



## VISION

We are Natural Energy Innovation for all



## MISSION

1. Create income for farmers on basis of sustainable agricultural development
2. Develop high value products and services
3. Develop personnel's potential as well as information technology to increase competitive edge and growth
4. Develop manufacturing process and technology to achieve highest efficiency and effectiveness as well as compatibility with environment and community
5. Promote innovation and research and development to expand and extend to new business potentials





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The Leading Producer of  
Environmental-Friendly  
Renewable Energy

**SUGAR**



Energy for Human

**BIO-FERTILIZER**

Energy for Plants







**Creating**  
Natural energy for all

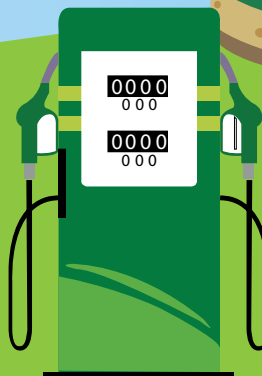
## ELECTRICITY

Energy for Equipment and  
Machinery



**ETHANOL**

Energy for Automobiles



# GENERAL INFORMATION OF COMPANY



<b>Company Information</b>	<b>Khon Kaen Sugar Industry Public Company Limited</b>
<b>Type of Business</b>	Manufacturer of Sugar and by products
<b>Main Product</b>	Raw Sugar, High Pol Sugar, White Sugar and Refined Sugar
<b>Public Company No.</b>	0107547000214
<b>Head Office</b>	503 KSL TOWER 9 <sup>th</sup> Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 191-9 Fax. +66 2 6426 097
<b>Factory (Branch 1)</b>	43 Moo 10, Nampong-Kranuan Rd., Nampong, Khon Kaen Province 40140, Thailand Tel: +66 43 432 902- 6 Fax: +66 43 441 056
<b>Factory (Branch 2)</b>	255 Moo 4 Nong Ya Plong Sub-district, Wangsaphung District, Loei Province 42130, Thailand. Tel. & Fax.: +66 42 810 - 931
<b>Homepage</b>	www.kslgroup.com

## Sugar Business Information

<b>Company Information</b>	<b>Tamaka Sugar Industry Co., Ltd.</b>
<b>Type of Business</b>	Manufacturer of Sugar and by products
<b>Main Product</b>	Raw Sugar, White Sugar and Refined Sugar
<b>Head Office</b>	503 KSL TOWER 21 <sup>th</sup> Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 229-39 Fax. +66 2 6426 228
<b>Factory</b>	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

<b>Company Information</b>	<b>New Krung Thai Sugar Factory Co., Ltd.</b>
<b>Type of Business</b>	Manufacturer of Sugar and by products
<b>Main Product</b>	Raw Sugar, White Sugar and Refined Sugar
<b>Head Office</b>	503 KSL TOWER 21 <sup>th</sup> Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 229-39 Fax. +66 2 6426 228
<b>Factory</b>	99 Moo 6, Lumlang Sub-district, Boploy District, Kanchanaburi Province 71160, Thailand Tel. +66 34 615 350 Fax. +66 34 615 399

<b>Company Information</b>	<b>New Kwang Soon Lee Sugar Factory Co., Ltd.</b>
<b>Type of Business</b>	Manufacturer of Sugar and by products
<b>Main Product</b>	Raw Sugar, High Pol Sugar, White Sugar and Refined Sugar
<b>Head Office</b>	503 KSL TOWER 21 <sup>th</sup> Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 229-39 Fax. +66 2 6426 228
<b>Factory</b>	24 Moo 1, Ban-Nhongbua Rd., Mon-Nang Sub-district, Panutnikom District, Chonburi Province 20140, Thailand Tel. +66 38 472-674-5 Fax. +66 38 472 673

<b>Company Information</b>	<b>Savannakhet Sugar Corporation (SSC)</b>
<b>Type of Business</b>	Sugar Cane Plantation and Sugar Mill
<b>Main Product</b>	Raw Sugar and By products
<b>Head Office</b>	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

<b>Company Information</b>	<b>Koh Kong Plantation Co., Ltd. (KPT)</b>
<b>Type of Business</b>	Sugar Cane Plantation
<b>Head Office</b>	Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Tel. (855) 35 399 333

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

## Support Business Information

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



## Support Business Information (Continued)

**Company Information** KSL Export Trading Co., Ltd.  
**Type of Business** Sugar and Related products exporting activities  
**Head Office** 503 KSL TOWER 16<sup>th</sup> 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 9<sup>th</sup> Floor, Sriyudhya Rd.,  
 Rajathevi District, Bangkok 10400, Thailand  
 Tel. +66 2 6426 191-9 Fax. +66 2 6426 097  
**Branch Office** 83 Moo 2, Wattanakorn Sub - District,  
 Wattanakorn District, Sakaew Province 27160,  
 Thailand  
 Tel. +66 37 262-236 Fax. +66 37 262-235

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

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

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

## Energy and Bio-Fuel Business Information

**Company Information** BBGI Co., Ltd.  
**Type of Business** The holding company which invests in bio-based  
 products business.  
**Head Office** 2098 M Tower Building, 5<sup>th</sup> 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 17<sup>th</sup> Floor, Sriyudhya Rd.,  
 Rajathevi District, Bangkok 10400, Thailand  
 Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

## Energy and Bio-Fuel Business Information (Continued)

**Company Information** Khon Kaen Sugar Power Plant Co.,Ltd.  
**Type of Business** Electricity Production  
**Head Office** 503 KSL TOWER 17<sup>th</sup> 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

## Other Business

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

## References

### Securities Register

#### Thailand Securities Depository Co., Ltd.

**Head Office** The Stock Exchange of Thailand Building,  
 93 Ratchadaphisek Road, Dindaeng, Dindaeng,  
 Bangkok 10400, Thailand  
 Tel. +66 2 0099 000 Fax. +66 2 0099 991

### Auditor

#### Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.

**Head Office** 11/1 AIA Sathorn Tower 23-27<sup>th</sup> Floor  
 South Sathorn Rd., Yannawa Sub-District,  
 Sathorn District, Bangkok, 10120 Thailand  
 Tel. + 66 2 034 0000 Fax. + 66 2 034 0100

# MESSAGE FROM THE BOARD OF DIRECTORS



A handwritten signature in black ink, appearing to read 'Manu Leopaibote', with a long horizontal line extending to the right.

**Mr. Manu Leopaibote**

Chairman

In 2019, Khon Kaen Sugar Industry PLC and its subsidiaries generated total income of 17,855 million Baht, compared with the same of last year at 17,812 million Baht, seeing the increase of 43 million Baht. The net profit was booked at 822 million Baht, compared with the same of last year at 848 million Baht as decreasing 3 percent.

The cane procured for crushing in 2019 was close to that of last year, with a little reduction in volume from 11.03 million ton-cane to 10.32 million ton-cane or 6.44 per cent decrease. The finance costs decreased 17 million Baht or 2.38 per cent due to repayment of loan with a portion of its own revolving fund as cash flow from sales increased during the year. The increase of sales volume elevated the distribution costs in the same direction.

The volume of sales in 2019 was 1.26 million ton-sugar, increasing significantly 15.06 per cent from the previous year. However, average selling price decreased from 12,526 Baht per ton in last year to 10,902 Baht per ton in 2019 or 12.97 per cent lower.

Compared with the operating result of last year, in brief, the year 2019 saw higher total revenue, higher gross profit and lower net profit. The significant increase of sales volume in 2019 rendered variably higher distribution cost which affected the net profit, provided that the administrative costs and the finance costs were kept lower than last year.

In 2019, the Company started marketing two new products. The first one was Low GI Sugar, a category of natural, healthier and low glycemic index sugar. At this starting point, this product was for export only as there was already a good demand from health-concerned international market. Distribution in domestic market also had potential, pending recognition by domestic consumers bearing health awareness and approval of Thai Food and Drug Agency. The second product was liquid sugar- a form of syrup. This product was sold to the beverage industry in Thailand. The Company expected good potential of this product as the users could reduce their producing costs than using refined sugar.

In respect of the activities for sustainability, the Company oversaw the implementation of the Policy on Corporate Governance and Ethics for Business in all aspects. The Company and its subsidiaries conducted their business in line with the announced Policy on Corporate Responsibility, focusing on the development of communities around the factories pursuant to the principles of sufficiency economy. The Company gave priority to environment through energy management, control of emission of matters which would had impact upon environment, industrial waste management and efficient reuse of water and materials.

The Company promoted innovation as part of its vision through appropriate activities to encourage and support its personnel to create innovative works which responded to their work objectives. The employees of the Company and the subsidiaries were given opportunity to exercise their knowledge, competency and ideas to create new works that would help develop the entity. As such, one of the core values- creativity, was continuously promoted to achieve the vision and sustainable development of the Company.

On behalf of the Board of Directors and the management, the Company would like to thank all personnel who had joined hands to make a continuing progress and stability for the Company. Heartfelt thanks are also conveyed to all shareholders and business alliances who kept giving their impressive support. The Company still commits to continual development and sustainable growth along with the good care for society, community and environment.



**Mr. Chamroon Chinthammit**  
Chief Executive Officer and President

# INCOME STATEMENT HIGHLIGHT

Income Statement Highlight (Million THB)	2019	2018	% Change	2017
Sales and Services	17,855	17,812	0%	15,623
Cost of Sales and Service	(14,230)	(14,681)	-3%	(13,180)
Gross Profit from Sales & Services	3,625	3,131	16%	2,443
Other Incomes - net	1,001	1,174	-15%	3,119
Gross Profit from Other Income	4,626	4,305	7%	5,562
Selling Expense	(944)	(770)	23%	(424)
Administration Expense	(681)	(720)	-5%	(833)
Management Remuneration	(151)	(142)	6%	(151)
Proceeds to Fund	(1,262)	(1,116)	13%	(1,096)
Total Expense	(3,038)	(2,748)	11%	(2,504)
EBIT	1,588	1,557	2%	3,058
Share of Profit of Associated Company	101	145	-30%	121
Financial cost	(710)	(728)	-2%	(668)
Corporate Income Tax	(149)	(144)	3%	(560)
Minority and others	(8)	18	-144%	19
Net Profit	822	848	-3%	1,970
Earnings per Share (EPS)	0.19	0.19	-3%	0.45
Gross Margin from Sales & Service	20.3%	17.6%		15.6%
Net Profit Margin	4.6%	4.8%		12.6%

Statement of Financial Position Highlight (Million THB)	2019	2018	% Change	2017
Cash and cash equivalents	2,430	129	1784%	153
Trade and other current receivables	1,287	2,476	-48%	1,198
Short-term loans	926	1,533	-40%	1,569
Inventories	2,774	4,089	-32%	3,100
Biological assets	52	61	-15%	112
Other current assets	45	46	-2%	65
Investments in associates	3,965	3,879	2%	3,747
Other long-term investments	245	335	-27%	406
Long-term loans	146	243	-40%	393
Investment property	5,637	5,167	9%	4,917
Property, plant and equipment	25,868	26,183	-1%	26,354
Other non-current assets	746	1,401	-47%	977
Total Asset	44,121	45,542	-3%	42,991
Current Liabilities	11,818	13,924	-15%	14,819
Non-Current Liabilities	13,282	12,979	2%	10,080
Total Liabilities	25,100	26,903	-7%	24,899
Total shareholders's Equity	19,021	18,639	2%	18,092
Total Equity Attributable to Owners of the Parent	18,606	18,210		17,650
D/E Ratio	1.32	1.44		1.38
IBD/E Ratio	1.16	1.26		1.20

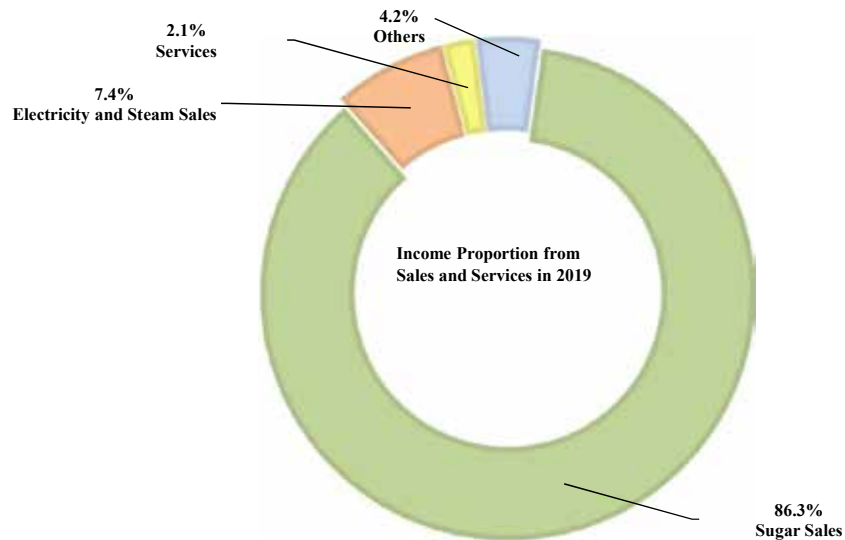
Cash Flow Highlight (Million THB)	2019	2018	% Change	2017
Net Profit + Depreciation + Non Cash	2,546	2,449	4%	2,185
Change in Working Capital	76	(3,145)	102%	(1,948)
cash flow from Operating Activities	2,622	(696)	477%	237
Invest in PP&E	(414)	(1,132)	63%	(3,098)
cash flow from Investing Activities	117	(863)	114%	(3,320)
cash flow from Financing Activities	(457)	1,512	-130%	3,149
Change in Cash Flow	2,301	(24)		71
Ending Cash	2,430	129		153
EBIT	1,689	1,702	-1%	3,179
Depreciation and Amortization	1,205	1,264	-5%	1,182
EBITDA	2,894	2,966	-2%	4,361



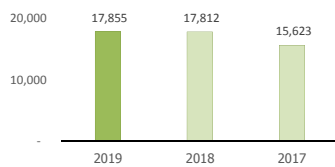


# OPERATING RESULTS

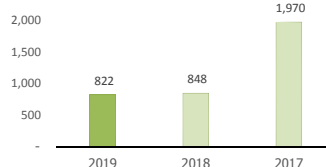
## Khon Kaen Sugar Industry Public Company Limited Sales and Services



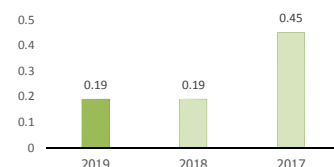
**Sales and Services**  
(Million THB)



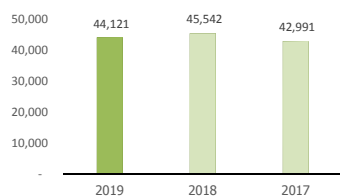
**Net Profit**  
(Million THB)



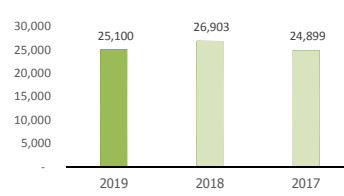
**Earnings per Share (EPS)**  
(Million THB)



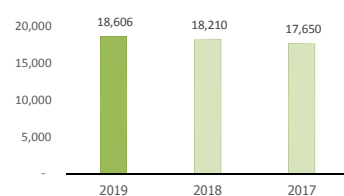
**Total Asset**  
(Million THB)



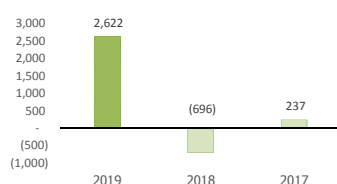
**Total Liabilities**  
(Million THB)



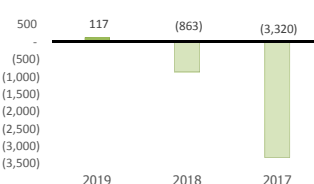
**Total Equity Attributable to Owners of the Parent Company**  
(Million THB)



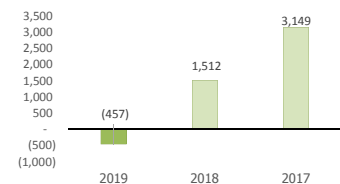
**Cash flow from Operating Activities**  
(Million THB)



**Cash flow from Investing Activities**  
(Million THB)



**Cash flow from Financing Activities**  
(Million THB)





# OVERVIEW OF BUSINESS OPERATION

## 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 on basis of sustainable agricultural development
2. Develop high value products and services
3. Develop personnel's potential as well as information technology to increase competitive edge and growth
4. Develop manufacturing process and technology to achieve highest efficiency and effectiveness as well as compatibility with environment and community
5. Promote innovation and research and development to expand and extend to new business potentials.

## 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-products, and value added productions which can be shown in company's sugar policy: "production of high 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.

## Significant Changes and Developments During the Past 3 Years

In the year 2017, the Board of Directors No. 6/2016-2017 passed a resolution to approve the amalgamation between (1) KSLGI Company Limited, a subsidiary of the Company and (2) BBP Holding Company Limited ("BBH"), a subsidiary of Bangchak Corporation Public Company Limited ("BCP"), and register a new company named BBGI Company Limited (BBGI). In October 2018, BBGI was subsequently registered as a holding company with initial registered and paid-up share capital of Baht 2,532 million and the business objective is to invest in bio-based products business. The shareholding percentage of the Company and BCP in BBGI's shares is 40% and 60%, respectively.

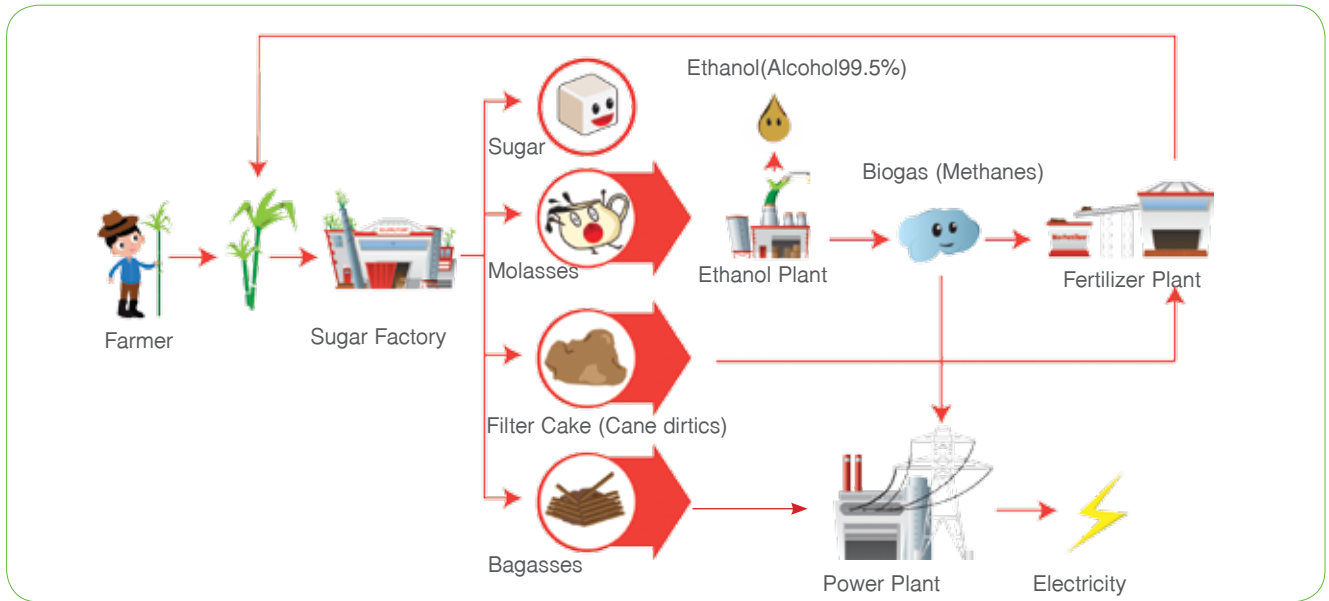


Figure 1 : The Relationship between KSL's Existing Sugar Production and KSL's Value Added Project

In the year 2018, BBGI Company Limited was registered as a public company named BBGI Public Company Limited and had a plan to be listed on the Stock Exchange of Thailand (SET). In addition, the development projects had been achieved in 2018 as follows:

- Bio Diesel production project made for expansion of its capacity from 930,000 liter per day to 1,000,000 liter per day or equivalent to 330 million liter per year.
- For ethanol made from cane bagasse, ethanol production project at Nam Pong factory made for expansion of its capacity by increasing from 45.00 million liter per year to 49.50 million liter per year.
- For ethanol made from cane bagasse, ethanol production project at Bo-Ploy factory made for expansion of its capacity by increasing from 200,000 liter per day to 300,000 liter per day or equivalent to 99.00 million liter per year.

In the year 2019, the BBGI Board of Director no. 1/2019 passed a resolution to postpone the first initial public offering (IPO) and registration as listed company in SET resulting from the unfavorable capital market.

The current projects under development are the construction of defined glycerin distillery with capacity of 100 tons glycerin per day and capacity improvement project of Ethanol made from bagasse with capacity increased by 200,000 liter per day or equivalent 66 million liter per year. Expected investment total Baht 1,400.00 million.

### Company's Business Overview

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries, under KSL, are Thailand 3<sup>rd</sup> largest sugar producer group. The company has 5 sugar factories in the group, located in three different regions, as follows:

1. Northeastern Region (2 factories): Khon Kaen Sugar - Industry Public Company Limited; Nampong branch in Khon Kaen province and Wangsapung branch in Loei province.
2. Western Region (2 factories): New Krung Thai Sugar Factory Co., Ltd and Tamaka Sugar Industry Co., Ltd. in Kanchanaburi province
3. Eastern Region (1 factory): 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 5 types: (a) raw sugar (b) high pol sugar (c) white sugar and (d) refined sugar (e) liquid 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 (It is currently manages by BBGI Pcl.)
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. (It is currently manages by BBGI Pcl.)
3. The organic fertilizer plant uses waste from the sugar production process (filter cake) and waste water from biogas and ethanol production as raw materials.
4. The power plant uses waste from the sugar production process (bagasses) and biogas from the biogas plant as fuel sources for producing electricity and steam sold to plants in the Group and Grid.

As of October 31, 2019, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have the investment in subsidiaries and associated company as follows:

Business Unit/Company Name	Paid - Up Capital (THB Million)	Proportion Of Investment	Nature of Business
<b>Sugar Business</b>			
Tamaka Sugar Industry Co., Ltd.	600.00	90.21%	Manufacture and distribution of sugar and molasses
New Krung Thai Sugar Factory Co., Ltd.	1,000.00	95.78%	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Co., Ltd.	500.00	98.61%	Manufacture and distribution of sugar and molasses
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
<b>Supporting Business</b>			
Thai Sugar Terminal Public Company Limited** and 5 subsidiaries	191.66	23.82%	Warehousing and loading of goods, property rental, produce and distribute wheat flour and palm oil and polypropylene bag.
KSL Export Trading Co., Ltd.	20.00	79.55%	Sugar and Related products Exporting Activities. Export sugar as exporting agent.
KSL Agro and Trading Co., Ltd.	300.00	100.00%	Trading domestic sugar and operating agricultural businesses
KSL Material Supply Co., Ltd.	480.00	100.00%	Material Sourcing for sugarcane plantation
WSP Logistics Co., Ltd	0.25	100.00%	Service transport and shipping goods.
Wynn In Trading Co., Ltd.	487.50	100.00%	International trading and consulting service
<b>Energy and Biofuel Business</b>			
BBGI Public Company Limited ***	2,532.00	40.00%	The holding company which invests in biofuel product and relating products business.
Khon Kaen Sugar Power Plant Co., Ltd	800.00	100.00%	Production and distribution of electricity.
<b>Other Business</b>			
KSL Real Estate Co., Ltd.	840.00	91.02%	Real Estate Development and Training Center

**Note:**

Proportion of investment shown above includes both direct and indirect shareholdings.

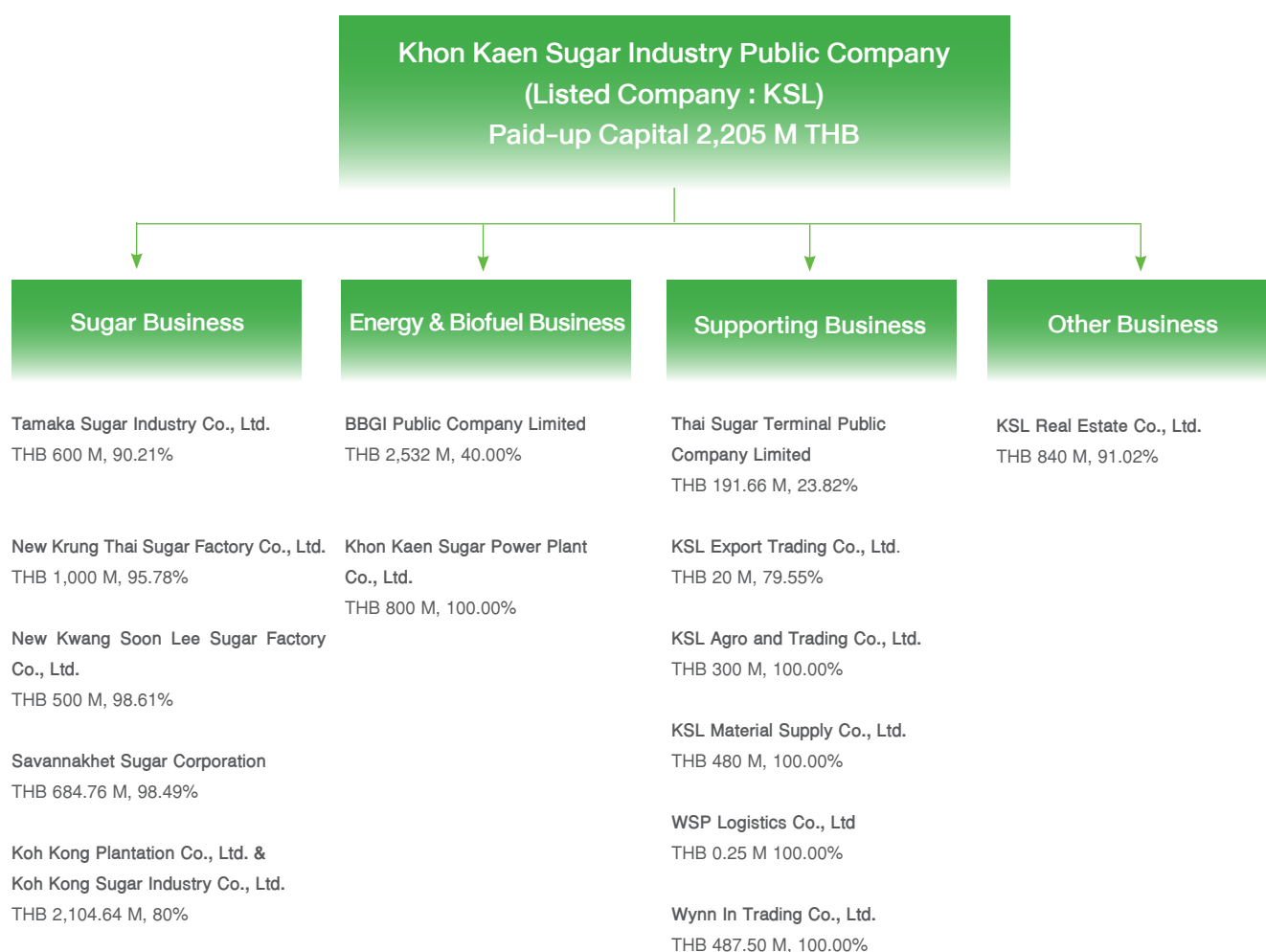
\* Indirect holding by Wynn In Trading Co., Ltd.

\*\* Associated company: Thai Terminal Pcl. and 5 subsidiaries: (1) TS oil industry Co., Ltd. (2) TSG trading Co., Ltd. (Formerly TSG asset Co., Ltd.), (3) TS transport and logistics Co., Ltd., (4) TS Warehouse, (5) TS Flour Mill Pcl.

\*\*\* Associated company: BBGI Pcl. and 3 subsidiaries 1 associated company: (1) Bangchak bio ethanol Co., Ltd., (2) Bangchak bio fuel Co., Ltd., (3) KSL Green Innovation PCL, (associated company). (4) Ubon bio ethanol PCL. (Formerly Ubon bio ethanol Co.,Ltd.) consolidated (with 3 subsidiaries).



Business structure of KSL Group as at October 31, 2019 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 of Khon Kaen province with the maximum crushing capacity of 40,000 tons of cane per day and the second branch is located in Wangsapung district of Loei province with the maximum crushing capacity of 36,000 tons of 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 of Kanchanaburi province with the maximum crushing capacity of 20,000 tons of 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 is located in Bo-Ploy district of Kanchanaburi province, (originally located in Tamaka district, Kanchanaburi province) with the maximum crushing capacity of 32,000 tons of cane per day. The factory is capable to produce raw sugar, white sugar, and refined sugar.

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

The company produces and distributes sugar and other by-products. The factory located in Panusnikom district of Chonburi province, has the maximum crushing capacity of 3,500 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.



### **Savanna Khet 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 by-products.

### **Koh Kong Plantation and Koh Kong Sugar Industry**

As at October 31, 2019 The company received sugarcane plantation concession that covers approximately 18,097 hectares (112,856 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 Biofuel Business**

### **BBGI Public Company Limited**

BBGI Public Company Limited ("BBGI") was established in October 2017 and 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 450,000 liters per 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 per day, in which BBGI Company Limited holds 85% shares.
- Ubon Bio Ethanol Company Limited: Producing and distributing cassava-based ethanol with 400,000 liters per day, in which BBGI Company Limited holds 21.28% shares.
- Bangchak Bio Fuel Company Limited: Producing and distributing bio-diesel with 1,000,000 liters per day, in which BBGI Company Limited holds 70% shares.

As a result, BBGI 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 2,000,000 liters per day which consists of 1,000,000 liters per day of ethanol and 1,000,000 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.**

The Company is established late in 2003 and 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 Bo-Ploy 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 190 MW of electricity.

## **Supporting Business**

### **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 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.

### **KSL Agro and Trading Co., Ltd.**

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

### **KSL Material Supply Co., Ltd**

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

### **WSP Logistics Co., Ltd.**

The company was incorporated in 2016 with the business objective of transporting sugar and other products. The company has been dormant.





#### Wynn In Trading Co., Ltd.

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

#### Other Businesses

#### KSL Real Estate Co., Ltd.

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

#### Membership of associations

The Company holds membership in several associations. Representatives of the Company are directors in the following associations that are directly related to its business, namely, The Federation of Thai Industries, Thai Sugar and Bio-Energy Producers Association and Thai Sugar Millers Association.

Regarding the policy to regulate and monitor the operation of subsidiaries and affiliates, Khon Kaen Sugar Industry Plc. has categorized its subsidiaries and affiliates which have the similar nature of business to be a group together under the same management team, for instance, 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 Plc. will assign its own representatives to join as a position of company directors for involvement of policy establishment or as a position of top management for operation directing in subsidiaries to ensure that policy of the subsidiaries is complied with the parent company's policy.

#### Description of Each Business Operation Revenue Structure

Company	% of Shareholding in 2019	2019 Revenue (Million THB)		2018 Revenue (Million THB)		2017 Revenue (Million THB)	
			%		%		%
1. Khon Kaen Sugar Industry PCL.	Parent Company	11,224	43%	9,819	38%	8,416	33%
2. Tamaka Sugar Industry Co., Ltd	90.21%	2,395	9%	2,888	11%	3,006	12%
3. New Krung Thai Sugar Factory Co., Ltd	95.78%	3,298	13%	4,274	17%	3,631	14%
4. New Kwang Soon Lee Sugar Factory	98.61%	571	2%	562	2%	664	3%
5. KSL Export Trading Co., Ltd	79.55%	19	0%	17	0%	13	0%
6. BBGI PCL*	40.00%	0	0%	0	0%	2,148	8%
7. Khon Kaen Sugar Power Plant Co., Ltd	100.00%	3,588	14%	3,643	14%	2,386	9%
8. KSL Material Supplies Co., Ltd	100.00%	360	1%	382	1%	362	1%
9. KSL Real Estate Co., Ltd	91.02%	190	1%	193	1%	188	1%
10. KSL Agro and Trading Co., Ltd.	100.00%	3,822	15%	3,420	13%	3,806	15%
11. Koh Kong Plantation Co., Ltd**	80.00%	12	0%	45	0%	77	0%
12. Koh Kong Sugar Co., Ltd	80.00%	45	0%	366	1%	264	1%
13. Savannakhet Sugar Corporation	98.49%	309	1%	199	1%	418	2%
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%
<b>Total</b>		<b>25,833</b>	<b>100%</b>	<b>25,808</b>	<b>100%</b>	<b>25,379</b>	<b>100%</b>
<b>Minus Interrelated items</b>		<b>-7,978</b>		<b>-7,996</b>		<b>-9,756</b>	
<b>Total Revenues</b>		<b>17,855</b>		<b>17,812</b>		<b>15,623</b>	

\* Since October 31, 2017, the Company has indirectly hold shares in KSL Green Innovation PCL. through an associated company, BBGI PCL. The Company holds the associated company's shares with 40% shareholding.

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

## DESCRIPTION OF EACH PRODUCTS

### Major Product : Sugar

#### 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 with 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 required. Generally, the sugar is packed in sacks before being transported. It is priced lower than white sugar and refined sugar.

