,981,854	2,764,469,608	1,884,927,836
Current biological assets	10	60,800,116	111,894,503	6,106,001	5,853,825
Other current assets		46,350,971	63,932,416	33,270,214	46,062,046
Total Current Assets		<u>8,334,584,864</u>	<u>6,196,512,367</u>	<u>7,130,359,607</u>	<u>8,194,998,059</u>
NON-CURRENT ASSETS					
Investments held as available for sale	11	307,002,540	377,849,280	307,002,540	377,849,280
Investments in associates	12	3,878,906,260	3,746,845,314	3,380,458,786	3,381,614,766
Investments in subsidiaries	13	-	-	4,283,380,319	4,775,811,396
Other long-term investments	14	27,509,122	27,485,917	20,326,950	20,324,775
Trade and other non-current receivables	15	532,298,038	93,175,364	276,830,165	8,183,380
Long-term loans	16	242,612,903	393,199,212	4,587,071,859	1,404,914,760
Investment property	17	5,167,004,130	4,917,206,835	1,695,577,873	1,544,915,482
Property, plant and equipment	18	26,182,946,087	26,354,311,858	9,500,392,015	9,203,863,790
Other intangible assets		42,944,781	48,146,718	32,347,023	37,040,499
Deferred tax assets	25.2	6,933,767	13,213,508	-	-
Other non-current assets	19	818,789,798	822,774,936	40,956,743	26,963,991
Total Non-Current Assets		<u>37,206,947,426</u>	<u>36,794,208,942</u>	<u>24,124,344,273</u>	<u>20,781,482,119</u>
TOTAL ASSETS		<u><u>45,541,532,290</u></u>	<u><u>42,990,721,309</u></u>	<u><u>31,254,703,880</u></u>	<u><u>28,976,480,178</u></u>

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

Statements of Financial Position (Continued)

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at	As at	As at	As at
		October 31,	October 31,	October 31,	October 31,
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	20	6,846,126,015	8,508,780,110	3,851,660,015	4,260,785,360
Trade and other current payables	21	1,792,746,394	1,595,348,418	1,273,554,950	1,101,787,294
Current portion of long-term debentures	22	2,999,022,944	2,998,989,350	2,999,022,944	2,998,989,350
Current portion of long-term borrowings	24	1,772,000,000	1,623,833,330	1,720,000,000	1,223,833,330
Short-term borrowings	23	374,582,960	5,000,000	631,950,546	545,200,000
Current income tax payable		66,827,447	30,393,276	-	-
Other current liabilities		72,572,016	55,952,915	9,415,935	11,967,980
Total Current Liabilities		13,923,877,776	14,818,297,399	10,485,604,390	10,142,563,314
NON-CURRENT LIABILITIES					
Long-term debentures	22	7,494,719,251	6,494,445,369	7,494,719,251	6,494,445,369
Long-term borrowings	24	3,910,000,000	2,032,000,000	3,910,000,000	1,980,000,000
Deferred tax liabilities	25.3	1,163,436,360	1,190,006,596	317,096,109	477,892,053
Non-current provision for employee benefit	26	298,845,679	264,742,366	128,568,709	112,075,741
Other non-current liabilities		111,833,889	98,997,867	51,064,213	41,650,302
Total Non-Current Liabilities		12,978,835,179	10,080,192,198	11,901,448,282	9,106,063,465
TOTAL LIABILITIES		26,902,712,955	24,898,489,597	22,387,052,672	19,248,626,779

Statements of Financial Position (Continued)

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at	As at	As at	As at
		October 31,	October 31,	October 31,	October 31,
		2018	2017	2018	2017
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
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
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199
RETAINED EARNINGS					
Appropriated					
Legal reserve		220,512,200	220,512,200	220,512,200	220,512,200
Unappropriated		11,181,625,219	10,584,282,739	2,750,548,184	3,554,072,983
OTHER COMPONENTS OF EQUITY		1,656,525,441	1,693,639,643	745,035,315	801,712,707
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT		18,210,218,369	17,649,990,091	8,867,651,208	9,727,853,399
NON-CONTROLLING INTERESTS		428,600,966	442,241,621	-	-
TOTAL SHAREHOLDERS' EQUITY		18,638,819,335	18,092,231,712	8,867,651,208	9,727,853,399
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		45,541,532,290	42,990,721,309	31,254,703,880	28,976,480,178

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

Statements of Profit or Loss

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
Revenues from sales and rendering of services					
Revenues from sales		17,407,308,245	15,370,900,452	9,616,813,253	8,207,641,053
Revenues from rendering of services		405,326,205	252,449,270	202,365,625	208,439,489
		<u>17,812,634,450</u>	<u>15,623,349,722</u>	<u>9,819,178,878</u>	<u>8,416,080,542</u>
Costs of sales of goods and rendering of services					
Costs of sales of goods		(14,477,710,628)	(13,073,456,018)	(8,942,662,961)	(7,834,331,662)
Costs of rendering of services		(203,658,590)	(106,560,355)	(144,787,493)	(146,712,874)
		<u>(14,681,369,218)</u>	<u>(13,180,016,373)</u>	<u>(9,087,450,454)</u>	<u>(7,981,044,536)</u>
Gross profit		3,131,265,232	2,443,333,349	731,728,424	435,036,006
Other incomes		475,010,909	565,950,362	503,451,368	527,808,174
Revenue from compensation for sugar production and distribution	7.3	440,564,105	-	268,049,084	-
Gain (loss) on exchange rate		57,171,514	53,166,005	39,183,716	(74,887,354)
Gain (loss) on fair value adjustments of biological assets		(32,850,157)	(54,383,398)	2,030,781	(6,053,835)
Gain on fair value adjustments of investment property		240,907,860	426,259,308	150,441,650	45,168,135
Gain on sales of investments in subsidiaries		-	2,370,353,122	-	2,634,597,274
Loss on impairment of investments in subsidiaries		-	-	(492,431,077)	(400,299,205)
Gain (loss) on sales and disposal of assets		(2,614,855)	(19,757,776)	8,965,762	266,283
Loss on impairment of property, plant and equipment		(4,002,240)	(222,645,523)	-	-
Distribution costs		(1,885,943,824)	(1,519,292,072)	(956,081,321)	(625,689,048)
Administrative expenses		(724,008,237)	(837,028,671)	(287,410,614)	(342,478,318)
Management benefit expenses	6.2	(138,267,260)	(147,141,807)	(56,220,860)	(50,507,750)
Finance costs		(727,643,450)	(668,129,437)	(620,337,926)	(514,185,853)
Share of gain on investment in associates		145,127,077	120,914,119	-	-
Profit (loss) before income tax (expense) income		<u>974,716,674</u>	<u>2,511,597,581</u>	<u>(708,631,013)</u>	<u>1,628,774,509</u>
Income tax (expense) income	25.1	(144,336,815)	(559,852,032)	142,424,844	(316,791,055)
NET PROFIT (LOSS) FOR THE YEAR		<u><u>830,379,859</u></u>	<u><u>1,951,745,549</u></u>	<u><u>(566,206,169)</u></u>	<u><u>1,311,983,454</u></u>
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		848,055,191	1,970,395,073	(566,206,169)	1,311,983,454
Non-controlling interests		(17,675,332)	(18,649,524)	-	-
		<u><u>830,379,859</u></u>	<u><u>1,951,745,549</u></u>	<u><u>(566,206,169)</u></u>	<u><u>1,311,983,454</u></u>
EARNINGS (LOSS) PER SHARE	31				
Basic earnings (loss) per share	BAHT	0.192	0.447	(0.128)	0.297
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
For the year ended October 31, 2018

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
Profit (loss) for the year		830,379,859	1,951,745,549	(566,206,169)	1,311,983,454
Other comprehensive income (expense) :					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statements		25,334,141	(119,980,669)	-	-
Gain (loss) on remeasuring investments held as available for sale		(56,677,392)	22,279,424	(56,677,392)	22,279,424
Total items that will be reclassified subsequently to profit or loss		(31,343,251)	(97,701,245)	(56,677,392)	22,279,424
Items that will be not reclassified subsequently to profit or loss:					
Loss on revaluation of assets		(732,751)	(4,090,286)	-	-
Unrealized actuarial gain (loss) adjustment		(31,204,613)	32,869,813	(16,807,009)	14,176,358
Total items that will be not reclassified subsequently to profit or loss		(31,937,364)	28,779,527	(16,807,009)	14,176,358
Other comprehensive income (expense) for the year - net of tax		(63,280,615)	(68,921,718)	(73,484,401)	36,455,782
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		<u>767,099,244</u>	<u>1,882,823,831</u>	<u>(639,690,570)</u>	<u>1,348,439,236</u>
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO					
Owners of the parent		780,739,899	1,924,903,186	(639,690,570)	1,348,439,236
Non-controlling interests		(13,640,655)	(42,079,355)	-	-
		<u>767,099,244</u>	<u>1,882,823,831</u>	<u>(639,690,570)</u>	<u>1,348,439,236</u>

Consolidated Statement of Changes in Shareholders' Equity

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT

Notes	Owners of the Parent												Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity						Total owners of the parent			
			Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense)				Losses on equity					
					Exchange differences on translating financial statements	Gain (loss) on remeasuring available-for-sale investments	Gain (loss) on asset revaluation	Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries	Total 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	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	484,320,976	16,650,431,123	
Changes in shareholders' equity during the year														
- Dividends paid	27	-	-	(441,023,242)	-	-	-	-	-	-	(441,023,242)	-	(441,023,242)	
- Transfer of gain (loss) of asset revaluation		-	-	18,286,252	-	-	(21,976,099)	-	-	(21,976,099)	(3,689,847)	(400,439)	(4,090,286)	
- Unrealized actuarial gain adjustment		-	-	31,914,890	-	-	-	-	-	-	31,914,890	954,923	32,869,813	
- Total comprehensive income (expense) for the year		-	-	1,970,395,073	(95,996,354)	22,279,424	-	-	-	(73,716,930)	1,896,678,143	(42,633,839)	1,854,044,304	
Ending balance as at October 31, 2017	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	17,649,990,091	442,241,621	18,092,231,712	
For the year ended October 31, 2018														
Beginning balance as at November 1, 2017	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	17,649,990,091	442,241,621	18,092,231,712	
Changes in shareholders' equity during the year														
- Dividends paid	27	-	-	(220,511,621)	-	-	-	-	-	-	(220,511,621)	-	(220,511,621)	
- Transfer of loss of asset revaluation		-	-	-	-	-	(701,829)	-	-	(701,829)	(701,829)	(30,922)	(732,751)	
- Unrealized actuarial loss adjustment		-	-	(30,201,090)	-	-	-	-	-	-	(30,201,090)	(1,003,523)	(31,204,613)	
- Total comprehensive income (expense) for the year		-	-	848,055,191	20,265,019	(56,677,392)	-	-	-	(36,412,373)	811,642,818	(12,606,210)	799,036,608	
Ending balance as at October 31, 2018	2,205,116,310	2,946,439,199	220,512,200	11,181,625,219	(35,280,736)	(34,397,968)	2,100,973,856	(263,275,867)	(111,493,844)	1,656,525,441	18,210,218,369	428,600,966	18,638,819,335	

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

Separate Statment of Changes in Shareholders' Equity

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT									
Notes	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity			Total shareholders' equity	Total
			Appropriated	Unappropriated	Other comprehensive income (expense)		Total other components of equity		
			Legal reserve		Gain (loss) on remeasuring available-for-sale investments	Gain on asset revaluation			
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	27	-	-	(441,023,242)	-	-	-	(441,023,242)	
- Unrealized actuarial gain 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	
For the year ended October 31, 2018									
Beginning balance as at November 1, 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	
Changes in shareholders' equity during the year									
- Dividends paid	27	-	-	(220,511,621)	-	-	-	(220,511,621)	
- Unrealized actuarial loss adjustment		-	-	(16,807,009)	-	-	-	(16,807,009)	
- Total comprehensive expense for the year		-	-	(566,206,169)	(56,677,392)	-	(56,677,392)	(622,883,561)	
Ending balance as at October 31, 2018	2,205,116,310	2,946,439,199	220,512,200	2,750,548,184	(34,397,968)	779,433,283	745,035,315	8,867,651,208	

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

Statements of Cash Flows

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax (expense) income	974,716,674	2,511,597,581	(708,631,013)	1,628,774,509
Adjustments for:				
Dividend income	(3,542,337)	(14,956,534)	(15,452,488)	(20,493,188)
Doubtful accounts - trade and other receivables	70,111,424	26,221,568	5,974,082	8,246,103
Share of gain of investment in an associate	(145,127,077)	(120,914,119)	-	-
Amortization (increase) of discount on bonds	(21,030)	59,485	-	-
Employee benefit expenses	33,408,989	74,038,776	13,756,808	33,510,710
Loss from capital reduction of an associate	443,465	-	443,465	-
Loss on obsolete goods and supplies (reversal)	(31,991,971)	5,525,630	(29,506,334)	258,146
Loss on diminution in value of inventories (reversal)	(186,106,786)	301,324,060	(118,068,803)	208,966,800
Loss from plantation	61,165,954	154,637,006	2,924,099	-
Depreciation and amortization	1,264,326,625	1,182,249,244	440,611,036	352,846,605
Loss (gain) on sales and disposal of assets	2,848,945	20,419,605	(6,818,679)	(266,283)
Loss on impairment of assets	4,530,509	222,726,671	-	-
Loss on impairment of investments in subsidiaries	-	-	492,431,077	400,299,205
Gain on sales of investments in subsidiaries	-	(2,370,353,122)	-	(2,634,597,274)
Gain on fair value adjustments of investment property	(240,907,860)	(426,259,308)	(150,441,650)	(45,168,135)
Unrealized (gain) loss on exchange rate	(3,355,425)	7,292,816	(19,883,278)	85,902,645
Loss (gain) on fair value adjustments of biological assets	34,275,762	54,383,398	(2,030,780)	6,053,835
Interest income	(113,368,083)	(111,254,867)	(259,701,656)	(208,380,799)
Interest expenses	727,643,450	668,129,437	620,337,926	514,185,853
	2,449,051,228	2,184,867,327	265,943,812	330,138,732
Operating assets (increase) decrease				
Trade and other current receivables	(1,265,875,148)	(38,890,815)	(577,858,006)	91,802,968
Inventories	(762,291,773)	(1,189,424,846)	(731,966,635)	(796,134,884)
Current biological assets	(50,842,486)	25,762,169	1,349,204	(405,571)
Other current assets	28,332,676	26,278,192	23,434,714	11,596,625
Trade and other non-current receivables	(478,280,962)	(21,593,378)	(274,620,867)	(8,652,248)
Other non-current assets	(10,744,540)	62,526,260	(13,992,752)	(15,973,844)
Operating liabilities increase (decrease)				
Trade and other current payables	231,200,642	10,484,485	157,567,648	198,805,309
Other current liabilities	16,619,101	(5,359,271)	(2,552,045)	(878,477)
Non-current provision for employee benefit	(38,453,251)	(23,929,539)	(18,272,602)	(11,141,027)
Other non-current liabilities	12,836,022	15,643,739	9,413,911	12,463,481
Cash received (paid) from operating activities	131,551,509	1,046,364,323	(1,161,553,618)	(188,378,936)
Interest paid	(706,795,238)	(681,693,325)	(598,261,025)	(528,902,577)
Income tax expense paid	(120,799,825)	(128,235,788)	(10,642,881)	(8,450,538)
Net cash (used in) provided by operating activities	(696,043,554)	236,435,210	(1,770,457,524)	(725,732,051)

Statements of Cash Flows (continued)

Khon Kaen Sugar Industry Public Company Limited
For the year ended October 31, 2018