**White 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 required, such as pharmaceutical industry, carbonated beverage industry, and energy drink industry.

**Liquid sugar** - liquid sugar is produced by transformation from sugar crystals with a color index that does not exceed 35 ICUMSA and its concentration specified in approximate range between 66.5% - 67.5%. It is especially high in purity and preferred to be used in particular industries for efficient production process such as carbonated beverage and energy beverage industries.

After sugar manufacturing process, 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 each year depends on a quantity of sugarcane crushed in the year. Molasses can be widely used in

such biochemistry industries as alcohol and distilling industry, yeast industry, monosodium glutamate industry, animal food industry (where molasses is mixed with cassavas and bagasse), vinegar industry, and soy sauce and seasoning sauce brewing industry.

Other residues from sugar manufacturing process that are also useful include bagasse and filter cake. Bagasse is the fibrous material remaining after the last extraction of juice from sugarcane. Now the company uses burned bagasse as a source of energy for electricity and steam generation used in sugar manufacturing process. Part of the electricity generated is sold to the Grid. Filter cake is a residue from vacuum filtration. It can be used as a raw material for general-purpose fertilizer. In the past, the company gives away filter cake to sugarcane farmers to promote sugarcane plantation in nearby areas. After the company's subsidiary has continuously operated alcohol and chemical production, wastewater from the factory can be mixed with filter cake and bio-decomposed to produce organic fertilizer that is suitable for sugarcane plantation. This completes the corporate value-added product ranges.

### Sugar : Market and Competition

#### International Market and Industry Overview

The world sugar market overview: In 2018/2019, approximate 184.43 million tons of raw sugar was produced worldwide, representing a decrease of 9.80 million tons or 5.04% from the 2017/2018. The world's total consumption demand rose to 184.74 million tons, a 1.90 million tons increase or about 1.03% growth compared to 2017/2018. However, the ending stock was slightly decreased from 77.83 million tons in 2017/2018 to 76.78 million tons in 2018/2019. The stock represented 41% of the total demand, or an equivalent of 4.9 months sugar consumption. Estimated production over the world in 2019 would be deficit but some countries had a large volume of remaining stocks carried from previous year. In the beginning of 2019, a world sugar price decreased to the range between 10-14 cents/lbs. from former range between 11-16 cents/lbs. in 2018.

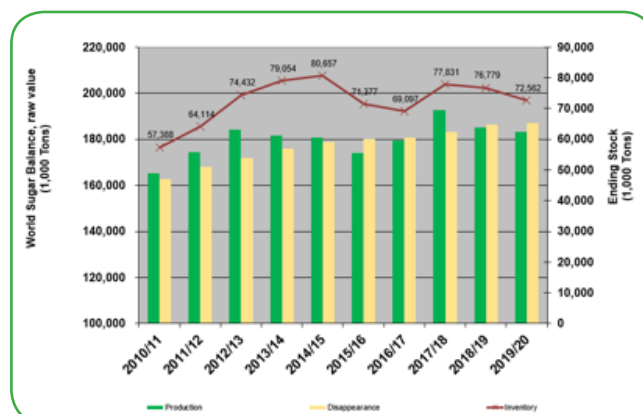


Chart 1: World Sugar Balance (1000 Tons, centrifugal sugar, raw value, OCT/SEP)

Note: 2019/2020 is forecasted number

Source: F.O. Licht, updated October 3, 2019



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

In a mid of 2018, the forecast sugar cane production in 2018/2019 will be decreased from declining of sugar production in Thailand and India due to dry weather, however, the remaining global stocks had been maintained in a large volume. As a result, the price was declined 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 October 3, 2019, the 2019/2020 output will be slightly decreased by 1.04% approximately, from 184.97 million tons to 183.13 million tons. Consumption is projected to increase by 1.6%, from 184.74 million tons to 186.89 million tons. Consequently, the world sugar supply will be deficit, with ending stock for the year 2019/2020 decreasing from 76.78 million tons to 72.56 million tons. Sugar stock per consumption is 39 % compared to normal level at 45%.

During the last few years, the sugar price has been volatile because of climate change, flooding, drought, or severe cold which impact on the availability of sugar in the market and its market price. In addition, 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 classified as follows:

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 default debt collection and complications in export management are minimized. Thai sugar manufacturers' responsibility is only to transport their sugar to ports of exports, such as FOB ports of Bangkok and Lamchabang.

2. Thai sugar manufacturers export their products to neighboring countries, such as Laos and Cambodia, through borders. A small amount of sugar is sold to vendors at borders.
3. Thai sugar manufacturers sell to manufacturers who use sugar as raw material in production of their exported products. Since domestic sugar prices are higher than prices of international markets, the export manufacturers who use sugar as a production material lose their competitiveness in the world market. Therefore, the government allows those who manufacture the exported products to buy sugar at the global market prices conditionally in order to promote investment in the food industry and competitiveness.

### Domestic Marketing and Industry Overview

Since 2018, Thailand has encountered a situation of changes in 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 2019, 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 130.97 million tons per year and sugar manufacturing capacity of 14.58 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 2019, 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 3<sup>rd</sup> largest sugar producer in Thailand, with 8% market share. There are 5 factories located in three regions: Northeast (2 factories), Western (2 factories), and Eastern (1 factory). Table 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.

Sale Volume & Price	Quantity (Ton)	2019		Quantity (Ton)	2018		Quantity (Ton)	2017	
		Avg.Price (THB/ton)	Amount (Million THB)		Avg.Price (THB/ton)	Amount (Million THB)		Avg.Price (THB/ton)	Amount (Million THB)
Total Sugar Sale	1,255,593	10,902	13,688	1,091,228	12,526	13,668	687,046	17,362	11,928
Domestic Sale	231,537	16,406	3,799	199,876	17,553	3,508	199,091	19,526	3,887
Export Sale	1,024,056	9,657	9,889	891,352	11,398	10,160	487,955	16,479	8,041
% Domestic Sale/Total Sale	18%			18%			29%		

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

## Sugar : Product and Service Provision

### Raw Material Provision Policy

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

The company’s strategy is giving long-term benefits as incentives to the sugarcane farmers providing their crops to the corporate factories. This promotes both the growth of the farmers’ incomes and the company. The main policy “Prosperity of farmers is prosperity of the factory and brought to the community happiness”, 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 with 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 a result that it is generated higher profit than regular exports due to lower transportation costs.



## 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 -

## Major : Electricity and Steam

### Electricity and Steam: Product Characteristic

The project has been undertaken by Khon Kaen Sugar Power Plant Co., Ltd who sells electricity and steam to factories within the group as well as selling any excess electricity produced to Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA). Currently, the group operates 3 power plants. The first power plant is located near to Khon Kaen Sugar Factory in Nampong district of Khon Kaen province. It can

produce up to 30 Megawatt (MW), 20 Megawatt (MW) of which is sold to EGAT. The second power plant is located nearby New Krungthai Sugar Factory in Bo-Ploy of Kanchanaburi province. It can produce up to 90 MW, 30 MW of which is sold to EGAT. The third power plant is located nearby Khon Kaen Sugar Factory in Wangsapung district of Loei province. It has the capacity to produce 70 Megawatt (MW), 2.12 MW of which is sold to PEA.

In addition, there are 1 sugar factories having power plants entered into electricity sale agreements with PEA in the total sale amount of 3.81 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.

	2019	2018	2017
Sale volume (MW - hour)	372,481	346,894	268,893
Avg. Selling price (THB/MW - hour)	2,952	2,940	2,795

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

## 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 Policies

#### 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 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 (Clean Development Mechanism project under the Kyoto Protocol) which helps carbon reduction.

### Electricity & Steam: Works Not Submitted

- None -



# RISK FACTORS

## 1. Risks from Raw Material Supply – Sugarcane

Khon Kaen Sugar Industry Public Company Limited produces sugar which derives from 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, i.e., (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.

To reduce the above-mentioned risk, the company provides promotion and assistance to sugarcane farmers, such as loans for planting sugarcane, materials for sugarcane planting, irrigation system, technology to increase yields and efficiency in cultivation and reduction of middle man' roles in sugarcane sales and purchase deals. All the assistance is aimed for the farmers' better quality of life.

## 2. Risks from Fluctuation of World Sugar Price

While considering sugar trade in the world market, it can be said that sugar is the commodity that has high price fluctuation when compared with other agricultural products. The world sugar price depends on several factors, such as demand and supply of countries being producers or consumers or exporters or importers, traders' speculations, climate conditions facilitating cultivation in each of the respective countries, promotional policy, intervention, exportation, importation of the industry and the government, particularly the developed ones. Sugar price is also interrelated to oil price. Because of sugarcane and molasses can be used to produce a type of alcohol called ethanol. Ethanol can be blended with gasoline to produce fuel for automobiles. All the above factors cause high fluctuation in sugar price in the world market.

Generally, sugar companies in Thailand are obliged 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, and allocates this volume to all sugar factories based on their respective sugar production. The proportion of domestic sales to exports of each sugar factory is therefore similar, usually in the range of 20:80 to 30:70 depending on the sugarcane available for crushing all over



the country. In 2019, the world sugar price was very volatile, seeing the price at 12-13 cents per pound. The price fluctuation was derived from the increase of world sugar cane production and the consumption of sugar is inclined to be lower than the production even though the production in year 2018/2019 decreased from the previous season. The surplus of supply accordingly kept the sugar price low. 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 undertakes sugar futures contract with financial institutions and monitors the situation as well as analyzes the trend or effects carefully. The meeting of relevant executives is organized monthly to prescribe policy and operation that were adaptable to circumstances. Such risk precaution would keep the Company' profitability and keep away from too much fluctuation risk of sugar price.

In the past, the operation results relied on sugar and molasse businesses; the price fluctuation of sugar in the world market therefore directly affected the Company's operation. At present, the business is diversified to ethanol, organic fertilizer and electricity supply. The operation therefore depends less on world sugar price; the effect of price fluctuation becomes relatively less.





### 3. 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 significant administration includes the allocation of sugar production by a proportion of domestic sale and export sale, the domestic selling price, the ratio of distribution of revenue from the sugar business between the farmers and sugar factories with the 70:30 revenue sharing, the opening of new factory. It is evident that the rules and regulations promulgated by the Cane and Sugar Board have an impact on the production costs and the operations of the Company such as the revenues sharing system 70:30 ratio which determines the sugar cane price to be paid to farmers by sugar factories, the adjustment of domestic sugar selling price, the payment to the Cane and Sugar Fund, the promotional scheme for other crops which would encourage sugar cane farmers to plant other crops which bear higher income

In 2019, the Company strictly complied with the government policy through various measures set by the relevant authorities. Meanwhile, the amendment of the Cane and Sugar Act 1984, which is mainly amended to avoid inconsistencies with the World Trade Organization's rules, is in the legislative process. The Company shall monitor the risk closely and establish related plans to comply with the law.

### 4. Risks of 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 is well aware of the said risks and therefore develops 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 develops a tablet-installed program so as to effectively monitor sugar cane and debt status of each farmer, as well as the development of database of farmers in respect of growing ability, debt, security data, and ability to pay debt, which would help analyze suitable credit facility with the ability to service debt and the value of property placed as security.

### 5. 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 reduces its exchange rate risks by making currency forward contracts or managing the foreign exchange using natural hedging mechanism by way of paying the foreign currency expense with the same foreign currency revenue from sugar sale.

The 70:30 revenue sharing scheme sees the cost of sugar cane, which is the major cost, and the revenue from sale influenced by the same direction of foreign exchange. The Company keeps monitoring the exchange rate movement to react against the changes in a timely manner.



## 6. Risks from Investments 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 is insufficient to the production owing to climate change, natural disasters and spread 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 experiences problems about the concession policy, unclear concession areas and claimed areas by villagers, taxation policy, 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 2019, projects abroad still suffered a loss. The Company has explored the solutions for its business in Cambodia, while the Company managed the risks of operation in Laos 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.

## 7. Risks from Selection and Maintaining Personnel in Organization for Sustainable Growth

The business operations of the group of companies mainly rely on personnel and it needs 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 finds it necessary to develop the process of selection, maintaining, and development of potential of its staff to cope with the changing circumstances by reducing personnel risks with various measures emphasizing on individual development planning, career planning, succession planning, and leadership development program.

In 2019, the Company materializes the personnel development by providing new knowledge and skills relating to the use of technology to help develop the work and lifestyle in digital age. The staff are trained with working skill for their daily work and managerial skill for understanding of team members comprising difference of generation gap. The Company also encourages the knowledge management within the company, knowledge sharing and cross functional training so that the staff can apply the knowledge to develop their work process continually. The Company improves working environment that facilitates the discussion and active listening together with the review of performance management system to correlate the remuneration and fringe benefits with the competitive level of the same industry. The approach would help build quality of life and long term stability for the employees and, by the same token, the Company can maintain enough quality employees on continuing basis with the Company and reduce the burden to recruit qualified staff from outside.



# SECURITIES AND SHAREHOLDERS

## Securities

As at October 31, 2019 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 per share.

## Debentures

As of October 31, 2019, the non-subordinated and unsecured debentures are detailed as follows :

Name	Tenor	Expiry Date	Total Value (million THB)
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
KSL228A	3 Years	19-Aug-22	3,000
KSL27DA	10 Years	7-Dec-27	2,000
KSL285A	10 Years	3-May-28	650
<b>Total Long Term Debentures</b>			<b>10,500</b>

## Shareholders

On October 31, 2019, the top 10 major shareholders of the Company are as follows:

As of October 2019			
Rank	Name	No. of Share	% of total
1.	KSL Sugar Holding Co., Ltd.	1,468,141,128	33.29
2.	Thai NVDR Co., Ltd.	137,248,494	3.11
3.	Mr.Chanachai Chutimavoraphand	115,355,499	2.62
4.	Mr.Chamroon Chinthammit	108,818,031	2.47
5.	Ms.Duangdao Chinthammit	99,799,954	2.26
6.	Ms.Duangkae Chinthammit	99,683,643	2.26
7.	Mr.Kamondanai Chinthammit	98,652,448	2.24
8.	Mr.Somchai Chinthammit	96,475,726	2.19
9.	Mr.Piripon Chinthammit	92,647,024	2.10
10.	CREDIT SUISSE AG, SINGAPORE BRANCH	90,698,136	2.06
Total for top ten major shareholders		2,407,520,083	54.59
11.	Other shareholders	2,002,712,536	45.41
<b>Total Paid-up Capital</b>		<b>4,410,232,619</b>	<b>100.00</b>

### 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, 2019, the top 10 major shareholders of KSL Sugar Holding Co., Ltd. are as follows:

Rank	Name		No. of Share	% of total
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 Capital			100,000,000	100.00

**Note:**

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

### Dividend Payment Policy

The company has a policy to pay dividends at a rate of not less than 50 % of net income after corporate income 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,

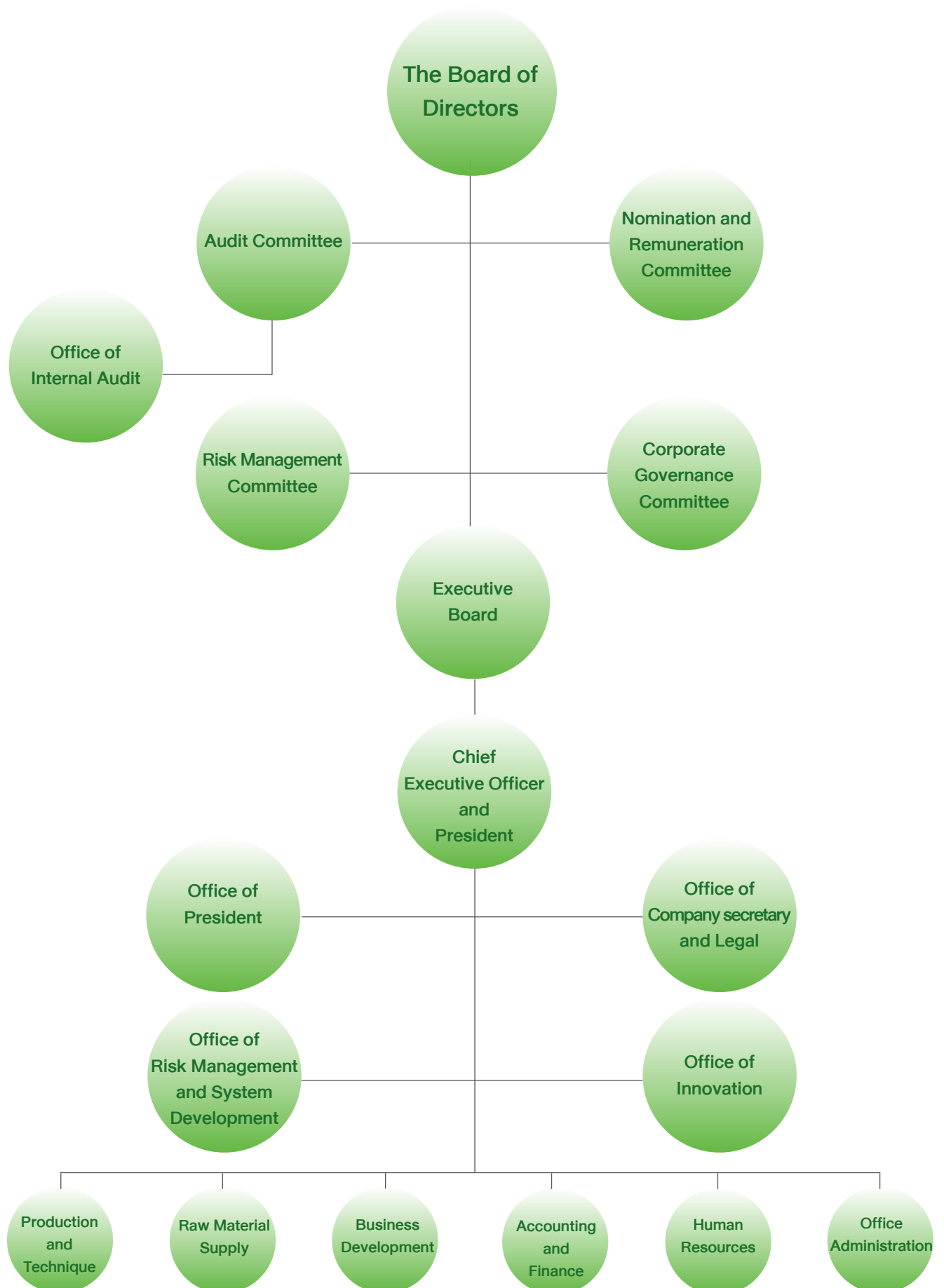
liquidity, and business expansion plans, etc. The dividend payment requires approval from corporate shareholders and/or the Board of Directors. Dividend payment of the subsidiaries and associates to Khon Kaen Sugar Industry Public Company Limited depends on their cash flow, liquidity, suitability, and necessity for the use of the money. No minimum rate is specified.

### Dividend Payment Record

Year	2014	2015	2016	2017	2018
Dividend per share (Baht : share)	0.081111111	0.055555556	0.10	0.05	0.05
Percentage of dividend to net profit (percent of Consolidated Financial Statement)	37	51.90	30.92	11.19	26.00
Percentage of dividend to net profit (percent of Separated Financial Statement)	51	51.60	188.24	16.81	(dividend paid from accumulated profit)



# MANAGEMENT STRUCTURE





# THE BOARD OF DIRECTORS



1. **Mr. Manu Leoparote**

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



11. **Mr. Chanachai Chutimavoraphand**  
Director and Executive Director

# THE BOARD OF DIRECTORS



12. Mr. Somchat Chinthammit

Director and Corporate Governance Committee



13. Mr. Tachpong Pakornsiriwongse

Director and Executive Director



14. Mr. Chatri Chinthammit

Director



15. Mr. Trakarn Chunharojrit

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



18. **Mr. Karun Kittisataporn**  
Independent Director/Chairman of Nomination/  
Remuneration Committee /Risk Management Committee



19. **Mr. Warapatr Todhanakasem**  
Independent Director, Audit Committee  
Chairman of Corporate Governance Committee



20. **Ms. Nongluck Phinainitisart**  
Independent Director, Chairman of Risk Management Committee  
Audit Committee, Nomination and Remuneration Committee



21. **Ms. Anchalee Pipatanasern**  
Independent Director,  
Audit Committee

\* No.18 Mr. Karun Kittisataporn (Independent Director)  
Resigned, July 1, 2019

## Board of Directors

As of October 31, 2019, the Company's Board of Directors comprises the following 20 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. Duangkhae	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 (Resigned, effective on July 1, 2019)
19.	Mr. Warapatr	Todhanakasem	Independent Director
20.	Ms. Nongluck	Phinainitisart	Independent Director
21.	Ms. Anchalee	Pipatanasern	Independent Director

**Remark:** The Company is in process of appointing a new eligible director to substitute the vacancy.

During the year, members of the Board of Directors never dishonestly committed a criminal offence against property nor entered into any transaction which might cause conflict of interest against the Company

### Composition of the Board of Directors

The Board of Directors consists of persons of knowledge, capability and specialization who have leading roles in specifying policies and goals of the Company and, together with top executives, set the short term and long term planning as well as govern and monitor the plans in each quarter.

### Authorized Directors

Mr. Chamroon Chinthammit or Mr. Pornsin Thaemsirichai or Ms. Duangdao Chinthammit or Mr. Chalush Chinthammit or Ms. Intira Sukhanindr or Mr. Sukhum Tokaranyaset or Mr. Thawatchai Rojanachotikul or Mr. Chanachai Chutimavoraphand, any two of whom may jointly sign their names and affix the Company's seal.



## Proportion and Structure 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 Leelakasamelek		●	●	
18.	Mr. Karun Kittisataporn		●	Resigned during the year	
19.	Mr. Warapatr Todhanakasem		●	●	
20.	Ms. Nongluck Phinainitisart**		●	●	
21.	Ms. Anchalee Pipatanasern**		●	●	
Total		14	10	6*	10
%		66.70%	47.62%	28.60%	47.62%

\* Total not including the director who resigned during the year, namely, Mr. Karun Kittisataporn

\*\*female independent directors



## 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 continuity of the Company's operations, there are monthly Executive Board meetings where the members monitors the operations or make decisions. In every meeting, the Board of Directors is informed about matters that have been approved by the Executive Board to ensure that the Board of Directors is able to supervise, control, and monitor the work of the management on a regular basis.

In 2019, the Board of Directors held 8 meetings, directors attended more than 75% of total meetings 17 directors and less than 75% of total meeting 4 directors. There was 1 additional non-executive directors meeting (excluding the management) on 13 September 2019 so that the non-executive directors could independently express their opinions regarding management and administration. Prior to each meeting, all members received the agenda and supporting documents seven days prior to the date of the meeting so as to furnish adequate time for the directors to be well-prepared for the meeting.

For the meeting of 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 agenda independently.

During the Board meeting, the Chairman allocates adequate time for management's 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. In case of necessity, the opinions of advisors or external professionals may be provided.

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 are saved and kept in paper and pdf files which is easy to retrieve but is not changeable. Numbers of the Board meetings and attendance are publicly disclosed. The Board sets a meeting at least every 3 months per year, and the Executive Board has monthly meetings to cope with the Company's operating results. Matters that passed the Executive Board meetings are presented to the Board of Directors for acknowledgement.



### The Attendance of Directors in 2019

Name	Name	Board of Directors	Executive Board	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	Corporate Governance Committee	AGM
		(8 Meeting)	(12 Meeting)	(5 Meeting)	(4 Meeting)	(4 Meeting)	(3 Meeting)	(1 Meeting)
1.	Mr. Manu Leopairote	8/8	-	-	-	-	-	1/1
2.	Mr. Chamroon Chinthammit	8/8	12/12	-	-	-	-	1/1
3.	Mr. Pornsin Thaemsirichai	8/8	12/12	-	-	-	-	1/1
4.	Mr. Sukhum Tokaranyaset	7/8	11/12	-	-	-	-	1/1
5.	Mr. Thawatchai Rojanachotikul	8/8	9/12	-	-	-	-	1/1
6.	Ms. Intira Sukhanindr	8/8	12/12	-	-	-	-	1/1
7.	Ms. Duangdao Chinthammit	8/8	10/12	-	4/4	-	-	1/1
8.	Mr. Chalush Chinthammit	8/8	8/12	-	-	1/4	-	1/1
9.	Mr. Somchai Chinthammit	8/8	12/12	-	-	-	-	1/1
10.	Ms. Duangkhae Chinthammit	8/8	11/12	-	-	-	-	1/1
11.	Mr. Chanachai Chutimavoraphand	7/8	11/12	-	-	-	-	1/1
12.	Mr. Chatri Chinthammit	7/8	-	-	-	-	-	1/1
13.	Mr. Somchat Chinthammit	6/8	-	-	-	-	2/3	1/1
14.	Mr. Tachpong Pakornsiriwongse	6/8	11/12	-	-	-	-	1/1
15.	Mr. Trakarn Chunharojrit	5/8	12/12	-	-	-	-	1/1
16.	Pol. Gen. Boonpen Bumpenboon	5/8	-	-	4/4	-	3/3	1/1
17.	Mr. Sitti Leelakasamelek	7/8	-	5/5	-	4/4	-	1/1
18.	Mr. Karun Kittisataporn	5/5	-	-	3/3	3/3	-	1/1
19.	Mr. Warapatr Todhanakasem	7/8	-	5/5	-	-	3/3	1/1
20.	Ms. Nongluck Phinainitisart	8/8	-	5/5	4/4	4/4	-	1/1
21.	Ms. Anchalee Pipatanasern	8/8	-	5/5	-	-	3/3	1/1

#### Remarks:

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. Mr. Karun Kittisataporn (Independent director) No.18 resigned, effective on 1 July 2019
7. Annual General Meeting of Shareholders year 2018, No. 1/2019 on 22 February 2019

## The Executives

As of 31 October 2019, 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	Vice President - Office of Company Secretary and Legal / Company Secretary
10.	Mr. Piripon	Chinthammit	Vice President - Raw Material supply
11.	Mr. Dhanapat	Na Chiangmai	Vice President - Administration (In Position Unit 31 May 2019)
12.	Mr. Sommanus	Potisat	Vice President - Office of President
13.	Mr. Meechai	Piyavisadpat	(Acting) Assistant Vice President - Accounting and Finance (CFO) (Resigned, effective on 1 August 2019)
14.	Mr. Sinchai	Sirirattanaphonkun	Acting Senior Assistant Vice President - Accounting and Finance (CFO) (Effective on the 1 August 2019)

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

## 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 the meetings of the Board of Directors, Executive Board and shareholders' meeting, making and keeping minutes and other works as required by law as well as supervising the compliance unit. 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)



## Details of Directors, Executives, Controlling Persons and Company Secretary in 2019

As of 31 October 2019

1. **Name** Mr. Manu Leopaiprote  
**Position** Independent director / Chairman of the Board of Directors  
 (Director qualified as an independent director)  
**Age** 76 years  
**Date of Appointment as a Director** 18 March 2004

### Education/Training

- 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

### Expertise

- Strategic Planning & Risk Management
- Corporate Governance
- Government & Government Relations

### Director Training

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

### Board Member/Management in Other Listed Company (4)

Since 2017	Chairman	SVOA PCL
Since 2011	Chairman	TMC Industrial PCL
Since 2010	Chairman	Jubilee Enterprise PCL
Since 2004	Chairman	Polyplex (Thailand) PCL

### Position in Other Company/Organization/Institution (3)

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

### 5-year Past Experiences and / or Remarkable position

- (None)

### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

### Family Relationship among Directors and Executives

- (None)

2. **Name** Mr. Chamroon Chinthammit  
**Position** CEO and President  
 (Authorized signatory)  
**Age** 69 years  
**Date of Appointment as a Director** 26 February 2004

### Education/Training

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

### Expertise

- Business Management
- Strategic Planning & Risk Management
- Corporate Governance

### Director Training

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

### Board Member/Management in Other Listed Company

- (None)

### Position in Other Company/Organization/Institution (14)

Since 1996	Chairman	Affiliated KSL sugar companies
		- New Krung Thai Sugar Factory Co., Ltd.
		- Tamaka Sugar Industry Co., Ltd.
		- New Kwang Soon Lee Sugar Factory Co., Ltd.
Since October 2017	Director	BBGI PCL
Since 2006	President	KSL Agro and Trading Co., Ltd.
	President	Koh Kong Sugar Industry Co., Ltd.
	President	Savannakhet Sugar Corporation
Since 2003	President	Khon Kaen Sugar Power Plant Co., Ltd.
Since 2002	President	KSL Export Trading Co., Ltd.
Since 2000	President	Thai Fermentation Industry Co., Ltd.
Since 1997	President	Chengteh Chinaware (Thailand) Co., Ltd.
	Director	Thai Sugar Millers Co., Ltd.
Since 1996	President	KSL Real Estate Co., Ltd.
Since 2002	Director	Onnuch Construction Co., Ltd.

### 5-year Past Experiences and / or Remarkable position

2004 - 2018	Director	KSL Green Innovation PCL
2003 - 2016	President	KSL Material Supply Co., Ltd.
2001 - 2016	President	TFI Green Biotech Co., Ltd.

### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 108,818,031 shares (2.47%)
- 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. **Name** Mr.Pornsini Thaemsirichai  
**Position** Director and Executive Director  
Senior Vice President - Office of Innovation  
(Authorized signatory)  
**Age** 74 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

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

#### Expertise

- Business Management
- Strategic Planning & Risk Management
- Food & Beverage

#### Director Training

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

#### Board Member/Management in Other Listed Company (1)

Since 2013 Director Sahamit Machinery PCL

#### Position in Other Company /Organization/Institution (6)

Since 1983 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.

Since 2010 Chairman Koh Kong Plantation Co., Ltd.

Since 2017 Director Savannakhet Sugar Corporation

Since 2006 Director Koh Kong Sugar Industry Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

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

2003 - October 2019 Director Khon Kaen Sugar Power Plant Co., Ltd.

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

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

#### Family Relationship among Directors and Executives

- Brother-in-Law of person number 2

4. **Name** Mr. Sukhum Tokaranyaset  
**Position** Director and Executive Director  
Senior Vice President - Accounting & Finance  
(Authorized signatory)  
**Age** 72 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

- Vocational Certificate  
Kitti Commerce College

#### Expertise

- Accounting
- Finance
- Food & Beverage

#### Director Training

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

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (14)

Since 2004 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.

Since 2015 ประธานกรรมการ Raja Transfer Co., Ltd.

Since 2006 Director Koh Kong Sugar Industry Co., Ltd.  
Director KSL Agro and Trading Co., Ltd.

Since 2002 Director KSL Export Trading Co., Ltd.  
Director KSL Real Estate Co., Ltd.  
Director Champion Fermentation Co., Ltd.

Since 2000 Director TFI Green Biotech Co., Ltd.  
Vice Chairman Raja Porcelain Co., Ltd.  
Director Thai Fermentation Industry Co., Ltd

Since 1998 Director Chengteh Chinaware (Thailand) Co., Ltd

Since 1989 Director and Raja Product Co., Ltd.  
Executive Director

#### 5-year Past Experiences and / or Remarkable position

2004 - March 2015 Director Chantaburi Starch Co., Ltd

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 2,640,000 Shares (0.06%)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)





**5. Name** Mr.Thawatchai Rojanachotikul  
**Position** Director and Executive Director  
 Senior Vice President – Administration  
 (Authorized signatory)  
**Age** 66 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

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

#### Expertise

- Business Management
- Food & Beverage
- Marketing & Business Development

#### Director Training

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

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (11)

Since 1996	Director	Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
Since 2006	Director	Savannakhet Sugar Corporation
	Director	KSL Agro and Trading Co., Ltd.
Since 2002	Director	TFI Green Biotech Co., Ltd.
Since 2000	Director and Deputy Managing Director	Thai Fermentation Industry Co., Ltd.
Since 1998	Director	KSL Export Trading Co., Ltd.
Since 1989	Director	Champion Fermentation Co., Ltd.
	Director	KSL Real Estate Co., Ltd.
Since 1987	Director	Chengteh Chinaware (Thailand) Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

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

#### Family Relationship among Directors and Executives

- (None)

**6. Name** Ms. Intira Sukhanindr  
**Position** Director and Executive Director  
 Vice President – Business Development  
 (Authorized signatory)  
**Age** 72 years  
**Date of Appointment as a Director** 25 June 2010

#### Education/Training

- Certificate of Secretary Melbourne, Australia

#### Expertise

- Business Management
- Food & Beverage
- Marketing & Business Development

#### Director Training

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

#### Board Member/Management in Other Listed Company (1)

Since 2005	Director	Sub Sri Thai Warehouse PCL
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#### Position in Other Company /Organization/Institution (8)

Since 2010	Director	Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.
Since 2010	Director	Director, KSL Agro and Trading Co., Ltd.
Since 2010	Director	Khon Kaen Sugar Power Plant Co., Ltd.
Since 2007	General Manager	KSL Export Trading Co., Ltd.
Since 2004	Director	Thai Fermentation Industry Co., Ltd.
Since 2003	Director	Champion Fermentation Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 25,471,699 shares (0.58%)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- Elder Sister of person number 2

<b>7. Name</b>	Ms.Duangdao Chinthammit
<b>Position</b>	Director and Executive Director / Nomination and Remuneration Committee / Vice President - Human Resources (Authorized signatory)
<b>Age</b>	61 years
<b>Date of Appointment as a Director</b>	26 February 2004

**Education/Training**

- Master of Science, 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

**Expertise**

- Human Resources Management
- Corporate Governance
- Marketing & Business Development

**Director Training**

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

**Board Member/Management in Other Listed Company (1)**

Since 2005 Director Sub Sri Thai Warehouse PCL

**Position in Other Company /Organization/Institution (7)**

Since 2004 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.

Since 2006 Director KSL Agro and trading Co., Ltd.

Since 2004 Director KSL Sugar Holding Co., Ltd.

Since 1999 Director KSL Real Estate Co., Ltd.

Since 1996 Director Onnuch Construction Co., Ltd.

**5-year Past Experiences and / or Remarkable position**

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

**Shareholding (Ordinary Shares) (as of 31 October 2019)**

- Own: 99,799,954 Shares (2.26%)

**Family Relationship among Directors and Executives**

- Younger Sister of person number 2

<b>8. Name</b>	Mr. Chalush Chinthammit
<b>Position</b>	Director and Executive Director / Risk Management Committee Vice President - office of President (Authorized signatory)
<b>Age</b>	50 years
<b>Date of Appointment as a Director</b>	26 February 2004

**Education/Training**

- 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)
- Business Revolution and Innovation Network (BRAIN) Class 2, The Federation of Thai Industries

**Expertise**

- Diversification
- Marketing & Business Development
- Corporate Governance

**Director Training**

- Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors Association (IOD)
- Chairman 2000, 10/2004, Thai Institute of Directors Association (IOD)

**Board Member/Management in Other Listed Company (3)**

Since 2014 Director and Audit Committee Master Ad PCL

Since 2007 Director and Executive Director TS Flour Mill PCL

Since 2007 Director Thai Sugar Terminal PCL

**Position in Other Company /Organization/Institution (20)**

Since 2004 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.

Since 2019 Director Kerry Express PCL

Since 2018 Director Bangchak Bioethanol PCL

Since 2017 Chairman DAD SPV Co., Ltd.

Since October 2017 Director BBGI PCL

Since 2016 Director WSP Logistics Co., Ltd.

Since 2015 Director and Chairman of the Dhanarak Asset Development Co., Ltd. Audit Committee

Since 2006 Director KSL Agro and Trading Co., Ltd.  
 Director Koh Kong Plantation Co., Ltd.  
 Director Savannakhet Sugar Corporation

Since 2006 Director KhonKaen Sugar Power Plant Co., Ltd.

Since 2004 Director KSL Green Innovation PCL.

Since 2002 Director KSL Export Trading Co., Ltd.

Since 2001 Director Thai Sugar Miller Co., Ltd.

Since 1997 Director Onnuch Construction Co., Ltd.  
 Director and Chairman Colossal International Co., Ltd.

Since 1997 Director MMP Corporation Co., Ltd.

Since 1996 Director KSL Real Estate Co., Ltd.

**5-year Past Experiences and / or Remarkable position**

2014 - 1 August 2019 Director and Executive Director Mudman PCL

1996 - 1 July 2019 Managing Director KSL Real Estate Co., Ltd.

**Shareholding (Ordinary Shares) (as of 31 October 2019)**

- Own: 43,279,926 Shares (0.98%)
- Minor children:
  - Mr.Chayapat Chinthammit 11,088,000 Shares (0.25%)
  - Mr.Chatchapee Chinthammit 11,088,000 Shares (0.25%)
  - Ms.Chollapim Chinthammit 374,000 Shares (0.01%)

**Family Relationship among Directors and Executives**

- Nephew of person number 2



9. **Name** Mr.Somchai Chinthammit  
**Position** Director and Executive Director  
 Assistant Vice President – Office of President  
**Age** 67 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

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

#### Expertise

- Business Management
- Food & Beverage
- Finance

#### Director Training

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

#### Board Member/Management in Other Listed Company (2)

Since 2008	Director	TS Flour Mill PCL
	Director	Thai Sugar Terminal PCL

#### Position in Other Company /Organization/Institution (10)

Since 1996	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.
Since 2008	Director	TS Warehouse Co., Ltd.
	Director	TS G Trading Co., Ltd
	Director	TS Oil Industry Co., Ltd.
	Director	TS Transport and Logistic Co., Ltd.
Since 2004	Director	Champion Fermentation Co., Ltd.
Since 2003	Director	Khon Kaen Sugar Power Plant Co., Ltd.
Since 1981	Director	Thai Fermentation Industry Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

2003 – 2015	Director	KSL Green Innovation PCL
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#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 96,475,726 Shares (2.19%)
- Spouse: Ms.Somjit Somsukcharoen 279,206 shares (0.01%)
- Minor children:
  - Ms.Natamon Chinthammit 17,733,759 Shares (0.40%)

#### Family Relationship among Directors and Executives

- Younger Brother of person number 2

10. **Name** Ms.Duangkae Chinthammit  
**Position** Director and Executive Director  
 Assistant Vice President – Office of President  
**Age** 64 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

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

#### Expertise

- Business Management
- Finance
- Human Resources Management

#### Director Training

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

#### Board Member/Management in Other Listed Company (1)

Since 2005	Director	Sub Sri Thai Warehouse PCL
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#### Position in Other Company /Organization/Institution (6)

Since 1996	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.
Since 2004	Director	KSL Sugar Holding Co., Ltd.
Since 1993	Director	Chavananthakij Co., Ltd.
Since 1976	Director	National Enterprises Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 99,683,643 Shares (2.26%)

#### Family Relationship among Directors and Executives

- Younger Sister of person number 2

11. **Name** Mr. Chanachai Chutimavoraphand  
**Position** Director and Executive Director  
(Authorized signatory)  
**Age** 47 years  
**Date of Appointment as a Director** 1 April 2017

#### Education/Training

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

#### Expertise

- Accounting
- Finance
- Legal & Tax

#### Director Training

- Director Accreditation Program (DAP) 37/2005, Thai Institute of Directors Association (IOD)

#### Board Member/Management in Other Listed Company (2)

Since 2000 CEO Thai Sugar Terminal PCL  
Director and Executive Director TS Flour Mill PCL

#### Position in Other Company /Organization/Institution (9)

Since 2004 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.

Since October 2017 Director BBGI PCL

Since 2016 Director WSP Logistics Co., Ltd

Since March 2014 Director KSL Real Estate Co., Ltd.

Since 2006 Director Koh Kong Sugar Industry Co., Ltd.  
Director Savannakhet Sugar corporation

Since 1996 Director Onnuch Construction Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

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

2002 - April 2019 Director KSL Green Innovation PCL

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 115,355,499 shares (2.62%)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- Nephew of person number 2

12. **Name** Mr.Chatri Chinthammit  
**Position** Director  
(Non - Executive Director)  
**Age** 46 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

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

#### Expertise

- Information Technology
- Business Management
- Marketing & Business Development

#### Director Training

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

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (4)

Since 2004 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.

Since 2000 Deputy Managing Director Software Department  
KSL IT Center Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 57,467,546 Shares (1.30%)

#### Family Relationship among Directors and Executives

- Nephew of person number 2



**13. Name** Mr. Somchat Chinthammit  
**Position** Director, Corporate Governance Committee  
 (Non - Executive Director)  
**Age** 61 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

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

#### Expertise

- Food & Beverage
- Marketing & Business Development
- Corporate Governance

#### Director Training

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

#### Board Member/Management in Other Listed Company (1)

Since 2005 Independent Director UOB Kay Hian Securities (Thailand) PCL and Audit Committee

#### Position in Other Company /Organization/Institution (9)

Since 2004 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.

Since 2018 Director Chinpongsawat Co., Ltd.

Since 2005 Director Boathouse Huahin Co., Ltd.

Since 2003 Managing Director Top Blend International Co., Ltd.

Since 1989 Director Phongwilai Co., Ltd.

Since 1988 Deputy Managing Director Bangkok Interfood Co., Ltd.  
 Director  
 Managing Director Thai Flour Industry Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 22,907,921 Shares (0.52%)
- Spouse: Ms. Darunee Lertdamronglak 2,194,852 Shares (0.05%)

#### Family Relationship among Directors and Executives

- (None)

**14. Name** Mr. Tachpong Pakornsiriwongse  
**Position** Director and Executive Director  
 Assistant Vice President - Office of President  
**Age** 69 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

- Certificate in Financial Management, Chulalongkorn University

#### Expertise

- Business Management
- Food & Beverage
- Marketing & Business Development

#### Director Training

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

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (5)

Since 2004 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.

Since 2007 Director KSL Sugar Holding Co., Ltd.

Since 2004 Director Koh Kong Plantation Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 158,162 Shares (0.004%)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)



15. **Name** Mr. Trakarn Chunharojrit  
**Position** Director and Executive Director  
**Age** 79 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

- Certificate in Accounting

#### Expertise

- Food & Beverage
- Government & Government Relations
- Corporate Governance

#### Director Training

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

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (7)

Since 2004	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.
Since 2006	Director	KSL Agro and Trading Co., Ltd.
Since 2003	Director	Khon Kaen Sugar Power Plant Co., Ltd.
Since 1997	Director	Chengteh Chinaware (Thailand) Co., Ltd.
Since 1989	Director	KSL Real Estate Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

2003 - June 2016	Director	KSL Material Supplies Co., Ltd.
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#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 13,621,766 Shares (0.31%)
- Spouse: Ms.Rattana Chunharojrit 4,944,720 Shares (0.11%)

#### Family Relationship among Directors and Executives

- (None)

16. **Name** Pol.Gen.Boonpen Bumpenboon  
**Position** Independent Director, Chairman of Nomination and Remuneration Committee, Corporate Governance Committee  
(Director qualified as an independent director)  
**Age** 74 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

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

#### Expertise

- Government & Government Relations
- Corporate Governance
- Strategic Planning & Risk Management

#### Director Training

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

#### Board Member/Management in Other Listed Company (1)

Since 18 December 2013	Independent Director	The Platinum Group PCL
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#### Position in Other Company /Organization/Institution (2)

Since 2006	Council of State	Office of the Council of State
Since 14 October 2005	Independent Director	Sahaphandh Construction PCL

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)



**17. Name** Mr. Sitti Leelakasamelek  
**Position** Independent Director  
 Chairman of Audit Committee/Risk Management Committee  
 (Director qualified as an independent director)  
**Age** 66 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

- BA in Accounting, Chulalongkorn University  
Chulalongkorn University

#### Expertise

- Accounting
- Finance
- Marketing & Business Development

#### Director Training

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

#### Board Member/Management in Other Listed Company (2)

Since 2009 Member of the Nomination Committee and Member of the Remuneration Committee Noble Development PCL.

Since 1994 Vice Chairman Noble Development PCL.

#### Position in Other Company /Organization/Institution

- (None)

#### 5-year Past Experiences and / or Remarkable position

Since 2014 - Deputy Chief Executive Officer Noble Development PCL.  
28 September 2018

Since 1991 - Executive Vice President Noble Development PCL.  
November 2014 - Support Line1

Since 2013 - Director S&P Property Management Co., Ltd.  
26 April 2019

Since 2012 - Director N.K.Energy Conservation Co., Ltd.  
26 April 2019

Since 2005- Director Ban Suk Sabai Co., Ltd.  
26 April 2019

Since 1995- Director Continental City Co.,Ltd.  
26 April 2019

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)

**18. Name** Mr. Karun Kittisataporn  
**Position** Independent Director, Chairman of Nomination and Remuneration Committee/ Risk Management Committee (Resigned, July 1, 2019 )  
 (Director qualified as an independent director)  
**Age** 72 years  
**Date of Appointment as a Director** 26 February 2004

#### Education/Training

- M.A. (International Trade), Syracuse University, USA (under USAID Scholarship)
- Bachelor of Commerce & Administration Victoria University of Wellington, N.Z. (under Colombo Plan Scholarship)
- Financial Statements for Directors Program (FSD) 2009
- Audit Committee Program (ACP) 2009

#### Expertise

- Human Resources Management
- Government & Government Relations
- Corporate Governance

#### Director Training

- Director Certification Program (DCP) 2006,  
Thai Institute of Directors Association (IOD)
- Role of the Compensation Committee (RCC) 2008,  
Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) 2009,
- Anti-Corruption for Executive Program ( ACEP)2009,  
Thai Institute of Directors Association (IOD)

#### Board Member/Management in Other Listed Company (4)

Since April 2018 Chairman of Nomination and Remuneration Committee, Central Pattana PCL

Since 2011 Audit Committee Central Pattana PCL

Since 2008 Independent Director and Chairman of Nomination and Remuneration Committee Bank of Ayutthaya PCL

Since 2008 Audit Committee Sahamit Machinery PCL.

#### Position in Other Company /Organization/Institution (1)

Since 2006 Member Council of State

#### 5-year Past Experiences and / or Remarkable position

2009 - March 2015 Independent Director Central Pattana PCL  
Nomination and Remuneration Committee

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

2007 - 2 September 2014 Commissioner The Insurance Commission

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)

**19. Name** Mr. Warapatr Todhanakasem

**Position** Independent Director, Chairman of Corporate Governance Committee , Audit Committee  
(Director qualified as an independent director)

**Age** 70 years

**Date of Appointment as a Director** 26 February 2010

#### Education/Training

- 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
- 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 Class 4
- Tepcot Class 2

#### Expertise

- Corporate Governance
- Finance
- Strategic Planning & Risk Management

#### Director Training

- Directors Certification Program DCP 0/2000, Thai Institute of Directors Association (IOD)
- The Executive Director Course EDC 1/2012, Thai Institute of Directors Association (IOD)
- Certificate of International Corporate Governance, Yale University, U.S.A.
- Director Certificate Program, Australian Institute of Corporate Directors (Class Train the Trainers), Bangkok

#### Board Member/Management in Other Listed Company (3)

Since June 2013 Director True Corporation PCL

Since August 2012 Director Amata VN PCL

Since 2009 Chairman and Independent Director Prinsiri PCL

#### Position in Other Company /Organization/Institution (1)

Since Jun 2012 President Institute of Research and Development Public Enterprises of Thailand (IRDP)

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)

**20. Name** Ms. Nongluck Phinainitisart

**Position** Independent Director , Chairman of Risk Management Committee, Audit Committee, Nomination and Remuneration Committee  
(Director qualified as an independent director )

**Age** 60 years

**Date of Appointment as a Director** 26 February 2010

#### Education/Training

- 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
- Executive Program, Harvard University, USA
- Stanford Executive Program 2013

#### Expertise

- Strategic Planning & Risk Management
- Marketing & Business Development
- Business Management

#### Director Training

- Director Accreditation Program (DAP) 4/2003, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 71/2006, Thai Institute of Directors Association (IOD)

#### Board Member/Management in Other Listed Company (1)

Since 1 - September 2019 Director and Executive Director Mudman PCL

#### Position in Other Company /Organization/Institution

- (None)

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)

#### Family Relationship among Directors and Executives

- (None)



**21. Name** Ms. Anchalee Pipatanasern  
**Position** Independent Director, Audit Committee,  
 Corporate Governance Committee  
 (Director qualified as an independent director)  
**Age** 67 years  
**Date of Appointment as a Director** 29 September 2017

#### Education/Training

- Continuing Education Program in AIS  
University of Texas at Austin, TX, USA
- MS. (Accounting), Thammasat University
- BBA. (Accounting) (second class Honours), Thammasat  
Business School, Thammasat University
- Thammasat Leadership Program (for social) Class2, Thammasat University

#### Expertise

- Accounting
- Finance
- Corporate Governance

#### Director Training

- Director Certification Program (DCP) 124/2009,  
Thai Institute of Directors Association (IOD)
- Audit Committee and Continuing Development Program (ACP) 30/2010,  
Thai Institute of Directors Association (IOD)
- Role of Chairman 25/2011,  
Thai Institute of Directors Association (IOD)
- Board Matters and Trends (BMT) รุ่นที่ 7/2019,  
Thai Institute of Directors Association (IOD)

#### Board Member/Management in Other Listed Company (3)

Since 2010 Audit Committee/Independent Director AIRA Capital PCL  
 Since 2009 Audit Committee/Independent Director AIRA Securities PCL  
 Since 2009 Audit Committee/Independent Director Prinsiri PCL

#### Position in Other Company /Organization/Institution (2)

Since 2012 Subcommittee, University Council Thammasat University  
 on Finance and Property,  
 Since 2007 Committee of Real Estate Business Thammasat University  
 Program, Thammasat Business School,

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)

**22. Name** Mr.Theera Sanguandeekul  
**Position** Vice President – Sugar Production  
**Age** 68 years

#### Education/Training

- MSc.Chemical Engineering ,University of Wisconsin  
Madison, USA
- Executive MBA , Kasetsart University
- Bsc.Chemistry, Faculty of Science, Chulalongkorn University

#### Board Member/Management in Other Listed Company

- (None)

#### Board Member/Management in Other Listed Company (5)

Since 2007 Director Koh Kong Sugar Industry Co., Ltd.  
 Since 2006 Director Savannakhet Sugar Corporation  
 Since 2003 Director Royal Place Realty Co., Ltd.  
 Since 1992 Director Chareonlarp Development Co., Ltd.  
 Since 2010 Director Royal Residence Development Co., Ltd.

#### Position in Other Company /Organization/Institution

2003 – June 2016 Director Royal Residence Development Co., Ltd.

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 1,650,000 Shares (0.04%)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)

**23. Name** Mr. Dhajjai Subhapholsiri  
**Position** Vice President - Office of Company Secretary and Legal  
 Company Secretary  
**Age** 62 years

#### Education/Training

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

#### Director Training

- Director Accreditation Program (DAP) 133/2017, Thai Institute of Directors Association (IOD)
- Ethical Leadership Program (ELP6/2016), Thai Institute of Directors Association (IOD)
- Fundamental Practice for Corporate Secretary (FPCS) 29/2014, Thai Listed Companies Association (TLCA)
- Corporate Governance for Executives (CGE) 2014, Thai Institute of Directors Association (IOD)
- Company Secretary Program (CSP59/2014), Thai Institute of Directors Association (IOD)

#### Board Member/Management in Other Listed Company (1)

Since 2016 Chairman of the Board of Directors Wattanapat Hospital Trang PCL

#### Position in Other Company /Organization/Institution (2)

Since September 2016 Independent Director Chamni's eye Co., Ltd.  
 Since April 2019 Director Thai Sugar And Bioenergy Producers Association (TSEA)

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)

**24. Name** Mr.Piripon Chinthammit  
**Position** Vice President - Raw Material Supply  
**Age** 39 years

#### Education/Training

- Master Degree in Business Administration (Organization Leadership), The University of Findlay, Ohio, U.S.A
- Bachelor Degree in Business Administration (Marketing), Bangkok University.
- Competency For Executive Management, 2018
- Key Successors Development Program, 2017
- Leadership Development Program, 2016
- Energy Literacy for the world, 2015

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (6)

Present Director KSL Real Estate Co., Ltd.  
 Director WSP Logistics Co., Ltd.  
 Director KSL Agro and Trading Co., Ltd.  
 Since January 2019 Director Thai Sugar Millers Co., Ltd.  
 Since April 2019 Director Thai Sugar And Bioenergy Producers Association (TSEA)  
 Director Office of Cane and Sugar Board

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: 92,647,024 shares (2.10%)
- Spouse : Ms.Wikanda Chinthammit 64,900 shares (0.00%)

#### Family Relationship among Directors and Executives

- Son of person number 2



**25. Name** Mr.Dhanapat Na Chiangmai  
**Position** Vice President - Administration  
(In position until 31 May 2019)  
**Age** 70 years

#### Education/Training

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

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (1)

Since 1 June 2019 General Manager KSL Real Estate Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

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

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own: (None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)

**26. Name** Mr.Sommanus Potisat  
**Position** Vice President - Office of President  
**Age** 57 years

#### Education/Training

- B.Sc. in Economics, Thammasat University, 1983
- Master of Business Administration (Marketing), Chulalongkorn University, 1986

#### Director Training

- DIRECTOR CERTIFICATION PROGRAM (DCP) 105/2008,  
Thai Institute of Directors Association (IOD)

#### Board Member/Management in Other Listed Company

- (None)

#### Position in Other Company /Organization/Institution (1)

Since 22 January 2019 Director Thai Sugar Millers Co., Ltd.

#### 5-year Past Experiences and / or Remarkable position

- (None)

#### Shareholding (Ordinary Shares) (as of 31 October 2019)

- Own:(None)
- Held by Spouse or minor children : (None)

#### Family Relationship among Directors and Executives

- (None)



**27. Name** Mr. Meechai Piyavisadpat

**Position** (Acting) Assistant Vice President - Accounting&Finance (CFO)  
(Resigned, August 1, 2019)

**Age** 38 years

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**Education/Training**

- Master of Science in Finance, Chulalongkorn University
- Bachelor of Science (Mathematics), Mahidol University
- Strategic CFO in Capital Markets No.7
- Orientation Course - CFO Focus on Financial Reporting No. 2
- Professional Controller No. 6

**Board Member/Management in Other Listed Company**

- (None)

**Position in Other Company/Organization/Institution**

- (None)

**5-year Past Experiences and / or Remarkable position**

- (None)

**Shareholding (Ordinary Shares) (as of 31 October 2019)**

- Own: (None)

**Family Relationship among Directors and Executives**

- (None)

**28. Name** Mr. Sinchai Sirirattanaphonkun

**Position** (Acting) Assistant Vice President - Accounting&Finance (CFO)  
(Appointment August 1, 2019)

**Age** 56 years

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**Education/Training**

- Bachelor of Finance, Dhurakij Pundit University
- Orientation Course - CFO Focus on Financial Reporting No. 8

**Director Training**

- (None)

**Board Member/Management in Other Listed Company**

- (None)

**Position in Other Company/Organization/Institution**

- (None)

**5-year Past Experiences and / or Remarkable position**

- (None)

**Shareholding (Ordinary Shares) (as of 31 October 2019)**

- Own: (None)

**Family Relationship among Directors and Executives**

- (None)



<b>29. Name</b>	Ms.Sirikwan Lerttaweewut
<b>Position</b>	Senior Group Accounting Manager (supervising accounting)
<b>Age</b>	43 Years

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#### Education/Training

- Master of Business Administration (Accounting), Ramkhamhaeng University
- Bachelor of Business Administration (Accounting), First-Class Honors, Rajamangala Institute of Technology, Bangkok Technical Campus
- Certified Public Accountant (CPA) 7158

#### Training

- Get Ready for Robotic Process Automation (RPA) for Digital Accountants
- Penetrate the new accounting standard TFRS 9, TFRS 15 and TFRS 16 Essence, impact, guidelines, and case studies

#### Work experience/ Listed Company

- (None)

#### Position in Other Company/Organization/Institution

- (None)

#### Work experience/ Company Limited (None)

- (None)

#### Number of company shares (as of 31 October 2019)

- Own : (None)

#### Relation among family within company

- (None)

## REPORT OF CHANGES IN SECURITIES HOLDING OF DIRECTORS AND EXECUTIVES

Disclosure of shareholding of directors and executives in the beginning , the end, and during the year 2019

No	Name	Position	Nature of Interest	Ordinary (Shares)			
				As at November 31, 31, 2018	As at October 31, 2019	Increase / (decrease) during financial year	% Voting shares
1.	Mr.Manu Leopairote *	Chairman/ Independent director	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
2.	Mr.Chamroom Chinthammit	President and CEO	Direct	105,138,031.00	108,818,031.00	3,680,000.00	2.47
	M.L.Charuvadhana Chinthammit		Indirect (Spouse)	52,775,901.00	52,775,901.00	-	1.20
3.	Mr.Pornsin Thaemsirichai	Director and Senior Vice President	Direct	29,390,196.00	29,390,196.00	-	0.67
	Ms.Montanut Thaemsirichai	Senior Assistant Vice President	Indirect (Spouse)	30,688,231.00	30,688,231.00	-	0.70
4.	Mr.Sukhum Tokaranyaset	Director and Senior Vice President	Direct	1,200,000.00	2,640,000.00	1,440,000.00	0.06
5.	Mr.Thawatchai Rojanachotikul	Director and Senior Vice President	Direct	55,937,112.00	55,937,112.00	-	1.27
	Ms.Korakoj Rojanachotikul		Indirect (Spouse)	3,166,748.00	3,166,748.00	-	0.07
6.	Ms.Intira Sukhanindr	Director and Senior Vice President	Direct	25,471,699.00	25,471,699.00	-	0.58
7.	Ms.Duangdao Chinthammit	Director and Vice President	Direct	99,799,954.00	99,799,954.00	-	2.26
8.	Mr.Chalush Chinthammit	Director and Vice President	Direct	43,279,926.00	43,279,926.00	-	0.98
	Mr.Chayapat Chinthammit		Indirect (Minor child)	11,088,000.00	11,088,000.00	-	0.25
	Mr.Chatchapee Chinthammit		Indirect (Minor child)	11,088,000.00	11,088,000.00	-	0.25
	Ms.Chollapim Chinthammit		Indirect (Minor child)	374,000.00	374,000.00	-	0.01
9.	Mr.Somchai Chinthammit	Director and Assistance Vice President	Direct	96,475,726.00	96,475,726.00	-	2.19
	Ms.Somjit Somsukcharoen		Indirect (Spouse)	279,206.00	279,206.00	-	0.01
	Ms.Natamon Chinthammit		Indirect (Minor child)	17,733,759.00	17,733,759.00	-	0.40
10.	Ms.Duangkae Chinthammit	Director and Assistance Vice President	Direct	99,683,643.00	99,683,643.00	-	2.26
11.	Mr.Chanachai Chutimavoraphand	Director	Direct	115,355,499.00	115,355,499.00	-	2.62
12.	Mr.Chattri Chinthammit	Director	Direct	57,467,546.00	57,467,546.00	-	1.30
13.	Mr.Somchat Chinthammit	Director	Direct	22,907,921.00	22,907,921.00	-	0.52
	Ms.Darunee Lertdamronglak		Indirect (Spouse)	2,194,852.00	2,194,852.00	-	0.05
14.	Mr.Tachpong Pakornsiriwongse	Director	Direct	158,162.00	158,162.00	-	0.004
15.	Mr.Trakarn Chunharojrit	Director	Direct	13,621,766.00	13,621,766.00	-	0.31
	Ms. Rattana Chunharojrit		Indirect (Spouse)	4,944,720.00	4,944,720.00	-	0.11
16.	Pol.Gen Boonpen Bumpenboon*	Independent director	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
17.	Mr.Sitti Leelakasamelerk *	Independent director	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
18.	Mr.Karun * Kittisataporn*	Independent director	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
19.	Mr.Warapat Todhanakasem*	Independent director	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
20.	Ms.Nongluck Phinainitisař	Independent director	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
21.	Ms.Anchalee Pipatanasern *	Independent director	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
22.	Mr.Theera Sanguandeekul	Vice President	Direct	1,650,000.00	1,650,000.00	-	0.04
23.	Mr.Dhajjai Subhapholsiri	Vice President	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
24.	Mr.Piripon Chinthammit	Vice President	Direct	92,647,024.00	92,647,024.00	-	2.10
	Ms.Wikanda Chinthammit		Indirect (Spouse)	64,900.00	64,900.00	-	0.001
25.	Mr.Dhanapat Na Chiangmai	Vice President	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
26.	Mr.Sommanus Potisat	Vice President	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
27.	Mr. Meechai**	Piyavisadpat (Acting) Assistant Vice President (CFO)	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
28.	Mr.Sinchai Sirirattanaphonkun	(Acting) Senior Assistant Vice President (CFO)	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share

### Remark

- \*Mr.Karun Kittisataporn (Independent director) No.18, resigned, effective on July 1, 2019
- \*\*Mr. Meechai Piyavisadpat (Acting) Assistant Vice President (CFO), No. 27, resigned, effective on 1 August 2019.
- The executives No. 2,3,4,5,6,27,28 are executives pursuant to the Company's structure and to the SEC's Notification
- The executives No. 22,23,24,25,26 are executives pursuant to the Company's structure.



## DIRECTORS IN SUBSIDIES AND AFFILIATED COMPANIES

Directors in Subsidiaries and Affiliated of Khon Kaen Sugar Industry PCL. as of October 31, 2019

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

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

X	Chairman
/	Director
//	Executive Director

**2. Name of Subsidiaries and Associates****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. KSL Export Trading Co., Ltd.
5. Khon Kaen Sugar Power Plant Co., Ltd.

6. KSL Real Estate Co., Ltd.
7. KSL Agro and Trading Co., Ltd.
8. Savannakhet Sugar Corporation
9. Koh Kong Plantation Co., Ltd.
10. Koh Kong Sugar Industry Co., Ltd.
11. WSP Logistics Co., Ltd.

**Name of Associates**

12. Thai Sugar Terminal PCL.
13. BBGI PCL.

3. **Mr.Chanachai Chutimavoraphand, Director of KSL Green Innovation PCL., resigned effective April 2019**

## Directors' and Executives' remuneration

### Policy in respect of Remuneration for Board of Director and Committees

The Company prescribes policy and rules for paying appropriate remuneration to directors subject to approval of the annual Shareholders' Meeting. The Nomination and Remuneration Committee surveys the remuneration for directors and Committee's members by taking into account responsibilities and performances of directors and Committees' members in comparison with those in leading companies in the Securities Exchange and in the same industry group having similar size and nature of business, including the survey the information provided by the Thai Institute of Directors (IOD) as well as the result of the Company's performance and payment of dividend to shareholders.

#### Directors' Remuneration

##### Remunerations are divided into 3 parts:

1. Regular remuneration (Fixed Fee) is paid monthly to directors.
2. Meeting remuneration (Attendance Fee) is paid to Committee members 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 prescribed the directors' remuneration which is approved by the shareholder's meeting on February 22, 2019 as follows:

1. Remuneration for Chairman of Board of Directors  
THB 540,000 (Not exceeding the amount of THB per year)
2. Remuneration for Chairman of Audit Committee  
THB 540,000 (Not exceeding the amount of THB per year)
3. Remuneration for 19 directors  
THB 8,550,000 (Not exceeding the amount of THB per year)  
(THB 25,000 / person / month + bonus)

4. Meeting allowance for members of Committee, i.e., Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee who attend the meeting.
    - Chairman of Committee who attends the meeting  
THB 7,200/ meeting.
    - Each member of 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
  6. Other Benefits : -No-
- No other remunerations than the above-mentioned are paid to directors.

#### 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 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.

#### 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 keep the qualified executives with the Company.



## REMUNERATION IN CASH

### Remuneration for directors in 2019

No.	Name of Directors		KhonKaen Sugar Industry PCL.							
			Remuneration Board of Directors	Meeting Allowance						Total  (THB)
				Executive Board	AC	NRC	CGC	RMC	Bonus	
1	Mr.Manu	Leopairote	360,000.00	-	-	-	-	-	120,000.00	480,000.00
2	Mr.Chamroon	Chinthammit	300,000.00	14,400.00	-	-	-	-	100,000.00	414,400.00
3	Mr.Pornsin	Thaemsirichai	300,000.00	12,000.00	-	-	-	-	100,000.00	412,000.00
4	Mr.Sukhum	Tokaranyaset	300,000.00	11,000.00	-	-	-	-	100,000.00	411,000.00
5	Mr.Thawatchai	Rojanachotikul	300,000.00	9,000.00	-	-	-	-	100,000.00	409,000.00
6	Ms.Intira	Sukhanindr	300,000.00	12,000.00	-	-	-	-	100,000.00	412,000.00
7	Ms.Duangdao	Chinthammit	300,000.00	10,000.00	-	24,000.00	-	-	100,000.00	434,000.00
8	Mr.Chalush	Chinthammit	300,000.00	8,000.00	-	-	-	6,000.00	100,000.00	414,000.00
9	Mr.Somchai	Chinthammit	300,000.00	12,000.00	-	-	-	-	100,000.00	412,000.00
10	Ms.Duangkae	Chinthammit	300,000.00	11,000.00	-	-	-	-	100,000.00	411,000.00
11	Mr.Chanachai	Chutimavoraphand	300,000.00	11,000.00	-	-	-	-	100,000.00	411,000.00
12	Mr.Chatri	Chinthammit	300,000.00	-	-	-	-	-	100,000.00	400,000.00
13	Mr.Somchat	Chinthammit	300,000.00	-	-	-	12,000.00	-	100,000.00	412,000.00
14	Mr.Tachpong	Pakornsiriwongse	300,000.00	11,000.00	-	-	-	-	100,000.00	411,000.00
15	Mr.Trakarn	Chunharojrit	300,000.00	12,000.00	-	-	-	-	100,000.00	412,000.00
16	Pol.Gen.Boonpen	Bumpenboon	300,000.00	-	-	25,200.00	18,000.00	-	100,000.00	443,200.00
17	Mr.Sitti	Leelakasemlerk	360,000.00	-	36,000.00	-	-	24,000.00	120,000.00	540,000.00
18	Mr.Karun	Kittisataporn	300,000.00	-	-	21,600.00	-	18,000.00	0	239,600.00
19	Mr.Warapatr	Todhanakasern	300,000.00	-	30,000.00	-	21,600.00	-	100,000.00	451,600.00
20	Ms.Nongluck	Phinainitisart	300,000.00	-	30,000.00	24,000.00	-	28,800.00	100,000.00	482,800.00
21	Ms.Anchalee	Pipatanasern	300,000.00	-	30,000.00	-	18,000.00	-	100,000.00	448,000.00
Total			6,320,000.00	133,400.00	126,000.00	94,800.00	69,600.00	76,800.00	2,040,000.00	8,860,600.00

#### Remark :

- The directors' remunerations do not include the remunerations from subsidiary companies.
- Mr. Karun Kittisataporn (Independent Director/ Chairman of Nomination & Remuneration Committee/ Risk Management Committee) No.18 resigned, effective on 1 July 2019.
- On 2 August 2019, the Board of Directors appointed Pol. Gen. Boonpen Bumpenboon (Independent Director) Chairman of the Nomination and Remuneration Committee



## 2. Remuneration for executives in 2019

Remunerations for 14 executives (listed as corporate top executives) include salaries, bonuses and allowances amounted to THB 52,481,905.10 million.