UNIT : BAHT

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for the purchase of temporary investments	(324)	(337)	-	-
(Increase) decrease in short-term loans to related parties and others	(39,779,928)	(171,400,000)	181,117,676	153,027,799
Decrease (increase) in short-term loans to farmers	50,898,133	(109,606,105)	69,798,835	(226,062,176)
Cash payments for investments in an associate	(695,170)	-	(695,170)	-
Cash received from decrease capital in an associate	1,407,685	-	1,407,685	-
Cash payments for investments in subsidiaries	-	-	-	(284,604)
Cash payments for purchases of other long-term investments	(2,175)	(6,748,759)	(2,175)	-
Cash received from redemption of other long-term investments	-	2,700,000	-	-
Decrease (increase) in loans for cane plantation development	149,589,523	(61,477,505)	30,804,394	10,324,663
(Increases) decrease in long-term loans to related parties and others	(4,962,000)	10,845,333	(905,012,000)	77,755,333
Cash received from interest income	110,429,688	110,600,057	231,871,556	216,235,080
Cash received from dividends of subsidiaries and others	9,933,411	20,493,188	9,933,411	20,493,188
Cash payments for purchases of property, plant and equipment	(1,169,400,188)	(3,115,121,873)	(755,373,105)	(1,601,185,979)
Cash received from sales of property, plant and equipment	37,202,143	16,886,952	20,076,528	455,900
Cash payments for purchase of investment properties	(6,263,373)	(4,936,679)	(220,741)	(63,344)
Cash received from sales of investment properties	-	117,850	-	-
Cash payments for purchase of assets not yet used in operation	-	(9,613,085)	-	(31,937)
Cash received from sales of assets not yet used in operation	286,987	930,429	-	-
Cash payments of purchase of intangible assets	(1,556,668)	(3,363,646)	(519,990)	(2,380,426)
Net cash used in investing activities	(862,912,256)	(3,319,694,180)	(1,116,813,096)	(1,351,716,503)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease) increase in short-term borrowings from financial institutions	(1,662,779,438)	4,907,968,973	(409,000,000)	3,157,000,000
Increase (decrease) in short-term borrowings from related parties	369,582,960	(1,900,000)	86,750,546	62,300,000
Cash received from long-term debentures	2,000,000,000	2,496,043,121	2,000,000,000	2,496,043,121
Cash payment for long-term debentures	(1,000,000,000)	(3,000,000,000)	(1,000,000,000)	(3,000,000,000)
Cash received from long-term borrowings	4,000,000,000	1,000,000,000	4,000,000,000	1,000,000,000
Cash payment for long-term borrowings	(1,973,833,330)	(1,811,633,330)	(1,573,833,330)	(1,205,833,330)
Cash payments for dividends to shareholders of the parent	(220,511,621)	(441,023,242)	(220,511,621)	(441,023,241)
Net cash provided by financing activities	1,512,458,571	3,149,455,522	2,883,405,595	2,068,486,550
Exchange differences on translation of cash of foreign subsidiaries	22,735,056	4,496,608	-	-
Net (decrease) increase in cash and cash equivalents	(23,762,183)	70,693,160	(3,865,025)	(8,962,004)
Cash and cash equivalents at the beginning of the year	153,003,915	82,310,755	11,894,182	20,856,186
Cash and cash equivalents at the end of the year	129,241,732	153,003,915	8,029,157	11,894,182

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

Note to the Financial Statements

For the year ended October 31, 2018

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 33.26% of issued and paid-up shares capital.

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

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

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

- 2.1 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2016) "Presentation of Financial Statements", and the regulation of the Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development dated October 11, 2016 regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559". (See the newly presentations according to the Notification in Note 37)

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 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, 2018	October 31, 2017		
	%	%		
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. 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 WSP Logistic Company Limited whose accounting periods ended December 31

During the year 2018, the 4 subsidiaries including Tamaka Sugar Industry Company Limited, KSL Agro & Trading Company Limited, New Krung Thai Sugar Factory Company Limited and New Kwang Soon Lee Sugar Factory Company Limited have been permitted by the Revenue Department to change its accounting period end from December 31 of the years to October 31 of the years commencing from accounting period end on October 31, 2018 onwards.

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

During the period, the Group has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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 Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette on September 21, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follow:

Thai Accounting Standards ("TAS")

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standards ("TFRS")

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16

Hedges of a Net Investment in a Foreign Operation

TFRIC 19

Extinguishing Financial Liabilities with Equity Instruments

50 Thai Financial Reporting Standards Revised 2018 have been announced in the Royal Gazette on November 27, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

The Group’s management will adopt such TFRS in the preparation of the Group’s financial statements when it becomes effective. Group’s management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

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 deteriorated or obsolete inventories and for 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 profit or loss 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 profit or loss 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 investments held as 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 other comprehensive income. When these investments are sold or impaired in value, the recognition will be made through the statement of profit or loss.
- 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 profit or loss.
- 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 profit or loss 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 profit or loss.

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	2 - 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	2	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 50 - 60 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 profit or loss (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 profit or loss 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 profit or loss 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 sale of electricity and steam are recognized when the products steam are delivered and the customers have accepted the deliveries.
- 3.18.6 Interest income and discount receivable from discounting notes receivable are recognized according to the related period.
- 3.18.7 Dividend income is recognized when entitled to receive such dividend.
- 3.18.8 Other incomes are recognized on an accrual basis.

3.19 Expense recognition

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.

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 profit or loss 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 profit or loss 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 profit or loss 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 estimate which requires the Company's and its subsidiaries' management to exercise the significant judgments is 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. CHANGE IN ACCOUNTING ESTIMATE

In the fourth quarter of fiscal year 2018, the management of Company and its subsidiaries in the production and distribution of sugar and molasses with bearer plant reviewed the estimated economic useful life of bearer plant and considered to change the estimated useful life from 3 years to 2 years to reflect the current productivity of existing bearer plant using the prospective method. The Company and its subsidiaries' management have assessed that the effect of such change in accounting estimate on the financial statements is immaterial.

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		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Purchases of property, plant and equipment which have not yet been paid	19,863	95,982	21,615	53,814
Transfer of property, plant and equipment to investment property and assets not used in operations	-	58,376	-	3,361
Transfer of equipment to intangible assets	298	5,969	298	5,729
Transfer of investment property to property, plant and equipment and assets not used in operations	-	4,658	-	-
Transfer of assets not used in operations to investment property	2,626	-	-	-
Transfer of assets not used in operations to inventories	8,585	-	-	-
Transfer of assets not used in operations to property, plant and equipment	6,754	-	-	-
Decrease in short-term loans to subsidiaries from debt-to-equity conversion	-	-	775,320	-
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	4,151	8,395	-	-

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

Type of Transactions	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Cash	2,331	2,460	876	1,182
Current accounts deposits	25,571	40,864	(1,258)	(318)
Savings accounts deposits	101,340	109,680	8,411	11,030
Total	<u>129,242</u>	<u>153,004</u>	<u>8,029</u>	<u>11,894</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		Unit : Million Baht	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2018	2017	2018	2017
Trade and other current receivables				
Subsidiaries	-	-	912.19	165.68
Associates	1.32	-	1.32	-
Related parties	373.57	34.57	203.31	6.26
Total	<u>374.89</u>	<u>34.57</u>	<u>1,116.82</u>	<u>171.94</u>
Short-term loans (see Note 8)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,326.44</u>	<u>4,625.92</u>
Other current assets				
Subsidiaries	-	-	56.72	32.83
Associates	5.52	-	5.52	-
Related parties	0.45	1.02	0.16	0.17
Total	<u>5.97</u>	<u>1.02</u>	<u>62.40</u>	<u>33.00</u>
Long-term loans				
Subsidiaries	<u>-</u>	<u>-</u>	<u>4,521.69</u>	<u>1,300.00</u>
Other non-current assets				
Subsidiaries	-	-	3.29	3.29
Related parties	0.02	0.02	-	-
Total	<u>0.02</u>	<u>0.02</u>	<u>3.29</u>	<u>3.29</u>
Trade and other current payables				
Subsidiaries	-	-	28.65	113.76
Associates	5.58	4.63	-	-
Related parties	178.13	8.39	120.04	3.96
Total	<u>183.71</u>	<u>13.02</u>	<u>148.69</u>	<u>117.72</u>
Other accrued expenses (included in other payables)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>31.14</u>	<u>0.68</u>
Short-term borrowings				
Subsidiaries	-	-	421.50	540.20
Related parties	3.80	5.00	3.80	5.00
Total	<u>3.80</u>	<u>5.00</u>	<u>425.30</u>	<u>545.20</u>
Other current liabilities				
Subsidiaries	-	-	0.03	0.03
Related parties	0.02	-	-	-
Total	<u>0.02</u>	<u>-</u>	<u>0.03</u>	<u>0.03</u>
Other non-current liabilities				
Subsidiaries	-	-	0.47	0.47
Related parties	1.19	1.55	1.19	1.55
Total	<u>1.19</u>	<u>1.55</u>	<u>1.66</u>	<u>2.02</u>

As at October 31, 2018 and 2017, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 2.10% - 3.05% per annum and 1.96% - 3.39% per annum, respectively.

As at October 31, 2018 and 2017, long-term loans to subsidiaries represented loans with maturity date within 2020 - 2027 and within 2020 respectively, carrying the interest rates at 2.20% - 3.90% per annum and 3.73% per annum, respectively.

As at October 31, 2018 and 2017, short-term borrowings from subsidiaries and related parties represented promissory notes payable on demand, carrying the interest rates at 1.80% - 1.84% per annum and 1.83% - 1.92% per annum, respectively.

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

Type of Transactions	Consolidated		Unit : Million Baht	
	Financial Statements	Financial Statements	Separate	Separate
	2018	2017	2018	2017
Revenues from sales and rendering of services				
Subsidiaries	-	-	2,463.17	3,446.03
Related parties	2,006.57	2.02	914.54	-
Total	<u>2,006.57</u>	<u>2.02</u>	<u>3,377.71</u>	<u>3,446.03</u>
Cost of sales and rendering of services				
Subsidiaries	-	-	2,693.88	2,877.72
Associates	10.02	11.56	10.02	11.56
Related parties	43.04	1.47	1.53	1.33
Total	<u>53.06</u>	<u>13.03</u>	<u>2,705.43</u>	<u>2,890.61</u>
Other incomes				
Subsidiaries	-	-	218.06	194.96
Associates	11.44	1.02	11.07	0.32
Related parties	9.17	4.50	5.95	4.48
Total	<u>20.61</u>	<u>5.52</u>	<u>235.08</u>	<u>199.76</u>
Distribution costs				
Subsidiaries	-	-	9.73	5.16
Associates	51.48	20.38	3.05	0.18
Total	<u>51.48</u>	<u>20.38</u>	<u>12.78</u>	<u>5.34</u>
Administrative expenses				
Subsidiaries	-	-	9.76	3.28
Related parties	14.88	16.29	6.23	6.16
Related juristic person	11.00	11.44	9.90	10.10
Total	<u>25.88</u>	<u>27.73</u>	<u>25.89</u>	<u>19.54</u>
Financial costs				
Subsidiaries	-	-	5.94	8.42
Related juristic person	0.08	0.11	0.08	0.11
Total	<u>0.08</u>	<u>0.11</u>	<u>6.02</u>	<u>8.53</u>
Management compensation				
Short-term employee benefits	138.27	147.14	56.22	50.51
Post-employment benefits	3.69	4.32	1.90	1.82
Total	<u>141.96</u>	<u>151.46</u>	<u>58.12</u>	<u>52.33</u>

POLICIES OF INTER-PRICE SETTING

- The inter-purchases/sales of raw sugar transactions among the Group are based on the sales agreements.
- 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 costs.
- 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 associates consisted of:

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
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
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Related party	Same common mutual director

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 K.S.L. Export Trading Co., Ltd., which is subsidiary of Khon Kaen Sugar Industry Public Company Limited.

7. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Trade receivables	940,737	769,947	509,687	591,680
Current farmer receivables	324,213	298,147	225,688	200,497
Receivables from the Office of the Cane and Sugar Fund	1,035,550	-	633,071	-
Other receivables	16,528	18,673	18,013	10,139
Advance payment for shares (see Note 13)	-	-	775,320	-
Prepaid expenses	37,708	32,737	19,629	17,792
Advance payment	7,507	12,657	3,986	8,146
Accrued income	113,822	66,256	75,353	44,456
Total trade and other current receivables	<u>2,476,065</u>	<u>1,198,417</u>	<u>2,260,747</u>	<u>872,710</u>

7.1 Trade receivables as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Related parties	372,086	33,619	327,820	170,066
Others	568,651	736,328	181,867	421,614
Total trade receivables	<u>940,737</u>	<u>769,947</u>	<u>509,687</u>	<u>591,680</u>

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	
	2018	2017	2018	2017
Domestic trade receivables				
Not yet due	372,086	17,114	327,820	131,518
Overdue not over 3 months	-	5	-	23,131
Total	<u>372,086</u>	<u>17,119</u>	<u>327,820</u>	<u>154,649</u>
Foreign trade receivables				
Not yet due	-	16,500	-	6,816
Overdue not over 3 months	-	-	-	8,601
Total	<u>-</u>	<u>16,500</u>	<u>-</u>	<u>15,417</u>
Total trade receivables - related parties	<u>372,086</u>	<u>33,619</u>	<u>327,820</u>	<u>170,066</u>

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	
	2018	2017	Financial Statements	
	2018	2017	2018	2017
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	117,304	201,273	26,173	72,875
Overdue not over 3 months	31,252	67,278	12,586	34,988
Overdue over 3 months and not over 6 months	13,552	-	13,552	-
Total	162,108	268,551	52,311	107,863
Foreign trade receivables				
Not yet due	290,220	394,101	113,753	292,722
Overdue not over 3 months	4,541	36,065	4,541	21,029
Overdue over 3 months and not over 6 months	11,261	-	11,262	-
Total	306,022	430,166	129,556	313,751
Total of business are to manufacture and distribute sugar and molasses	468,130	698,717	181,867	421,614
Manufacture and distribution of electricity				
Domestic trade receivables				
Not yet due	70,962	17,748	-	-
Overdue not over 3 months	24,056	15,133	-	-
Total of business of manufacturing and distributing of electricity	95,018	32,881	-	-
Other business				
Domestic trade receivables				
Not yet due	2,280	2,307	-	-
Overdue not over 3 months	2,138	1,969	-	-
Overdue over 3 months and not over 6 months	365	71	-	-
Overdue over 6 months and not over 12 months	204	-	-	-
Overdue over 12 months	516	383	-	-
Total other business	5,503	4,730	-	-
Total trade receivables - others	568,651	736,328	181,867	421,614

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

7.2 Current farmer receivables as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Cane receivables				
Before Season 2013/2014	50,287	57,682	10,659	11,282
Season 2013/2014	39,234	39,555	6,251	6,283
Season 2014/2015	44,572	46,777	12,206	12,921
Season 2015/2016	45,981	49,446	13,032	15,331
Season 2016/2017	37,767	53,371	15,468	23,837
Season 2017/2018	26,630	-	11,462	-
Total cane receivables	<u>244,471</u>	<u>246,831</u>	<u>69,078</u>	<u>69,654</u>
Advance payment for purchases of cane				
Season 2017/2018	-	197,958	-	164,183
Season 2018/2019	253,863	-	193,344	-
Total advance payment for purchases of cane	<u>253,863</u>	<u>197,958</u>	<u>193,344</u>	<u>164,183</u>
Receivables from fuel oil, fertilizer and other services	13,364	9,681	12,786	9,455
Total	511,698	454,470	275,208	243,292
Less Allowance for doubtful accounts	<u>(100,506)</u>	<u>(69,643)</u>	<u>(40,739)</u>	<u>(34,612)</u>
Total farmer receivables	411,192	384,827	234,469	208,680
Less Non-current portion	<u>(86,979)</u>	<u>(86,680)</u>	<u>(8,781)</u>	<u>(8,183)</u>
Total current farmer receivables	<u>324,213</u>	<u>298,147</u>	<u>225,688</u>	<u>200,497</u>

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

7.3 Receivables from the Office of the Cane and Sugar Fund

On November 23, 2018, the Cane and Sugar Board No.12/2018 has resolved the final cane price for the harvest season 2017/2018. The price is Baht 792.74 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 47.56 per cane ton and final compensation for the production and distribution of sugar is Baht 339.75 per cane ton so the final cane price and final compensation for the production and distribution of sugar were less than the initial cane price. In accordance to the Cane and Sugar Act B.E.2527, Section 56 the Cane and Sugar Fund has to pay the difference as compensation to the Company and its subsidiaries. However, the cane farmers do not have to return the excess of the received cane price.