## 3. 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, 2019, the Company's personnel information is as follows:

	Consolidated		Separated	
	2019	2018	2019	2018
Number of Employees (Persons)				
During Production Season	6,118	6,480	2,169	2,534
During Normal Period	4,639	4,774	1,689	1,894
Expenses related to employees (Million THB)	1,461.84	1,568.17	624.27	642.43

As of 31 October 2019, the Company had no significant labor disputes that may have a potential negative impact on its operations.

### 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) by gathering and developing internal knowledge systematically in order that each employee can access those knowledge through Intranet and utilize them for personal development.



# CORPORATE GOVERNANCE

## Corporate Governance Policy

The Board of Directors, as leader of the organization, performs its duties with responsibility, transparency, and fairness with determination to operate and develop the Company to sustainability by adhering to the principles of corporate governance and business ethics.

In 2019, the Company has conducted the following activities.

1. The Board of Directors performs its duties in compliance with the principles of corporate governance introduced by the Office of the Securities Exchange Commission, Securities Exchange of Thailand, Thai Institute of Directors, Company's Corporate Governance Policy and Business Ethics as well as international criteria so as to be consistent with accepted rules such as ASEAN CG Scorecard, etc. In 2019, the Company is assessed by Survey Project on the Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors at the level of "Excellent".

2. The Company, on 7 March 2019, provides a workshop seminar (KSL Basic 2019) to all new employees which includes the topics on business ethics and measures to prevent fraud and anti-corruption in order to promote basic knowledge and understanding to new employees.

3. The Company publicizes the Corporate Governance Policy, Business Ethics and Manual on Measures for Prevention of Fraud and Corruption in the Company's website and intranet so that the directors, executives and employees become aware and adopt as guidelines for their tasks.

The Corporate Governance Policy 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.

During the year, the Company duly governs the business by adhering to the Policy.

## Chapter 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](http://www.kslgroup.com) at the menu "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](http://www.kslgroup.com). Inquiries and requests for further information may be e-mailed to [ir@kslgroup.com](mailto:ir@kslgroup.com) and [secretary@kslgroup.com](mailto: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 2018 AGM no. 1/2019 held on 22 February 2019 at 09.30 am. at Kamolthip 2-3 Ballroom, 2nd Floor, The Sukosol Hotel No.477, Sriayudhya Road, Thanonphayathai Sub-district, Rajthevi District, 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 2018 Annual Shareholders' Meeting No.1/2019 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 2018 Annual Shareholders' Meeting, No.1/2019, 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 2018, No. 1/ 2019 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.

10. The Board of Directors shall not hold aggregately the shares more than 25 percent of the issued shares.

## Chapter 2: Equitable Treatments of Shareholders

1. A shareholder has a voting right by one share/one vote. The Company has only one type of share, namely, ordinary shares.

2. Shareholders are entitled 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 are clearly posted on the website of the Company at [www.ksigroup.com](http://www.ksigroup.com) at the menu “Information for Investors” under the “News Room” menu. After that, the Board of Directors shall hold a meeting to proceed with the screening process. However, in the past there has been no nomination by the shareholders.

3. The Company attached a Letter of Proxy, per Form B with the Notice Calling Meeting, which enabled the shareholders to set their own voting direction in each agenda, so as to afford convenience to a shareholder who is unable to attend the meeting to authorize an independent director or another person to attend the meeting and cast votes on his/her behalf. The Notice Calling Meeting of both in Thai and English languages are published on the Company’s website 30 days before the date of meeting to allow shareholders to study the information beforehand. As for the Notice Calling Meeting of both in Thai and English language, the Company commissions 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.

4. The Company sets a guideline about the use of inside information in the CG Policy and disseminates to directors, executives and employees who access to significant information which would affect the price of securities to refrain from trading the securities for one month prior to the disclosure of operating result or the disclosure of such information to public (Chapter 2: Equitable treatment of shareholders). Besides, the Company by Company Secretary regularly warns the 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 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.

5. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing (Details in “Use of Inside Information”).

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

7. In the past year, neither directors nor executives used insider trading and the Company did not violate or defy the connected transaction rules.

8. During the year, there was no related-party transaction which requires approval from the Shareholders’ Meeting.

## Chapter 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:



<b>Rights of Shareholders</b>	The Company abides by the Corporate Governance Policy and guidelines regarding shareholders and equal treatment to shareholders and prescribes consistent Business Ethics.
<b>Rights of Employees</b>	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. The Company provides fair hiring conditions for the employees and undertakes appropriate policy and guidelines in respect of remuneration and welfare. Employees receive short term and long term remuneration such as salary and bonus pursuant to the employee's performance evaluation and the Company's operational result. The Company establishes a provident fund for employees' living stability. Besides, the Company supports the development of knowledge and potential so as to make them ready for their work and organizational development and discloses average training hours, accident statistics, work stoppage time and sickness from work information (Details in the Sustainability Report).
<b>Rights of Customers</b>	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.
<b>Rights of Suppliers</b>	The Suppliers hereby include, apart from contracting parties in sales and service of work, joint investors in some specific business. The Company acknowledges the legal rights and contractual rights pursuant to the joint investment by adhering to principles of honesty, equality and right to return of investment. The Company has the Corporate Governance Policy and guidelines regarding customers in the Chapter on Roles of Stakeholders saying that it supports fair and free competition, equality in doing business and mutual benefits, transparent and fair procurement. The Company prescribes the qualifications of the customers who are entitled to offer bidding as well as announces openly and equally to the rightful bidders of the complete information and conditions regarding the procurement. The Company keeps confidential the bidding prices from the suppliers and does not disclose to other bidders. The Company shall not demand any benefit from the suppliers in exchange of executing contracts with the Company as well as prescribes in the Business Ethics of such practices. As for the service of work in the Company's sites, the Company provides safe working conditions for the contractors and emphasizes that the contractors must strictly abide by the Company's rules of safety. Upon completion of the work, the Company has a process of transparent and fair acceptance of work and shall pay the contractors in due time. The Company through the procurement department communicates with the suppliers through various channels of important matters and provides channels for the suppliers to send their complaints or information. In 2019, 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.
<b>Rights of Creditors</b>	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.
<b>Right of Competitors</b>	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.

<b>Rights of Community and Society</b>	The Company adheres to sustainable development under the framework of the Global Reporting Initiative (GRI) and keeps complying with relevant laws and regulations. The Company encourages the stakeholders to attend activities or participate in community and social development and supports activities that develop quality of life and benefits of communities where the Company operates its business as well as builds up the employees' conscience for community and social benefits. The Company also creates opportunities for communities and stakeholders to participate in the Company's projects or events, including the sharing of opinions and suggestions or even complaints regarding the Company's operation
<b>Human Rights</b>	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. 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.
<b>Environment</b>	The 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. 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. The policy and guidelines regarding safety and occupational health in workplace and policy regarding business operation under environmental standards are made know to the employees. The Company encourages the employees to utilize resource in an efficient and worthwhile manner and to always work with good care of safety and environment. The relevant employees undertake training in respect of environment. (Details described in the Sustainability Report).
<b>Intellectual Property</b>	The Company shall respect intellectual property rights and exercise due care not to cause accusation of risk of being accused of infringing intellectual property rights. Unfamiliarity of the relevant laws is a legal risk; therefore, the Company sets more details in the Business Ethics that the personnel have to respect intellectual property rights of others by not using any work or intellectual property of others without permission. In case of doubt of infringement, a unit must consult the legal department. If it appears that there might be an infringement, a concerned party should consult the legal department. The Business Ethics define the meaning of intellectual property in a broad sense including copyright, patent, trademark, supplier information, customer information, formulae or any matter which is regarded trade secret. So far, there were in-house consultancy that could prevent several unintentional infringements.
<b>Local administration / government agencies:</b>	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 in the topic "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.

#### Chapter 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.

1.1 The financial statements of the Company are approved unconditionally by the auditor.

1.2 There is no related transaction with affiliated companies that would cause significant conflict of interest.

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](http://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 consisting of name, age, gender, 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 Article 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 submitting to the Office of Company Secretary within 7 days.

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 reached by email at [ir@ksigroup.com](mailto:ir@ksigroup.com) or the following contacts:

1. **Mr. Meechai Piyavisadpat**  
Telephone: 02-642-6230  
Email: [meechai@ksigroup.com](mailto:meechai@ksigroup.com)  
(Resigned during the year)
2. **Mr. Chalush Chinthammit**  
Telephone: 02-642-6230  
Email: [chalush@ksigroup.com](mailto:chalush@ksigroup.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.



In 2019, the Company has activities as follows:

Activities in 2019	Times per Year
1. Analyst Meeting	4 times
2. Invitation to visit and Company visit at Head Office	1 times
3. Disclosure of Business Performance through SET	4 times
4. Disclosure of Information and query via e-mail	11 times

## Chapter5: Responsibilities of the Board of Directors

1. The structure of the Board consisted of 21 directors. Among them, seven persons are independent directors with no business relationship or any other relationship which would influence the exercise of free discretion. (During 2019, one independent director resigned; the process of nomination new director is ongoing).

2. Chairman is an independent director who is not the same person as the Managing Director. The Company has a policy of acquiring diversified directors and would consider the persons who have knowledge and experience that are essential for the Company, including professionalism and specialization without discrimination of gender, age or education of the would-be directors so that the Board of Directors shall be more efficient and supportive to the Company's strategies. Also, there is at least one non-executive director who has good experience in the major business or industry of the Company. (Details of biography, knowledge, experience and shareholding are shown in the topic "Details regarding directors, executives, controlling persons and company secretary")

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.

Each office term of directors is three years; directors may be re-elected for another consecutive term.

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.

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.

The undertaking of directorship by the Managing Director or an executive in another company or entity in which the Company invests or as the Company's representative must be approved by the Board of Directors; provided that the Board of Directors, if it deems appropriate, may authorize the Managing Director to approve an executive in the same matter.

3. The Articles of Association provides that one-third (1/3) or close to one-third of corporate directors shall be rotated out each year. 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.

4. 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.

5. 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, Chairman of the Board shall not be chairman or member of those committees. Each committee's term in office is 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 during the term, that director shall remain in the position as long as the committee's term ends.



6. 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.

7. There are ten 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. Somchart Chinthammit)

8. 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.

9. 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.

10. 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.

11. 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. The risk management policy is subject to yearly review.

12. 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 an interest person in the related transaction 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: Disclosure of information and Transparency together with the guidelines under the policy.

13. 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.

14. 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.

15. 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.

## Performance Assessment

The Board of Director stipulates the conduct of self-assessment by applying the pattern developed by the Securities Exchange as follows: (1) Self-assessment Form of the Board of Directors (2) Self-evaluation Form of sub-committees, namely, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, and (3) Self-evaluation Form of individual directors so that the directors may jointly review their performance, solve problems and obstacles as well as the evaluation of the past performance and the ways to improve efficiency in the next year which leads to development in accordance with good governance.

## Process of 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 result shall be sent to the Board for consideration.

### Criteria

The result shall be shown by percentage of each assessment aspect:

- Over 85% = Excellent
- Over 75% = Very good
- Over 65% = Good
- Over 50% = Fair
- Below 50% = Improvement needed

## Assessment Topics

Topic	Board of Directors	Committee	Individual
1. Structure and characteristics	/	/	/
2. Roles/duties/responsibilities	/	/	/
3. Meeting	/	/	/
4. Performance of duties	/		
5. Relationship with management	/		
6. Self-development of directors and executive development	/		

The assessment of 2019 shows the performance score of the Board of Directors, the Committees and each individual director as excellent level. The Board of Directors in the meeting No. 1/2019-2020 on 20 December 2019 acknowledges the result and make observations with suggestions for further improvement.

## CEO Performance Assessment

The Board of Directors and the Nomination and Remuneration Committee set the goals and performances of CEO based on 4 Aspects of Balance Scorecard.

1. Financial Performance
2. Learning & Growth
3. Market & Customer
4. Internal Business Process

And The Board of Directors consider every year.

## 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 Thai Institute of Directors (IOD) so as to help the Directors perform their duties and govern the Company's business effectively.

Directors have already 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), 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 2019, some directors participated in training courses, for example, Ms. Anchalee Pipatanasern attended "Board Matters and Trends" on 23-24 April 2019 organized by IOD; Ms. Duangdao Chinthammit participated in "Labour Law Updates" on 8 January 2019 organized by the Thai Management Association and "How to implement OKR and Gamification" on 25 January 2019 held by Ariyachon Co., Ltd.

Apart from that, on 19 August 2019, all high ranking executives, production directors and factory managers participated in the workshop "Crisis Communication Skills", organized by the Company with outsourced trainers. The objectives of this workshop is to strengthen knowledge and understanding of the assessment of critical situations, to practice how to response and communicate to public via different channels of media and to help prepare action plans for future uncertainties.

## 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 2019, however, the Company had no newly appointed directors. Nonetheless, the nomination process to replace an independent director who resigned in 2019 is ongoing.

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 2019, 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.

## Chapter 6: Anti-Corruption Process

The anti-corruption policy, approved by the Board of Directors, prohibits directors, executives and staff from committing corruption and stipulates corruption-risk assessment and regular review of policy compliance and guidelines and rules for operations to be consistent with the change of laws, regulations and acceptable standards relating to the Company's business.

The Company disseminates and makes the staff be knowledgeable of the Anti-Corruption Policy for proper practices by providing Business Ethics and Manual on Anti-Corruption as well as Operation Manual relating to the Anti-Corruption Policy for various departments for the use in training, implementation, or learning by the staff. Besides, the Company provides protection for the staff who reports an incident or a lead about corruption under the prescribed criteria. A corruption doer is regarded as a discipline violator who shall be treated with disciplinary sanctions according to the work regulations of the Company as well as the criminal prosecution or the civil action, as the case may be.

On 26 September 2014, the Company declared its intention to join the Private Sector Collective Action against Corruption (CAC) and was later certified a three-year member of 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 and the Internal Audit Office as well as to provide continual activities in order to communicate the understanding relating to the compliance with the policy and the



### Anti-Corruption Activity

guidelines of anti-corruption. The Company intends to have other stakeholders join the CAC respectively

As regards the conduct of relevant work flows, the Company 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 governance, control, prevention and monitoring the corruption risk. To ensure the compliance with the policy and guidelines for practices by the employees, the Company assigns the Office of Risk Management to monitor and report the implementation of the Anti-Corruption Policy on regular basis. The Office of Internal Audit has the annual plan to audit the efficiency and effectiveness of the internal control system and additional control measures.



In 2019, the Company carried out important anti- corruption activities as follows:

1. Reviewed the Anti-Corruption Policy, the Manual on Anti-Corruption Measures and the Risk Management Manual on Anti-Corruption.
2. Arranged communication activities regarding anti-fraud and corruption for better understanding of executives and staff of 709 attendees.
3. Workshop on identification of fraud and corruption risk and good practices for renewal of CAC certification for executives and staff in 6 sites including the head office. There were 246 attendees who participated in the workshop and all of them passed the test.
4. Organized 2019 Workshop on assessment of anti-fraud and corruption risk pursuant to FRA Tool: Fraud Risk Assessment Tool. The workshop focused on the probability of occurrence of risk factors or significant risks and the preparation of plan for control, prevention or rectification by the responsible persons.
5. Developed communication channels for the Policy and guidelines through [www.kbidding.com](http://www.kbidding.com) and applied the “white procurement” to the process of procurement for fair competition and transparency.
6. Monitored and reported risk management on fraud and corruption to the Corporate Governance Policy with detailed causes so that the Management shall be able to prevent the causes more effectively.
7. Timely submitted documents for CAC recertification in September 2019.

**Develop communication channels and set the criteria to white procurement.**

**Fraud – Risk Assessment workshop.**





## Chapter 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,  
e-mail: ia@kslgroup.com or  
chartchai@kslgroup.com
- 2.2 Manager, Human Resources Department,**  
Tel. 02-642-6092, Ext. 969,  
or e-mail: amporn@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 e-mail: 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, 2019, the Company's Board of Directors comprises the following 20 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.Chatr	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 (Resigned, effective on July 1, 2019)
19.	Mr. Warapatr	Todhanakasem	Independent Director
20.	Ms. Nongluck	Phinainitisart	Independent Director
21.	Ms. Anchalee	Pipatanasern	Independent Director

Remark:The Company is in process of appointing a new eligible independent director to substitute the vacancy.

As of 31 October 2019, the company has 20 directors, of which 10 are non-executives (47.60%) and 6 are independent directors (28.60%), 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 shareholders' meeting appoints the Board of Directors. The Board appoints Corporate Secretary to advise and assist the Board in their duties so as to be compliance with relevant rules, regulations and corporate governance. The Corporate Secretary's main duties are prescribed by law, which include important meetings such as the Board's meeting and the shareholders' meeting and the

promotion of good governance.

### Scope of Duties and Responsibilities

Duties and authorities of the Board of Directors are 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.

### Approval authority of the Board of Directors

The Board of Directors has the authority to approve the matters as prescribed by laws, Company's regulations, the Board's Charter, Manual of Authorization and the resolution of shareholders' meeting, including the making and review of policy, vision, mission, strategies and action plans as well as other important matters, e.g., financial statements, transactions which legally require the Board's approval, financial policy, investment, annual budget, appointment of executives and managing director, etc.

### Scope of Authority of the Chairman of the Board of Directors

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 discuss important matters thoroughly and encourage Directors to exercise good discretion and pay attention to relevant issues brought to the meeting including corporate governance issues.

5. Promote good relationship between the Board and management.

### The Board of Executive Directors

As of October 31, 2019, 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 2019, 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 2019)

### 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 laws, Manual of Authorization and the Company's regulations. The approval authority of CEO and President does not extend to transactions that would allow CEO and related persons to have interest or cause conflict of interests affecting the Company and its subsidiaries.

### Audit Committee

As of October 31, 2019, 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

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 Leelakasamelek, Chairman of the Audit Committee and Ms. Anchalee Pipatanasern possesses sound knowledge, understanding, professional experience in accounting and finance.

The Chairman of the Audit Committee appoints Secretary of the Audit Committee (currently, 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, propose for appointment and termination of independent person as the Company's auditor, including consider the remuneration. The Audit Committee shall hold a meeting with the auditor 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 the scope of 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 system

9.3 Violation to the laws of SET, SEC or announcements of SET or other laws relating to the Company's industry

If the Board of Directors or relevant executives do not correct the aforementioned matters in due time, any Audit Committee member may further report the finding to the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Charter of the Audit Committee requires at least four meetings per year. In 2019, the Committee holds five meetings, and reported 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 2019)

## Nomination and Remuneration Committee

As of October 31, 2019, the Nomination and Remuneration Committee consists of:

1. Mr. Karun	Kittisathaporn	Chairman/ Independent Director
(Resigned, effective on July 1, 2019)		
2. Pol. Gen. Boonpen	Bumpenboon	Independent Director
(Chairman since 2 August 2019)		
3. Ms. Nongluck	Phinainitisart	Independent Director
4. Ms. Duangdao	Chinthammit	Director

The Chairman of the Nomination and Remuneration committee appoints Secretary of the Nomination and Remuneration committee. (Currently, Mr. Arnon Sricharnkij, Manager of Human Resources department)

## Scope of Duties and Responsibilities

### 1. Nomination

(1) define qualifications of the directors to be consistent with the structure, size and compositions of various committees established by the Board of Directors so as to ensure transparency and expectation of the Board of Directors by considering the knowledge, experience, expertise, freedom and time to contribute to directorship;

(2) select and nominate persons qualified to be directors for the Board of Directors' consideration to nominate to the Shareholders' meeting for appointment provided that the selection method, verification of qualifications as regulated by laws and related authorities including consent to be appointed are to be prescribed;

(3) select and nominate persons qualified to be members in Executive Committee and other sub-Committees to replace the members whose office terms have ended to the Board of Directors for consideration.

### 2. Remuneration

(1) consider or review pattern, criteria and procedures to consider remuneration so as to suit the duties and responsibilities of the Board of Directors and other sub-Committees and submit for approval from the Board of Directors and the Shareholders' meeting respectively provided that the Chairman of the Board and the sub-Committees shall receive remuneration approximately 20 per cent higher than members;

(2) review data relating to remuneration of other companies in the same and similar industry yearly;

(3) disclose names of directors, attendance and remuneration in all types in the Company's Annual Report as well as the brief Charter and remuneration criteria.

The Company requires 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 2019, the Nomination and Remuneration Committee holds 4 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 2019)

The Nomination and Remuneration Committee considers it not necessary to appoint any advisor to the Committee, because the majority of the Committee are independent directors who have appropriate fields of knowledge, expertise and specialization and can independently perform their duties in compliance with relevant laws and the Committee's charter. Moreover, the secretary of the Committee normally searches and collects updated relevant information for the Committee's consideration.

### Risk Management Committee

As of October 31, 2019, the Risk Management Committee consists of:

- |  |                |                                |
|--|----------------|--------------------------------|
| 1. Ms. Nongluck                            | Phinainitisart | Chairman/ Independent Director |
| 2. Mr. Sitti                               | Leelakasamelek | Independent Director           |
| 3. Mr. Karun                               | Kittisathaporn | Independent Director           |
| (Resignation is effective on July 1, 2019) |                |                                |
| 4. Mr. Chalush                             | Chinthammit    | Director                       |

The Risk Management Committee appoints Secretary of the Risk Management Committee. (Currently, Ms.Lalana Wiwitsurakarn , Manager 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 2019, 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 2019).

### Corporate Governance Committee

As of October 31, 2019, 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 appoints Secretary of the Corporate Governance Committee. (Currently, 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 2019, 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 2019).



## Nomination and Appointment of Directors and Top Executives

The Board of Directors consists of independent and non-independent directors, the proportion of which is stated in proportion and structure of directors. To warrant independence from the management, independent directors are required to have more specific qualifications than non-independent directors.

### Qualifications of Independent Directors

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

### The Company's 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.

### Nomination Process for Directors

The Nomination and Remuneration Committee shall consider the persons who have qualifications in accordance with the Charter of the Board of Directors and with the diversified specialization as prescribed in the Board Skill Matrix. The source of names is from the roster of professional directors provided by Thai Institute of Directors (IOD) together with the nomination by each director. The Committee shall then examine the qualifications of the nominated persons in accordance with the Corporate Governance Policy, Charter of the Board of Directors and the Company's Articles of Associations as well as specific talents needed at the time; provided that the qualifications well respond to the Company's vision, mission and strategies.

The Nomination and Remuneration Committee shall propose the selected nominated persons to the Board of Directors. Should the Board approve the names, the Board shall propose the names to the Annual General Meeting of shareholders to appoint them directors.

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.

### 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.

### Selection and Succession Plan for top executives

The Company is well aware that the executives who have capability, vision and integrity would significantly lead the Company to sustainable growth and development. Therefore, the Company has a policy regarding administration and development of high ranking executives with the purposes to prevent the shortfall of high ranking executives and to select high ranking executives who possess qualifications that serve the Company.

The Company develops work process on regular situation assessment, selection, development and succession plan to implement in case of position vacancy to ensure that the Company would sustain professionally capable executives to perform their duties. The Nomination and Remuneration Committee develops a succession plan for managing director and seek approval of the Board of Directors respectively. As for other below high ranking executives, the Human Resources prepare the succession plan before submitting to the Executive Board for approval. In order to select high ranking executives, the Company may either undertake the whole process until the wanted position is fulfilled by internal or external qualified person or commission a professional firm to conduct the selection or recruitment pursuant to the succession plan, as the case may be.

Amongst others, the succession plan consists of the following matters.

1. Specification of important or main positions
2. Specification of capability or competency of main positions
3. Analytical process in selecting a successor
4. Individual development Plan

### 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 shareholdings 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 that 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 6,635,000.- and other fees (non-audit fee) is in the amount of THB 327,000.- which BOI examination fee is THB 160,000.- and other services fee is THB 167,000.-

### Application of CG code 2017

The Company has reviewed Corporate Governance Policy by referring to the CG Code of 2017 introduced by the Securities and Exchange Commission. The Corporate Governance Committee finds that the Company has applied most of the principles and guidelines of the CG Code to the Company's CG Policy and informed of such application to the Board of directors in the Meeting No. 7/2018-2019 on 13 September 2019. However, there are a few practices that the Company deems not practical at the moment which are considered by the Board and recorded for annual review.

The matters in CG Code 2017 that are not applied in 2019 are as follows.

1. CG Code: The Board should determine the proper number of directors to function effectively. It must comprise at least 5 directors and should not be more than 12 directors, depending on the company's size, type, and complexity of the business.

- At present, there are 20 directors in the Board. The Company deems the number appropriate for the size and complexity of businesses as it needs sufficient directors and diversification of knowledge to perform its duties efficiently and to supervise a number of subsidiaries doing different businesses.

2. CG Code: The Board should establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service.

- The Company does not limit the number of years in service of independent directors. The office term of an independent director is three years and he/she may be reelected, as there is no rule prohibiting the reelection of an independent director whose term has ended. Independent directorship may last not more than three consecutive office terms or not more than nine years, whichever is longer. However, the Board of Directors may, if they deem appropriate, allow longer tenure by approving the extension of office term. Even though an independent director may be in office more than nine years, the director can stay independent from the management and major shareholders in an appropriate manner and can perform the duties well by using the accumulated knowledge and understanding of the businesses of the Company and its subsidiaries, which are connected in the supply chain and can make decision for the supreme benefit of the Company.

3. The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.

- The Company does not commission an external advisor to help make guidelines and suggest issues of performance assessment of directors for every three year cycle. Alternately, the Board of Directors instructs the application of Self-assessment form provided by SET for the Company's use, namely, (1) Self-assessment form for the Board of Directors, (2) Self-evaluation of Committees, i.e., the Audit Committee, the Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee, (3) Self-assessment form of individual directors. The purpose is to have the directors jointly review their performances, solve problems and hindrances and evaluate themselves for the past year so as to improve the work efficiency of the Board in the coming years.

## REPORT OF CORPORATE GOVERNANCE COMMITTEE

In 2018/2019, 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 Government Committee's Charter, the results of which were then reported to the Board of Directors every time, which can be summarized as follows:

- The Committee annually revised the Corporate Governance Policy 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 provided that, in the meeting No. 7/2018-2019 on 13 September 2019, the Committee approved the addition to the Policy regarding the undertaking of directorship by Managing Director in other companies or entities.
- The Committee annually revised the Corporate Governance Committee' Charter.
- The Committee annually revised the practices 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.
- The Committee regularly 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.
- The Committee considered the practices that were not in compliance with the Code of Corporate Governance for Listed Companies (2017) (CG Code) and alternatives as well as approved the explanation pursuant to the "Apply or Explain" criteria to publicize in the Annual Report.
- The Committee monitored and acknowledged the report on activities implementing the Anti-Corruption Policy.
- The Committee annually revised the self-assessment forms of the Board of Directors and individual directors.
- The Committee acknowledged the assessment as "excellent" conducted by the corporate governance survey of Thai listed companies of 2019, as well as the recommendations for improvement of corporate governance under the CGR Project of 2019 as organized by the Thai Institute of Directors, and provided recommendations for improvements to the Company.
- The Committee acknowledged the result of quality assessment on organizing the annual general meeting of shareholders of 2019 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 Board of Directors appoints the Nomination and Remuneration Committee which consists of

### Name- Last name / Position

1. Pol. Gen. Boonpen Bumpenboon  
Chairman of the Committee
2. Miss Duangdao Chinthammit  
Committee Member
3. Miss Nongluck Phinainitisart  
Committee Member

\*Note : Mr. Karun Kittisataporn, Chairman of the Committee resigned, effective on 1 July 2019

The Committee has a major duty to recruit and select persons who have appropriate qualifications to be directors in the Board of Directors or Committees of the Board. The duties of the Committee include the regular review of structure, size and composition of the Board of Directors, making guidelines to assess the Board of Directors' performance and remuneration of the directors to propose to the Board of Directors. During 2018-2019, the Committee held four meetings that included the following agenda.

1. Recruiting persons to replace the resigning directors and the directors who completed their term in office by taking into account knowledge, capability, experience, diversification in the structure of the Board and formulating a Board Skill Matrix to be considered with the recruitment and selection.

2. Considering remuneration and bonus for directors and committee members by surveying such remuneration granted by leading listed companies in the same industry and similar size and business nature including that surveyed by the Thai Institute of Directors and taking into account duties and responsibilities of the directors as well as the Company's performance result. The Committee found it appropriate to propose the remuneration and bonus at the same amount as that of the previous year for the next year.

3. Considering the extension of the term in office of the Chief Executive Officer and resolved that the term be extended for another term which would end in December 2022.

4. Considering training and development plan for directors.
5. Considering succession plans of high-level executives.
6. Reviewing personnel development policy to be consistent with the current situation.

7. Monitoring the performance and the progress of the Company's goals in accordance with the balanced scorecard criteria which consisted of 4 aspects, namely, financial, learning and development, marketing and customer and internal process. The Committee also discussed guidelines for making future plans and considered the

assessment of directors' performance to inform the Company of strength and weakness in each performance aspects and to use as criteria for recruitment and selection of new directors.

8. Considering 2020 Work Plan of the Committee.

In brief, the Committee had fully performed its principal duties as stated in the Charter of the Committee in the past year.

As of 31 October 2019, the Board of Directors consisted of 20 directors, in which 6 of them were independent directors (one independent director resigned during the year and the selection was in the process), 4 persons were non-executive directors and 10 persons were executive directors. The Committee found the composition appropriate for the Company's characteristics. As for the matter of remuneration of directors, executive directors and committee members that was shown in Directors' and Executives' remuneration, the Committee assessed the rate as appropriate. The proposed remuneration had then got approval from the Board of Directors.

(Pol. Gen. Boonpen Bumpenboon)

Chairman of the 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 and the established targets. In order to create confidence and reliability to the investors and the stakeholders regarding the Company's operations, therefore, the 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 2019, the Risk Management Committee held 4 meetings altogether, the significant points of which can be summarized as follows:

1. The Committee supervised and considered the policy and the management of main risks 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 changing circumstances.

2. The Committee approved main risk issues of the Company and the risk management plan of 2019 under risk appetite, by imposing concrete and practicable mitigation plan.

3. The Committee educated and encouraged cooperation for overall risk management by providing systematic assessment and analysis of risk likelihood both in normal situation and in critical circumstances to ensure the complete risk survey over all procedures of operation.

4. The Committee monitored the result of risk management quarterly by setting risk indicators for surveillance and proposed recommendations to the management for improvement of management by taking into consideration the organizational risks as part of setting strategies and goals

5. The Committee reported the result of risk management of the Company to the Board of Directors for acknowledgment continuously and regularly.

The Risk Management Committee is committed to perform its duties so that the Company has good governance and good management and to ensure that the Company shall operate with efficiency to achieve the established the Company's goals



(Ms. Nongluck Phinainitisart)

Chairman of Risk Management Committee



# INTERNAL CONTROL AND RISK MANAGEMENT

## Internal Control

The company sets focus on internal control covering finance, operation and 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 Action 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 5 elements and 17 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 suitable to 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 evaluate risk factors both from outside and inside the organization that may have impact upon the business. The Office identifies and analyses all types of relevant risks including fraud and corruption and categorizes material risks pursuant to the effects and probability of occurrence 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, by the Office of Internal Audit, audits the internal control system. 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 2019, the Risk Management Committee and the Office of Risk Management implemented the Risk Management Activity Plans as follows :

1. The Committee revised 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 2019/2020.
2. The Committee specify causes of organizational risk and the responsible persons in each risk for the year 2019/2020 as approved by the Risk Management Committee.
3. The Committee provided plans to support analysis and evaluation of new risks in 2019/2020 and make preliminary guidelines with measures to respond the risks.
4. The Committee held preparatory meeting for the risk management office to work on various sites pursuant to the supporting plans.
5. The Committee supported the making of 2019 report stating risk status by the responsible person of each division in 7 sites with head office.
6. The Committee reported the risk status in 2019 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 on quarterly basis respectively.

By virtue of dedication and cooperation of all parties concerned, the internal control system and the risk management of the group of companies are regarded acceptable by the Company and can be developed to serve the objectives and goals of each department.





# CORPORATE SOCIAL RESPONSIBILITIES



The Board of Directors' Meeting No. 6/2018 on 2 August 2019 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. Conduction 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) (Standard) by disclosing information at "core" level comprising economic, environmental, social, 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.

## RELATED PARTY TRANSACTIONS

Related party transactions for the year ended October 31, 2019, 2018 and 2017 disclosed in this section comprise of transactions between the company and subsidiaries, associates, and individuals that may have the conflict of interest as follows:

### Related Party Relationship as of October 31, 2019

#### Subsidiaries

Company name	Relationship
<b>Tamaka Sugar Industry Co., Ltd.</b> 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%.
<b>New Krung Thai Sugar Factory Co., Ltd.</b> 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%.
<b>New Kwang Soon Lee Sugar Factory Co., Ltd.</b> 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%.
<b>KSL Real Estate Co., Ltd.</b> Housing and land for agriculture estate including holiday resort for training, seminar center and Office building for rent	KSL 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%.
<b>K.S.L. Export Trading Co., Ltd.</b> 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 33.88%, 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.
<b>Savannakhet Sugar Corporation</b> 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.
<b>Koh Kong Sugar Industry Co., Ltd.</b> 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.
<b>Koh Kong Plantation Co., Ltd.</b> 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
<b>Thai Sugar Terminal Public Company Limited</b> 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 18.03% of the subsidiary's shares. The company also has common directors namely Mr. Somchai Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.
<b>BBGI Public Company Limited</b> 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

<b>K.S.L. IT Center Co., Ltd.</b> 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.
<b>On Nuj Construction Co., Ltd.</b> 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. Duangkhae Chinthammit and Ms. Duangdao Chinthammit.
<b>Raja Ceramics Co., Ltd.</b> 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.
<b>Thai Fermentation Industry Co., Ltd.</b> 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.
<b>KSL Green Innovation Public Company Limited</b> Manufacture and distribution of alcohol or fuel from agricultural produce	The company also has common directors namely Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.
<b>Bangchak Bioethanol (Chachoengsao) Co., Ltd.</b> 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 its outstanding balance at the end of fiscal year (for the year ended October 31, 2019, 2018 and 2017)

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-19	31-Oct-18	31-Oct-17	
Thai Fermentation Industry Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	- Sale of sugars	28	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.	- Sale of sugars	28	30	29	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Purchase of chemical	1,331	2,179	2,241	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.
		- Other accounts payable	228	199	115	
KSL Green Innovation Public Company Limited	Khon Kaen Sugar Industry Public Company Limited	- Sale of Molasses	1,013,327	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	1,821	186,844	5,697	
		- Advances received for sales of goods	14,593	119,129	-	
	Tamaka Sugar Industry Co., Ltd.	- Sale of Molasses	224,589	239,043	310,878	
		- Trade accounts receivable	45,220	74,637	-	
		- Advances received for sales of goods	15,344	42,505	-	
	New Krung Thai Sugar Factory Co., Ltd.	- Sale of Molasses	164,689	453,011	318,101	
		- Trade accounts receivable	1,760	52,419	813	
		- Advances received for sales of goods	49,451	13,403	-	
	New Kwang Soon Lee Sugar Factory Co., Ltd.	- Sale of Molasses	-	-	70,960	
		- Sale of Raw Sugars	146,781	46,690	-	
		- Trade accounts receivable	13,951	20,615	-	
		- Advances received for sales of goods	18	-	-	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	5,006	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 sugar cane 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.
		- Service fees of goods exporting	1,742	1,836	1,221	
		- Service fees of goods exporting	2,125	3,664	2,243	
		- Service fees of goods exporting	385	665	683	
		- Service fees of goods exporting	400	330	360	



Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-19	31-Oct-18	31-Oct-17	
Khon Kaen Sugar Industry Public Company Limited	Thai Sugar Terminal Public Company Limited and its subsidiaries	- Service fees for goods custody and transfer	4,951	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 (i.e. discount)	-	-	320	
		- Other accounts payable	480	-	-	
Tamaka Sugar Industry Co., Ltd.		- Service fees for goods custody and transfer	21,572	20,908	12,706	
		- Other income (i.e. discount)	-	370	704	
		- Other accounts payable	1,815	932	1,050	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	32,944	27,527	7,500	
		- Other accounts payable	7,780	4,650	3,586	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	7,132	5,557	5,302	K.S.L. IT Center Co., Ltd. was established as computer service center in serving the group companies. The service fee pricing is calculated based on its investment cost and related operating cost and allocated to charge each company based on the actual data usage volume.
		- Prepaid expenses	437	159	175	
Tamaka Sugar Industry Co., Ltd.		- Service fees of computerized activities	2,070	1,931	2,012	
		- Prepaid expenses	102	49	56	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of computerized activities	3,308	2,872	2,815	
		- Prepaid expenses	188	121	133	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of computerized activities	1,626	1,488	1,662	
		- Prepaid expenses	73	45	49	
K.S.L. Real Estate Co., Ltd.		- Service fees of computerized activities	135	106	172	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	200	164	167	
Savannakhet Sugar Corporation		- Service fees of computerized activities	602	517	635	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	266	436	461	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	101	98	143	



## 1.2 Rental fee (for the year ended October 31, 2019, 2018 and 2017)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness of Connected Transaction
			31-Oct-19	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 meter and car park at the monthly rate of Baht 300 per square meter allowed to be renewed annually (01/11/16 - 31/10/17). As at September 1, 2017, The company required for decreased office rental area to 196.69 square meter at the monthly rate of Baht 300 per square meter. Agreement is allowed to be renewed every 3 years (01/11/18 - 31/10/21)	708	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 meter at the monthly rate of Baht 100 per square meter allowed to be renewed annually (01/08/19 - 31/07/20)	240	240	240	
	Raja Ceramics Co., Ltd.	Office rental area of 495.54 square meter and car park at the monthly rate of Baht 300. It is allowed to be renewed annually (01/01/19 - 31/12/19). In the 2017, there was a temporary rental space of 202.84 square meter at the monthly rate of Baht 200 per month (01/11/17 - 31/12/17).	1,784	1,865	1,784	
	K.S.L. IT Center Co., Ltd.	Office rental area of 432.62 square meter and car park at the monthly rate of Baht 300 per square meter and are allowed to be renewed every 3 years (01/08/18 - 31/07/21).	1,557	1,557	1,557	
	K.S.L. Export Trading Co., Ltd.	Office rental area of 33.48 square meter at the monthly rate of Baht 300 per square meter allowed to be renewed every 3 years (01/10/17 - 30/09/20).	121	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 is allowed to be renewed every 3 years (04/08/16 - 31/07/17) 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 the agreed prices by counter part.



### 1.3 Borrowings from/ Loans to related parties (as at October 31, 2019, 2018 and 2017)

Unit : Thousand Baht

#### For the year ended 31 October 2019

Borrower	Lender	As at 1 Nov 2018	Loan addition during the period	Repayment during the period	As at 31 Oct 2019	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Tower Juristic Person office	3,800	-	(400)	3,400	66	Khon Kaen Sugar Industry Public Company Limited has obtained 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% -1.95% per annum and the interest is payable at the end of each month.

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	K.S.L. Tower Juristic Person office	5,000	300	(1,500)	3,800	80	Khon Kaen Sugar Industry Public Company Limited has obtained 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	K.S.L. Tower Juristic Person office	6,900	-	(1,900)	5,000	112	Khon Kaen Sugar Industry Public Company Limited has obtained 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 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
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. without fee 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. without fee charged for the inter-credit facility guarantee.



## Policy on Future Related party transactions

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

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 1-4 stated above.

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

Related party transactions between the Company or 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 that 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.

Regarding the potential related party's transactions incurred in the future, 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; In addition, the Company will disclose related transactions in notes to financial statements in compliance with Thai Financial Reporting Standards as audited by the certified public accountant and further disclose those information in the Annual Registration Statements (Form 56-1) in future years.

### 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 18.03% 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.

## Report of Independent Auditor

### 1) Auditor

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

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

Year 2019 Ms. Juntira Juntrachaichoat,  
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 2017 The Auditor reviewed corporate financial statements and issued unconditional opinions.

Year 2018 The Auditor reviewed corporate financial statements and issued unconditional opinions.

Year 2019 The Auditor reviewed corporate financial statements and issued unconditional opinions.

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

The financial statements for the fiscal year of 2017 - 2019 include a total of 13 subsidiaries. The shareholding percentage as of October 31 is as follows:

**Table 1: Percentage of Direct and Indirect Corporate Shareholding**

	Percentage of Shareholding		
	2019	2018	2017
Tamaka Sugar Industry Company Limited	90.21	90.21	90.21
New Krung Thai Sugar Factory Company Limited	95.78	95.78	95.78
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	98.61
KSL Real Estate Company Limited*	91.02	91.02	91.02
K.S.L. 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. 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.

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

## Profit and Loss Statement

In 2019, the company generated the revenues from operations of THB 17,855 million that slightly increased from the previous year by THB 43 million. The total revenue consists of revenue from sales amounted to THB 17,490 million and the revenue from services amounted to THB 365 million. Although average selling price of sugar was decreased by 13% as a result of declining in world sugar price in 2019, the company's sugar sale volume of both domestic sales and export sales were totally increased by 15% as well as the revenue from electrical and steam sales were increased. As a result, revenue in total, was slightly increased from that in the previous year.

The company's costs of goods sold of THB 14,230 million which decreased by % from previous year, was mainly due to the reduction of raw material costs. The gross profit increased by 16% from THB 3,131 million to THB 3,625 million.

Other incomes and other loss in 2019 compared 2018 are shown as follows:

	Unit: Million THB	
	2019	2018
(1) Other incomes	770	475
(2) Revenue from compensation of sugar production and distribution	101	441
(3) Gain (loss) from exchange rate	(16)	57
(4) Loss on fair value adjustments of biological asset	(26)	(33)
(5) Gain on fair value adjustments of investment property	207	241
(6) Gain (loss) on sales and disposal of assets	27	(3)
(7) Loss on impairment of assets	(62)	(4)
<b>Total</b>	<b>1,001</b>	<b>1,174</b>

As a result, the company had the profit before the selling and administrative expenses of THB 4,626 million that was increased by 7% comparison with the previous year.

Selling and administrative expenses consist of:

1. Selling expenses of THB 944 million increased by 23% was mainly due to increase in transportation costs and other related selling expenses in line with export sale volume of sugar.



2. Administrative expenses of THB 681 million decreased by 5% was mainly due to decrease in employee costs and other expenses.
3. Remuneration to executives THB 151 million
4. Fee paid to Sugar Fund of THB 1,262 million was increased by 13% due to increase in domestic sale volume of sugar.

Subsequently, the company had the profit before financial cost and tax expenses totaled THB 1,588 million, increasing by 2%.

In 2019, the company incurred financial cost of THB 710 million, decreased by 2%, and its corporate income tax expense amounted to THB 149 million. In addition, the company has obtained THB 101 million of profit sharing from affiliated companies and reported THB 8 million of non-controlling interest. As the result, the company's net profit decreased by 3% from the previous year, from THB 848 million to THB 822 million in 2019.

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

Income Statement Highlight (Million THB)	2019	2018	% Change	2017
Sales and Service	17,855	17,812	0%	15,623
Cost of Sales and Service	(14,230)	(14,681)	-3%	(13,180)
Gross Profit from Sales & Services	3,625	3,131	16%	2,443
Other Incomes - Net	1,001	1,174	-15%	3,119
Gross Profit from Other Income	4,626	4,305	7%	5,562
Selling Expense	(944)	(770)	23%	(424)
Administration Expense	(681)	(720)	-5%	(833)
Management Remuneration	(151)	(142)	6%	(151)
Proceeds to Fund	(1,262)	(1,116)	13%	(1,096)
Total Expense	(3,038)	(2,748)	11%	(2,504)
EBIT	1,588	1,557	2%	3,058
Share of Profit of Associated Company	101	145	-30%	121
Financial cost	(710)	(728)	-2%	(668)
Corporate Income Tax	(149)	(144)	3%	(560)
Minority and others	(8)	18	-144%	19
Net Profit	822	848	-3%	1,970
Earnings per Shares (EPS)	0.19	0.19	-3%	0.45
Gross Margin from Sales & Service	20.3%	17.6%		15.6%
Net Profit Margin	4.6%	4.8%		12.6%

The company's operating revenue structure in 2019, the total revenue was THB 17,855 million. The company's operating revenue consisted of (1) revenues from sales of sugar and molasses in the total amount of THB 15,413 million, representing 86% of the total operating revenue, (2) revenue from electricity and Steam sales, which electricity distributed to Grid (EGAT & PEA) and steam distributed to a related party, in the total amount of THB 1,326 million, representing 7% of the total operating revenue and (3) revenues

from other service amounted to THB 365 million and revenues from trading business amounted to THB 665 million. The rest was other income amounted to THB 86 million.



Table 3 : Consolidated Revenue Structure in the past 3 years

Revenue Structure (Million THB)	2019		2018		% Change	2017	
Sales and Services							
Sugar Sales	13,688	77%	13,669	77%	0.1%	11,929	76%
Molasse Sales	1,496	8%	1,620	9%	-8%	15	0%
Other Income from sugar & molasses	229	1%	64	0%	258%	98	1%
Electric and Steam Sales	1,326	7%	1,211	7%	9%	751	5%
Ethanol and Benzene Sales	-	0%	-	0%		2,100	13%
Services	365	2%	405	2%	-10%	252	2%
Others	86	0%	93	1%	-8%	11	0%
<b>Total</b>	<b>17,190</b>	<b>96%</b>	<b>17,062</b>	<b>96%</b>	<b>1%</b>	<b>15,156</b>	<b>97%</b>
Trading Activities							
Sales of Fuels	362	2%	440	2%	-18%	242	2%
Sales of fertilizer	242	1%	273	2%	-11%	197	1%
Sales of Supplies	61	0%	37	0%	65%	28	0%
<b>Total</b>	<b>665</b>	<b>4%</b>	<b>750</b>	<b>4%</b>	<b>-11%</b>	<b>467</b>	<b>3%</b>
<b>Total Sales and Services</b>	<b>17,855</b>	<b>100%</b>	<b>17,812</b>	<b>100%</b>	<b>0.2%</b>	<b>15,623</b>	<b>100%</b>

## 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)	2019	2018	% Change	2017
Cash and cash equivalents	2,430	129	1784%	153
Trade and other current receivables	1,287	2,476	-48%	1,198
Short-term loans	926	1,533	-40%	1,569
Inventories	2,774	4,089	-32%	3,100
Current Biological assets	52	61	-15%	112
Other current assets	45	46	-2%	65
Investments in associates	3,965	3,879	2%	3,747
Other Long-term investments	245	335	-27%	406
Long-term loans	146	243	-40%	393
Investment property	5,637	5,167	9%	4,917
Property, plant and equipment	25,868	26,183	-1%	26,354
Other non-current assets	746	1,401	-47%	977
<b>Total Asset</b>	<b>44,121</b>	<b>45,542</b>	<b>-3%</b>	<b>42,991</b>
Current Liabilities	11,818	13,924	-15%	14,819
Non-Current Liabilities	13,282	12,979	2%	10,080
<b>Total Liabilities</b>	<b>25,100</b>	<b>26,903</b>	<b>-7%</b>	<b>24,899</b>
<b>Total Shareholder's Equity</b>	<b>19,021</b>	<b>18,639</b>	<b>2%</b>	<b>18,092</b>
<b>Total Equity Attributable to Owners of the Parent</b>	<b>18,606</b>	<b>18,210</b>		<b>17,650</b>
D/E Ratio	1.32	1.44		1.38
IBD/E Ratio	1.16	1.26		1.20



In 2019, the company had the total assets of THB 44,121 million, 3% decreased from THB 45,542 million of total amount of assets at the end of previous year. The total liabilities decreased by 7% from THB 26,903 million in 2018 to THB 25,100 million in 2019 which partially caused the decrease in debt to equity ratio from 1.44 in 2018 to 1.32 in 2019 and interest-bearing debt to equity ratio also decreased from 1.26 in 2018 to 1.16 in 2019. The significant changes are as follows;

1. A significant increase in cash and cash equivalents of THB 2,301 million or 1,784% was mainly due to increase in deposits in transit derived from high volume of export sale of sugar and its collection near the end of October 2019.
2. Trade and other current receivables decreased by 48% as the result of debt collection from oversea trade receivable as well as there is an offset between "receivables from the Office of the Cane and Sugar Fund" and "short-term loans from the Office of the Cane and Sugar Fund" amounting to THB 1,029 million, for the year 2019.
3. Short-term loans and Long-term loans decreased by 40% due to reduction of loans to cane farmers and loan collection during the year.
4. A significant decrease in inventories of THB 1,315 million or 32% decrease was mainly due to selling of large amount of sugar stocks in 2019. Those sold stocks were partially produced in the current year and partially remained from the previous year. The sale volume was increased by 15% compared to the previous year.
5. Other non-current assets decreased by 47% was mainly due to reclassification of "the assets not yet used in operation" to be part of "property, plant and equipment account" as those will be used in operation according to the company's business plan.

### Cash Flow Statement

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

Cash Flow Highlight (Million THB)	2019	2018	% Change	2017
Net Profit + Depreciation + Non Cash	2,546	2,449	4%	2,185
Change in Working Capital	76	(3,145)	102%	(1,948)
<b>Cash flow from Operating Activities</b>	<b>2,622</b>	<b>(696)</b>	<b>477%</b>	<b>237</b>
Invest in PP&E	(414)	(1,132)	63%	(3,098)
<b>Cash flow from Investing Activities</b>	<b>117</b>	<b>(863)</b>	<b>114%</b>	<b>(3,320)</b>
<b>Cash flow from Financing Activities</b>	<b>(457)</b>	<b>1,512</b>	<b>-130%</b>	<b>3,149</b>
Change in Cash Flow	2,301	(24)		71
Ending Cash	2,430	129		153
EBIT	1,689	2,702	-17	3,179
Depreciation and Amortization	1,205	1,264	-5%	1,182
EBITDA	2,894	2,966	-2%	4,361

In 2019, the company and its subsidiaries received net cash inflows from their operations of THB 2,622 million, a 477% increased from year 2018. The major reasons are that the significant amount of stocks remained from the previous years were sold in 2019 and the debt collection term can be remained. In addition, the expediting of debt collection of oversea clients near the end of 2019 was caused increase in cash inflows and decrease in receivables balance compared to the previous year's.

Regarding the cash flows from investing activities, the company and its subsidiaries had net cash inflows from investing activities in the total amount of THB 117 million. The net cash inflow was mainly

from repayment of short-term loans and long-term loans in the total amount of THB 688 million and cash received from dividend income and interest income in the total amount of THB 94 million, whereas net cash outflows of investment in properties, plants and machine was THB 414 million and investment in investment properties was THB 263 million.

Regarding financing activities, the company and its subsidiaries had net cash outflows in the total amount of THB 457 million. It was mainly from dividend payment and cash payment for short-term borrowings from financial institutions using the cash inflows of current year's operating activities.

## Financial Ratios

Table 6 : Financial Ratios

Financial Ratios	2019	2018	2017
Short-term liquidity ratios			
Current Ratio	0.64	0.60	0.42
Acid Test Ratio	0.39	0.30	0.20
Collection period - trade receivables (days)	21	19	17
Days of inventory	88	89	78
Capital Structure and Solvency ratios			
D/E Ratio	1.32	1.44	1.38
LBD/E Ratio	1.16	1.24	1.20
LTD to equity	0.62	0.61	0.47
Return on Investment ratios			
ROA	2%	2%	5%
ROE	4.3%	4.5%	10.9%
Operating performance ratios			
Gross Profit Margin	20%	18%	16%
Operating Profits Margin	9%	9%	20%
Pre-tax Profit Margin	5%	5%	16%
Net Profit Margin	5%	5%	13%
Market Measures			
Book Value per Share	4.31	4.13	4.00
Earning Per Share	0.19	0.19	0.45

According to the 2019 financial ratios above, liquidity ratios are improved in overall since the better current ratio and acid test ratio are derived from increase in sale volume by maintaining credit term offered to clients. The 2019 sale volume was selling of both current year's stocks and previous year's outstanding stocks. Therefore, the cash inflows from this operating activity is caused ability to pay short-term loans during the fiscal year 2019. In addition, the higher liquidity is resulted from issuance of new debenture to finance investing in new fixed assets and repayment plan of the certain amount of long-term debts.

Regarding solvency ratios, the D/E ratio and LBD/E ratio had slightly decreased or improved as a result of repayment of short-term debts using the cash inflows derived from higher volume of sugar sales and the overall operating profits.

In terms of profitability ratios, the gross profit margin was slightly increased comparison with the previous year. The decrease in raw materials costs was compensated the average sale price declined from world sugar price pressure. However, other profitability ratios such as the operating profit to sales ratio, pre-tax profit to sales ratio, and net income to sales ratio were similar to previous year's and not increased in line with increase in the gross profit margin due to that shipping costs and other selling expenses were mainly increased according to the increase in sale volume as mentioned above.



## 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, 2019, 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 is appointed under a resolution of the Board of Directors and comprises 4 committee members who are independent directors. In 2019, the Audit Committee held five meetings, in which the meeting attendance is shown below.

Name-Surname / Position	Number of Attendance
1. Mr. Sitti Leelakasamelek Chairman of the Committee	5/5
2. Mr. Warapatr Todhanakasem Committee Member	5/5
3. Ms. Nongluck Phinainitisart Committee Member	5/5
4. Ms. Anchalee Pipatanasern Committee Member	5/5

All 4 committee members possess good expertise and experience in accounting, finance, law and business. Particularly, Mr.Sitti Leelakasamelek and Associate Professor Anchalee Pipatanasern fulfill the required knowledge and experience in reviewing the trustworthiness of financial reports. All committee members are well qualified, pursuant to the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), to perform their various duties.

The Audit Committee duly performs its duties in compliance with the Charter of the Audit Committee and as assigned by the Board of Directors, by placing importance to the reviewing of financial reports, related transactions, and internal auditing works. The Committee also promotes and encourages the Company to comply with the best practices of listed companies so that the Company achieves good corporate governance, good risk management, and effective internal control. The issues which were considered by the Audit Committee in the past year are summarized as follows:

## 1. Review of Financial Reports

The Audit Committee duly reviewed the quarterly financial statements and the annual financial statements of 2019 of the Company and its subsidiaries, covering all material issues relating to the accounting policy and the financial statements. The Committee also had discussion with the external auditors, the Management, and the Internal Audit Office, to ensure that the preparation of financial reports and the notes therein was done and disclosed correctly and completely according to law and the financial reporting standards. The Audit Committee had an opinion that the financial statements, which were reviewed and audited by the external auditors without reservation, was prepared in accordance with the Thai Financial Reporting Standards and contained accurate, complete, correct, transparent and reliable information with sufficient disclosure therein. The Committee did not discover any misstatements which would

materially affect the financial reports. Moreover, the Audit Committee also held meetings with the external auditors without the presence of the Management so as to ensure that the auditor performed his duties freely and independently in giving opinions, acquiring and examining required information for preparing the financial statements, disclosing material matters in accordance with the relevant laws and relevant financial reporting standards as well as beneficial to investors and users of the financial reports.

## 2. Review of Connected Transaction and Transaction which might result in Conflict of Interest

The Audit Committee reviewed the financial reports and significant financial activities of the Company and its subsidiaries with attention to connected transactions or transactions which might cause conflict of interest by justifying the compliance with law and regulations of the Securities Exchange of Thailand. The Committee instructed the personnel concerned to report the transactions on quarterly basis and disclosed the information to SET timely. The Committee had opinion that the reported transactions in 2019 were normal business under general commercial conditions without conflict of interest and were fair, reasonable, beneficial to the Company and in full conformity with the regulations of SET. The Committee found that the disclosure of information was correct and sufficient and discovered no any misstatement.

## 3. 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 including the Securities Commission Act, regulations proclaimed by SET and laws related to the Company's business. It was found that the directors, the executives and the staff conducted the compliance in all respects. The Committee considered and found that the Company had appropriate and effective corporate governance procedures. The Company provided channels for complaints so that the staff, customers and other stakeholders could give information or clues concerning fraud, misconduct or defiance of business ethics and established a functional unit to handle the complaints with transparency and appropriateness.

Since the Company had been certified a member of Private Sector Collective Action Coalition against Corruption in 2016, the Audit Committee paid more attention to the governance on anti-fraud and corruption. It assigned the Internal Audit Office to review the compliance with the Company's Manual on Anti-Fraud and Corruption and reported to the Committee. The Committee considered the normal practices were appropriate and efficient for transparent business operation and found no material issues of violation against any laws and regulations.



#### 4. Review of Risk Management

The Audit Committee also considered and reviewed the policy and practices, pursuant to the risk management principles of the Company and its subsidiaries, to ensure that the Company had appropriate and effective risk management procedures. The review on risk at organization level was considered in accordance with the COSO-ERM Guidelines. The Committee also monitored assessment of risks which might occur from changing circumstances or business environment so as to assess risk factors which might have short-term and long-term impact upon business operation.

#### 5. Review of Internal Control System

The Audit Committee supervised and reviewed the sufficiency of internal control system to ensure that the internal auditing activities were conducted with appropriateness, effectiveness and independence. The Committee approved the annual risk-based audit plan that was prepared pursuant to the analysis of material risks; and considered the assessment result of internal control system through "Assessment of Internal Control System Form" introduced by the Securities and Exchange Commission which was made within the framework of the Committee of Sponsoring Organizations of Treadway Commission (COSO 2013) before reporting to the Board of Directors and disclosing the outcome in Report Form 56-1 and the Annual Report.

The Audit Committee reviewed and monitored the audit outcome of the Internal Audit Office regularly on quarterly basis so as to assess the practices and work quality of the Office whether they followed the approved audit plans and internal control standards. The Committee concluded that the internal control system was appropriate and efficient enough for the business operation and bore no material issues which might affect the normal business of the Company.

#### 6. Selection and Appointment of the External Auditors

The Audit Committee has a duty to select and propose for appointment the external auditors and audit fee by taking into account the performance, scope of work, experience, capability and work quality of the external auditors in the previous year, status of the auditors, material limitations and relevant regulations of the Stock Exchange of Thailand to ensure that the external auditors were independent and non-partisan as well as the appropriateness of audit fee comparing to the scope of work.

The Committee reviewed the performance of the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited in the previous financial year together with the proposed audit fee for the year 2019-2020. The Committee found the

performance of the auditors satisfactory as they possessed capability, good experience and understanding of the Company's business and performed the task in accordance with professional auditing standards with independence and timely delivery of work. Therefore, the Committee recommended that the Board of Directors agree to seek approval of the Shareholders' Meeting to appoint the named auditors, all of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, as the Company's auditors for the year 2019-2020 and to accept the audit fee as reviewed by the Committee.

Mr. Sitti Leelakasemlerk

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 for the year 2019 (from November 1, 2018 to October 31, 2019). The Company had net profit attributed to owners of the parent of THB 822 million, a decrease of 3% compared to the fiscal year 2018. The operating performance is summarized as follows:

## Revenues from Sales and Rendering of Services

In the year 2019, total revenues from sales and service of THB 17,855 million was slightly increased from THB 17,812 million in the year 2018. The increase in total revenue of THB 43 million was resulted from increase in sugar sales volume compensated the result of decrease in average selling price.

The company sold higher volume of sugar, both domestic sales and export sales. The total sugar sales volume for the year 2019 was 1.26 million tons or increased by 15.06% compared to the year 2018. However, the average selling price was decreased from 12,526 THB/ton in the year 2018 to 10,902 THB/ton in 2019 or decreasing by 12.97%.

## Gross Profit

In the year 2019, the company had gross profit of THB 3,625 million, representing 20.30% of total revenue from sales and service, which increased from THB 3,131 million or 17.58% of total revenue from sales and service in the year 2018. The increase in gross profit was mainly due to the reduction of raw material costs.

## Other Income

Other income decreased by THB 44 million was mainly due to the following details:

- Decrease in revenue from compensation for sugar productions and distributions of THB 340 million. The revenue in the year 2019 was THB 101 million, whereas the revenue in the year 2018 was THB 441 million. It is the compensation that would be reimbursed from the Cane and Sugar Fund (“The Fund”) as a result that the final sugar cane price and the final compensation for the production and distribution of sugar were lower than the initial sugar cane price of each year. The Fund has to compensate the sugar mills price difference and the compensation since the overpayment of sugar can price is not directly required for refund from cane farmers.

- Increase in refund from the Office of the Cane and Sugar Fund according to the assistance project to support sugar cane planter and sugar plants of THB 154 million.
- Increase in gain on sugar futures contracts of THB 98 million was incurred from the hedging of sugar selling price due to the declining of the world sugar selling prices during the year 2019.

## Distribution Costs

Distribution costs increased from THB 1,886 million in the previous year to THB 2,206 million in the year 2019 due to increase in sugar sales volume as mentioned above.

## Administrative Expenses

Administrative expenses decreased from THB 720 million in the previous year to THB 681 million in the year 2019, or decreasing by 5.47% due to decrease in employee costs and other expenses.

## Financial Costs

In the year 2019, financial costs decreased by 2.38% or THB 17 million was mainly due to repayment of certain amount of working capital loans as the result that the company had better cash flow received from sales of goods during the year.

For the year 2019 financial status overview, the company had total assets of THB 44,121 million, total liabilities of THB 25,100 million and total shareholders' equity of THB 19,021 million. Interest bearing debt to equity ratio represented at 1.16.



# REPORT OF THE INDEPENDENT CERTIFIED 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, 2019, 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, 2019 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

**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**

As there are 3 subsidiaries in foreign countries having net loss continuously and substantial deficit as at October 31, 2019 which the Company's management consider as indicators of impairment on investments in the subsidiaries in foreign countries in the separate financial statements and of building and equipment of those subsidiaries in foreign countries in the consolidated financial statements. As such, the Company's management estimate recoverable amount of its investment in subsidiaries and of buildings and equipment of such subsidiaries for consideration of their losses on impairment. The recoverable amount are estimated at higher of their values in use and their fair values less costs to sell those assets.

- Values in use are estimated by exercising the Company's management judgment in connection with the judgement on significant assumptions to forecast the results of operations depending on the price of sugar in the world market. The Company's management assessed that the present value of the future cash flows expected to be received at the end of the reporting period would be negative cash flows.
- Fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management.

We consider that the exercising of management's judgment relate to significant assumptions for estimation of 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 recoverable amount of the Company's investments in subsidiaries and of buildings and equipment of the subsidiaries in foreign countries.

The accounting policies and disclosure of investments and impairment of investments in subsidiaries are in Notes 3.6, 3.11 and 12, and of buildings and equipment of the subsidiaries in foreign countries are in Notes 3.11 and 17.