As at October 31, 2018, the Company and its subsidiaries recorded receivables from sugar cane price in the consolidated and separate financial statements consist of the excess of the initial cane prices as announced by the Cane and Sugar Board, which the Company and its subsidiaries over paid to the farmers amounting to Baht 1,035.55 million and Baht 633.07 million, respectively, and recorded revenue and non-current receivable from compensation for sugar production and distribution in the consolidated and separate financial statements by Baht 440.56 million and Baht 268.05 million, respectively (see Note 15).

8. SHORT-TERM LOANS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Short-term loans to subsidiaries and related parties (see Note 6.1)	-	-	1,226,440	1,766,197
Short-term loans to other	220,780	181,000	220,780	181,000
Short-term loans to farmers	1,015,616	1,075,055	404,172	473,971
Current portion of long-term loans to subsidiaries (see Note 6.1)	-	-	100,000	2,859,727
Current portion of long-term loans to others	46,683	31,733	46,683	31,733
Current portion of loans for cane plantation development	250,067	281,471	59,663	60,922
Total short-term loans	<u>1,533,146</u>	<u>1,569,259</u>	<u>2,057,738</u>	<u>5,373,550</u>

Short-term loans to other as at October 31, 2018 and 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 land and structure and the director of such company.

Short-term loans to farmers as at October 31, 2018 and 2017, 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	
	2018	2017	2018	2017
Sugar and molasses	3,437,093	2,490,630	2,398,280	1,542,500
Bio-fertilizer	25,787	39,463	-	-
Bagasse	85,989	125,006	-	-
Real estate development	62,712	62,712	-	-
Factory supplies	95,031	199,922	64,321	161,688
Machine maintenance supplies	508,771	526,774	397,381	423,828
	<u>4,215,383</u>	<u>3,444,507</u>	<u>2,859,982</u>	<u>2,128,016</u>
<u>Less</u> Allowance for deteriorated or obsolete inventories	(7,396)	(39,388)	(4,614)	(34,121)
Allowance for diminution in value of inventories	(119,030)	(305,137)	(90,898)	(208,967)
Total inventories	<u>4,088,957</u>	<u>3,099,982</u>	<u>2,764,470</u>	<u>1,884,928</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Beginning balance	(39,388)	(33,862)	(34,121)	(33,862)
<u>Add</u> Disposal (increase) during the years - recognized as expense of sales for the years	31,992	(5,526)	29,507	(259)
Ending balance	<u>(7,396)</u>	<u>(39,388)</u>	<u>(4,614)</u>	<u>(34,121)</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Beginning balance	(305,137)	(3,813)	(208,967)	-
<u>Add</u> Reversal (increase) during the years - recognized as cost of sales for the years	186,107	(301,324)	118,069	(208,967)
Ending balance	<u>(119,030)</u>	<u>(305,137)</u>	<u>(90,898)</u>	<u>(208,967)</u>

10. CURRENT BIOLOGICAL ASSETS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Beginning book value	111,895	250,734	5,854	11,502
Gain (loss) on arising from change in fair value	(34,276)	(55,629)	2,030	2,465
Additional plantation costs during the year	175,648	196,448	6,694	11,908
Amortization from harvesting during the year	(124,806)	(218,864)	(8,043)	(20,021)
Loss from plantation	(21,820)	(54,294)	(429)	-
Allowance for impairment	(45,892)	-	-	-
Exchange differences on translating financial statements	51	(6,500)	-	-
Ending book value	<u>60,800</u>	<u>111,895</u>	<u>6,106</u>	<u>5,854</u>

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 next production season, a sweetness level and quantity of sugar cane. The fair value is hierarchy level 3.

11. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale as at October 31, consisted of:

	Parentage of Shareholding		Consolidated		Unit : Thousand Baht	
	Direct and indirect		Financial Statements		Separate	
	2018	2017	2018	2017	2018	2017
	%	%				
Marketable equity securities-Available-for-sale-securities						
- Madman Public Company Limited	7.46	7.46	432,952	350,000	432,952	350,000
Gain from the reclassification of investment			-	82,952	-	82,952
Change in fair value			(125,949)	(55,103)	(125,949)	(55,103)
Total investments held as available for sale			307,003	377,849	307,003	377,849

In the second quarter of 2017, the investment in Mudman Co., Ltd. was changed from general investment to investments held as available-for-sale 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 in the consolidated and separate statement of profit or loss and statement of profit or loss and other comprehensive income for the year ended October 31, 2017.

The fair value of investments held as available-for-sale is the offering price on the Stock Exchange of Thailand which is hierarchy level 1.

12. INVESTMENTS IN ASSOCIATES

Investments in associates as at October 31, consisted of:

Consolidated Financial Statements

Company Name	Paid-up		Percentage of		2018		2017		Unit : Thousand Baht	
	Share Capital		Shareholding		Investment		Investment		Dividend	
	2018	2017	%	%	Cost	Equity	Cost	Equity	for	for
			2018	2017					the period	the year
									2018	2017
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	507,174	11,869	90,267	455,593	5,478
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.*	300,000	500,000	0.62	0.62	1,855	1,855	-	3,089	3,089	-
T S Flour Mill Public Company Limited*	344,706	342,051	0.08	0.07	391	254	41	313	218	59
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 Public Company Limited**	2,532,000	2,532,000	40.00	40.00	3,244,868	3,326,545	-	3,244,868	3,244,867	-
Total					3,380,459	3,878,906	11,910	3,381,615	3,746,845	5,537

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

** BBGI Public Company Limited (BBGI) arose from the amalgamation between KSLGI Company Limited (KSLGI), a subsidiary of the Company and BBP Holding Company Limited (BBH), a subsidiary of Bangchak Corporation Public Company Limited, which was incorporated as a limited company on October 31, 2017 and later the Company registered as a public limited company with the Department of Business Development on April 27, 2018.

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Unit : Thousand Baht	
	share Capital		Shareholding				Dividends	
	2018	2017	%	%	2018	2017	For the year ended	
			2018	2017			2018	2017
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	90,267	11,869	5,478
T S G Assets Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.*	300,000	500,000	0.62	0.62	1,855	3,089	-	-
T S Flour Mill Public Company Limited*	344,706	342,051	0.08	0.07	391	313	41	59
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 Public Company Limited**	2,532,000	2,532,000	40.00	40.00	3,244,868	3,244,868	-	-
Total					3,380,459	3,381,615	11,910	5,537

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

** BBGI Public Company Limited (BBGI) arose from the amalgamation between KSLGI Company Limited (KSLGI), a subsidiary of the Company and BBP Holding Company Limited (BBH), a subsidiary of Bangchak Corporation Public Company Limited, which was incorporated as a limited company on October 31, 2017 and later the Company registered as a public limited company with the Department of Business Development on April 27, 2018.

The Minutes of Annual General Shareholders' meeting No.1/2561 on April 26, 2018, of T S Oil Industry Co., Ltd. has resolution to decrease the registered capital and modify the memorandum of association from the registered capital of Baht 600.00 million to Baht 300.00 million, by reducing the par value of ordinary share from Baht 100.00 per share to Baht 50.00 per share. The capital reduction was to discount the deficits and the remaining amount was returned to shareholders. T S Oil Industry Co., Ltd. registered the reduction of its registered capital on June 22, 2018. As a result of such capital reduction, there was loss on capital reduction of an associate amounting of Baht 0.44 million, which is presented as statement of profit or loss.

On April 25, 2018, at the Annual General Meeting of the Shareholders of BBGI Co., Ltd. ("BBGI"), an associate of the Company, approved the following resolutions:

- Conversion of BBGI to a public company limited and change of par value from Baht 10 per share to 5 Baht per share
- Increase the registered capital of BBGI totaling Baht 1,083 million from Baht 2,532 million to Baht 3,615 million for distribution and sale to the shareholders of Khon Kaen Sugar Industry Public Company Limited and Bangchak Corporation Public Company Limited at the amount of not exceeding Baht 216.60 million and for the initial public offering in the amount of not lower than Baht 851.40 million
- Issuance and offering of new ordinary shares to directors, management and employees of BBGI and its subsidiaries under BBGI ESOP Scheme for the amount of not exceeding 3 million shares, which is not exceeding 0.42 percent of the total post initial public offering issued shares of BBGI. The offering price will be the same as the initial public offering (IPO) price
- Listing of BBGI's ordinary shares on the Stock Exchange of Thailand.

On July 16, 2018, at the Extraordinary General Meeting of the shareholders No.1/2561 of BBGI Public Company Limited ("BBGI"), an associate of the Company, approved a change to the allocation of ordinary shares from capital increase of BBGI as follows:

- Issuance and offering of BBGI's new ordinary shares to the shareholders of Khon Kaen Sugar Industry Public Company Limited and Bangchak Corporation Public Company Limited (Pre-emptive Offering) in the amount of not exceeding 54 million shares, par value of Baht 5.
- Issuance and offering of BBGI's new ordinary shares to the BBGI's directors, managements and employees of BBGI and its subsidiaries under BBGI ESOP scheme in the amount of not exceeding 3 million shares, par value of Baht 5.
- Issuance and offering of BBGI's new ordinary shares for Initial Public Offering (IPO), including individuals who have relationship or sponsors, in accordance with relevant rules and cornerstone investors in the amount of not exceeding 159 million shares, par value of Baht 5, comprises those remaining from the pre-emptive offering and BBGI ESOP scheme.

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at October 31, consisted of:

Separate Financial Statements

Company Name			Percentage of		Investment Cost		Unit : Thousand Baht	
	Paid-up		Shareholding				Dividends	
	Share Capital						For the year ended	
	2018	2017	2018	2017	2018	2017	2018	2017
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	-	-
KSL Material Supplies 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. 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	5,926,529	-	-
Less Allowance for impairment of investments					(1,643,149)	(1,150,718)	-	-
Total investments subsidiaries					4,283,380	4,775,811	-	-

* 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 and Koh Kong Sugar Industry 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, 2018, loss of Koh Kong Plantation Company Limited and Koh Kong Sugar Industry 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.

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

	Unit : Thousand Baht Separate Financial Statements	
	2018	2017
Beginning balance	4,775,811	5,786,096
Additional investments		
KSLGI Company Limited	-	831,715
Selling investments		
KSL Green Innovation Public Company Limited	-	(609,986)
Decrease from amalgamation		
KSLGI Company Limited	-	(831,715)
Increase in allowance for impairment of investments		
Savannahet Sugar Corporation	(98,092)	(137,670)
Koh Kong Sugar Industry Company Limited	(158,771)	(262,629)
Wynn In Trading Company Limited	(235,568)	-
Ending balance	<u>4,283,380</u>	<u>4,775,811</u>

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.

In accordance with the Extraordinary General Meeting of Shareholders No.1 of the annual 2018 of Koh Kong Sugar Industry Company Limited held on September 3, 2018, the meeting has a resolution to increase its registered capital in amount of USD 24,000,000 for reduction of its deficit by increase its par value from USD 360,000 per share to USD 600,000 per share. Therefore, the registered capital will be USD 60,000,000 (100 shares at the par value of USD 600,000 per share). The Company fully paid share subscriptions by offsetting to long-term loans to the subsidiary. The subsidiary is in the process of registering the capital increase.

In accordance with the Extraordinary General Meeting of Shareholders No.1 of the annual 2018 of Koh Kong Plantation Company Limited held on September 3, 2018, the meeting has a resolution to decrease its registered capital in amount of USD 15,000,000 for reduction of its deficit by decrease its par value from USD 300,000 per share to USD 150,000 per share. Therefore, the registered capital will be USD 15,000,000 (100 shares at the par value of USD 150,000 per share). The subsidiary is in the process of registering the capital decrease.

As at October 31, 2018 and 2017, 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 Koh Kong Sugar Industry Company Limited and Wynn In Trading Company Limited, the independent appraiser evaluates the assets that generate future cash inflows and recorded impairment loss of investments in subsidiaries amounting to Baht 492.43 million and Baht 400.30 million, in the separate statements of profit or loss for the years ended October 31, 2018 and 2017, respectively.

14. 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	
	2018	2017	2018	2017	2018	2017
	%	%				
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	10	8	4	2
- TISCO ESG Investment Fund for Society			20,000	20,000	20,000	20,000
Total			20,797	20,795	20,327	20,325
Held-to-maturity debt securities - government bonds			6,749	6,749	-	-
<u>Less</u> Amortization			(37)	(58)	-	-
Net			6,712	6,691	-	-
Total other long-term investments			27,509	27,486	20,327	20,325

15. TRADE AND OTHER NON-CURRENT RECEIVABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Trade receivables	4,755	4,755	-	-
Farmer receivables	86,979	88,420	8,781	8,183
Receivables from compensation for production and distribution of sugar (see Note 7.3)	440,564	-	268,049	-
Total trade and other non-current receivables	532,298	93,175	276,830	8,183

16. LONG-TERM LOANS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Long-term loans to subsidiaries	-	-	4,621,690	4,159,728
Long-term loans to others	71,183	66,221	71,183	66,221
Loans for cane plantation development	557,838	707,427	110,247	141,050
<u>Less</u> Allowance for doubtful debts	(89,658)	(67,245)	(9,702)	(9,702)
<u>Less</u> Current portion (included as part of short-term loans, see Note 8)	(296,750)	(313,204)	(206,346)	(2,952,382)
Total long-term loans	<u>242,613</u>	<u>393,199</u>	<u>4,587,072</u>	<u>1,404,915</u>

As at October 31, 2018 and 2017, most of long-term loans to others is loan to individual of Baht 62.00 million and Baht 60.00 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 loan is guaranteed by the shares and the land of two companies which the borrower is the director. In 2017, the agreement is amended to pay for 4 installments at Baht 15.00 million each, and the first installment is due in February 2018. Subsequently, on December 19, 2017, there is additional loan of Baht 20.00 million which will be due for repayment in August 2020 with the interest rate at 7.00% per annum payable at the end of each month.

As at October 31, 2018 and 2017, loans for cane plantation development included in the consolidated financial statements of Baht 536.19 million and Baht 685.78 million, respectively, and in the separate financial statements of Baht 88.60 million and Baht 119.40 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 7.20% - 8.00% per annum and rates of 7.12% - 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 loans are secured by such agricultural machineries.

17. INVESTMENT PROPERTY

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

2018

	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, 2017	2,978,687	1,938,520	4,917,207	955,502	589,413	1,544,915
Adjustment and reclassification	2,626	-	2,626	-	-	-
Purchases	-	6,263	6,263	-	221	221
Gain from fair value adjustments on investment property	224,176	16,732	240,908	137,359	13,083	150,442
As at October 31, 2018	3,205,489	1,961,515	5,167,004	1,092,861	602,717	1,695,578

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	2,978,687	1,938,520	4,917,207	955,502	589,413	1,544,915

For the years ended October 31, 2018 and 2017, the Company and its subsidiaries recognized rental income from investment property of Baht 202.26 million and Baht 203.58 million, respectively, in the consolidated statements of income, and of Baht 43.32 million and Baht 51.48 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.