### Audit Responses

#### Significant audit procedures include

- 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 investments in subsidiaries including testing and evaluating the reasonableness of 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.
- 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 Juntrachaichaoat

Certified Public Accountant (Thailand)

Registration NO. 6326

BANGKOK

December 20, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



# STATEMENTS OF FINANCIAL POSITION

## STATEMENTS OF FINANCIAL POSITION

AS AT OCTOBER 31, 2019

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,
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	2,430,387,294	129,241,732	34,007,221	8,029,157
Temporary investments		260,412	24,084	-	-
Trade and other current receivables	6	1,287,032,698	2,476,064,732	3,202,486,457	2,260,746,708
Short-term loans	7	925,605,926	1,533,146,034	2,553,297,355	2,057,737,919
Inventories	8	2,774,381,471	4,088,957,195	1,513,171,667	2,764,469,608
Current biological assets	9	52,367,957	60,800,116	2,536,684	6,106,001
Other current assets		44,611,795	46,350,971	26,758,829	33,270,214
Total Current Assets		7,514,647,553	8,334,584,864	7,332,258,213	7,130,359,607
NON-CURRENT ASSETS					
Investments held as available for sale	10	217,263,336	307,002,540	217,263,336	307,002,540
Investments in associates	11	3,965,309,143	3,878,906,260	3,380,458,786	3,380,458,786
Investments in subsidiaries	12	-	-	4,131,384,747	4,283,380,319
Other long-term investments	13	27,526,369	27,509,122	20,326,950	20,326,950
Trade and other non-current receivables	14	615,643,933	532,298,038	366,140,068	276,830,165
Long-term loans	15	145,502,621	242,612,903	3,202,608,616	4,587,071,859
Investment property	16	5,636,792,013	5,167,004,130	1,769,231,873	1,695,577,873
Property, plant and equipment	17	25,868,493,718	26,182,946,087	9,561,626,387	9,500,392,015
Other intangible assets		39,755,682	42,944,781	30,168,934	32,347,023
Deferred tax assets	24.2	8,470,565	6,933,767	-	-
Other non-current assets	18	81,844,975	818,789,798	46,074,463	40,956,743
Total Non-Current Assets		36,606,602,355	37,206,947,426	22,725,284,160	24,124,344,273
TOTAL ASSETS		44,121,249,908	45,541,532,290	30,057,542,373	31,254,703,880

Note to the financial statements from an integral part of these statements



# STATEMENTS OF FINANCIAL POSITION (CONTINUED)

## STATEMENTS OF FINANCIAL POSITION

AS AT OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at October 31, 2019	As at October 31, 2018	As at October 31, 2019	As at October 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	19	4,880,137,561	6,846,126,015	2,465,992,061	3,851,660,015
Trade and other current payables	20	1,282,665,697	1,792,746,394	1,130,864,362	1,273,554,950
Current portion of long-term debentures	21	3,499,448,980	2,999,022,944	3,499,448,980	2,999,022,944
Current portion of long-term borrowings	23	1,982,000,000	1,772,000,000	1,982,000,000	1,720,000,000
Short-term borrowings	22	3,400,000	374,582,960	442,600,000	631,950,546
Current income tax payable		51,916,152	66,827,447	-	-
Other current liabilities		118,123,507	72,572,016	52,366,800	9,415,935
Total Current Liabilities		11,817,691,897	13,923,877,776	9,573,272,203	10,485,604,390
NON-CURRENT LIABILITIES					
Long-term debentures	21	6,994,151,114	7,494,719,251	6,994,151,114	7,494,719,251
Long-term borrowings	23	4,767,000,000	3,910,000,000	4,767,000,000	3,910,000,000
Deferred tax liabilities	24.3	1,130,896,867	1,163,436,360	225,239,015	317,096,109
Non-current provision for employee benefit	25	295,823,796	298,845,679	125,517,463	128,568,709
Other non-current liabilities		94,419,611	111,833,889	34,947,296	51,064,213
Total Non-Current Liabilities		13,282,291,388	12,978,835,179	12,146,854,888	11,901,448,282
TOTAL LIABILITIES		25,099,983,285	26,902,712,955	21,720,127,091	22,387,052,672

Note to the financial statements from an integral part of these statements



# STATEMENTS OF FINANCIAL POSITION (CONTINUED)

## STATEMENTS OF FINANCIAL POSITION

AS AT OCTOBER 31, 2019

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,
		2019	2018	2019	2018
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		11,785,941,395	11,181,625,219	2,292,103,621	2,750,548,184
OTHER COMPONENTS OF EQUITY		1,447,731,838	1,656,525,441	673,243,952	745,035,315
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT		18,605,740,942	18,210,218,369	8,337,415,282	8,867,651,208
NON-CONTROLLING INTERESTS		415,525,681	428,600,966	-	-
TOTAL SHAREHOLDERS' EQUITY		19,021,266,623	18,638,819,335	8,337,415,282	8,867,651,208
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		44,121,249,908	45,541,532,290	30,057,542,373	31,254,703,880

Note to the financial statements from an integral part of these statements

# STATEMENTS OF PROFIT OR LOSS

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED OCTOBER 31, 2019

		UNIT : BAHT			
	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
Revenues from sales and rendering of services					
Revenues from sales		17,490,033,087	17,407,308,245	11,028,237,148	9,616,813,253
Revenues from rendering of services		365,384,462	405,326,205	195,771,523	202,365,625
		<u>17,855,417,549</u>	<u>17,812,634,450</u>	<u>11,224,008,671</u>	<u>9,819,178,878</u>
Costs of sales of goods and rendering of services					
Costs of sales of goods		(14,034,104,545)	(14,477,710,628)	(9,736,832,304)	(8,942,662,961)
Costs of rendering of services		(196,380,947)	(203,658,590)	(147,634,772)	(144,787,493)
		<u>(14,230,485,492)</u>	<u>(14,681,369,218)</u>	<u>(9,884,467,076)</u>	<u>(9,087,450,454)</u>
Gross profit		3,624,932,057	3,131,265,232	1,339,541,595	731,728,424
Other incomes		770,458,027	475,010,909	748,431,649	503,451,368
Revenue from compensation for					
sugar production and distribution	6.3	101,009,055	440,564,105	78,168,398	268,049,084
(Loss) gain on exchange rate		(15,596,744)	57,171,514	(80,113,002)	39,183,716
(Loss) gain on fair value adjustments of					
biological assets		(26,237,581)	(32,850,157)	(5,320,128)	2,030,781
Gain on fair value adjustments of					
investment property		206,670,000	240,907,860	73,654,000	150,441,650
Loss on impairment of investments in subsidiaries		-	-	(151,995,572)	(492,431,077)
Gain (loss) on sales and disposal of assets		26,626,377	(2,614,855)	5,171,027	8,965,762
Loss on impairment of property, plant and equipment		(61,646,265)	(4,002,240)	-	-
Distribution costs		(2,205,955,203)	(1,885,943,824)	(1,306,738,807)	(956,081,321)
Administrative expenses		(680,903,500)	(720,316,456)	(310,437,532)	(285,510,127)
Remuneration for directors and executives	5.2	(151,292,832)	(141,959,041)	(64,223,894)	(58,121,347)
Finance costs		(710,332,209)	(727,643,450)	(637,979,929)	(620,337,926)
Share of gain on investment in associates		101,164,507	145,127,077	-	-
Profit (loss) before income tax (expense) income		<u>978,895,689</u>	<u>974,716,674</u>	<u>(311,842,195)</u>	<u>(708,631,013)</u>
Income tax (expense) income	24.1	(149,007,330)	(144,336,815)	73,909,253	142,424,844
NET PROFIT (LOSS) FOR THE YEAR		<u>829,888,359</u>	<u>830,379,859</u>	<u>(237,932,942)</u>	<u>(566,206,169)</u>
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		821,581,167	848,055,191	(237,932,942)	(566,206,169)
Non-controlling interests		8,307,192	(17,675,332)	-	-
		<u>829,888,359</u>	<u>830,379,859</u>	<u>(237,932,942)</u>	<u>(566,206,169)</u>
EARNINGS (LOSS) PER SHARE	30				
Basic earnings (loss) per share	BAHT	0.186	0.192	(0.054)	(0.128)
Basic number of ordinary shares	SHARES	4,410,232,619	4,410,232,619	4,410,232,619	4,410,232,619

Note to the financial statements from an integral part of these statements



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
<b>Profit (loss) for the year</b>		829,888,359	830,379,859	(237,932,942)	(566,206,169)
<b>Other comprehensive income (expense):</b>					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statements		(155,265,917)	25,334,141	-	-
Loss on remeasuring investments held as available for sale		(71,791,363)	(56,677,392)	(71,791,363)	(56,677,392)
Total items that will be reclassified subsequently to profit or loss		(227,057,280)	(31,343,251)	(71,791,363)	(56,677,392)
Items that will be not reclassified subsequently to profit or loss:					
Loss (gain) on revaluation of assets		649,326	(732,751)	-	-
Unrealized actuarial loss adjustment		-	(31,204,613)	-	(16,807,009)
Total items that will be not reclassified subsequently to profit or loss		649,326	(31,937,364)	-	(16,807,009)
Other comprehensive expense for the year - net of tax		(226,407,954)	(63,280,615)	(71,791,363)	(73,484,401)
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR</b>		<b>603,480,405</b>	<b>767,099,244</b>	<b>(309,724,305)</b>	<b>(639,690,570)</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO</b>					
Owners of the parent		616,034,194	780,739,899	(309,724,305)	(639,690,570)
Non-controlling interests		(12,553,789)	(13,640,655)	-	-
		<b>603,480,405</b>	<b>767,099,244</b>	<b>(309,724,305)</b>	<b>(639,690,570)</b>

Note to the financial statements from an integral part of these statements

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT															
Note		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	Unappropriated	Other comprehensive income (expense)			Losses on equity						Total other components of equity
						Legal reserve	Exchange differences on translating financial statements	Gain (loss) on re-measuring available-for-sale investments	Gain (loss) on re-measuring asset revaluation	Losses on internal restructuring of entities under common control	Losses on change in shareholding ratio in subsidiaries				
	2,205,116,310	2,946,439,199	220,512,200	10,584,282,739	(55,345,755)	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		
26.1				(220,511,621)	-	-	-	-	-	-	(220,511,621)	-	(220,511,621)		
				-	-	-	(701,829)	-	-	(701,829)	(701,829)	(30,922)	(732,751)		
				-	-	-	-	-	-	-	(30,201,090)	(1,003,523)	(31,204,613)		
				-	-	848,053,191	20,265,019	(36,677,392)	-	-	(36,412,373)	811,642,818	(12,606,210)	799,036,608	
	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		
	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		
26.1				(220,511,621)	-	-	-	-	-	-	(220,511,621)	(521,496)	(221,033,117)		
				3,246,630	-	-	(2,597,304)	-	-	(2,597,304)	649,326	-	649,326		
				-	-	821,581,167	(134,404,936)	(71,791,263)	-	-	(206,196,299)	615,384,868	(12,553,789)	602,831,079	
	2,205,116,310	2,946,439,199	220,512,200	11,785,941,395	(169,685,672)	(106,189,331)	2,098,376,552	(263,275,867)	(111,493,844)	1,447,731,838	18,605,740,942	415,525,681	19,021,266,623		

Note to the financial statements from an integral part of these statements



# SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Note	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity			Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense)			
						Gain (loss) on remeasuring available-for-sale investments	asset revaluation	Total other components of equity	
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	26.1	-	-	-	(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
For the year ended October 31, 2019									
Beginning balance as at November 1, 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
Changes in shareholders' equity during the year									
- Dividends paid	26.1	-	-	-	(220,511,621)	-	-	-	(220,511,621)
- Total comprehensive expense for the year		-	-	-	(237,932,942)	(71,791,363)	-	(71,791,363)	(309,724,305)
Ending balance as at October 31, 2019									
		2,205,116,310	2,946,439,199	220,512,200	2,292,103,621	(106,189,331)	779,433,283	673,243,952	8,337,415,282

Note to the financial statements from an integral part of these statements



# STATEMENT OF CASH FLOWS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (loss) before income tax (expense) income		978,895,689	974,716,674	(311,842,195)	(708,631,013)
Adjustments for:					
Dividend income		(6,329,533)	(3,542,337)	(67,107,397)	(15,452,488)
Doubtful accounts - trade and other receivables		63,037,520	70,111,424	9,847,379	5,974,082
Share of gain of investment in an associate		(101,164,507)	(145,127,077)	-	-
Amortization (increase) of discount on bonds		(17,247)	(21,030)	-	-
Employee benefit expenses		23,634,200	33,408,989	10,595,134	13,756,808
Loss from capital reduction of an associate		-	443,465	-	443,465
Loss on diminution in value and obsolescence of inventories (reversal)		(53,110,963)	(218,098,757)	(42,513,332)	(147,575,137)
Loss from plantation and loss on impairment of biological assets (reversal)		(632,904)	61,165,954	-	2,924,099
Depreciation and amortization		1,204,712,930	1,264,326,625	488,556,157	440,611,036
(Gain) loss on sales and disposal of assets		(23,566,758)	2,848,945	(5,171,027)	(6,818,679)
Loss on impairment of assets		60,691,991	4,530,509	-	-
Loss on impairment of investments in subsidiaries		-	-	151,995,572	492,431,077
Gain on fair value adjustments of investment property		(206,670,000)	(240,907,860)	(73,654,000)	(150,441,650)
Unrealized loss (gain) on exchange rate		188,261	(3,355,425)	89,374,254	(19,883,278)
(Gain) loss on fair value adjustments of biological assets		(12,834,933)	34,275,762	5,320,127	(2,030,780)
Interest income		(90,748,402)	(113,368,083)	(195,307,821)	(259,701,656)
Interest expenses		710,332,209	727,643,450	637,837,828	620,337,926
		<u>2,546,417,553</u>	<u>2,449,051,228</u>	<u>697,930,679</u>	<u>265,943,812</u>
Operating assets (increase) decrease					
Trade and other current receivables		177,592,836	(1,265,875,148)	(1,588,530,638)	(577,858,006)
Inventories		1,367,686,687	(762,291,773)	1,293,811,273	(731,966,635)
Current biological assets		21,267,092	(50,842,486)	(1,750,810)	1,349,204
Other current assets		18,192,945	28,332,676	17,019,748	23,434,714
Trade and other non-current receivables		(130,300,535)	(478,280,962)	(99,157,282)	(274,620,867)
Other non-current assets		(3,042,845)	(10,744,540)	(8,510,537)	(13,992,752)
Operating liabilities increase (decrease)					
Trade and other current payables		(467,423,406)	231,200,642	(98,471,184)	157,567,648
Other current liabilities		45,551,491	16,619,101	42,950,864	(2,552,045)
Non-current provision for employee benefit		(26,656,083)	(38,453,251)	(13,646,380)	(18,272,602)
Other non-current liabilities		(17,414,278)	12,836,022	(16,116,916)	9,413,911
Cash received (paid) from operating activities		<u>3,531,871,457</u>	<u>131,551,509</u>	<u>225,528,817</u>	<u>(1,161,553,618)</u>
Interest paid		(714,273,419)	(706,795,238)	(642,055,899)	(598,261,025)
Income tax expense paid		(195,851,518)	(120,799,825)	(10,508,363)	(10,642,881)
Net cash provided by (used in) operating activities		<u>2,621,746,520</u>	<u>(696,043,554)</u>	<u>(427,035,445)</u>	<u>(1,770,457,524)</u>



# STATEMENT OF CASH FLOWS (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash payments for the purchase of temporary investments		(236,328)	(324)	-	-
Decrease (increase) in short-term loans to related parties and others		220,779,928	(39,779,928)	409,209,560	181,117,676
Decrease in short-term loans to farmers		347,353,840	50,898,133	177,236,461	69,798,835
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 purchases of other long-term investments		-	(2,175)	-	(2,175)
Decrease (increase) in loans for cane plantation development		51,044,905	149,589,523	(16,803,583)	30,804,394
Decrease (increase) in long-term loans to related parties and others		68,516,667	(4,962,000)	230,166,667	(905,012,000)
Cash received from interest income		81,985,041	110,429,688	218,797,517	231,871,556
Cash received from dividends of subsidiaries and others		11,939,177	9,933,411	18,474,494	9,933,411
Cash payments for purchases of property, plant and equipment		(476,235,384)	(1,169,400,188)	(597,124,004)	(755,373,105)
Cash received from sales of property, plant and equipment		62,051,205	37,202,143	13,759,266	20,076,528
Cash payments for purchase of investment properties		(263,117,883)	(6,263,373)	-	(220,741)
Cash received from sales of assets not yet used in operation		13,790,802	286,987	-	-
Cash payments of purchase of intangible assets		(1,189,025)	(1,556,668)	(495,246)	(519,990)
Net cash provided by (used in) investing activities		116,682,945	(862,912,256)	453,221,132	(1,116,813,096)
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in short-term borrowings from financial institutions	4.2	(1,961,320,500)	(1,662,779,438)	(1,381,000,000)	(409,000,000)
Increase in short-term borrowings from related parties and others	4.2	658,166,005	369,582,960	482,303,998	86,750,546
Cash received from long-term debentures	4.2	3,000,000,000	2,000,000,000	3,000,000,000	2,000,000,000
Cash payment for long-term debentures	4.2	(3,000,000,000)	(1,000,000,000)	(3,000,000,000)	(1,000,000,000)
Cash received from long-term borrowings	4.2	3,000,000,000	4,000,000,000	3,000,000,000	4,000,000,000
Cash payment for long-term borrowings	4.2	(1,933,000,000)	(1,973,833,330)	(1,881,000,000)	(1,573,833,330)
Cash payments for dividends to shareholders of the parent		(220,511,621)	(220,511,621)	(220,511,621)	(220,511,621)
Cash payments for non-controlling interests		(521,496)	-	-	-
Net cash (used in) provided by financing activities		(457,187,612)	1,512,458,571	(207,623)	2,883,405,595
Exchange differences on translation of cash of foreign subsidiaries		19,903,709	22,735,056	-	-
Net increase (decrease) in cash and cash equivalents		2,301,145,562	(23,762,183)	25,978,064	(3,865,025)
Cash and cash equivalents at the beginning of the year		129,241,732	153,003,915	8,029,157	11,894,182
Cash and cash equivalents at the end of the year	4.3	2,430,387,294	129,241,732	34,007,221	8,029,157

Note to the financial statements from an integral part of these statements

## NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED OCTOBER 31, 2019

### 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, 9<sup>th</sup> 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 33.29% 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".

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, 2019	October 31, 2018		
	%	%		
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 Supplis 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. <sup>(4)</sup>	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 indirectly				
K.S.L. Export Trading Co., Ltd. <sup>(1)</sup>	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Real Estate Company Limited <sup>(2)</sup>	91.02	91.02	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental
Koh Kong Plantation Company Limited <sup>(3)(4)</sup>	80.00	80.00	Cambodia	Agricultural operation

(1) 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.

(2) The Company holds shares indirectly through Tamaka Sugar Industry Company Limited.

(3) The Company holds shares indirectly through Wynn In Trading Co., Ltd.

(4) The Subsidiaries in Cambodia has continue operating losses. The management of the Group therefore has a plan to cease their operations to internally restructure the subsidiaries. The subsidiaries' assets and liabilities were appropriately remeasured and reclassified in the consolidated financial statements.

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.

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

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 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. 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

Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

#### New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards, as follows:

#### **Thai Financial Reporting Standards ("TFRS")**

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

#### **Thai Financial Reporting Standard Interpretation ("TFRIC")**

TFRIC 22	Foreign Currency Transactions and Advance Consideration
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### Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. 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 reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

#### **Thai Accounting Standards (“TAS”)**

TAS 28 (Revised 2018)	Investments in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

#### **Thai Financial Reporting Standards (“TFRS”)**

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

#### 2.3.3 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

#### Group of Financial instruments Standards

##### **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



These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

#### Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether on Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

#### Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when they become effective. The Group's management is in the process to assess the impact of these TFRSs 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 associates 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 are held for rental yields or for capital appreciation or both, and are 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. 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.

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 value, 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 - 60	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 (if any).

### 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 expenses 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 expenses

Income tax expense represent 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.

- Estimate recoverable amount of its investment in subsidiaries in foreign countries and of buildings and equipment of those subsidiaries in foreign countries

Estimate recoverable amount of its investment in subsidiaries in foreign countries and of buildings and equipment of those subsidiaries in foreign countries for consideration of their loss on impairment. The recoverable amount 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 judgment on significant assumptions to forecast the results of operations depending on the price of sugar in the world market. The Company's management assessed that the present value of the future cash flows expected to be received of those subsidiaries in foreign at the end of the reporting period would be negative cash flows.
- 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.





- Fair value of investment property and lands

The Group's investment property and lands are measured at fair value for financial reporting purposes. Fair values are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand).

Information about valuation techniques and inputs used in determining the fair value of investment property and lands are disclosed in Notes 16 and 17.

- Unrecognized deferred tax assets

The Group recognizes deferred tax assets for temporary difference arising between the tax bases of assets or liabilities and their carrying amounts for financial reporting purposes at the statement of financial position date. Management judgment is used in assessing the Group's ability to generate its future profit. The Group recognizes deferred tax assets at end of reporting period only for amount being utilized considering that it is highly probable that the sufficient future taxable profit will be generated to utilize such amount (see Note 24).

#### 4. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

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

Type of Transactions	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Purchases of property, plant and equipment which have not yet been paid	9,958	19,863	4,743	21,615
Transfer of equipment to intangible assets	3,009	298	3,009	298
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	650,418	6,754	3,393	-
Decrease in short-term loans to subsidiaries from debt-to-equity conversion	-	-	-	775,320
Transfer of other current assets to other non-current assets	-	4,151	-	-
Decrease in short-term borrowings from subsidiaries by offsetting against dividend received	-	-	45,000	-
Decrease in short-term borrowings from others by offsetting other receivables	1,029,349	-	626,654	-



4.2 Changing in liabilities arising from financing activities for the year ended October 31, 2019 are as follows:

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	Balance as at November 1, 2018	Financing cash flows	Non-cash changes	Balance as at October 31, 2019
Short-term borrowings from financial institutions	6,846,126	(1,961,320)	(4,668)	4,880,138
Short-term borrowings from related parties and others	374,583	658,166	(1,029,349)	3,400
Long-term borrowings from financial institutions	5,682,000	1,067,000	-	6,749,000
Long-term debentures	10,493,742	-	(142)	10,493,600
Total	23,396,451	(236,154)	(1,034,159)	22,126,138

	Unit : Thousand Baht			
	Separate Financial Statements			
	Balance as at November 1, 2018	Financing cash flows	Non-cash changes	Balance as at October 31, 2019
Short-term borrowings from financial institutions	3,851,660	(1,381,000)	(4,668)	2,465,992
Short-term borrowings from related parties and others	631,950	482,304	(671,654)	442,600
Long-term borrowings from financial institutions	5,630,000	1,119,000	-	6,749,000
Long-term debentures	10,493,742	-	(142)	10,493,600
Total	20,607,352	220,304	(676,464)	20,151,192

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

Type of Transactions	Unit : Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cash	1,380	2,331	475	876
Current accounts deposits	18,321	25,571	3,982	(1,258)
Savings accounts deposits	94,616	101,340	29,550	8,411
Deposit in transit	2,316,070	-	-	-
Total	2,430,387	129,242	34,007	8,029

As at October 31, 2019, deposit in transit is the deposit in US Dollar of a subsidiary which received from oversea trade receivables before the date of financial statements and was in transfer process into such subsidiary's local bank accounts.



## 5. TRANSACTIONS WITH RELATED PARTIES

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

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

Type of Balances	Consolidated		Unit : Million Baht	
	Financial Statements	Financial Statements	Separate	Financial Statements
	2019	2018	2019	2018
Trade and other current receivables				
Subsidiaries	-	-	2,535.73	912.19
Associates	1.15	1.32	1.15	1.32
Related parties	85.02	373.57	1.97	203.31
Total	86.17	374.89	2,538.85	1,116.82
Short-term loans				
(Included current portion of long-term loans)				
(see Note 7)				
Subsidiaries	-	-	2,254.57	1,326.44
Other current assets				
Subsidiaries	-	-	33.18	56.72
Associates	9.15	5.52	9.15	5.52
Related parties	1.94	0.45	0.46	0.16
Total	11.09	5.97	42.79	62.40
Long-term loans				
(Excluded current portion of long-term loans				
with presented in short-term loans)				
Subsidiaries	-	-	3,154.39	4,521.69
Other non-current assets				
Subsidiaries	-	-	3.29	3.29
Related parties	0.02	0.02	-	-
Total	0.02	0.02	3.29	3.29
Trade and other current payables				
Subsidiaries	-	-	239.80	28.65
Associates	10.08	5.58	0.48	-
Related parties	92.54	178.13	27.08	120.04
Total	102.62	183.71	267.36	148.69
Other accrued expenses				
(included in other payables)				
Subsidiaries	-	-	25.57	31.14
Short-term borrowings				
Subsidiaries	-	-	439.20	421.50
Related parties	3.40	3.80	3.40	3.80
Total	3.40	3.80	442.60	425.30
Other current liabilities				
Subsidiaries	-	-	0.03	0.03
Related parties	0.02	0.02	-	-
Total	0.02	0.02	0.03	0.03
Other non-current liabilities				
Subsidiaries	-	-	0.47	0.47
Related parties	1.19	1.19	1.19	1.19
Total	1.19	1.19	1.66	1.66

As at October 31, 2019 and 2018, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 2.10% - 4.75% per annum and 2.10% - 3.05% per annum, respectively.

As at October 31, 2019 and 2018, long-term loans to subsidiaries represented loans with maturity date within 2021 - 2027 carrying the interest rates at 2.20% - 4.75% per annum and 2.20% - 3.90% per annum, respectively.

As at October 31, 2019 and 2018, short-term borrowings from subsidiaries and related parties represented promissory notes payable on demand, carrying the interest rates at 1.80% - 1.95% per annum and 1.80% - 1.84% per annum, respectively.

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

Type of Transactions	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Revenues from sales and rendering of services				
Subsidiaries	-	-	2,874.21	2,463.17
Associates	0.01	-	0.01	-
Related parties	2,019.87	2,006.57	1,103.55	914.54
Total	<u>2,019.88</u>	<u>2,006.57</u>	<u>3,977.77</u>	<u>3,377.71</u>
Cost of sales and rendering of services				
Subsidiaries	-	-	1,785.36	2,693.88
Associates	7.05	10.02	7.05	10.02
Related parties	23.49	43.04	0.49	1.53
Total	<u>30.54</u>	<u>53.06</u>	<u>1,792.90</u>	<u>2,705.43</u>
Other incomes				
Subsidiaries	-	-	185.65	218.06
Associates	12.62	11.44	27.38	11.07
Related parties	11.67	9.17	6.13	5.95
Total	<u>24.29</u>	<u>20.61</u>	<u>219.16</u>	<u>235.08</u>
Distribution costs				
Subsidiaries	-	-	5.01	9.73
Associates	59.47	51.48	4.95	3.05
Total	<u>59.47</u>	<u>51.48</u>	<u>9.96</u>	<u>12.78</u>
Administrative expenses				
Subsidiaries	-	-	5.39	9.76
Related parties	17.64	14.88	8.00	6.23
Related juristic person	10.97	11.00	9.88	9.90
Total	<u>28.61</u>	<u>25.88</u>	<u>23.27</u>	<u>25.89</u>
Financial costs				
Subsidiaries	-	-	7.81	5.94
Related juristic person	0.07	0.08	0.07	0.08
Total	<u>0.07</u>	<u>0.08</u>	<u>7.88</u>	<u>6.02</u>
Management compensation				
Short-term employee benefits	145.62	138.27	61.44	56.22
Post-employment benefits	5.67	3.69	2.78	1.90
Total	<u>151.29</u>	<u>141.96</u>	<u>64.22</u>	<u>58.12</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 income and expenses are charged according to the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody period at general market rates.
- Expenses paid on behalf of each other are charged at actual.

#### 5.3 Relationship of related parties other than subsidiaries and associates consisted of:

Company Names	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 directors
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.

## 6. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Trade receivables	463,083	940,737	250,942	509,687
Current farmer receivables	320,159	324,213	196,646	225,688
Receivables from the Office of the Cane and Sugar Fund	245,203	1,035,550	191,306	633,071
Other receivables	81,732	16,528	1,709,134	18,013
Advance payment for shares (see Note 12)	-	-	775,320	775,320
Prepaid expenses	30,337	37,708	19,842	19,629
Advance payment	4,150	7,507	3,275	3,986
Accrued income	142,369	113,822	56,021	75,353
Total trade and other current receivables	<u>1,287,033</u>	<u>2,476,065</u>	<u>3,202,486</u>	<u>2,260,747</u>

### 6.1 Trade receivables as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Related parties	84,124	372,086	108,623	327,820
Others	378,959	568,651	142,319	181,867
Total trade receivables	<u>463,083</u>	<u>940,737</u>	<u>250,942</u>	<u>509,687</u>

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

#### 6.1.1 Trade receivables - related parties

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Domestic trade receivables				
Not yet due	84,124	372,086	108,623	327,820
Total trade receivables - related parties	<u>84,124</u>	<u>372,086</u>	<u>108,623</u>	<u>327,820</u>

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



## 6.1.2 Trade receivables - others

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	114,331	117,304	34,342	26,173
Overdue not over 3 months	42,580	31,252	5,839	12,586
Overdue over 3 months and not over 6 months	-	13,552	-	13,552
Total	<u>156,911</u>	<u>162,108</u>	<u>40,181</u>	<u>52,311</u>
Foreign trade receivables				
Not yet due	108,013	290,220	102,138	113,753
Overdue not over 3 months	-	4,541	-	4,541
Overdue over 3 months and not over 6 months	-	11,261	-	11,262
Total	<u>108,013</u>	<u>306,022</u>	<u>102,138</u>	<u>129,556</u>
Total of business are to manufacture and distribute sugar and molasses	<u>264,924</u>	<u>468,130</u>	<u>142,319</u>	<u>181,867</u>
Manufacture and distribution of electricity				
Domestic trade receivables				
Not yet due	82,552	70,962	-	-
Overdue not over 3 months	26,812	24,056	-	-
Total of business of manufacturing and distributing of electricity	<u>109,364</u>	<u>95,018</u>	<u>-</u>	<u>-</u>
Other business				
Domestic trade receivables				
Not yet due	1,845	2,280	-	-
Overdue not over 3 months	2,037	2,138	-	-
Overdue over 3 months and not over 6 months	61	365	-	-
Overdue over 6 months and not over 12 months	99	204	-	-
Overdue over 12 months	629	516	-	-
Total other business	<u>4,671</u>	<u>5,503</u>	<u>-</u>	<u>-</u>
Total trade receivables - others	<u>378,959</u>	<u>568,651</u>	<u>142,319</u>	<u>181,867</u>

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



## 6.2 Current farmer receivables as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Cane receivables				
Season 2018/2019	84,599	-	13,969	-
Season 2017/2018	18,261	26,630	6,873	11,462
Season 2016/2017	25,196	37,767	11,144	15,468
Season 2015/2016	44,432	45,981	12,283	13,032
Before Season 2015/2016	127,301	134,093	27,301	29,116
Total cane receivables	299,789	244,471	71,570	69,078
Advance payment for purchases of cane				
Season 2020/2021	72	-	72	-
Season 2019/2020	210,334	-	169,865	-
Season 2018/2019	-	253,863	-	193,344
Total advance payment for purchases of cane	210,406	253,863	169,937	193,344
Receivables from fuel oil, fertilizer and other services	14,769	13,364	13,676	12,786
Total	524,964	511,698	255,183	275,208
Less Allowance for doubtful accounts	(136,655)	(100,506)	(40,054)	(40,739)
Total farmer receivables	388,309	411,192	215,129	234,469
Less Non-current portion	(68,150)	(86,979)	(18,483)	(8,781)
Total current farmer receivables	320,159	324,213	196,646	225,688

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

## 6.3 Receivables from the Office of the Cane and Sugar Fund

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Receivable from sugar cane price	1,274,277	1,035,550	817,961	633,071
Receivable from compensation for production and distribution of sugar	541,573	440,564	346,217	268,049
Total receivables from the Office of the Cane and Sugar Fund	1,815,850	1,476,114	1,164,178	901,120
Offset Short-term loans from the Office of Cane and Sugar Fund (see Note 22)	(1,029,349)	-	(626,655)	-
	786,501	1,476,114	537,523	901,120
Less Receivables from the Office of the Cane and Sugar Fund of non-current portion (see Note 14)	(541,298)	(440,564)	(346,217)	(268,049)
Total current receivables from the Office of the Cane and Sugar Fund	245,203	1,035,550	191,306	633,071

The Company and three subsidiaries expect to receive compensation from the Office of the Cane and Sugar Fund will reimburse from the Cane and Sugar Fund, since the Group expects that in the 2017/2018 and 2018/2019 harvesting years the final sugar cane price and the final compensation for the production and distribution of sugar will be less than the initial sugar cane price and the initial compensation for the production and distribution of sugar. In accordance with Section 56 of the Cane and Sugar Act B.E. 2527, the Cane and Sugar Fund is to pay compensation to the Company and subsidiaries at an amount equal to the difference, and the sugar cane planters do not have to return the excess amount of the sugar cane price received.



The Company and subsidiaries expect the Cane and Sugar Fund to finalize the calculation and pay compensation for the sugar cane price in the next fiscal year therefore classified compensation expected to be received in the next fiscal year as “Current receivables from the Office of the Cane and Sugar Fund”. In addition, the Company and subsidiaries company recorded its estimate of total the compensation for production and distribution of sugar to be received in the future as “Receivables from the Office of the Cane and Sugar Fund of non-current portion”.

The estimates of the final sugar cane price and compensation for the production and distribution of sugar are management’s best estimates, but the final calculation is to be made by the Cane and Sugar Board. As a result, the final sugar cane price and compensation for the production and distribution of sugar that expect to be announced at the beginning of 2020 may differ from these estimates.

## 7. SHORT-TERM LOANS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Short-term loans to subsidiaries and related parties (see Note 5.1)	-	-	1,094,266	1,226,440
Short-term loans to others	-	220,780	-	220,780
Short-term loans to farmers	669,056	1,015,616	226,935	404,172
Current portion of long-term loans to subsidiaries (see Note 5.1)	-	-	1,160,300	100,000
Current portion of long-term loans to others	1,333	46,683	1,333	46,683
Current portion of loans for cane plantation development	255,217	250,067	70,463	59,663
Total short-term loans	<u>925,606</u>	<u>1,533,146</u>	<u>2,553,297</u>	<u>2,057,738</u>

Short-term loans to others as at October 31 2018, in the consolidated and separate financial statements represented loans the form of promissory notes with 90 days maturity, carrying interest rates at MLR-1.50% per annum. The interest was payable at the end of each month. Such loans were guaranteed by the land and structure and the director of such company, during the year 2019, such loans were fully received.

Short-term loans to farmers as at October 31, 2019 and 2018, 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.