18. PROPERTY, PLANT AND EQUIPMENT

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

2018

Unit : Thousand Baht

	Consolidated 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, 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
Adjustment and reclassification	-	-	831	34,118	(150)	(17)	(34,036)	-	746
Purchases	11,467	623	2,059	51,414	31,884	9,088	1,020,426	21,996	1,148,957
Disposals/written off	-	-	(645)	(35,348)	(87,712)	(11,244)	-	(58,036)	(192,985)
Transfer in (out)	-	46,819	313,555	904,755	-	9,995	(1,275,124)	-	-
Translation of financial statements differences	-	683	709	1,788	301	21	(6)	133	3,629
As at October 31, 2018	935,689	1,598,735	6,265,823	22,040,136	1,770,666	286,961	3,385,044	262,216	36,545,270
Accumulated depreciation :									
As at November 1, 2017	-	(398,857)	(1,325,729)	(8,005,876)	(1,142,478)	(238,400)	-	(190,069)	(11,301,409)
Adjustment and reclassification	-	-	(830)	(27,300)	104	(2)	-	-	(28,028)
Depreciation for the year	-	(35,505)	(162,565)	(890,986)	(82,520)	(19,385)	-	(66,254)	(1,257,215)
Disposals/written off	-	-	197	24,403	53,011	11,048	-	16,817	105,476
Translation of financial statements differences	-	(240)	(149)	(324)	(197)	(20)	-	(131)	(1,061)
As at October 31, 2018	-	(434,602)	(1,489,076)	(8,900,083)	(1,172,080)	(246,759)	-	(239,637)	(12,482,237)
Differences on revaluation of assets :									
As at November 1, 2017	2,316,670	-	-	-	-	-	-	-	2,316,670
As at October 31, 2018	2,316,670	-	-	-	-	-	-	-	2,316,670
Allowance for impairment of assets :									
As at November 1, 2017	(27,689)	-	(6,363)	(152,035)	(9,285)	-	-	(50,500)	(245,872)
Reclassification	-	-	-	(862)	862	-	-	-	-
Increased	-	-	(4,531)	-	5,953	-	-	47,765	49,187
Translation of financial statements differences	-	-	-	(84)	(10)	-	-	22	(72)
As at October 31, 2018	(27,689)	-	(10,894)	(152,981)	(2,480)	-	-	(2,713)	(196,757)
Net book value :									
As at October 31, 2018	3,224,670	1,164,133	4,765,853	12,987,072	596,106	40,202	3,385,044	19,866	26,182,946

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
Depreciation for the years ended October 31,									
2018								Thousand Baht	1,257,215
2017								Thousand Baht	1,175,557

2018

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, 2017	449,371	348,396	1,538,333	7,316,335	621,113	122,276	1,885,119	29,504	12,310,447
Adjustment and reclassification	-	-	-	25	-	(25)	(2,652)	-	(2,652)
Purchases	11,466	623	2,059	38,901	7,593	4,539	683,192	1,660	750,033
Disposals/written off	-	-	(645)	(9,045)	(35,015)	(5,801)	-	(3,416)	(53,922)
Transfer in (out)	-	30,572	287,286	546,989	-	9,498	(874,345)	-	-
As at October 31, 2018	460,837	379,591	1,827,033	7,893,205	593,691	130,487	1,691,314	27,748	13,003,906
Accumulated depreciation :									
As at November 1, 2017	-	(54,188)	(376,479)	(3,126,485)	(372,572)	(105,225)	-	(24,589)	(4,059,538)
Depreciation for the year	-	(12,667)	(51,248)	(330,845)	(27,803)	(9,778)	-	(2,760)	(435,101)
Disposals/written off	-	-	197	8,377	22,998	5,677	-	921	38,170
As at October 31, 2018	-	(66,855)	(427,530)	(3,448,953)	(377,377)	(109,326)	-	(26,428)	(4,456,469)
Differences on revaluation of assets :									
As at November 1, 2017	974,292	-	-	-	-	-	-	-	974,292
As at October 31, 2018	974,292	-	-	-	-	-	-	-	974,292
Allowance for impairment of assets :									
As at November 1, 2017	(21,337)	-	-	-	-	-	-	-	(21,337)
As at October 31, 2018	(21,337)	-	-	-	-	-	-	-	(21,337)
Net book value :									
As at October 31, 2018	1,413,792	312,736	1,399,503	4,444,252	216,314	21,161	1,691,314	1,320	9,500,392

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
Depreciation for the years ended October 31,									
2018									Thousand Baht 435,101
2017									Thousand Baht 347,762

As at October 31, 2018 and 2017, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 434.16 million and Baht 448.03 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 33.8.3).

As at October 31, 2018 and 2017, assets at cost of Baht 4,893.21 million and Baht 4,461.68 million, respectively, in the consolidated financial statements, and of Baht 2,655.57 million and Baht 2,534.27 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2018 and 2017, land which is recorded at revaluation method with the net value of Baht 3,224.67 million and Baht 3,213.20 million, respectively, in the consolidated financial statements and Baht 1,413.79 million and Baht 1,402.33 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, 2018 and 2017, land net book value at the cost method of Baht 935.69 million and Baht 924.22 million, respectively, in the consolidated financial statements, and of Baht 460.84 million and Baht 449.37 million, respectively, in the separate financial statements.

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 (2018 : Nil).

19. OTHER NON-CURRENT ASSETS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Assets not yet used in operation				
- Land	727,475	731,017	3,393	3,393
- Machinery and Equipment	13,236	28,574	-	-
Other non-current assets	78,079	63,184	37,564	23,571
Total other non-current assets	818,790	822,775	40,957	26,964

As at October 31, 2018 and 2017, lands not yet used in operation of Baht 727.48 million and Baht 731.02 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, 2018 and 2017, land net book value at the cost method of Baht 338.66 million and Baht 341.29 million, respectively, in the consolidated financial statements.

20. 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	
	2018	2017	2018	2017
Promissory notes	5,850,466	7,512,995	2,856,000	3,265,000
Bills of exchange	995,660	995,785	995,660	995,785
Total short-term borrowings from financial institutions	6,846,126	8,508,780	3,851,660	4,260,785

As at October 31, 2018 and 2017, promissory notes are borrowings denominated in Baht, in the consolidated financial statements, of Baht 5,850.47 million and Baht 7,263.78 million respectively, carrying interest rates at 1.84% - 2.20% per annum and 1.87% - 2.68% per annum, respectively, and in the separate financial statements, of Baht 2,856.00 million and Baht 3,265.00 million respectively, carrying interest rates at 1.84% - 1.90% per annum and 1.87% - 1.98% per annum, respectively.

As at October 31, 2017, 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 the subsidiary of Baht 249.22 million, are the borrowings denominated in US dollar carrying interest rates between LIBOR+2.00% per annum.

As at October 31, 2018 and 2017, bills of exchange in the consolidated and the separate financial statements represented the borrowings denominated in Baht, carrying interest rate at 1.75% - 1.78% per annum and 1.65% per annum, respectively.

21. TRADE AND OTHER CURRENT PAYABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Trade payables - related parties	2,670	10,040	21,942	89,193
Trade payable - others	492,633	443,393	236,789	124,717
Advances received for sales of goods	465,053	82,515	357,467	44,574
Accrued fees payable to the Office of the Cane and Sugar Fund	40,579	54,774	5,568	23,663
Other accrued expenses	310,754	235,151	249,346	141,044
Payables on purchases of assets	95,009	149,227	49,886	57,581
Other payables	386,048	620,248	352,557	621,015
Total trade and other current payables	<u>1,792,746</u>	<u>1,595,348</u>	<u>1,273,555</u>	<u>1,101,787</u>

22. LONG-TERM DEBENTURES

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

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	2018	2017
Unsecured senior debt debentures	10,493,742	9,493,434
<u>Less</u> Current portion	<u>(2,999,023)</u>	<u>(2,998,989)</u>
Net	<u>7,494,719</u>	<u>6,494,445</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:

Consolidated Financial Statements/Separate Financial Statements as at October 31, 2018								Unit : Thousand Baht	
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1	KSL192A	2 years	February 24, 2019	2.34	1,000,000	1,000,000	299	999,701	1,000,979
2	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	321	999,679	1,015,605
3	KSL199A	5 years	September 18, 2019	4.07	1,000,000	1,000,000	357	999,643	1,016,112
4	KSL202A	3 years	February 24, 2020	2.56	1,000,000	1,000,000	756	999,244	1,002,332
5	KSL203A	5 years	March 13, 2020	3.48	2,000,000	2,000,000	768	1,999,232	2,027,374
6	KSL206A	3 years	June 20, 2020	2.56	500,000	500,000	387	499,613	499,853
7	KSL215A	3 years	May 3, 2021	2.15	1,350,000	1,350,000	1,136	1,348,864	1,334,332
8	KSL27DA	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,960	1,998,040	2,002,350
9	KSL285A	10 years	May 3, 2028	3.60	650,000	650,000	274	649,726	643,088
Total long-term debentures					10,500,000	10,500,000	6,258	10,493,742	10,542,025

Unit : Thousand Baht

Consolidated Financial Statements/Separate Financial Statements as at October 31, 2017									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1	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>

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	
	2018	2017
Beginning book value	9,493,434	9,993,070
Debentures issuance during the years	2,000,000	2,500,000
Redemptions during the years	(1,000,000)	(3,000,000)
Amortized debenture issuance cost	308	364
Ending book value	<u>10,493,742</u>	<u>9,493,434</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, 2018 and 2017, the Company maintains the debts with interest to equity ratio in accordance with the conditions (see Note 29).

- 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, 2018, the credit rating of the debentures was not lower than the Company's credit rating.

23. SHORT-TERM BORROWINGS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Short-term borrowing to related party	3,800	5,000	425,300	545,200
Short-term loans from the Office of Cane and Sugar Fund	370,783	-	206,650	-
Total short-term borrowings	<u>374,583</u>	<u>5,000</u>	<u>631,950</u>	<u>545,200</u>

As at October 31, 2018, short-term loans from the Office of Cane and Sugar Fund are loans that the Company and three subsidiaries has borrowed from the Office of Cane and Sugar Fund. The loans bear interest rate of 0.10% per annum. The principals and interests will be paid within December 2018 or another date as agreed by both parties and guaranteed by the post dated cheques issued by the Company and its subsidiaries.

24. 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	
	2018	2017	2018	2017
Borrowings	5,682,000	3,655,833	5,630,000	3,203,833
<u>Less</u> Current portion	<u>(1,772,000)</u>	<u>(1,623,833)</u>	<u>(1,720,000)</u>	<u>(1,223,833)</u>
Long-term borrowings	<u>3,910,000</u>	<u>2,032,000</u>	<u>3,910,000</u>	<u>1,980,000</u>

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Beginning book value	3,655,833	5,067,466	3,203,833	3,409,666
Additional borrowings during the years	4,000,000	1,000,000	4,000,000	1,000,000
Repayment during the years	(1,973,833)	(2,011,633)	(1,573,833)	(1,205,833)
Amalgamation	-	(400,000)	-	-
Ending book value	<u>5,682,000</u>	<u>3,655,833</u>	<u>5,630,000</u>	<u>3,203,833</u>

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

	Consolidated Financial Statements		Separate Financial Statements	
	2018	2017	2018	2017
	%	%	%	%
Borrowings - Baht currency	3.00 - 3.80	2.00 - 4.25	3.00 - 3.80	2.00 - 3.80

Maturity of long-term borrowings were as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2018	2017	2018	2017
Within 1 year	1,772,000	1,623,833	1,720,000	1,223,833
Over 1 year and within 5 years	3,910,000	2,032,000	3,910,000	1,980,000

The significant terms of such borrowings are as follows:

Credit Limit	Balances		Interest rate	Principal repayment	Interest payment	Commencing repayment	Maturity
	At as October 31,						
	2018	2017					
	Thousand Baht	Thousand Baht					
The Company							
1. Baht 2,500 million	-	350,000	AMLR - Fixed rate	Semi-annual	Monthly	May 2013	March 2019
2. Baht 1,500 million	450,000	750,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2015	November 2019
3. Baht 1,000 million	500,000	700,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020
4. Baht 1,000 million	200,000	400,000	AMLR - Fixed rate	Semi-annual	Monthly	April 2015	October 2019
5. Baht 1,000 million	830,000	1,000,000	Fixed rate	Semi-annual	Monthly	April 2018	October 2023
6. Baht 1,000 million	750,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	May 2018	November 2021
7. Baht 1,000 million	900,000	-	Fixed rate	Semi-annual	Monthly	June 2018	December 2022
8. Baht 1,000 million	1,000,000	-	MLR - Fixed rate	Semi-annual	Monthly	November 2018	May 2023
9. Baht 1,000 million	1,000,000	-	MLR - Fixed rate	Semi-annual	Monthly	March 2019	September 2023
10. Baht 23 million	-	3,833	Fixed rate	Annual	Annual	June 2013	June 2019
Total	5,630,000	3,203,833					
The subsidiaries							
11. Baht 1,000 million	-	200,000	AMLR - Fixed rate	Semi-annual	Monthly	March 2012	June 2018
12. Baht 1,000 million	52,000	252,000	AMLR - Fixed rate	Semi-annual	Monthly	August 2014	February 2019
Total	52,000	452,000					
Grand Total	5,682,000	3,655,833					

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

In the consolidated and separate financial statements as at October 31, 2018 and 2017, 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 tenth 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 (see Note 29). And the Company 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, 2018 and 2017, the Company and its subsidiaries can maintain the ratios as stipulated in the agreements.

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

25.1 Income tax expense (income)

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
<u>Current income tax</u>				
Current income tax expense (income)	142,332	130,180	-	(3,713)
<u>Deferred income tax</u>				
Deferred income tax expense (income) and temporary differences	2,005	429,672	(142,425)	320,504
Total	<u>144,337</u>	<u>559,852</u>	<u>(142,425)</u>	<u>316,791</u>

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	
	2018	2017	2018	2017
Profit before income tax expense (income)				
- Promoted sector-exempted from income tax	311,593	(165,219)	-	-
- Non-promoted sector	663,124	2,676,817	(708,631)	1,628,775
Total profit before income tax expense (income)	<u>974,717</u>	<u>2,511,598</u>	<u>(708,631)</u>	<u>1,628,775</u>
Statutory tax rate (%)	20	20	20	20
Income tax expense				
- Non-promoted sector	132,625	535,363	-	325,755
Total income tax	132,625	535,363	-	325,755
Effect on income tax from exempted taxable income	9,775	(419,100)	-	(325,755)
	<u>142,400</u>	<u>116,263</u>	<u>-</u>	<u>-</u>
Prior year income tax expense (income)	(68)	13,917	-	(3,713)
Deferred income tax expense (income)	2,005	429,672	(142,425)	320,504
Income tax expense (income)	<u>144,337</u>	<u>559,852</u>	<u>(142,425)</u>	<u>316,791</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Deferred tax assets - net				
Non-current provision for employee benefit	1,133	8,904	-	-
Loss carried forward	5,244	103,538	-	-
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	557	13,391	-	-
Deferred tax assets - net	<u>6,934</u>	<u>13,214</u>	<u>-</u>	<u>-</u>

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

2018

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2018
Deferred tax assets - net				
Non-current provision for employee benefit	8,904	(7,738)	(33)	1,133
Loss carried forward	103,538	(98,294)	-	5,244
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	(12,834)	-	557
Deferred tax assets - net	<u>13,214</u>	<u>(72,317)</u>	<u>66,037</u>	<u>6,934</u>

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	As at October 31, 2017
Deferred tax assets - net				
Non-current provision for employee benefit	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	<u>2,830</u>	<u>11,509</u>	<u>(1,125)</u>	<u>13,214</u>

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

	Unit : Thousand Baht	
	Consolidated Financial Statements	
	2018	2017
The following deferred tax assets have not been recognized		
Temporary differences	(189,919)	(167,216)
Loss carried forward	<u>284,974</u>	<u>289,753</u>
	<u>95,055</u>	<u>122,537</u>

As at October 31, 2018, 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 as deferred tax assets of Baht 284.97 million, will be matured by the years 2019 to 2023.