## 8. INVENTORIES

Inventories as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Sugar and molasses	1,991,583	3,437,093	1,108,901	2,398,280
Bio-fertilizer	28,144	25,787	-	-
Bagasse	184,087	85,989	-	-
Real estate development	62,712	62,712	-	-
Factory supplies	106,655	95,031	72,446	64,321
Machine maintenance supplies	474,516	508,771	384,824	397,381
	<u>2,847,697</u>	<u>4,215,383</u>	<u>1,566,171</u>	<u>2,859,982</u>
<u>Less</u> Allowance for deteriorated or obsolete inventories	(21,943)	(7,396)	(2,981)	(4,614)
Allowance for diminution in value of inventories	(51,373)	(119,030)	(50,018)	(90,898)
Total inventories	<u>2,774,381</u>	<u>4,088,957</u>	<u>1,513,172</u>	<u>2,764,470</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	
	2019	2018	2019	2018
Beginning balance	(7,396)	(39,388)	(4,614)	(34,121)
<u>Add</u> Disposal (increase) during the years - recognized as expense for the years	(14,547)	31,992	1,633	29,507
Ending balance	<u>(21,943)</u>	<u>(7,396)</u>	<u>(2,981)</u>	<u>(4,614)</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	
	2019	2018	2019	2018
Beginning balance	(119,030)	(305,137)	(90,898)	(208,967)
<u>Add</u> Reversal during the years - recognized as cost of sales for the years	67,657	186,107	40,880	118,069
Ending balance	<u>(51,373)</u>	<u>(119,030)</u>	<u>(50,018)</u>	<u>(90,898)</u>



## 9. CURRENT BIOLOGICAL ASSETS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Beginning book value	60,800	111,895	6,106	5,854
Gain (loss) on arising from change in fair value	12,835	(34,276)	(5,320)	2,030
Additional plantation costs during the year	86,404	175,648	5,150	6,694
Amortization from harvesting during the year	(107,671)	(124,806)	(3,399)	(8,043)
Loss from plantation	-	(21,820)	-	(429)
Allowance for impairment	-	(45,892)	-	-
Exchange differences on translating financial statements	-	51	-	-
Ending book value	52,368	60,800	2,537	6,106

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.

## 10. 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	
	2019	2018	2019	2018	2019	2018
	%	%				
Marketable equity securities-Available-for-sale-securities						
- Madman Public Company Limited	7.46	7.46	432,952	432,952	432,952	432,952
Change in fair value			(215,689)	(125,949)	(215,689)	(125,949)
Total investments held as available for sale			217,263	307,003	217,263	307,003

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.

## 11. INVESTMENTS IN ASSOCIATES

Investments in associates as at October 31, consisted of:

### Consolidated Financial Statements

Company Name	Unit : Thousand Baht									
	Paid-up		Percentage of		2019			2018		
	Share Capital		Shareholding		Investment		Dividend	Investment		Dividend
	2019	2018	%	%	Cost	Equity	for	Cost	Equity	for
			2019	2018			the year			the year
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	525,654	14,608	90,267	507,174	11,869
T S G Trading 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	300,000	0.62	0.62	1,855	1,855	-	1,855	1,855	-
T S Flour Mill Public Company Limited*	398,664	344,706	0.07	0.08	391	192	63	391	254	41
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	418	91	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	3,394,621	-	3,244,868	3,326,545	-
Total					3,380,459	3,965,309	14,762	3,380,459	3,878,906	11,910

### Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Unit : Thousand Baht	
	share Capital		Shareholding				Dividends	
	2019	2018	%	%	2019	2018	For the year ended	
			2019	2018			October 31,	
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	90,267	14,608	11,869
T S G Trading Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.*	300,000	300,000	0.62	0.62	1,855	1,855	-	-
T S Flour Mill Public Company Limited*	398,664	344,706	0.07	0.08	391	391	63	41
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	91	-
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					<u>3,380,459</u>	<u>3,380,459</u>	<u>14,762</u>	<u>11,910</u>

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

Summarized financial position in respect of an associate and performance for the years ended September 30, are as follows:

									Unit : Million Baht	
	Percentage of Shareholding	Current Assets	Non-Current Assets	Total assets	Current Liabilities	Non-Current Liabilities	Total liabilities	Total Revenues	Total Expense	Profit
2019										
Thai Sugar Terminal Public Company Limited	23.82	1,313	4,077	5,390	1,121	561	1,682	2,528	2,357	171
BBGI Public Company Limited	40.00	2,115	7,502	9,617	2,682	1,609	4,291	9,696	9,511	185
2018										
Thai Sugar Terminal Public Company Limited	23.82	1,202	3,822	5,024	981	684	1,665	1,917	1,699	218
BBGI Public Company Limited	40.00	1,941	7,156	9,097	2,217	1,715	3,932	9,382	9,123	259



The Minutes of Annual General Shareholders' meeting No.1/2561 on April 26, 2018, of T S Oil Industry Co., Ltd. had 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 was presented as statement of profit or loss.

In April 2018, at the Annual General Meeting of the Shareholders of BBGI Co., Ltd. ("BBGI"), an associate of the Company, approved the resolutions in conversion of BBGI to a public company limited, change of par value from Baht 10 per share to 5 Baht per share and 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 and for the initial public offering (IPO). Subsequent in July 2018, the Extraordinary General Meeting of the shareholders No.1/2561 of BBGI approved a change to the allocation of ordinary shares from capital increase of BBGI.

In March 2019, BBGI requested to postpone the IPO and registration of securities listed in the Stock Exchange of Thailand ("SET") as a result of the unfavorable capital market. The withdrawal of the request to be listed securities in SET was submitted to the SET.

## 12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at October 31, consisted of:

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Unit : Thousand Baht	
	Share Capital		Shareholding				Dividends	
	2019	2018	2019	2018	2019	2018	For the year ended October 31,	
			%	%			2019	2018
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	1,016	-
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	45,000	-
KSL WSP Logistic Company Limited	250	250	100.00	100.00	250	250	-	-
Savannekhet 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	46,016	-
Less Allowance for impairment of investments					(1,795,144)	(1,643,149)	-	-
Total investments subsidiaries					4,131,385	4,283,380	46,016	-

\* 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, 2019, 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	
	2019	2018
Beginning balance	4,283,380	4,775,811
Increase in allowance for impairment of investments		
Savannakhet Sugar Corporation	(20,497)	(98,092)
Koh Kong Sugar Industry Company Limited	(85,645)	(158,771)
Wynn In Trading Company Limited	(45,853)	(235,568)
Ending balance	<u>4,131,385</u>	<u>4,283,380</u>

As at October 31, 2019 and 2018, Koh Kong Sugar Industry Company Limited is in the process of registering the capital increase 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. The Company fully paid share subscriptions by offsetting to long-term loans to the subsidiary and Koh Kong Plantation Company Limited is in the process of registering the capital decrease 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.

As at October 31, 2019 and 2018, 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 152.00 million and Baht 492.43 million, in the separate statements of profit or loss for the years ended October 31, 2019 and 2018, respectively.

### 13. OTHER LONG-TERM INVESTMENTS

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

	Parentage of Shareholding		Consolidated		Unit : Thousand Baht Separate	
	Direct and indirect		Financial Statements		Financial Statements	
	2019	2018	2019	2018	2019	2018
	%	%				
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	10	4	4
- TISCO ESG Investment Fund for Society			<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total			<u>20,797</u>	<u>20,797</u>	<u>20,327</u>	<u>20,327</u>
Held-to-maturity debt securities - government bonds			6,749	6,749	-	-
Less Amortization			(20)	(37)	-	-
Net			<u>6,729</u>	<u>6,712</u>	<u>-</u>	<u>-</u>
Total other long-term investments			<u>27,526</u>	<u>27,509</u>	<u>20,327</u>	<u>20,327</u>



#### 14. 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	
	2019	2018	Financial Statements	2018
Trade receivables and other receivables	27,568	15,824	11,972	-
Farmer receivables	204,805	187,332	58,537	49,520
Receivables from compensation for production and distribution of sugar (see Note 6.3)	541,298	440,564	346,217	268,049
Total	773,671	643,720	416,726	317,569
<u>Less</u> Allowance for doubtful accounts	(158,027)	(111,422)	(50,586)	(40,739)
Total trade and other non-current receivables - Net	615,644	532,298	366,140	276,830

#### 15. LONG-TERM LOANS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	Financial Statements	2018
Long-term loans to subsidiaries	-	-	4,314,690	4,621,690
Long-term loans to others	2,666	71,183	2,666	71,183
Loans for cane plantation development	505,631	557,838	132,337	110,247
<u>Less</u> Allowance for doubtful debts	(106,244)	(89,658)	(14,988)	(9,702)
<u>Less</u> Current portion (included as part of short-term loans, see Note 7)	(256,550)	(296,750)	(1,232,096)	(206,346)
Total long-term loans	145,503	242,613	3,202,609	4,587,072

As at October 31, 2018, most of long-term loans to others was loan to individual of Baht 62.00 million, which was 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 was 7.00% per annum and payable at the end of each month. Such loan was guaranteed by the shares and the land of two companies which the borrower was their director. In 2017, the agreement was amended to pay for 4 installments at Baht 15.00 million each, and the first installment was due in February 2018. Subsequently, on December 19, 2017, there was additional loan of Baht 20.00 million which would be due for repayment in August 2020 with the interest rate at 7.00% per annum payable at the end of each month. However, during the year 2019, such loans were fully received.

As at October 31, 2019 and 2018, loans for cane plantation development included in the consolidated financial statements of Baht 483.98 million and Baht 536.19 million, respectively, and in the separate financial statements of Baht 110.69 million and Baht 88.60 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 8.00% per annum and rates of 7.20% - 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.

## 16. INVESTMENT PROPERTY

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

2019

	Consolidated Financial Statements				Separate Financial Statements		
	Land	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
Unit : Thousand Baht							
Fair value:							
As at November 1, 2018	3,205,489	1,961,515	-	5,167,004	1,092,861	602,717	1,695,578
Purchases	122,305	127,572	13,241	263,118	-	-	-
Gain from fair value adjustments on investment property	208,688	(2,018)	-	206,670	64,477	9,177	73,654
As at October 31, 2019	3,536,482	2,087,069	13,241	5,636,792	1,157,338	611,894	1,769,232

2018

	Consolidated Financial Statements			Separate Financial Statements		
	Land	Buildings and Warehouses	Total	Land	Buildings and Warehouses	Total
Unit : Thousand Baht						
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

For the years ended October 31, 2019 and 2018, the Company and its subsidiaries recognized rental income from investment property of Baht 201.95 million and Baht 202.26 million, respectively, in the consolidated statements of income, and of Baht 43.54 million and Baht 43.32 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.



## 17. PROPERTY, PLANT AND EQUIPMENT

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

2019

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
<b>Cost:</b>									
As at November 1, 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
Adjustment and reclassification	338,157	(6,445)	(26,803)	(98,944)	(5,667)	174	25,294	-	225,766
Purchases	14,983	-	162	11,448	14,088	9,533	360,616	27,062	437,892
Disposals/written off	-	-	(8,157)	(89,895)	(218,842)	(9,712)	-	(445)	(327,051)
Transfer in (out)	-	72,853	304,239	1,716,891	2,661	5,448	(2,102,092)	-	-
Translation of financial statements differences	-	(44,076)	(25,435)	(62,458)	(16,114)	(1,542)	-	(9,744)	(159,369)
As at October 31, 2019	1,288,829	1,621,067	6,509,829	23,517,178	1,546,792	290,862	1,668,862	279,089	36,722,508
<b>Accumulated depreciation:</b>									
As at November 1, 2018	-	(434,602)	(1,489,076)	(8,900,083)	(1,172,080)	(246,759)	-	(239,637)	(12,482,237)
Adjustment and reclassification	-	1,970	4,893	13,958	3,114	(128)	-	-	23,807
Depreciation for the year	-	(36,829)	(160,447)	(891,983)	(71,204)	(18,109)	-	(18,765)	(1,197,337)
Disposals/written off	-	-	8,062	71,625	189,182	9,647	-	343	278,859
Translation of financial statements differences	-	17,118	7,118	16,709	11,989	1,483	-	9,660	64,077
As at October 31, 2019	-	(452,343)	(1,629,450)	(9,689,774)	(1,038,999)	(253,866)	-	(248,399)	(13,312,831)
<b>Differences on revaluation of assets:</b>									
As at November 1, 2018	2,316,670	-	-	-	-	-	-	-	2,316,670
Reclassification	429,345	-	-	-	-	-	-	-	429,345
As at October 31, 2019	2,746,015	-	-	-	-	-	-	-	2,746,015
<b>Allowance for impairment of assets:</b>									
As at November 1, 2018	(27,689)	-	(10,894)	(152,981)	(2,480)	-	-	(2,713)	(196,757)
Adjustment and reclassification	(43,779)	-	(145)	5,967	1,357	-	-	-	(36,600)
(Increased) Decreased	-	(38,921)	(8,386)	(13,071)	(1,056)	-	-	735	(60,699)
Translation of financial statements differences	-	-	565	6,092	117	-	-	84	6,858
As at October 31, 2019	(71,468)	(38,921)	(18,860)	(153,993)	(2,062)	-	-	(1,894)	(287,198)
<b>Net book value:</b>									
As at October 31, 2019	3,963,376	1,129,803	4,861,519	13,673,411	505,731	36,996	1,668,862	28,796	25,868,494

2018

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
<b>Cost:</b>									
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
<b>Accumulated depreciation:</b>									
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)
<b>Differences on revaluation of assets:</b>									
As at November 1, 2017	2,316,670	-	-	-	-	-	-	-	2,316,670
As at October 31, 2018	2,316,670	-	-	-	-	-	-	-	2,316,670
<b>Allowance for impairment of assets:</b>									
As at November 1, 2017	(27,689)	-	(6,363)	(152,035)	(9,285)	-	-	(50,500)	(245,872)
Reclassification	-	-	-	(862)	862	-	-	-	-
(Increased) Decreased	-	-	(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)
<b>Net book value:</b>									
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

## Depreciation for the years ended October 31,

2019	Thousand Baht	1,197,337
2018	Thousand Baht	1,257,215





## 2019

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, 2018	460,837	379,591	1,827,033	7,893,205	593,691	130,487	1,691,314	27,748	13,003,906
Adjustment and reclassification	3,393	-	-	(3)	-	3	(3,133)	-	260
Purchases	12,279	-	-	5,068	4,568	5,186	524,265	1,069	552,435
Disposals/written off	-	-	(8,085)	(10,859)	(63,850)	(6,270)	-	-	(89,064)
Transfer in (out)	-	33,332	177,701	607,464	-	864	(819,361)	-	-
As at October 31, 2019	476,509	412,923	1,996,649	8,494,875	534,409	130,270	1,393,085	28,817	13,467,537
Accumulated depreciation:									
As at November 1, 2018	-	(66,855)	(427,530)	(3,448,953)	(377,377)	(109,326)	-	(26,428)	(4,456,469)
Adjustment and reclassification	-	-	-	(7)	-	7	-	-	-
Depreciation for the year	-	(15,862)	(58,639)	(370,851)	(26,896)	(9,304)	-	(1,320)	(482,872)
Disposals/written off	-	-	7,992	3,903	62,367	6,213	-	-	80,475
As at October 31, 2019	-	(82,717)	(478,177)	(3,815,908)	(341,906)	(112,410)	-	(27,748)	(4,858,866)
Differences on revaluation of assets:									
As at November 1, 2018	974,292	-	-	-	-	-	-	-	974,292
As at October 31, 2019	974,292	-	-	-	-	-	-	-	974,292
Allowance for impairment of assets:									
As at November 1, 2018	(21,337)	-	-	-	-	-	-	-	(21,337)
As at October 31, 2019	(21,337)	-	-	-	-	-	-	-	(21,337)
Net book value:									
As at October 31, 2019	1,429,464	330,206	1,518,472	4,678,967	192,503	17,860	1,393,085	1,069	9,561,626

## 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

## Depreciation for the years ended October 31,

2019

Thousand Baht 482,872

2018

Thousand Baht 435,101



As at October 31, 2019 and 2018, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 393.94 million and Baht 434.16 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 32.8.3).

As at October 31, 2019 and 2018, assets at cost of Baht 5,073.49 million and Baht 4,893.21 million, respectively, in the consolidated financial statements, and of Baht 2,660.18 million and Baht 2,655.57 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2019 and 2018, land which is recorded at revaluation method with the net value of Baht 3,963.38 million and Baht 3,224.67 million, respectively, in the consolidated financial statements and Baht 1,429.46 million and Baht 1,413.79 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, 2019 and 2018, land net book value at the cost method of Baht 1,288.83 million and Baht 935.69 million, respectively, in the consolidated financial statements, and of Baht 476.51 million and Baht 460.84 million, respectively, in the separate financial statements.

## 18. OTHER NON-CURRENT ASSETS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Assets not yet used in operation				
- Land	-	727,475	-	3,393
- Machinery and Equipment	724	13,236	-	-
Other non-current assets	81,121	78,079	46,074	37,564
Total other non-current assets	81,845	818,790	46,074	40,957

As at October 31, 2019, lands not yet used in operation of Baht 723.72 million and Baht 3.39 million in the consolidated financial statements and the separate financial statements respectively, there is change in purpose to use in the operation which has been reclassified to property, plant and equipment. The movements of land not yet used in operation for the years ended October 31, 2019 is as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
<b>Net book value :</b>		
As at November 1, 2018	727,475	3,393
Adjustment and reclassification	(723,723)	(3,393)
Disposals	(3,752)	-
As at October 31, 2019	-	-



## 19. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Promissory notes	2,889,146	5,850,466	475,000	2,856,000
Bills of exchange	1,990,992	995,660	1,990,992	995,660
Total short-term borrowings from financial institutions	<u>4,880,138</u>	<u>6,846,126</u>	<u>2,465,992</u>	<u>3,851,660</u>

As at October 31, 2019 and 2018, promissory notes are borrowings denominated in Baht, in the consolidated financial statements, of Baht 2,889.15 million and Baht 5,850.47 million, respectively, carrying interest rates at 1.80% - 2.35% per annum and 1.84% - 2.20% per annum, respectively, and in the separate financial statements, of Baht 475.00 million and Baht 2,856.00 million, respectively, carrying interest rates at 1.80% - 2.04% per annum and 1.84% - 1.90% per annum, respectively.

As at October 31, 2019 and 2018, bills of exchange in the consolidated and the separate financial statements represented the borrowings denominated in Baht, carrying interest rate at 2.13% - 2.15% per annum and 1.75% - 1.78% per annum, respectively.

## 20. TRADE AND OTHER CURRENT PAYABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Trade payables - related parties	14,231	2,670	252,847	21,942
Trade payables - others	122,362	492,633	30,783	236,789
Advances received for sales of goods	360,181	465,053	253,832	357,467
Accrued fees payable to the Office of the Cane and Sugar Fund	-	40,579	-	5,568
Other accrued expenses	368,623	310,754	270,368	249,346
Payables on purchases of assets	51,483	95,009	5,075	49,886
Other payables	<u>365,786</u>	<u>386,048</u>	<u>317,959</u>	<u>352,557</u>
Total trade and other current payables	<u>1,282,666</u>	<u>1,792,746</u>	<u>1,130,864</u>	<u>1,273,555</u>

## 21. LONG-TERM DEBENTURES

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

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements 2019	2018
Unsecured senior debt debentures	10,493,600	10,493,742
<u>Less</u> Current portion	<u>(3,499,449)</u>	<u>(2,999,023)</u>
Net	<u>6,994,151</u>	<u>7,494,719</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, 2019								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	KSL202A	3 years	February 24, 2020	2.56	1,000,000	1,000,000	205	999,795	1,002,423
2	KSL203A	5 years	March 13, 2020	3.48	2,000,000	2,000,000	204	1,999,796	2,012,281
3	KSL206A	3 years	June 20, 2020	2.56	500,000	500,000	142	499,858	501,675
4	KSL215A	3 years	May 3, 2021	2.15	1,350,000	1,350,000	682	1,349,318	1,348,661
5	KSL228A	3 years	Aug 19, 2022	2.43	3,000,000	3,000,000	3,151	2,996,849	3,002,080
6	KSL27DA	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,770	1,998,230	2,118,387
7	KSL285A	10 years	May 3, 2028	3.60	650,000	650,000	246	649,754	681,237
Total long-term debentures					10,500,000	10,500,000	6,400	10,493,600	10,666,744

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 debt 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

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	
	2019	2018
Beginning book value	10,493,742	9,493,434
Debentures issuance during the years	3,000,000	2,000,000
Redemptions during the years	(3,000,000)	(1,000,000)
Debenture issuance cost (amortized)	<u>(142)</u>	<u>308</u>
Ending book value	<u>10,493,600</u>	<u>10,493,742</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, 2019 and 2018, the Company maintains the debts with interest to equity ratio in accordance with the conditions (see Note 28).

- 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, 2019, the credit rating of the debentures was not lower than the Company's credit rating.

## 22. SHORT-TERM BORROWINGS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Short-term borrowing from related party	3,400	3,800	442,600	425,300
Short-term borrowing from the Office of Cane and Sugar Fund	-	370,783	-	206,650
Total short-term borrowings	3,400	374,583	442,600	631,950

As at October 31, 2018, short-term borrowing from the Office of Cane and Sugar Fund ("OCSF") 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. During the fiscal year 2019, the additional short-term borrowings were increased amounting to Baht 658.57 million and Baht 420.00 million, respectively, in the consolidated and separate financial statements.

As at October 31, 2019, the Company and the subsidiaries considered presenting the short-term borrowing from OCSF amounting to Baht 1,029.35 million and 625.65 million, respectively, in the consolidated and separate financial statements, by offsetting with compensating income paid by the OCSF. The compensating income is the excess of the initial cane price and final cane price for the harvest season 2017/2018 (see Note 6.3) which will be paid to the Company and the subsidiaries in accordance with Section 56 of the Cane and Sugar Act B.E. 2527 when the final cane price and final compensation for the production and distribution of sugar for the harvest season 2017/2018 announced in the Royal Gazette.

## 23. LONG-TERM BORROWINGS

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

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements 2019	Financial Statements 2018	Financial Statements 2019	Financial Statements 2018
Borrowings	6,749,000	5,682,000	6,749,000	5,630,000
<u>Less</u> Current portion	<u>(1,982,000)</u>	<u>(1,772,000)</u>	<u>(1,982,000)</u>	<u>(1,720,000)</u>
Long-term borrowings - net	<u>4,767,000</u>	<u>3,910,000</u>	<u>4,767,000</u>	<u>3,910,000</u>

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

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements 2019	Financial Statements 2018	Financial Statements 2019	Financial Statements 2018
Beginning book value	5,682,000	3,655,833	5,630,000	3,203,833
Additional borrowings during the years	3,000,000	4,000,000	3,000,000	4,000,000
Repayment during the years	<u>(1,933,000)</u>	<u>(1,973,833)</u>	<u>(1,881,000)</u>	<u>(1,573,833)</u>
Ending book value	<u>6,749,000</u>	<u>5,682,000</u>	<u>6,749,000</u>	<u>5,630,000</u>

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

	Consolidated		Separate	
	Financial Statements 2019	Financial Statements 2018	Financial Statements 2019	Financial Statements 2018
	%	%	%	%
Borrowings - Baht currency	2.94 - 3.57	3.00 - 3.80	2.94 - 3.57	3.00 - 3.80

Maturity of long-term borrowings were as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements 2019	Financial Statements 2018	Financial Statements 2019	Financial Statements 2018
Within 1 year	1,982,000	1,772,000	1,982,000	1,720,000
Over 1 year and within 5 years	4,767,000	3,910,000	4,767,000	3,910,000



The significant terms of such borrowings are as follows:

Credit Limit	Balances At as October 31, 2019      2018		Interest rate	Principal repayment	Interest payment	Commencing repayment	Maturity
	Thousand Baht	Thousand Baht					
<b>The Company</b>							
1. Baht 1,500 million	100,000	450,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2015	November 2019
2. Baht 1,000 million	300,000	500,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020
3. Baht 1,000 million	-	200,000	AMLR - Fixed rate	Semi-annual	Monthly	April 2015	October 2019
4. Baht 1,000 million	660,000	830,000	Fixed rate	Semi-annual	Monthly	April 2018	October 2023
5. Baht 1,000 million	500,000	750,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2018	November 2021
6. Baht 1,000 million	700,000	900,000	Fixed rate	Semi-annual	Monthly	June 2018	December 2022
7. Baht 1,000 million	800,000	1,000,000	MLR - Fixed rate	Semi-annual	Monthly	November 2018	May 2023
8. Baht 1,000 million	800,000	1,000,000	MLR - Fixed rate	Semi-annual	Monthly	March 2019	September 2023
9. Baht 1,000 million	889,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	Aug 2019	Aug 2023
10. Baht 1,000 million	1,000,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	Jan 2020	Jan 2024
11. Baht 1,000 million	1,000,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	Feb 2020	Feb 2024
Total	6,749,000	5,630,000					
<b>The subsidiaries</b>							
12. Baht 1,000 million	-	52,000	AMLR - Fixed rate	Semi-annual	Monthly	August 2014	February 2019
Total	-	52,000					
Grand Total	6,749,000	5,682,000					
Less Current portion	(1,982,000)	(1,772,000)					
Net	4,767,000	3,910,000					

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

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 28). 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, 2019 and 2018, the Company and its subsidiaries can maintain the ratios as stipulated in the agreements.

## 24. INCOME TAX EXPENSE (INCOME), DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

### 24.1 Income tax expense (income)

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
<u>Current income tax</u>				
Current income tax expense	164,485	142,332	-	-
<u>Deferred income tax</u>				
Deferred income tax expense (income) and temporary differences	(15,478)	2,005	(73,909)	(142,425)
Total	149,007	144,337	(73,909)	(142,425)



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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Profit (loss) before income tax expense (income)				
- Promoted sector-exempted from income tax	1,511	311,593	-	-
- The portion that has been promoted except for income tax at 50% of income tax rate	407,474	-	-	-
- Non-promoted sector	569,911	663,124	(311,842)	(708,631)
Total profit (loss) before income tax expense (income)	978,896	974,717	(311,842)	(708,631)
Statutory tax rates (%)	20	20	20	20
Income tax expense				
- The portion that has been promoted except for income tax at 50% of income tax rate	40,747	-	-	-
- Non-promoted sector	113,982	132,625	-	-
Total income tax	154,729	132,625	-	-
Effect on income tax from non-deductible taxable expense	15,066	9,775	-	-
	169,795	142,400	-	-
Prior year tax income	(5,310)	(68)	-	-
Deferred income tax expense (income)	(15,478)	2,005	(73,909)	(142,425)
Income tax expense (income)	149,007	144,337	(73,909)	(142,425)

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
<b>Deferred tax assets - net</b>				
Non-current provision for employee benefit	1,229	1,133	-	-
Loss carried forward	4,039	5,244	-	-
Others	3,203	557	-	-
Deferred tax assets - net	8,471	6,934	-	-

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

2019

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at	Items as	Items as	As at
	November 1, 2018	recognized in profit or loss	recognized in other comprehensive income	October 31, 2019
<b>Deferred tax assets - net</b>				
Non-current provision for employee benefit	1,133	96	-	1,229
Loss carried forward	5,244	(1,205)	-	4,039
Others	557	2,646	-	3,203
Deferred tax assets - net	6,934	1,537	-	8,471



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
<b>Deferred tax assets - net</b>				
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	13,214	(72,317)	66,037	6,934

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

	Unit : Thousand Baht	
	Consolidated	
	Financial Statements	
	2019	2018
The following deferred tax assets have not been recognized		
Temporary differences	(44,895)	(189,919)
Loss carried forward	254,789	284,974
	209,894	95,055

As at October 31, 2019, 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 254.79 million, will be matured by the years 2020 to 2024.

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

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Deferred tax liabilities - net				
Allowance for doubtful accounts	(49,270)	(36,367)	(13,115)	(10,088)
Allowance for diminution in value of inventories	(11,598)	(22,981)	(10,003)	(18,179)
Allowance for impairment in subsidiary investments	-	-	(359,029)	(328,630)
Non-current provision for employee benefit	(57,567)	(58,115)	(25,103)	(25,714)
Gain on asset revaluation	544,843	545,493	194,858	194,858
Loss carried forward	(472,796)	(374,572)	(374,360)	(290,577)
Depreciation	122,213	93,552	64,163	49,340
Change in fair value of investment property	625,421	572,107	294,633	276,457
Change in fair value of biological assets	(458)	(1,631)	753	(406)
Gain from amalgamation	482,573	482,573	482,573	482,573
Others	(52,464)	(36,623)	(30,131)	(12,538)
Deferred tax liabilities - net	1,130,897	1,163,436	225,239	317,096

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

**2019**

	Consolidated Financial Statements			Unit : Thousand Baht
	As at November 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2019
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	(36,367)	(12,903)	-	(49,270)
Allowance for diminution in value of inventories	(22,981)	11,383	-	(11,598)
Non-current provision for employee benefit	(58,115)	548	-	(57,567)
Gain on asset revaluation	545,493	-	(650)	544,843
Loss carried forward	(374,572)	(98,224)	-	(472,796)
Depreciation	93,552	28,661	-	122,213
Change in fair value of investment property	572,107	53,314	-	625,421
Change in fair value of biological assets	(1,631)	1,173	-	(458)
Gain from amalgamation	482,573	-	-	482,573
Others	(36,623)	2,107	(17,948)	(52,464)
Deferred tax liabilities - net	<u>1,163,436</u>	<u>(13,941)</u>	<u>(18,598)</u>	<u>1,130,897</u>

**2018**

	Consolidated Financial Statements			Unit : Thousand Baht
	As at November 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2018
<b>Deferred tax liabilities - net</b>				
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>



2019

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at November 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2019
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	(10,088)	(3,027)	-	(13,115)
Allowance for diminution in value of inventories	(18,179)	8,176	-	(10,003)
Allowance for impairment in subsidiary investments	(328,630)	(30,399)	-	(359,029)
Non-current provision for employee benefit	(25,714)	611	-	(25,103)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(290,577)	(83,783)	-	(374,360)
Depreciation	49,340	14,823	-	64,163
Change in fair value of investment property	276,457	18,176	-	294,633
Change in fair value of biological assets	(406)	1,159	-	753
Gain from amalgamation	482,573	-	-	482,573
Others	(12,538)	355	(17,948)	(30,131)
Deferred tax liabilities - net	317,096	(73,909)	(17,948)	225,239

2018

	Unit : Thousand Baht			
	Separate 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
<b>Deferred tax liabilities - net</b>				
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	477,892	(142,425)	(18,371)	317,096

**25. 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:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Current service cost	15,252	15,049	7,157	6,378
Interest cost	8,382	6,868	3,438	2,730
Past service cost	-	11,492	-	4,649
Total	<u>23,634</u>	<u>33,409</u>	<u>10,595</u>	<u>13,757</u>

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Non-current provision for employee benefit brought forward	298,846	264,742	128,569	112,076
Current service cost	15,252	15,049	7,157	6,378
Interest cost	8,382	6,868	3,438	2,730
Past service cost	-	11,492	-	4,649
Actuarial loss on the estimation of the obligations	-	39,148	-	21,009
Benefit paid during the years	<u>(26,656)</u>	<u>(38,453)</u>	<u>(13,647)</u>	<u>(18,273)</u>
Non-current provision for employee benefit carried forward	<u>295,824</u>	<u>298,846</u>	<u>125,517</u>	<u>128,569</u>

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	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	2.14 - 3.46	2.14 - 3.46	2.45 - 2.87	2.45 - 2.87
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	5.00 - 35.00	8.00 - 14.00	8.00 - 14.00
- Daily employees	4.00 - 100.00	4.00 - 100.00	11.00 - 52.00	11.00 - 52.00



The sensitivity analysis of the above actuarial assumptions impacted on 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	
	2019	2018	2019	2018
<u>Discount rate</u>				
Discount rates, decrease of 0.5 percent	0.93 - 62.96	1.09 - 130.86	62.96	130.86
Discount rates, increase of 0.5 percent	0.86 - 59.24	1.02 - 126.39	59.24	126.39
<u>Salary growth rates</u>				
Salary growth rates, decrease of 0.5 percent	0.86 - 59.06	1.02 - 126.49	59.06	126.49
Salary growth rates, increase of 0.5 percent	0.93 - 63.13	1.09 - 130.73	63.13	130.73
<u>Turnover rates</u>				
Turnover rates, decrease of 1 percent	0.99 - 66.31	1.14 - 133.26	66.31	133.26
Turnover rates, increase of 1 percent	0.81 - 56.35	0.98 - 124.37	56.35	124.37

## 26. DIVIDENDS PAID AND LEGAL RESERVE

26.1 The annual general meeting of shareholders of the Company passed a resolution to pay dividends as follows:

Approved by	Number of shares Billion shares	Dividends Paid per share Baht	Dividends Paid Million Baht	Dividends Paid Date
No. 1/2019 held on February 22, 2019	4.41	0.05	220.51	March 20, 2019
No. 1/2018 held on February 20, 2018	4.41	0.05	220.51	March 16, 2018

26.2 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, 2019 and 2018, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.



**27. DIRECTORS REMUNERATION**

The compensation paid to the directors of the Company approved by The Annual General Meeting of shareholders in accordance to Section 90 of Public Company Act are as follows:

	Unit : Thousand Baht	
	Consolidated/Separate Financial Statements	
	2019	2018
For the years ended October 31,	8,958	9,137

**28. 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 21) and the loan agreements (see Note 23).

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

	2019	2018
Debt with interest to equity	1.16 : 1.00	1.26 : 1.00

**29. EXPENSES BY NATURE**

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Salaries, wages and other employee benefits	1,251,767	1,359,786	505,185	509,771
Depreciation and amortization	1,204,713	1,264,327	488,556	440,611
Fees paid to the Office of the Cane and Sugar Fund	1,261,874	1,115,904	678,185	485,028
Maintenance expenses	797,954	702,750	242,639	230,741
Transportation expenses	953,919	777,030	634,922	476,096
Raw material and supply used	9,203,838	11,883,367	6,137,984	6,827,356
Purchase finished goods	280,602	336,192	1,219,192	1,778,809
Changes in finished goods and goods in process	1,165,692	(1,128,169)	1,026,491	(996,086)
Loss on fair value adjustments of biological assets	26,238	32,850	5,320	-
Loss on impairment of investments in subsidiaries	-	-	151,996	492,431
Loss on impairment of assets	61,646	4,002	-	-
Loss on exchange rate	15,597	-	80,113	-
Management benefit expenses	151,293	141,959	64,224	58,121
Finance costs	710,332	727,643	637,980	620,338
Other operating expenses	996,985	979,058	568,489	576,716
Total	<u>18,082,450</u>	<u>18,196,699</u>	<u>12,441,276</u>	<u>11,499,932</u>



### 30. 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 during the period. Basic earnings (loss) per share for the years ended October 31, 2019 and 2018 are as follows:

2019

	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	821,581	4,410,233	<u>0.186</u>	(237,933)	4,410,233	<u>(0.054)</u>

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>

### 31. 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, 2019 and 2018, the Group has revenue with a single external customer in electricity sector in the amount of Baht 1,061.85 million and Baht 995.67 million, respectively, of the Group's total revenue.