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	Financial Statements	
			2018	2017
Deferred tax liabilities - net				
Allowance for doubtful accounts	(36,367)	(11,208)	(10,088)	(8,863)
Allowance for diminution in value of inventories	(22,981)	(45,858)	(18,179)	(41,793)
Allowance for impairment in subsidiary investments	-	-	(328,630)	(230,144)
Non-current provision for employee benefit	(58,115)	(43,187)	(25,714)	(22,415)
Gain on asset revaluation	545,493	479,606	194,858	194,858
Loss carried forward	(374,572)	(164,820)	(290,577)	(164,722)
Depreciation	93,552	68,483	49,340	30,892
Change in fair value of investment property	572,107	444,607	276,457	242,925
Change in fair value of biological assets	(1,631)	(3,209)	(406)	(1,211)
Gain from amalgamation	482,573	482,573	482,573	482,573
Others	(36,623)	(16,980)	(12,538)	(4,208)
Deferred tax liabilities - net	<u>1,163,436</u>	<u>1,190,007</u>	<u>317,096</u>	<u>477,892</u>

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

2018

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at	Items as	Items as	As at
	November 1,	recognized in	recognized	October 31,
	2017	profit or loss	in other	2018
			comprehensive	
			income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(11,208)	(25,159)	-	(36,367)
Allowance for diminution in value of inventories	(45,858)	22,877	-	(22,981)
Non-current provision for employee benefit	(43,187)	(6,952)	(7,976)	(58,115)
Gain on asset revaluation	479,606	-	65,887	545,493
Loss carried forward	(164,820)	(209,752)	-	(374,572)
Depreciation	68,483	25,069	-	93,552
Change in fair value of investment property	444,607	127,500	-	572,107
Change in fair value of biological assets	(3,209)	1,578	-	(1,631)
Gain from amalgamation	482,573	-	-	482,573
Others	(16,980)	(5,473)	(14,170)	(36,623)
Deferred tax liabilities - net	<u>1,190,007</u>	<u>(70,312)</u>	<u>43,741</u>	<u>1,163,436</u>

2017

Unit : Thousand Baht

	Consolidated Financial Statements				As at October 31, 2017
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Amalgamation	
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	-	-	-
Non-current provision for employee benefit	(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>

2018

Unit : Thousand Baht

	Separate Financial Statements			As at October 31, 2018
	As at November 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(8,863)	(1,225)	-	(10,088)
Allowance for diminution in value of inventories	(41,793)	23,614	-	(18,179)
Allowance for impairment in subsidiary investments	(230,144)	(98,486)	-	(328,630)
Non-current provision for employee benefit	(22,415)	903	(4,202)	(25,714)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(164,722)	(125,855)	-	(290,577)
Depreciation	30,892	18,448	-	49,340
Change in fair value of investment property	242,925	33,532	-	276,457
Change in fair value of biological assets	(1,211)	805	-	(406)
Gain from amalgamation	482,573	-	-	482,573
Others	(4,208)	5,839	(14,169)	(12,538)
Deferred tax liabilities - net	<u>477,892</u>	<u>(142,425)</u>	<u>(18,371)</u>	<u>317,096</u>

2017

	Unit : Thousand Baht		
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income
Deferred tax liabilities - net			
Allowance for doubtful accounts	(7,213)	(1,650)	-
Allowance for diminution in value of inventories	(1,226)	(40,567)	-
Allowance for impairment in subsidiary investments	(148,907)	(81,237)	-
Allowance for impairment in other long-term investments	(1,177)	1,177	-
Non-current provision for employee benefit	(21,485)	(4,474)	3,544
Gain on asset revaluation	194,858	-	-
Loss carried forward	(94,696)	(70,026)	-
Depreciation	5,595	25,297	-
Change in fair value of investment property	230,738	12,187	-
Change in fair value of biological assets	-	(1,211)	-
Gain from amalgamation	-	482,573	-
Others	(8,213)	(1,565)	5,570
Deferred tax liabilities - net	148,274	320,504	9,114

26. NON-CURRENT PROVISION FOR EMPLOYEE BENEFIT

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:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
	2018	2017
Current service cost	15,049	12,647
Interest cost	6,868	5,424
Past service cost	11,492	55,968
Total	33,409	74,039

Movement in the present value of non-current provision for employee benefit for the years ended October 31, are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
	2018	2017
Non-current provision for employee benefit brought forward	264,742	261,287
Current service cost	15,049	12,647
Interest cost	6,868	5,424
Past service cost	11,492	55,968
Actuarial (gain) loss on the estimation of the obligations	39,148	(41,926)
Benefit paid during the year	(38,453)	(23,929)
Amalgamation	-	(4,729)
Non-current provision for employee benefit carried forward	298,846	264,742

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

	Consolidated Financial Statements		Separate Financial Statements	
	2018 %	2017 %	2018 %	2017 %
Discount rate	2.14 - 3.46	1.67 - 2.93	2.45 - 2.87	2.19 - 2.80
Expected rate of salary increase	5.00	5.00	5.00	5.00
Voluntary resignation rate (Depended on employee's age)				
- Monthly employees	5.00 - 35.00	4.00 - 34.00	8.00 - 14.00	7.00 - 11.00
- Daily employees	4.00 - 100.00	3.00 - 100.00	11.00 - 52.00	9.00 - 22.00

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2018	2017	2018	2017
<u>Discount rate</u>				
Discount rates, decrease of 0.5 percent	1.09 - 130.86	0.58 - 86.61	130.86	86.61
Discount rates, increase of 0.5 percent	1.02 - 126.39	0.48 - 85.14	126.39	85.14
<u>Salary growth rates</u>				
Salary growth rates, decrease of 0.5 percent	1.02 - 126.49	0.48 - 86.64	126.49	86.64
Salary growth rates, increase of 0.5 percent	1.09 - 130.73	0.57 - 87.92	130.73	87.92
<u>Turnover rates</u>				
Turnover rates, decrease of 1 percent	1.14 - 133.26	0.65 - 86.80	133.26	86.80
Turnover rates, increase of 1 percent	0.98 - 124.37	0.42 - 83.87	124.37	83.87

27. 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	Dividends Paid Million Baht	Dividends Paid Date
- Dividends paid from the Company's result of operations from November 1, 2016 to October 31, 2017	No. 1/2018 held on February 20, 2018	4.41	0.05	220.51	March 16, 2018
- 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

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, 2018 and 2017, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.

28. 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:

	Unit : Thousand Baht	
	Consolidated/	Separate
	Financial Statements	Financial Statements
	2018	2017
For the years ended October 31,	9,137	9,086

29. 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 22) and the loan agreements (see Note 24).

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

	2018	2017
Debt with interest to equity	1.26 : 1.00	1.20 : 1.00

30. EXPENSES BY NATURE

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

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	1,363,478	1,382,584	511,671	533,494
Depreciation and amortization	1,264,327	1,182,249	440,611	352,847
Fees paid to the Office of the Cane and Sugar Fund	1,115,904	1,095,557	485,028	441,214
Maintenance expenses	702,750	651,798	230,741	239,711
Transportation expenses	777,030	508,729	476,096	188,228
Raw material and supply used	11,883,367	10,448,253	6,827,356	5,198,432
Purchase finished goods	336,192	121,917	1,778,809	2,065,694
Changes in finished goods and goods in process	(1,128,169)	(622,211)	(996,086)	(611,796)
Loss on fair value adjustments of biological assets	32,850	54,383	-	6,054
Loss on impairment of investments in subsidiaries	-	-	492,431	400,299
Loss on impairment of assets	4,002	222,646	-	-
Loss on exchange rate	-	-	-	74,887
Management benefit expenses	138,267	147,142	56,221	50,508
Finance costs	727,643	668,129	620,338	514,186
Other operating expenses	979,058	787,219	576,716	541,388
Total	18,196,699	16,648,395	11,499,932	9,995,146

31. BASIC EARNINGS (LOSS) PER SHARE

The calculations of basic earnings (loss) per share were based on dividing the profit (loss) 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, 2018 and 2017 are as follows:

2018

	Consolidated Financial Statements			Separate Financial Statements		
	Profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Loss for the year Thousand Baht	Number of shares Thousand Shares	Loss per share Baht
<u>Basic and diluted earnings (loss) per share</u>						
For the year ended to ordinary equity holders	848,055	4,410,233	<u>0.192</u>	(566,206)	4,410,233	<u>(0.128)</u>

2017

	Consolidated Financial Statements			Separate Financial Statements		
	Profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Profit for the year Thousand Baht	Number of shares Thousand Shares	Profit per share Baht
<u>Basic and diluted earnings per share</u>						
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>

32. 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 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, 2018 and 2017, the Group has revenue with a single external customer in electricity sector in the amount of Baht 995.67 million and Baht 751.67 million, respectively, of the Group’s total revenue.

Consolidated Statements of profit or loss

For the years ended October 31, 2018 and 2017

* The Company loses its control power over KSL Green Innovation Public Company Limited and KSLGI Company Limited on October 31, 2017 from the amalgamation between such subsidiaries and other party. As a result, the Group does not have operating segment in manufacture and distribution of alcohol from the amalgamation date.

33. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2018 and 2017, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

- 33.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 3,012.90 million and Baht 2,060.07 million, respectively, and in the separate financial statements amounting to Baht 625.18 million and Baht 1,879.91 million, respectively.
- 33.2 The Company and three subsidiaries had issued post-dated checks to the farmers to purchase canes. The Company and its 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	
	2018	2017	2018	2017
For the production season 2017/2018	-	1,167.01	-	472.11
For the production season 2018/2019	1,046.38	-	403.17	-

- 33.3 The Company entered into a land and building lease agreement with a company. The rental rate is Baht 1.29 million per month. The rental period is from June 1, 2018 to May 31, 2023. Prior to the expiration of the contractual term, the leaser shall inform to the Company for the extension of the contractual term in writing at not less than 90 days prior to the expiry date of the agreement and the agreement shall be extended three times for the contractual term of 5 years at a time.
- 33.4 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.

- 33.5 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.
- 33.6 The consolidated and separate financial statements have commitments and credit facilities as follows:

Unit : Million

		Consolidated Financial Statements					
		As at October 31, 2018			As at October 31, 2017		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	2,393.34	-	-	2,829.88	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	-	-	-	7.50	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	194.05	-	-	74.01	-
Credit facilities							
Letters of guarantees (unspecified credit limit)	THB	-	79.27	-	-	91.68	-
Letters of credit and trust receipts	THB	120.00	-	120.00	120.00	-	120.00
Letters of credit	USD	10.00	-	10.00	10.00	-	10.00
Overdraft and short-term borrowings	THB	22,967.00	5,116.47	17,850.53	22,255.70	5,901.27	16,354.43
Short-term borrowings	USD	43.50	-	43.50	50.50	7.50	43.00
Joint credit line in short-term borrowings	THB	2,766.00	1,734.00	1,032.00	3,676.50	2,362.50	1,314.00
Long-term borrowings	THB	5,682.00	5,682.00	-	3,655.83	3,655.83	-

Unit : Million

		Separate Financial Statements					
		As at October 31, 2018			As at October 31, 2017		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	2,276.54	-	-	2,058.08	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	-	-	-	7.50	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	194.05	-	-	74.01	-
Credit facilities							
Letters of guarantees (unspecified credit limit)	THB	-	4.13	-	-	9.78	-
Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
Overdraft and short-term borrowings	THB	11,507.00	3,856.00	7,651.00	11,593.70	4,265.00	7,328.70
Short-term borrowings	USD	3.50	-	3.50	10.50	-	10.50
Joint credit line in short-term borrowings	THB	2,766.00	1,734.00	1,032.00	3,676.50	2,362.50	1,314.00
Long-term borrowings	THB	5,630.00	5,630.00	-	3,203.83	3,203.83	-

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, 2018 and 2017 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 Company 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.

33.7 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, 2018		As at October 31, 2017		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	1,002.07	187.54	1,018.23	168.64
Machine and equipment purchase agreements	THB	500.68	51.26	489.43	107.51
	USD	0.56	-	13.60	0.46

Unit : Million									
Consolidated Financial Statements									
Outstanding Contractual Commitments									
As at October 31, 2018					As at October 31, 2017				
Currency	Within 1 year	1 - 5 years	Over 5 years	Total	Within 1 year	1 - 5 years	Over 5 years	Total	
Leased concessions agreements	USD	0.14	0.55	4.64	5.33	0.17	0.68	11.48	12.33
Rental agreements	THB	14.53	22.45	-	36.98	15.58	27.69	-	43.27

Unit : Million					
Separate Financial Statements					
Currency	As at October 31, 2018		As at October 31, 2017		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	718.12	148.81	620.33	84.25
Machine and equipment purchase agreements	THB	497.69	49.46	467.87	95.46

Unit : Million							
Separate Financial Statements							
Outstanding Contractual Commitments							
As at October 31, 2018				As at October 31, 2017			
Currency	Within 1 year	1 - 5 years	Total	Within 1 year	1 - 5 years	Total	
Rental agreements	THB	7.01	8.01	15.02	5.86	9.87	15.73

33.8 Other significant agreements

- 33.8.1 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.
- 33.8.2 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, 2018 and 2017, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate.
- 33.8.3 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 later on February 25, 2016, the Government of Kingdom of Cambodia amended the new concession to 50 years. As at October 31, 2018 and 2017, 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 18).
- 33.8.4 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, 2018 and 2017, the balances of the advance lease fee paid are USD 0.42 million equal for both years, which is presented as part of other non-current assets.

34. 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, 2018					
	Fixed Interest Rate			Floating	Total
	Within	More than	More than	Interest Rate	
	1 year	1 year	5 years		
		to 5 years			
Financial Assets					
Saving accounts deposits	-	-	-	101,340	101,340
Fixed account deposits	24	-	-	-	24
Loans for cane plantation development	249,329	216,915	1,687	249	468,180
Short-term loans to farmers	973,136	8,307	-	34,173	1,015,616
Short-term loans to others	220,780	-	-	-	220,780
Long-term loans to others	46,683	24,500	-	-	71,183
Other long-term investments	-	-	6,712	-	6,712
Total	<u>1,489,952</u>	<u>249,722</u>	<u>8,399</u>	<u>135,762</u>	<u>1,883,835</u>
Financial Liabilities					
Short-term borrowings from financial institutions	6,846,126	-	-	-	6,846,126
Short-term borrowings from other	370,783	-	-	-	370,783
Short-term borrowings from related parties	3,800	-	-	-	3,800
Long-term debentures	2,999,023	4,846,953	2,647,766	-	10,493,742
Long-term borrowings	<u>1,720,000</u>	<u>3,910,000</u>	<u>-</u>	<u>52,000</u>	<u>5,682,000</u>
Total	<u>11,939,732</u>	<u>8,756,953</u>	<u>2,647,766</u>	<u>52,000</u>	<u>23,396,451</u>

Unit : Thousand Baht

Consolidated Financial Statements

As at October 31, 2017

	Fixed Interest Rate			Floating	Total
	Within	More than	More than	Interest Rate	
	1 year	1 year	5 years		
		to 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>

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			
	2018		2017		2018		2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	10.88	2.19	15.79	9.03	32.81	-	56.22	-
YEN	-	3.08	-	2.50	-	-	-	-
RIEL	815.01	56.25	975.58	79.68	-	-	-	-
LAK	130.18	1,938.77	108.52	602.24	-	-	-	-

As at October 31, 2018 and 2017, 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 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	
	2018	2017	2018	2017		2018	2017	2018	2017
USD	20.86	-	-	-	THB	683.78	-	-	-

Net fair values of forward contracts and cross currency swap of the Company and its subsidiaries as at October 31, are as follows:

				Unit : Million Baht			
				Consolidated		Separate	
				Financial Statements		Financial Statements	
				2018	2017	2018	2017
Net fair values of forward contracts				3.78	-	-	-

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:

				Unit : Million Baht			
				Consolidated		Separate	
				Financial Statements		Financial Statements	
				2018	2017	2018	2017
Gain on commodity swap contracts				23.52	3.66	16.64	36.05

Net fair values of commodity swap contracts as at October 31, of the Company and its subsidiaries are as follows:

				Unit : Million Baht			
				Currency		Consolidated/Separate	
						Financial Statements	
						2018	2017
Net fair values for commodity swap contracts				USD		0.20	1.09

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, loans to others, loans for cane plantation and development, 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, 2018				
Financial liabilities				
Long-term debentures	10,494	10,542	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
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.

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 (Based on the prevailing foreign exchange rate at the end of the reporting period), are exposed to credit risk primarily with respect to counter party credit risk 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.

35. 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, 2018 and 2017, 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, 2018 and 2017, the Company and its subsidiaries contributed in amounts of Baht 32.07 million and Baht 32.60 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 14.63 million and Baht 13.57 million, respectively, in the separate financial statements.

36. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

A domestic subsidiaries received 3 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>
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
61-0170-1-00-1-0 and 34	25, 26, 28, 31(1), 31(2), 31(3), 31(4)	February 12, 2018	- Production of electricity, power steams and water for manufacture	Income not yet derived	

Furthermore, in accordance with the Promotion Certificate No. 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.

37. THE NEWLY PRESENTATIONS

Certain newly presentations have been made to the financial statements for the year ended October 31, 2017 to conform to the Notification of the Department of Business Development dated October 11, 2016 (see Note 2.1) as follows:

Account	Consolidated financial statements Amounts	Separate financial statements Amounts	Previously presented as	Unit: Thousand Baht
				Newly presented to
Farmer receivables	93,175	8,183	Trade and other receivables	Trade and other non-current receivables
Investments held as available for sale	377,849	377,849	Other long-term investments	Investments held as available for sale

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 21, 2018.



Sustainability Report

Sustainability Report

About this Report

This Sustainability Report for 2018, the information in which lasts from 1 November 2017 to 31 October 2018 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.

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 2017 to 31 October 2018), namely, economic, social and environmental issues and has prescribed important sub-issues together with the hearing from stakeholders with these steps.

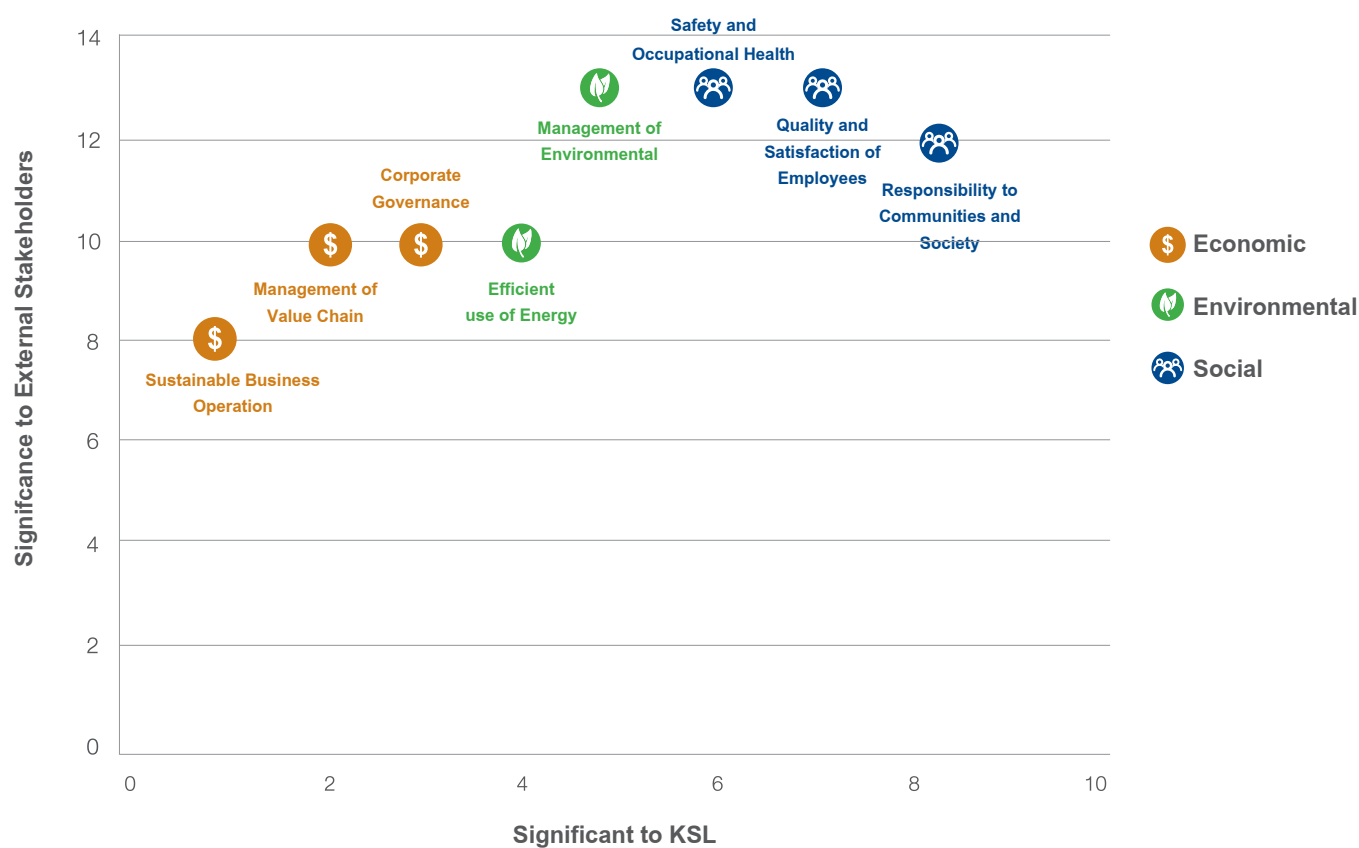
Step 1 Important issues are prescribed to be consistent with the Company's vision, mission, strategies, risks and the stakeholders' perspectives in accordance with the standard indicators used in Global Reporting Initiative (GRI).

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.

Significant Sustainability Issues



Scope of the Report (G4-18)















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 bio-fuel, 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)							

Corporate Governance Structure (G4-34)

The Corporate Governance Committee is the body which has roles and duties as reported in topic at page 25,71 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)

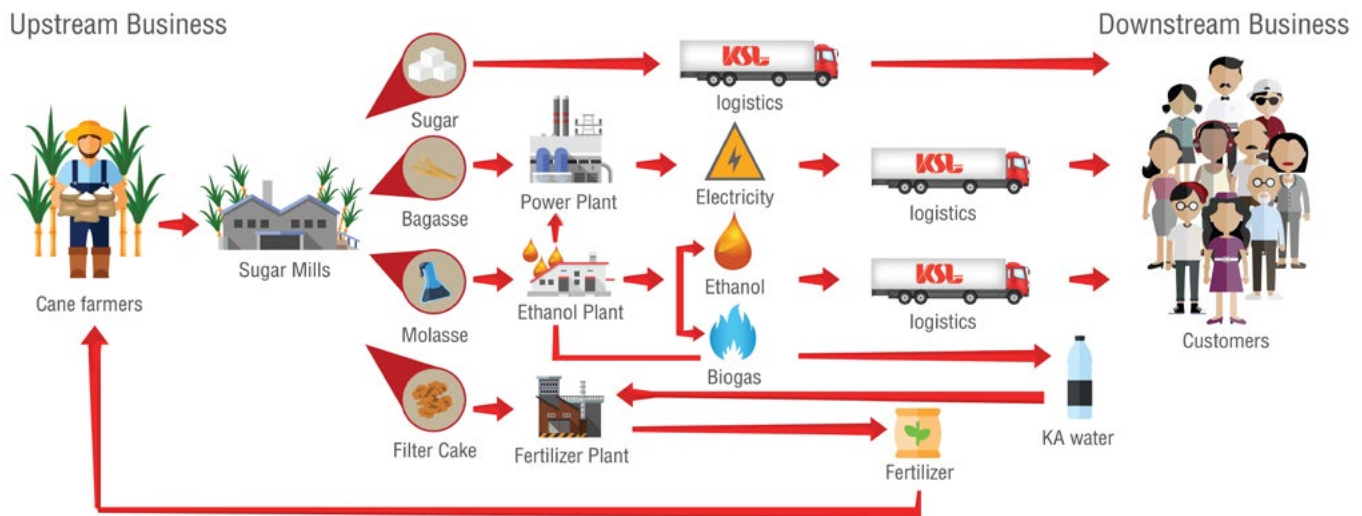
Sustainability Issues of the group of Companies		Sustainability Issues pursuant to GRI (G4-19) on internal units of the Company	Scope of Impact (G4-20, G4-21)		
			on takeholders outside the Company	related external takeholders	related external stakeholders
1. Sustainable business operation	-proper strategies -risk management and internal control	-strategy making process -corporate governance			shareholders, creditors, farmers
2. value-chain	-raw materials procurement -procurement of goods and contractors	- evaluation of farmers and suppliers regarding environment aspects, labor protection and human rights			farmers, suppliers, contractors
3. Corporate governance	-corporate governance - business ethics - measures against fraud and corruption	-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	-reduction of energy use -optimization of energy use	-measurement of used energy -energy management			Community, government units
5. Environmental management	-reduction of emission -management of industrial waste	-environment standard -community grievances			Community, government units, customers
6. Occupational Health and Safety	-safety of staff -safety of machinery and equipment -emergency management	-occupational health and safety -checking of machinery and equipment -safety manual compliance -handling emergency			Staff, suppliers, government units
7. Quality and Satisfaction of staff	-Personnel Development -Keeping of personnel and recruitment -benefits and welfare	-training -staff recruitment -succession plan for high ranking staff -relationship management between employer and employee			Staff, customers
8.Responsibility to community and society	-good relationship with community -solution of problems to community	-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 from the stakeholders (G4-27)	Referred to the Annual Report
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 	Topic Page
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 5. (Opportunity Day for investors 6. communication to various channels e.g., telephone, emails, website 7. 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 	Topic Page
Suppliers / contractors	<ol style="list-style-type: none"> 1. meeting and seminars 2. communication to various channels e.g., telephone, emails, website 3. complaints through provided channels 4. 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 	Topic Page
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 6. compliance with human rights principles, environment standard and labor standard 	Topic Page
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 	Topic Page
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 	Topic Page
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 from factory to community 2. support to community's activities 3. elevation of community's living standard 	Topic Page
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 	Topic Page



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.

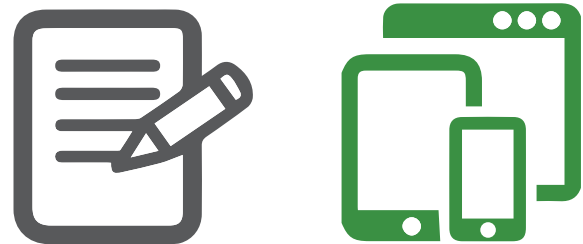
Sustainable Value Chain G4-12

Value-chain management (G4-12)

The group of companies produces sugar from value-chain picture main raw material – sugar cane. The Companies regard cane farmers very important stakeholder. Project iCane consists of four sub-projects. Project iFarm iMap iForm 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	New pattern
1. Use paper forms for farmers	1. Input farmers' information to tablets
2. Bring papers to process in office	2. Upload information for consideration
3.5-14 days for total work process	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.



KSL Junior Farmer 2018 Project stems from the wish of KSL group of companies to encourage the succession of sugar cane filed business to the succeeding generation. The Sugar Cane Procurement Division formulates a curriculum of New Junior Farmer with the objectives to support the farmers to manage sustainable sugar cane field, to expand the produce, to create relationship between farmers and the factory, to share knowledge regarding the cane growing and other aspects among new generation of farmers.

The project is focused at the new farmers who are interested in sugar cane business and wish to sustain their business for their future and to maintain the occupation with stability and sustainability.

The activities for the new farmers in 2018 is held at KSL River Kwai Park and Resort during 12-14 September 2018. The topics to be discussed includes 1) the knowledge in sugar cane business emphasizing on the analysis for

investment 2) the increase of productivity by modern farm management and appropriate application of technology and 3) the applied Sufficiency Economy in business.

Quality Policy

“Quality Sugar with highest efficiency, on-time delivery, customer’s confidence, consumer’s safety”

QUALITY POLICY

“Quality Sugar with **HIGHEST EFFICIENCY**, on-time delivery, **CUSTOMER’S** confidence, consumer’s safety”

Manufacturing Standards and Customers’ Need

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.

Factory’s Standard of Quality

The companies continually improve the quality of factories. In 2018, the companies are granted with the following quality systems: ISO9001:2015, GMP, HACCP, ISO22000, FSSC22000, Halal, Kosher and good governance in environment.

3. Corporate Governance

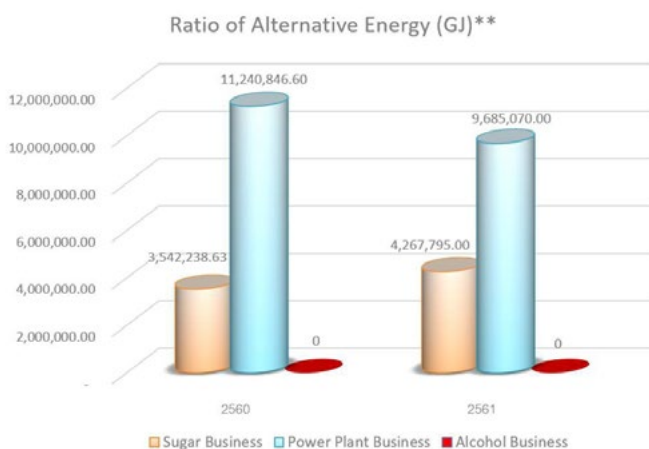
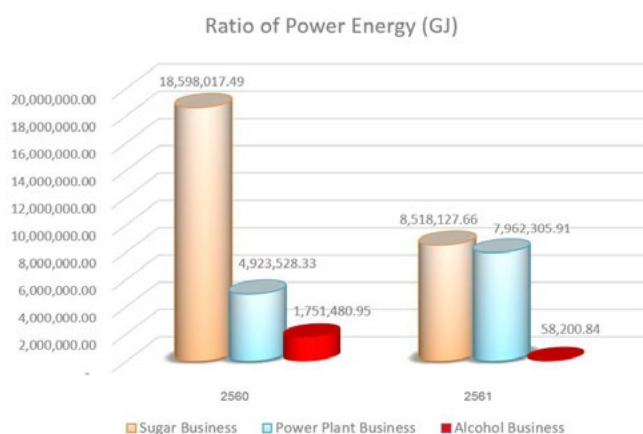
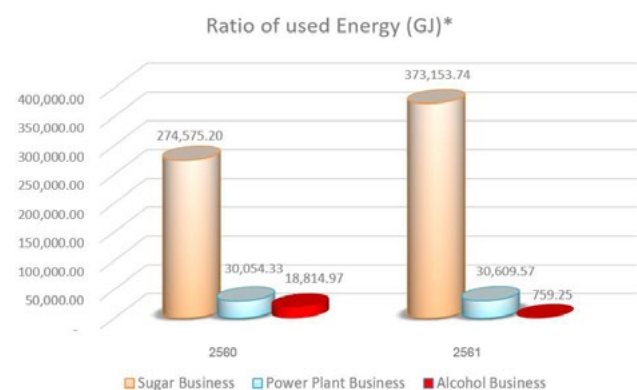
The Company considers the corporate governance an essential mechanism for the Company to administer a good relationship with all stakeholders, namely, shareholders, staff, farmers, suppliers, customers, community and government agencies. The Company therefore has a clear policy of corporate governance 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 page 56

Environmental Aspects

4. Efficiency in Energy Use (G4-EN3)

The group of companies regards the management of energy and climate change as important matters to prevent any effect to community, environment and cost-saving related to energy. Furthermore, the stakeholders also emphasize in issues related to climate change and global warming caused by greenhouse gas emission.



Note

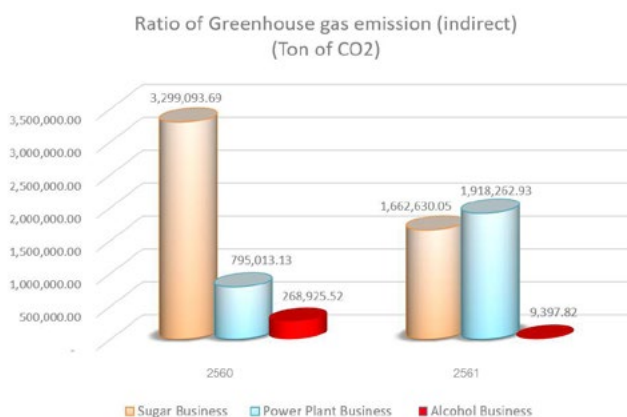
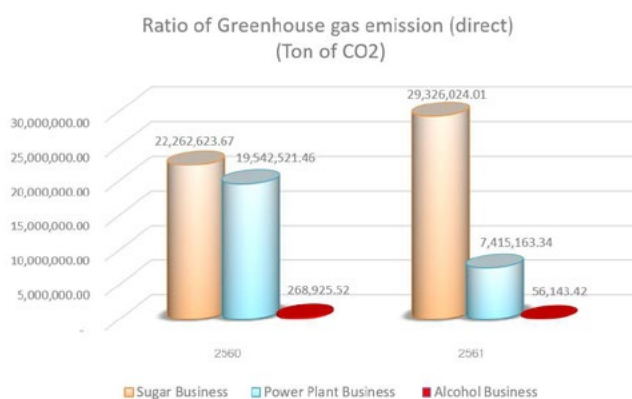
* Diesel/Benzene (Litre) X Conversion rate (Megajoule)/ 1000

**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

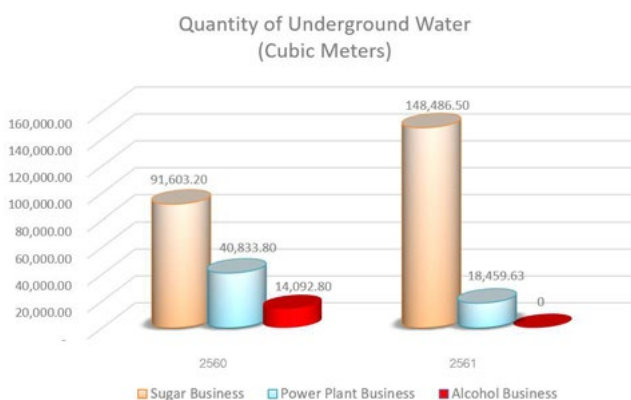
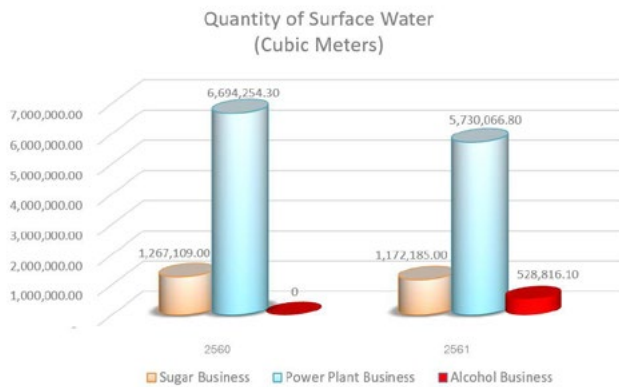
* Indirect Greenhouse Gas Emission is the volume of electricity bought from external source (Megawatt / Hour) X Emission factor = Ton carbon dioxide

* 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.



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.

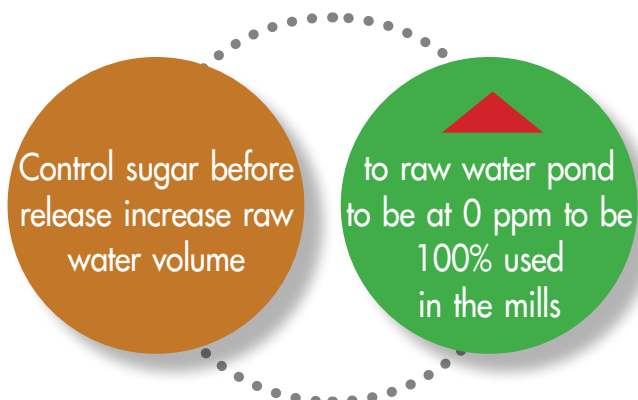
Submerge Aerated Fixed Film Project (Reused Water)

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 are 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



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.

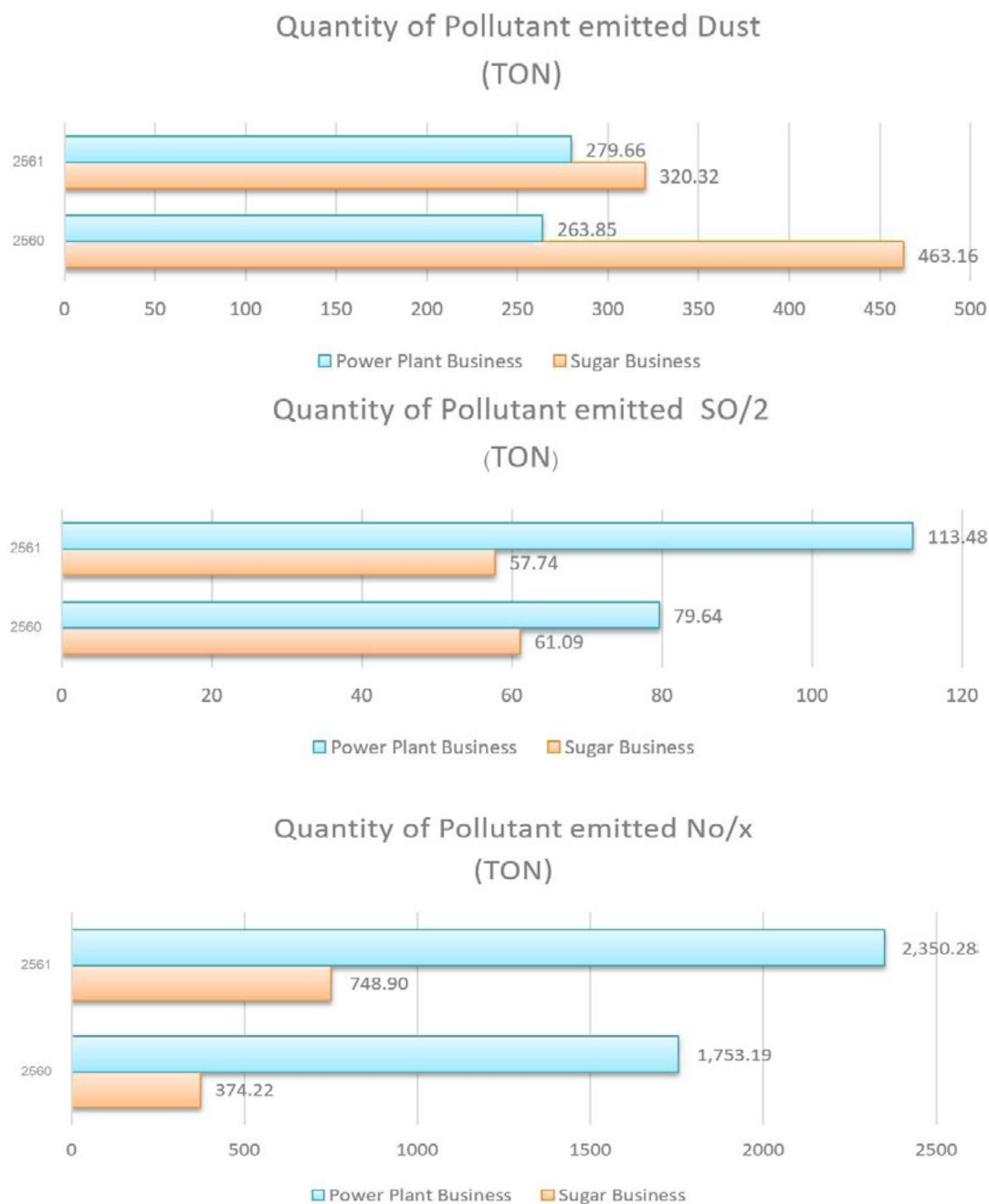
The group receives awards in respect of environment such as Green Industry Level 3, 3Rs awards, Zero Waste Achievement Awards and 3R+ Awards (Bronze Level) for achieving the disposal management standard within the factory under the project for development of potential to utilize industrial waste from the Department of Industry, Ministry of Industry.



Note The information regarding awards belongs to Tamaka Sugar Industry Co., Ltd

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.



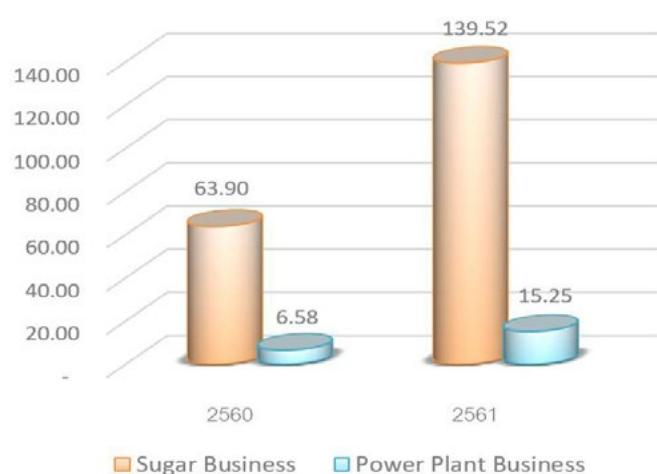
* ไม่มีรายงานของธุรกิจแอลกอฮอล์เนื่องจากไม่มีการเผาไหม้

Industrial Solid Waste Management (G4-EN23)

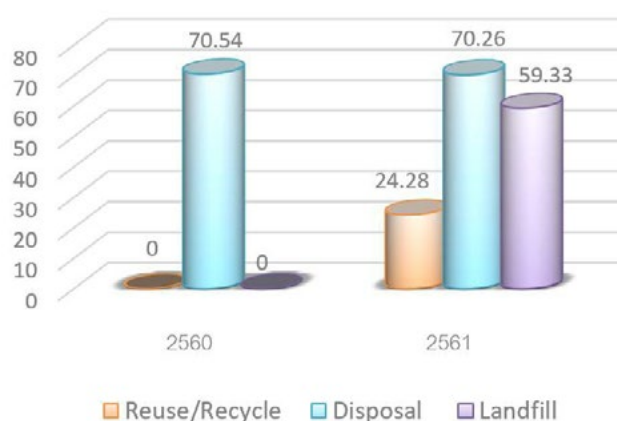
To ensure least quantity of remains from manufacturing and maintenance process to be disposed, the group of companies controls the use of raw materials and equipment for maintenance effectively and selects the method of disposing remains with minimal effect against environment. Each factory is careful 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.

In sugar manufacturing process, there is organic residue called filter cake, that is the mixture of soil, sand and organic matters from sugar cane. The sugar factories usually use this filter cake as raw material for producing natural fertilizer or soil improvement element or deploy it in the sugar cane field to help increase the soil quality.

Quantity of Hazardous Waste (Ton)



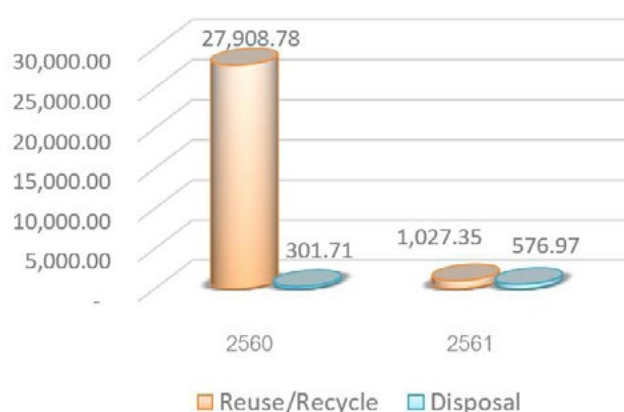
Waste Management Hazardous Waste (Ton)



Quantity of Non-hazardous Waste (Ton)



Waste Management Non-hazardous Waste (Ton)





WORK SAFETY

Safety Health and Environment (SHE DAY)

Social Aspects

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 a 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, 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.

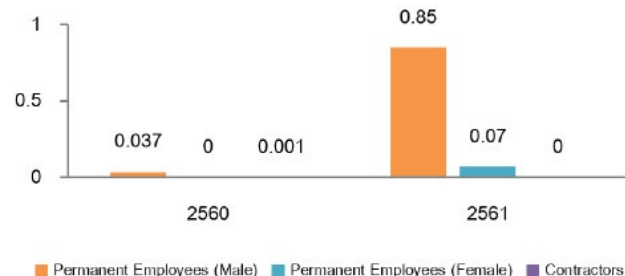
Safety, Health and Environment Activity (SHE Day)

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 equipment. 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.

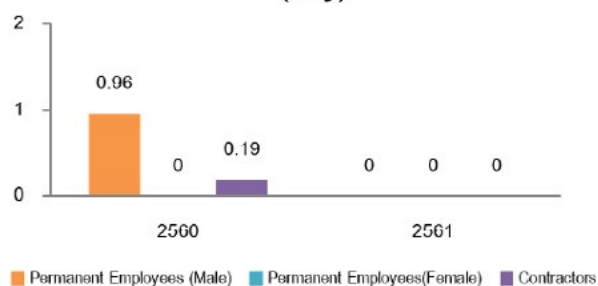
Injury Rate (IR)
(Time)



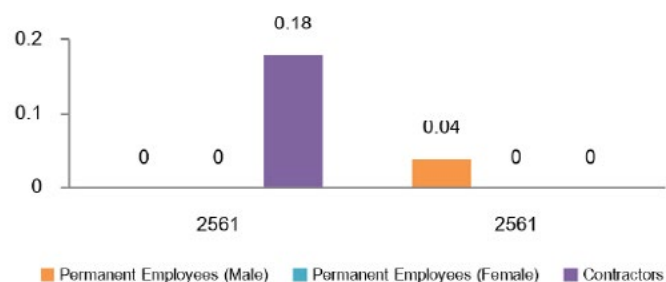
Occupational Diseases Rate (ODR)
(Time)



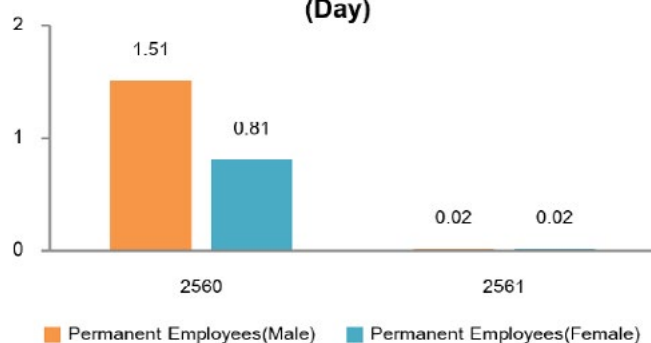
Lost Day Rate (LDR)
(Day)



Fetalities Rate (FR)
(Person)



Absentee Rate (AR)
(Day)



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 (64-LA2)

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.

In 2018, the Company plans to hire more disabled as employees by increasing the number from 22 employees

to 43 employees. The Company has a memorandum with the Nampong Hospital to hire the disabled to work in the hospital and may assign additional work if they feel convenient to commute to the factory. In addition, the Company cooperates with the Natural Agricultural Center at KSL River Kwai to hire the disabled to work in several learning centers.

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.

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.

Characteristics of the project



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 group of companies provide welfare and service in addition to those required by law to all levels of employees to promote quality of life and to stabilize their future such as provident fund, life insurance and accident insurance, housing welfare with low interest rate, loans and monetary assistance including the promotion the employees' work-life balance by providing period for leave according to the years of work.

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

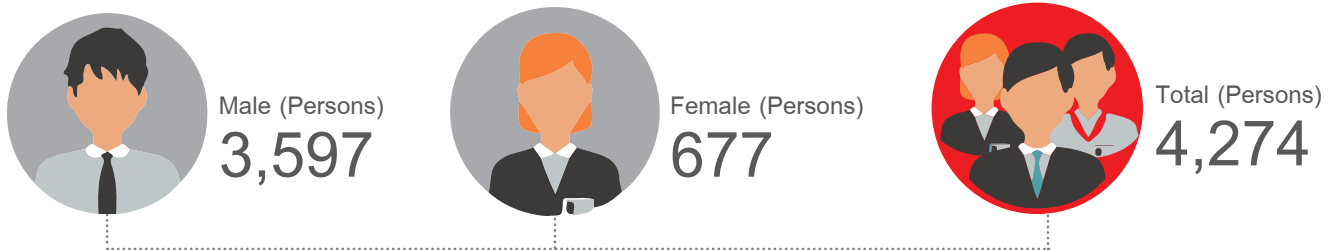
1. Good morale and work security through human right protection
2. Protection of employees' rights not less than that provided by law
3. Freedom to collective bargaining
4. No employment discrimination due to differences in nationality, race, religion, age, gender, attitude and disability
5. Safety, occupational health and good working environment

Nation's benefits

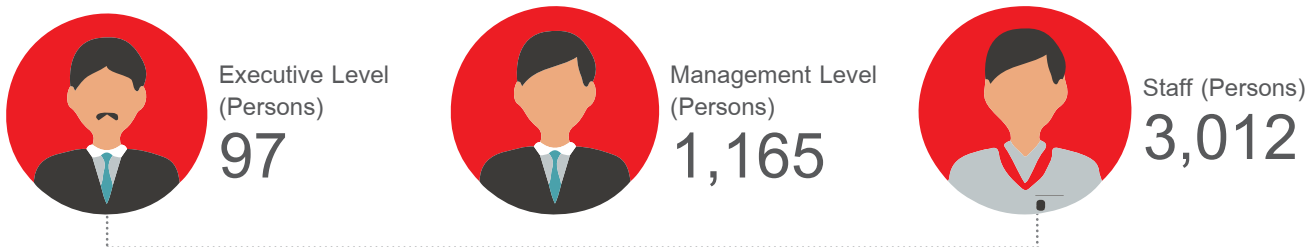
1. Competitive edge to develop economy with equality to integrate with world economy
2. Elevation of the country's image regarding quality of goods and services under standard criteria, fair labor management and corporate social responsibility

The commitment of the Company to maintain its Thai labor standard has been recognized by being awarded Thailand Labor Management Excellence Award in 2017 as it kept maintaining the standard for 10 consecutive years.

Total Employees



Divided by positions



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: 2015)

This course provides relevant employees with knowledge and understanding of the ISO 9001:2015 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

This training project is held at KSL River Kwai Natural Agricultural Center during August to October 2018. The curriculum is designed to develop the potential of employees in doing their work and the leadership by referring to the 28 royal working principles. Also, the employees have the opportunity to learn the Sufficiency Economy Theory of the Late King Bhumiphol Adulayadej for self-dependence. Through the Sufficiency Economy to Employees Project, The employees can spend their out of work time to do some agricultural work to reduce their expense and to increase their family income.

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

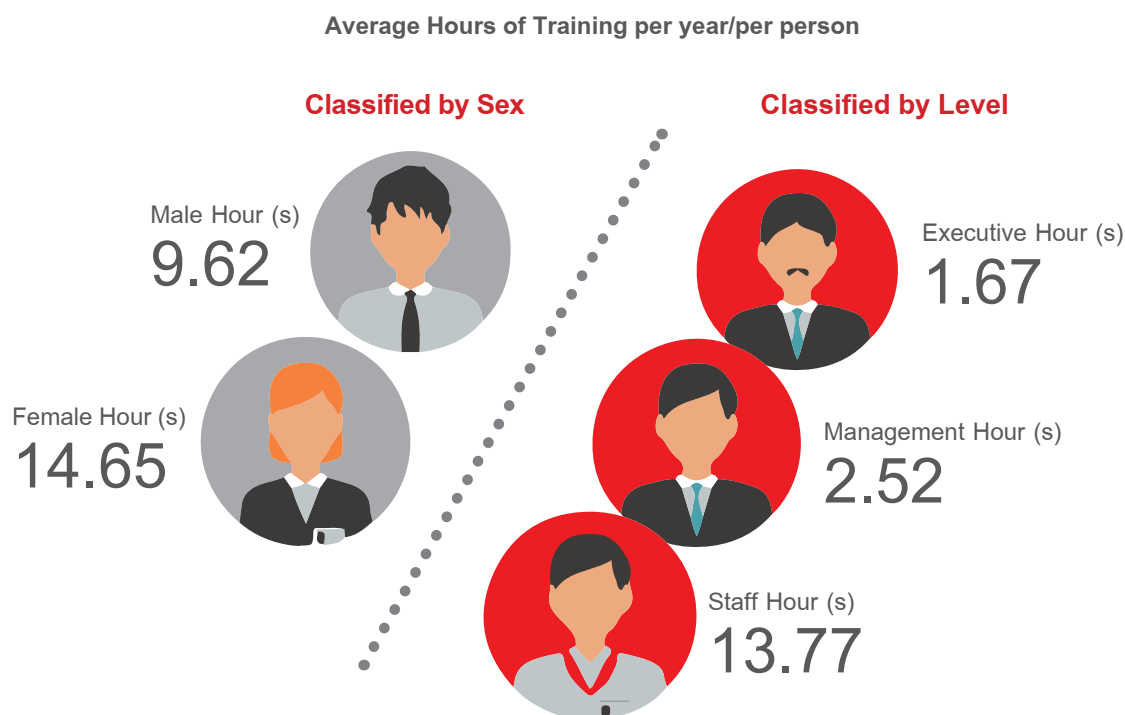
The development courses and training for operation level emphasizes on increasing employee's knowledge of their skills and work responsibilities as well as the tools that can help them increase their efficiency. Examples of courses and activities are: 5 Sor, QCC, Workplace Safety, Anti-Corruption and 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 2018

In 2018, the Company continues the KSL Innovation Award Project for the second year with the purpose to promote the C-creativity core value by inviting the personnel to submit their work in competition. The work includes both software and hardware dividing into three levels-conceptual, prototype and commercial usage. The staff submits several projects and pieces of work which are to be evaluated by the committee. The chosen projects shall be awarded and introduced to the executives and colleagues.

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.

Channels for communicating vision and core values

The group of companies appoints the second generation of KSL Brand Ambassador of 26 employees who are assigned to communicate with all the employees throughout various channels of the core values.

The Brand Ambassadors at the head office and the factories use several activities as media to gather the staff to do the activities together and exercise their best effort to make the employees aware of the core values and to encourage them to conduct their behaviors within the meaning of core values. The activities at the sites range from entertainment to academic ones so that the employees are free to participate in the activities they like.

Responsibility towards community and society



The King's Disciplines towards Leadership Development in 2018 and Living Quality in the Community with the Sufficiency Economy Principles Projects

Meaning

Sugar cane	: The origin of natural energy
Bundle of cane	: Unity
Cloth with national ag colors	: Thainess
Soil	: Restoring life to land
KSL	: Sufficiency to restore life to land

Activities conducted in 2018 for sustainable value by tracing the King's guidelines.

The conduct of social activities by the group of companies in 2018 bestows to the Sufficiency Economy Principles as guidelines to propel the activities for society, employees, communities around factories, sugar cane farmers and external units of the Natural Agricultural Center at River Kwai and its network. The pattern of activities includes:

Activities	Training	Creating Learning Base in local areas	External Observation	Dissemination of Knowledge to outsiders
Employess - Full time staff - The disabled staff	● ●	●	●	●
Communities around factories	●	●	●	●
Sugar cane farmers	●	●	●	●
Suppliers			●	
External entity, e.g. ,Community Development Provincial Office, Tourism and sports Provincial Office, Ministry of Commerce, Natural Agriculture Foundation, Tambon Administration, Ministry of Industry	●		●	●

1. Employees

1.1 Full time staff

- Activities on the King's Disciplines towards leadership development to increase co-working skills, to adapt to work and living and to increase occupational knowledge for increasing income and reducing expense.
- Occupational support for the employees to increase income and food supply for family e.g., mushroom

planting, animal raising, vegetable planting, etc.

1.2 Disabled staff working at the River Kwai Natural Agricultural Center

- Potential Career Development of the disabled through the learning bases located within the Center e.g., massaging, mushroom planting, artificial flowers, etc.
- Practice to develop the learning bases and deliver the knowledge to communities around factories and to visitors.



2. Communities around factories

- Activities on the living quality development for the community with the Sufficiency Economy Principles so as the community would participate in the dissemination of the King's Disciplines onwards and apply for their living of self and their communities.
- Creation of Sufficiency Economy Principles Learning Base within the community to generate more income to the participating families and to set examples for the visitors to learn from.

3. Sugar cane farmers

- Activities on living quality development for the community with the Sufficiency Economy Principles so as the farmers learn about the reduction and the cancellation of chemicals in agriculture.
- KSL Junior Farmer 2018 Project to train new generation of farmers to continue the sugar cane plantation with modern technology.
- Brother's teaching Project to create new teams of planting support staff to assist the farmers.

These activities are conducted in collaboration with the present farmers and the new generation of farmers with the goal to encourage the farmers to do the mixed agriculture which generate income throughout the year by using modern technology to continue sustainable sugar cane plantation.

4. Suppliers

Participation with suppliers to drive social activities, e.g., sustainable business with Coca-Cola, suppliers' visit to observe the agricultural areas managed by the employees and the KSL Natural Agricultural Center.

5. External Units

- Acceptance of the observation visitors from several entities, e.g., Tambon Administration, Tourism and Sports Provincial Office, Community Development Provincial Office, etc. to disseminate the King's Disciplines for awareness and application to develop the locality.
- Dissemination of knowledge to outsiders pursuant to the coordination of various entities, e.g, Natural Agricultural Foundation, the Department of Domestic Trade, Ministry of Commerce, Ministry of Industry, etc.



The King's Disciplines towards Leadership Development in 2018 and Living Quality in the Community with the Sufficiency Economy Principles Projects

The King's Disciplines towards Leadership Development in 2018 Project is the training activity that KSL Group organizes annually in order to deliver the King's Disciplines and the Sufficiency Economy Principles to the employees and the communities around factories so that they can adapt the earned knowledge for their work and daily life. In 2018, the number of 324 employees and 100 villagers from communities are trained.

After the training session, the factory's Social Activity Unit is assigned to monitor the result and to encourage other employees and villagers to attend the project. Moreover, the work includes the promotion of additional career and the conduct of activities in the communities around factories. As an example, the Bo-Ploy factory allocates a piece of land for employees to do agriculture in the living area that makes more income to the employees. As to the community, the families that are evaluated suitable for being Sufficiency Economy Learning Center and household self-reliance are selected.

The site visit to evaluate the training result and to solicit new trainees are the vital part of the project, otherwise the continuation of the project would be a deadlock.





Community development staff working the River Kwai Natural Agricultural Center

While the law requires a factory to hire the disabled at the proportion of 1:1000. KSL Group deems more appropriate the career stability among the disabled by supporting the disabled to receive regular salary by hiring 8 disabled to work regularly as community development staff at the River Kwai Natural Agricultural Center. These staff undertake regular job that enable them to take care of their families and obtain useful knowledge for the career after the termination of employment. The disabled staff gets opportunity to deliver and share knowledge with the community and to observe the activities of the Center as well.

Sufficiency Economy to Community

KSL-BP

- Bann Nong Teng
- Bann Bo Hieng
- Bann Lum Rang
- Bann Chong Charoen
- Bann Huay Krachao

KSL-TK

- Bann Saen Tor
- Bann Wi Neaw
- Bann Samnak Yen
- Bann Mor Thao
- Bann Nong Mi Kaen
- Potharam Natural Agricultural Center

KSL-PN

- Bann Hua Chang
- Bann Nong Hua Chang
- Bann Kud Muang
- Bann Nong Hoi
- Pothivijalai College
- Bann Nern Si Sufficiency Economy Learning Center

KSL-WP

- Bann Sum Charoen
- Bann Noan Sawang
- Rai Wisetya
- Pa Rak Nam Center
- Suan Rung Thip
- Bann Dong Larn
- Bann Mueng Baneg
- Bann Nong Wor School

KSL-NP

- Rak Din Rak Nam Center
- Bann Koke Soong
- Bann Sanam Bin
- Bann Muang Wan
- Bann Nong Saeng
- Bann Seaw
- Bann Kham Bon
- Bann Sang Sang
- Bann Dong Yen
- Bann Soke Sang
- Wat Mahachai
- Bann Koke Soong Prachasan School

List of Sufficiency Economy Learning for Community Center

The activities of the Sufficiency Economy Learning Center for communities around factories in 2018 are driven by 37 Learning bases of KSL River Kwai Natural Agricultural Center as follows.

New Krung Thai Sugar Factory Co., Ltd.- 5 learning bases

Tamaka Sugar Industry Co., Ltd.- 6 learning bases

New Kwang Soon Lee Sugar Factory Co., Ltd. – 6 learning bases

Khon Kaen Sugar Industry PLC (Wang Sapung Branch) – 8 learning bases

Khon Kaen Sugar Industry PLC (Nam Pong Branch) – 12 learning bases





Sufficiency Economy Learning Center- Bann Samnak Yen

Sufficiency Economy Learning Center- Bann Samnak Yen locating at Moo 1, Tambon Pra Tan, Tamaka District, Kanchanaburi managed by Khun Namruthai, has been supported by the group of Companies for 3 consecutive years. In 2018, the center together with the Social Activity Unit and KSL River Kwai Natural Agricultural Center develops the area for producing organic rice. The first generation of rice, Khao Hom Pathum, from 5 rai - rice field produces 2.5 tons. The second generation, Khao Hom Mali, produces 3 tons. The rice field is nurtured by natural fertilizer from buffaloes, wild boars, ducks and hens raised in the area nearby.

The community members divide the rice into three parts, namely, 1) sharing among the participating members 2) selling organic rice to the community members at reasonable price 3) selling to the Natural Agricultural Center to resell to the health-mindedness customers.

As such, the community can well rely on itself both on the production and marketing and can drive the activities concerned towards sustainability.



School Model for Sufficiency Economy

The activities to strengthen knowledge on self-reliance in accordance with the sufficiency economy principles are done in elementary and higher level at schools in Kanchanaburi Province, i.e., Wat Tha Krathum School, Wat Mai Charoen Phol School at Tambon Tamaka and BoPloy Ratchadapisek School at BoPloy District. The activities focus on the disciplines, responsibility, unity, sharing behavior and self-reliance pursuant to the sufficiency economy principles initiated by King Bhumibol Adulyadej. The learning bases include the following training.

1. **Sufficiency accounting**, where the children learn to record income and expense.
2. **Sufficiency food**, where the children learn to grow edible vegetables and to sell the produce.
3. **Charcoal maker**, where the children are taught to make cooking charcoals with the wood collected in the area and make smoke vinegar as insect repellent.
4. **Soil keeper**, where the children are taught to make bio- fertilizer to use in their schools.
5. **Saving expense**, where the children are taught to make things that can reduce expense to use in schools and their houses.
6. **Mushroom** planters, where the children are taught to plant mushroom which are to be an ingredient for their lunch.

The knowledge gained by the students is not that from the books, but from their actual practice and problem solving which are useful for self-reliance and future career.





Usage of residual matters from factory

1. 200 litre barrel is used as charcoal burner. The collected branches of trees could be burnt to make cooking charcoals and the by –product of smoke vinegar to repel insects, to reduce bad smell in animal cages and to water the plants to increase sweetness in fruits.

2. Molasse from sugar manufacturing process to make bio-fertilizer. The self-made fertilizer ensures the safety when used to grow vegetables and plants.



3. Filter cake from sugar manufacturing process is a vital part in natural fertilizer as it is rich of useful elements for plants, e.g., nitrogen, phosphoric acid and potash.



Sustainability Project with Coca-Cola

The year 2018 is the second year of the cooperation between the Company and Coca-Cola (Thailand) Co., Ltd. which is conducted in Tamaka Sugar Industry Co., Ltd and New Krung Thai Sugar Factory Co., Ltd. The factory staff and the female cane farmers collect financial data and choose the winner. The result of the project is the inspiration to do the income-expense recording and extra earning.

Junior Farmer 2018 Project

The activity is made at the River Kwai Natural Agricultural Center in Kanchanaburi during 12-14 September 2018. There are 47 male and female participants of 20-35 years of age who are the new generation of sugar cane farmers attending the event along with the factory sugar cane promotion staff. This activity gets cooperation from Thai Yamaha Motor Co., Ltd and Crop Teach Asia Co., Ltd. which conveys knowledge about modern technology for sugar cane plantation to increase productivity and decrease cost. The activity also encourages the application of sufficiency economy principles to the living and the cane planting career.





Brother's teaching Project

This project is aimed to the new sugarcane support staff. The veteran staff convey their knowledge and experience regarding the care-taking of sugarcane, self-reliance pursuant to sufficiency economy principles, particularly the new theory of agriculture so that the staff can deliver the knowledge to the farmers directly and enable them to gain more income, e.g.,

Daily income > by collecting eggs and vegetable

Weekly income > by raising frogs and catfish

Monthly income > by selling pigs and natural fertilizer

Yearly income > by producing and selling sugarcane and rice as yearlong income and by reducing expense by growing vegetables, making natural fertilizer, making household appliances.

These activities would help easing living trouble when price of agricultural produce drops drastically and help create sustainability in the long run. An example of success in this aspect is Bann Chong Charoen community, located at Moo 15, Tambon Lum Rang, BoPloy, Kanchanaburi.





Joint activities with external entity

Besides conducting social activities with farmers and community around factory, the group of companies coordinates with other entities to convey knowledge to schools, communities and interested persons through training and observation tour at the learning bases within the center. The following are the examples of such cooperation.

Representatives from KSL River Kwai Natural Agricultural Center are invited by the Road To Success Project of the Department of Business Development, Ministry of Commerce to teach students in Patrol Police School at Bann Ton Muang regarding small fertilizer plant and bio-fertilizer making.

The observation tour and training for community and interested person through 18 learning bases, with the coordination of the Community Development Provincial Office and Tambon Administration, with the expectation that the trainees can implement the knowledge to develop their locality.

Activities conducted with the Natural Agricultural Network and Natural Agricultural Foundation so as to affirm the continuation of the Sufficiency Economy Principles initiated by the late King Bhumibol Adulyadej.

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