## 32. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2019 and 2018, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

- 32.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 3,217.40 million and Baht 3,012.90 million, respectively, and in the separate financial statements amounting to Baht 2,098.23 million and Baht 625.18 million, respectively.
- 32.2 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	
	2019	2018	2019	2018
For the production season 2019/2020	623.69	-	226.83	-
For the production season 2018/2019	-	1,046.38	-	403.17

- 32.3 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.
- 32.4 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.

32.5 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.

32.6 The consolidated and separate financial statements have commitments and credit facilities as follows:

Unit : Million						
Consolidated Financial Statements						
Currency	As at October 31, 2019			As at October 31, 2018		
	Total	Utilized	Remaining	Total	Utilized	Remaining
<b>Commitments</b>						
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	1,969.00	-	2,393.34	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	-	-	194.05	-
<b>Credit facilities</b>						
Letters of guarantees (unspecified credit limit)	THB	-	79.26	-	79.27	-
Letters of credit and trust receipts	THB	120.00	-	120.00	-	120.00
Letters of credit	USD	10.00	-	10.00	-	10.00
Overdraft and short-term borrowings	THB	23,512.50	3,209.15	20,303.35	22,967.00	5,116.47
Short-term borrowings	USD	20.50	-	20.50	43.50	-
Joint credit line in short-term borrowings	THB	2,910.00	1,680.00	1,230.00	2,766.00	1,734.00
Long-term borrowings	THB	6,749.00	6,749.00	-	5,682.00	5,682.00

Unit : Million						
Separate Financial Statements						
Currency	As at October 31, 2019			As at October 31, 2018		
	Total	Utilized	Remaining	Total	Utilized	Remaining
<b>Commitments</b>						
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	1,904.20	-	2,276.54	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	-	-	194.05	-
<b>Credit facilities</b>						
Letters of guarantees (unspecified credit limit)	THB	-	4.13	-	4.13	-
Letters of credit and trust receipts	THB	30.00	-	30.00	-	30.00
Overdraft and short-term borrowings	THB	13,353.00	2,475.00	10,878.00	11,507.00	3,856.00
Short-term borrowings	USD	0.50	-	0.50	3.50	-
Joint credit line in short-term borrowings	THB	2,910.00	1,680.00	1,230.00	2,766.00	1,734.00
Long-term borrowings	THB	6,749.00	6,749.00	-	5,630.00	5,630.00



The above credit facilities are partially secured between the Company and its subsidiaries, In addition, for certain credit facilities, if they are is utilized, certain inventories of the Company and its subsidiaries will be used as collateral, however, as at October 31, 2019 and 2018 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.

### 32.7 The Company and its subsidiaries have the remaining commitments under the various contracts as follows:

Consolidated Financial Statements						Unit : Million	
	Currency	As at October 31, 2019		As at October 31, 2018			
		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments		
Construction and subcontract agreements	THB	868.25	98.11	1,002.07	187.54		
Machine and equipment purchase agreements	THB	281.72	22.83	500.68	51.26		
	USD	0.56	-	0.56	-		

Consolidated Financial Statements										Unit : Million	
Outstanding Contractual Commitments											
	Currency	As at October 31, 2019				As at October 31, 2018					
		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	4.59	5.28	0.14	0.55	4.64	5.33		
Rental agreements	THB	11.79	19.15	-	30.94	14.53	22.45	-	36.98		

Separate Financial Statements						Unit : Million	
	Currency	As at October 31, 2019		As at October 31, 2018			
		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments		
Construction and subcontract agreements	THB	634.74	76.15	718.12	148.81		
Machine and equipment purchase agreements	THB	281.72	22.83	497.69	49.46		

Separate Financial Statements								Unit : Million	
Outstanding Contractual Commitments									
	Currency	As at October 31, 2019			As at October 31, 2018				
		Within 1 year	1 - 5 years	Total	Within 1 year	1 - 5 years	Total		
Rental agreements	THB	4.14	4.55	8.69	7.01	8.01	15.02		



## 32.8 Other significant agreements

- 32.8.1 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.
- 32.8.2 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, 2019 and 2018, the subsidiary has already utilized the area of 5,053.45 hectares and 5,053.61 hectares respectively, at the rental rate.
- 32.8.3 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 18,057 hectares covering period of 90 years and the rental price has a grace period of the first 5 years, afterwards, the rate of rental price of USD 5 per hectare per annum and the rental fee will increase by 1% every year and later on February 25, 2016, the Government of Kingdom of Cambodia amended the new concession to 50 years. As at October 31, 2019 and 2018, the subsidiaries have already utilized the area of 9,398.69 hectares, equal for both years. Buildings and structure of subsidiaries, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 17).
- 32.8.4 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, 2019 and 2018, the balances of the advance lease fee paid are USD 0.41 million and USD 0.42 million, respectively, which is presented as part of other non-current assets.

### 33. 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, 2019				
	Fixed Interest Rate		Floating	Total	
	Within	More than	More than	Interest Rate	
	1 year	1 year	5 years		
		to 5 years			
<b>Financial Assets</b>					
Saving accounts deposits	-	-	-	94,616	94,616
Fixed account deposits	260	-	-	-	260
Loans for cane plantation development	254,880	131,845	12,345	317	399,387
Short-term loans to farmers	622,104	171	-	46,781	669,056
Long-term loans to others	1,333	1,333	-	-	2,666
Other long-term investments	-	-	6,729	-	6,729
Total	878,577	133,349	19,074	141,714	1,172,714
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	4,880,138	-	-	-	4,880,138
Short-term borrowings from related parties	3,400	-	-	-	3,400
Long-term debentures	3,499,449	4,346,166	2,647,985	-	10,493,600
Long-term borrowings	1,982,000	4,767,000	-	-	6,749,000
Total	10,364,987	9,113,166	2,647,985	-	22,126,138

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			
<b>Financial Assets</b>					
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	1,489,952	249,722	8,399	135,762	1,883,835
<b>Financial Liabilities</b>					
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	1,720,000	3,910,000	-	52,000	5,682,000
Total	11,939,732	8,756,953	2,647,766	52,000	23,396,451

## Risk on exchange rates

Risk on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import 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:

	Consolidated Financial Statements				Separate Financial Statements			
	2019		2018		2019		2018	
Currency	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	82.22	25.13	10.88	2.19	86.63	-	32.81	-
YEN	-	4.34	-	3.08	-	-	-	-
RIEL	180.52	291.85	815.01	56.25	-	-	-	-
LAK	189.14	109.75	130.18	1,938.77	-	-	-	-

As at October 31, 2019 and 2018, 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 contracts, which are due between 1 year, are as follows:

								Unit : Million	
Currency	Amount fixed in contract				Currency	Amount earned in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements		Financial Statements			Financial Statements		Financial Statements	
	2019	2018	2019	2018		2019	2018	2019	2018
USD	-	20.86	-	-	THB	-	683.78	-	-

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

		Unit : Million Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
Net fair values of forward contracts	-	3.78	-	-	-

#### Risk on fluctuation of sugar and cane prices

The cane and sugar industry in Thailand are 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 period not over 1 year. Gain or loss is recognized in the statement of profit or loss 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	
		2019	2018	2019	2018
Gain on commodity swap contracts	121.49	23.52	121.49	16.64	

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

		Unit : Million	
Currency		Consolidated/Separate	
		Financial Statements	
		2019	2018
Net fair values for commodity swap contracts	USD	1.66	0.20

### Credit risk

The Company and its subsidiaries have risk on credit regarding trade receivables, farmer receivable, loans to farmers, loans to related parties, loans to others, loans for cane plantation and development, and others receivable. 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 borrowings approximate their fair values due to floating interest rates. The long-term borrowings 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 borrowings 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 carrying amounts 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
	Carrying amount Million Baht	Fair value Million Baht		
As at October 31, 2019				
Financial liabilities				
Long-term debentures	10,494	10,667	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
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.

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.



### 34. 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, 2019 and 2018, the group companies and their employees monthly contribute to the fund at the rate of 2% - 15% and 3% - 5% of basic salary, respectively. 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, 2019 and 2018, the Company and its subsidiaries contributed in amounts of Baht 32.29 million and Baht 32.07 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 14.59 million and Baht 14.63 million, respectively, in the separate financial statements.

### 35. 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:

Certificate No.	Sections Privilege	Date	Promoted activity types	Commenced date of revenues generated	Expire date
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	25, 26, 28, 31(1), 31(2), 31(3), 31(4) and 34	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.

### 36. EVENT AFTER THE REPORTING PERIOD

In November 2019, a subsidiary entered into Sales and Purchase Agreement for Land, Property and Equipment, includes other assets as stipulated in the agreement, with the related party totally Baht 400 million. The related party will be able to purchase these assets not over 5 years after agreement date. Prior to purchase assets the related party can utilize these assets with annual compensation of Baht 20 million per year.

### 37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 20, 2019.





# SUSTAINABILITY REPORT



**KSL** GROUP



# SUSTAINABILITY REPORT

Khon Kaen Sugar Industry PLC has been in business since 1945. At present, the registered capital amounts 2,205 million baht. On 7 March 2005, the Company became a listed company in the Securities Exchange of Thailand with its trading symbol "KSL".

The Sustainability Report 2019 covers the period 1 November 2018 to 31 October 2019. The making of this report is based on the Global Report Initiative (Standard) regarding the following aspects.

## 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 waster 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 (GRI102-46)

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 2018 to 31 October 2019), namely, economic, social and environmental issues and has prescribed important sub-issues together with the hearing form 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.



#### Economic



- Sustainable Business Operation
- Management of Value Chain
- Corporate Governance

#### Environmental



- Efficient use of Energy
- Management of Environment

#### Social



- Safety and Occupational Health
- Quality and Satisfaction of Employees
- Responsibility to Communities and Society



### Scope of the Report (GRI102-46)

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	Green-house 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 Factory Co., Ltd.	●	●		●	●		●
New Kwang Soon Lee Sugar Factory Co., Ltd.	●	●	●	●	●	●	●
Khon Kaen Sugar Power Plant Co., Ltd. (Nampong Branch)	●	●	●	●	●	●	●
Khon Kaen Sugar Power Plant Co., Ltd. (Wangsapung Branch)	●	●	●	●	●	●	●
Khon Kaen Sugar Power Plant Co., Ltd. (Boploy Branch)	●	●	●	●	●	●	●

### Corporate Governance Structure (GRI102-18)

The Corporate Governance Committee is the body which has roles and duties as reported in topic 25, 70 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 (GRI102-47,103-1)

Sustainability Issues of the group of Companies		Sustainability Issues pursuant to GRI102-47	Scope of Impact		
			on internal units of the Company	on stakeholders outside the Company	related external stakeholders
1. Sustainable business operation	<ul style="list-style-type: none"> <li>proper strategies</li> <li>risk management and internal control</li> </ul>	<ul style="list-style-type: none"> <li>strategy making process</li> <li>corporate governance</li> </ul>	●	●	shareholders, creditors, farmers
2. value-chain management	<ul style="list-style-type: none"> <li>raw materials procurement</li> <li>procurement of goods and contractors</li> </ul>	<ul style="list-style-type: none"> <li>evaluation of farmers and suppliers regarding environment aspects, labor protection and human rights</li> </ul>		●	farmers, suppliers, contractors
3. Corporate governance	<ul style="list-style-type: none"> <li>corporate governance</li> <li>business ethics</li> <li>measures against fraud and corruption</li> </ul>	<ul style="list-style-type: none"> <li>implementation of corporate governance policy and Manual on measures against fraud and corruption</li> <li>recognition of integrity</li> <li>corporate culture formulation</li> </ul>	●	●	shareholders, staff, farmers, suppliers, customers, society
4. Efficient use of energy	<ul style="list-style-type: none"> <li>reduction of energy use</li> <li>optimization of energy use</li> </ul>	<ul style="list-style-type: none"> <li>measurement of used energy</li> <li>energy management</li> </ul>	●	●	Community, government units
5. Environmental management	<ul style="list-style-type: none"> <li>reduction of emission</li> <li>management of industrial waste</li> </ul>	<ul style="list-style-type: none"> <li>environment standard</li> <li>community grievances</li> </ul>	●	●	Community, government units, customers
6. Occupational Health and Safety	<ul style="list-style-type: none"> <li>safety of staff</li> <li>safety of machinery and equipment</li> <li>emergency management</li> </ul>	<ul style="list-style-type: none"> <li>occupational health and safety</li> <li>checking of machinery and equipment</li> <li>safety manual compliance</li> <li>handling emergency</li> </ul>	●	●	Staff, suppliers, government units
7. Personnel Development	<ul style="list-style-type: none"> <li>Personnel Development</li> <li>Keeping of personnel and recruitment</li> <li>benefits and welfare</li> </ul>	<ul style="list-style-type: none"> <li>training</li> <li>staff recruitment</li> <li>succession plan for high ranking staff</li> <li>relationship management between employer and employee</li> </ul>	●		Staff, customers
8. Responsibility to community and society	<ul style="list-style-type: none"> <li>good relationship with community</li> <li>solution of problems to community</li> </ul>	<ul style="list-style-type: none"> <li>Steady relationship building</li> <li>Increase of quality of life to community</li> </ul>	●	●	Farmers, community, government units, customers
9. Innovation and Product Development	<ul style="list-style-type: none"> <li>Quality and Products</li> </ul>	<ul style="list-style-type: none"> <li>Production of goods with standard</li> </ul>	●		shareholders, staff, farmers, suppliers, customers, society, government units



## Stakeholders related to the group of companies

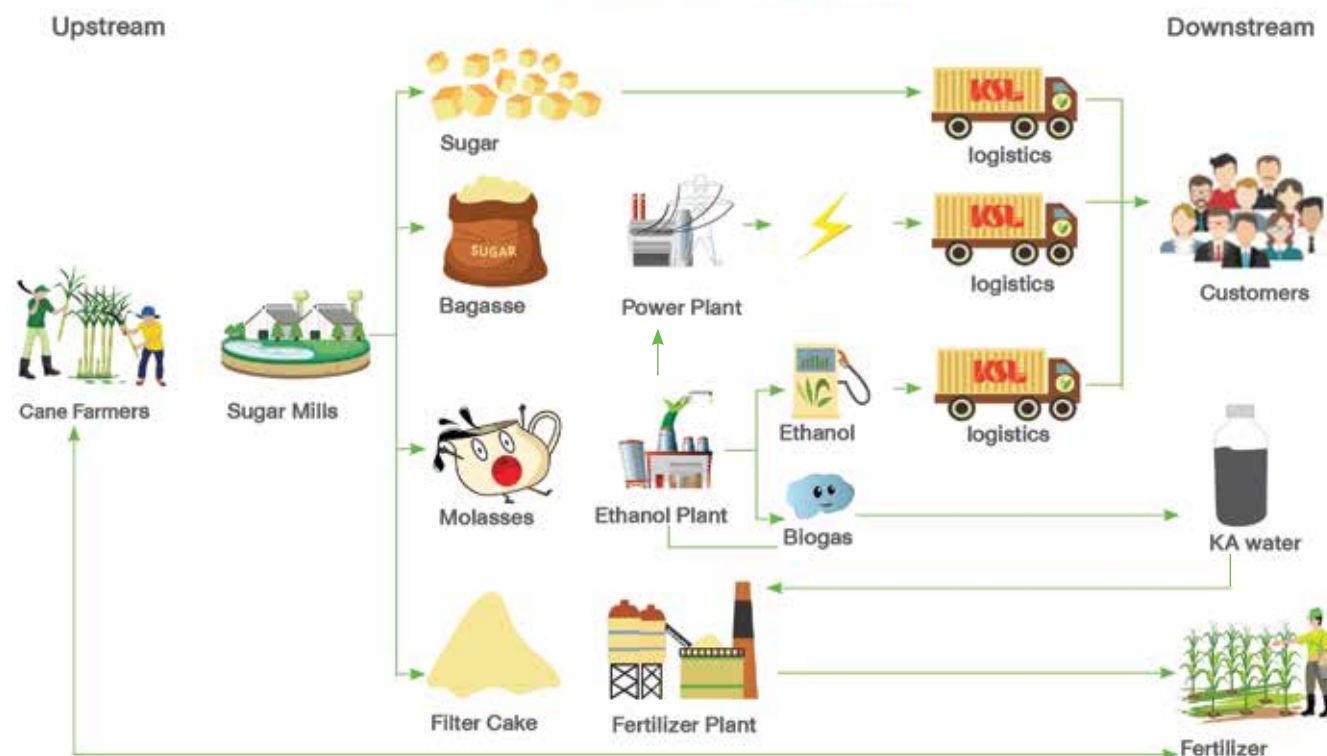
Each group of stakeholders has different expectation and receives different impact from the operation of the companies

**Table of Stakeholders GRI102-40,42,43,44**

Groups of Stakeholders	Behavior/incidents of interest	Issues received form the stakeholders
cane farmers 	1. farmer visit 2. farmer meeting 3. invitation to company ceremony or activities	1. more promotion in terms of technology and revolving fund 2. rapid discharge of sugar cane at the factory 3. farmers' cooperation
shareholders 	1. Annual General Meeting 2. Annual Report 3. disclosure of information to Stock Exchange of Thailand 4. Quarterly meeting with analysts (Opportunity Day for investors) 5. communication to various channels e.g., telephone, emails, website 6. inquiry or complaints through provided channels	1. appropriate and steady return of investment 2. prudent investment 3. transparency and accountability
Suppliers / contractors 	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	1. fair and transparent procurement 2. timeliness of job reception 3. timeliness of payment for goods /fee 4. work safety
Customers 	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	1. acknowledgment of customers' need 2. quality improvement of products 3. improvement of delivery - improvement of after sale service 4. compliance with human rights principles, environment standard and labor standard
Financial institution creditors 	1. Annual Report 2. Financial statements 3. disclosure of information for credit analysis	1. timeliness of payment 2. use of appropriate financial service
staff 	1. Newsletter 2. intranet, video-conference 3. meeting / seminar / training 4. annual division meeting 5. meeting between supervisors and staff 6. annual employee evaluation	1. competitive benefit and remuneration 2. promotion through career path 3. self- development 4. recognition from supervisor and colleagues
Community / society 	1. regular interaction with community 2. attending community's activities 3. advice on occupational opportunity to community	1. reduction of impact form factory to community 2. support to community's activities 3. elevation of community's living standard
Local administration / government units 	1. attending and supporting activities 2. coordination with government agencies 3. permission or license seeking as required by law	1. compliance with laws 2. cooperation with government agencies for local development 3. abolition or reduction of environmental impact on community



## Sustainable Value Chain GRI 102 - 9



## Economy Aspects

## 1. Sustainable Business Operation.

The Company is well aware that, in doing business sustainably, there must be a good balance between business stability (including yearly profit and long-term growth of business) and care of environment, society and corporate governance.

As for business stability, the Company has operated its business in line with the vision and strategies and reviewed or solved the problems to respond to the goals within the framework of corporate governance. The Policy has set a clear path that the Company's business process must not create environmental and social problems and shall promote activities that help protect environment and develop society simultaneously.

## 2. Value-chain management

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.

**iFarm project** was aimed to change the large scale sugar-planting method to precision farming in the western region at Bo Ploy, Kanchanaburi. The KSL planting advisory team at Tamaka, Kanchanaburi, so - called KSL Ranger, was assigned to supervise the planting in the area by using appropriate GPS (Guidance and Auto Steering System) technology. The application of appropriate technology and machinery together with sustainable and efficient management helped develop the planting process, maintenance and harvesting. As such, the increase of productivity and decrease of production cost regarding the use of chemicals, labour, burning, soil suppressing, drought, excessive water in the field and obstructed materials in the field.

**iForm project** is an innovation bringing technology to develop the work process of staff by reducing working steps and increasing convenience to farmers.

## Previous pattern

1. Use paper forms for farmers
2. Bring papers to process in office
3. 5-14 days for total work process

## New pattern

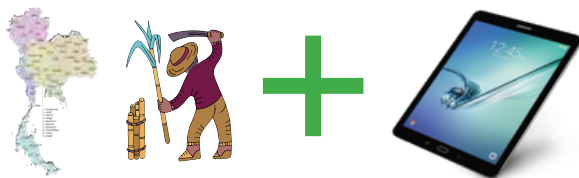
1. Input farmers' information to tablets
2. Upload information for consideration
3. 2-6 days for total work process



**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.

#### The Advantages of Using Technology

1. Specify sugarcane plantation's coordinate and monitoring sugarcane growth.
2. Forecast the sugarcane harvest date for each field and improve quality in sugarcane.
3. Reduce wait time in sugar cane queue in front of a sugar factory



**Sustainable Sugar Cane Planting Project** was aimed at changing to organic sugarcane by using organic fertilizer in the planting field to harvest 100% natural sugar cane. The period of the project would last three years. The use of organic fertilizer helped reduced production cost and top soil loss. The pilot project was done at Bo Ploy, Kanchanaburi. The participating farmers would get advice from the technical term of KSL throughout the project.

**CCS Study Project** This project was to experiment the increase of CCS, the indicator of sweetness, in sugar cane. The original experiment was a cooperation with a Yamaha company, which had experimented the spraying of sweetness accelerating matter since 2018. In 2019, Kacha Agricultural Chemicals joined the project to further explore the experiment of the matter and weed abolition.



**KSL Junior Farmer 2019 - new generation of sugar cane farmers, year 2.**

The project had an objective to deliver sugar cane planting business to the next generation. The Company developed a curriculum "New Gen of Farmers" with the main purpose to have the trainees use the knowledge to apply to their parents' farming with the hope that these new generation would succeed the business and supply sugar cane to KSL as their alliance. Another purpose was to create good relationship between the farmers and the factories and to share knowledge regarding the sugar cane planting and other relevant matters in each region.

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 2019 is held at KSL River Kwai Park and Resort during 7-9 November 2019. 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.

#### Fertilizer embedding Equipment in the Sugar Cane Filed Project

KSL Material Supplies Co., Ltd., which normally provided organic fertilizer to cane farmers, had developed an innovative fertilizer embedding equipment so as to solve the problem of ineffective equipment. Two types of equipment were developed to serve this purpose.

1. Mini-Combine was an equipment to prepare the soil for fertilizer embedding. This equipment helped embed fertilizer for more effectiveness and reduce the steps of soil preparation by farmers.

2. Fertilizer embedding equipment with twin tanks and boom spray to separate organic fertilizer from chemical fertilizer, which solved the breakdown flow of fertilizer feeding. The use of such equipment helped reduce work burden for farmers.

### 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.

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 and 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 2019, the companies are granted with the following quality systems: ISO9001:2015, GMP, HACCP, ISO22000, FSSC22000, Halal, Kosher, Bonsucro and good governance in environment.

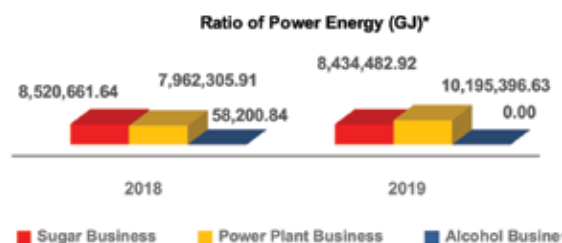
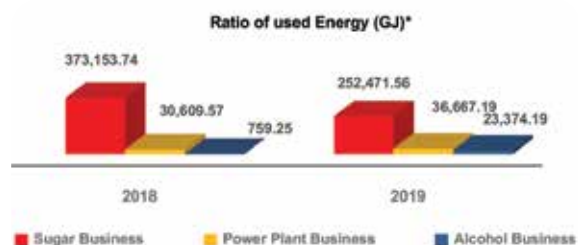
### 3. Corporate Governance

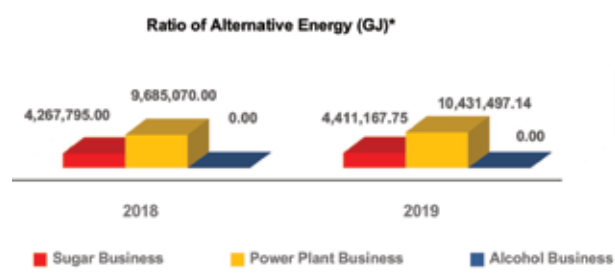
The Company considers the corporate governance an essential mechanism for the Company to administer a good relationship with all stakeholders, namely, shareholders, staff, farmers, suppliers, customers, community and government agencies. The Company therefore has a clear policy of corporate governance 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 55

### 4. Efficiency in Energy Use (GRI302-1)

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**

\*Alternative Energy is bagasse derived from sugar production process

\*Diesel/Benzene (Litre)  $\times$  Conversion rate (Megajoule)

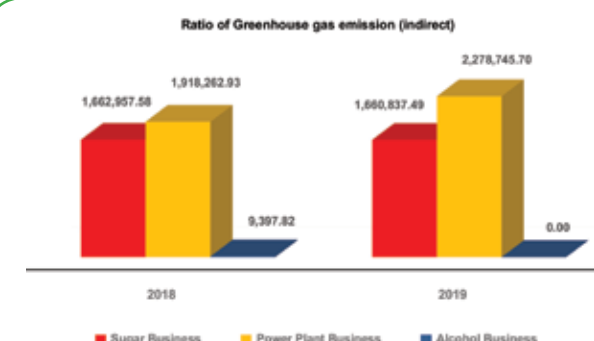
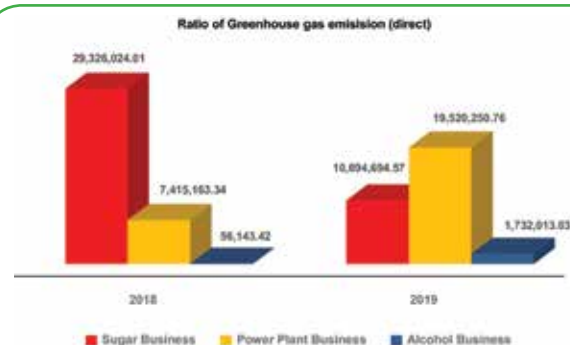
1000

\*Bagasse (Ton)  $\times$  Low heating value

0.004186

### Greenhouse Gas Management (GRI305-1,GRI305-2)

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.



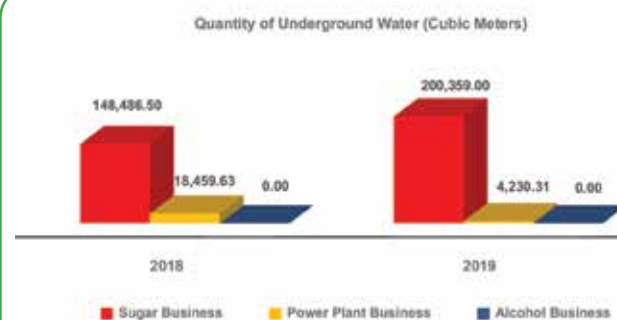
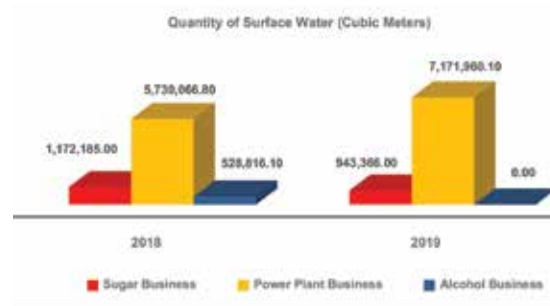
#### Note

- \* Direct Greenhouse Gas Emission is the volume of diesel/benzene/LPC (litre)  $\times$  Emission factor = Ton carbon dioxide
- \* Indirect Greenhouse Gas Emission is the volume of electricity bought from external source (Megawatt / Hour)  $\times$  Emission factor = Ton carbon dioxide
- \* Emission Factor is referred to Thailand Greenhouse Gas Management Organization (Public Organization)

## 5. Environment Management

### Water Management (GRI303-1)

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 bagasse, 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 for Water Reuse

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.

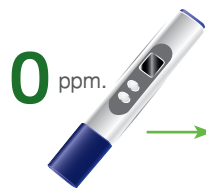
#### The Objectives of the project are

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

Control sugar before release to raw water pond to be at 0 ppm and increase raw water volume to be 100% used in the mills.

Control sugar before release to raw water pond to be at



**100%**

increase raw water volume, used in the mills

#### Benefits 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.

#### Garbage Disposal Project with the Community

KSL Green Innovation PLC at Bo Ploy Branch, Kanchanaburi initiated this project to promote participation to separate garbage at the beginning. In this respect, Wat Lum Rang, Bo Ploy, Kanchanaburi was a center of activity with support from both government agencies and private sectors in Kanchanaburi.

Moreover, New Kwang Soon Lee Sugar Factory Co., Ltd. was certified Green Industry, Level 2, Green Activity from the Department of Industrial Works, Ministry of Industry in 2019 to show that the company had achieved the target of conducting activities that reduced environment impact.

The Company had measures to prevent and solve environment impact as follows

- **Reducing Cane burning** with a campaign to buy fresh sugar cane with higher price than the burn one and to disseminate the knowledge about the adverse impact of sugar cane burning
- **Reducing dust from trucks** by setting up cleaning points before entering and after leaving the factory
- **Transporting bagasse to power plant** by closed conveyor to reduce diffusion of bagasse
- **Reducing particles from storing calcium oxide** by keeping in building having electric shutter
- **Cleaning road in front of factory** regularly and, particularly in crushing season, collecting fallen sugar cane on the road to factory daily
- **Water spraying parking lot for trucks**, road in front of factory and roads in the villages as requested to reduce the spread of dust
- **Visiting villages around the factory** during crushing season to receive complaints and information and to conduct community relationship activities



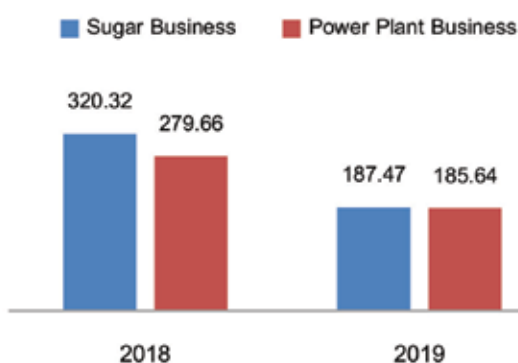


- **Disposing general garbage** by preparing enough litter bins in the factory and separating types of garbage before collecting and sending for disposal at the municipality
- **Storing molasse** in steel tanks for delivery to customers and giving filter cake derived from production process to farmers for use as an ingredient of fertilizer
- **Managing used lubricants** by keeping the usable oil in closed 200 litre barrel to sell to legitimate buyers and keeping the un-usable one in tightly closed barrels for disposal
- **Keeping filter paper contaminated with lead** from laboratory, approximately 3 tons per year, in tightly closed 200 liter barrel at a specified place to send for disposal by licensed entity
- **Managing noise** reduction by using machinery that was designed to generate noise in accordance with international standard and installing the machines in closed building to lower noise level and planting trees around the factory to absorb noise
- **Measuring water quality** before and after treatment on monthly basis
- **Treating waste water** by using the treatment system within the factory and reusing the treated water for appropriate purpose

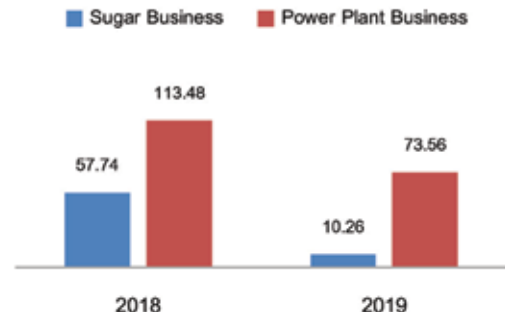
#### Air Pollution Reduction (GRI305-7)

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.

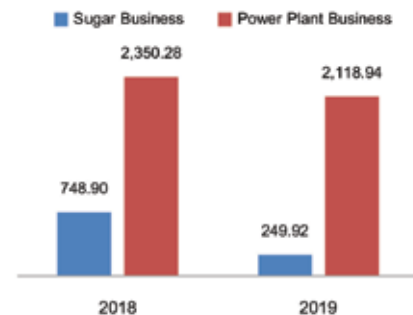
**Quantity of Pollutant Emitted Dust (Ton)**



**Quantity of Pollutant Emitted SO<sub>2</sub> (Ton)**



**Quantity of Pollutant Emitted No<sub>x</sub> (Ton)**



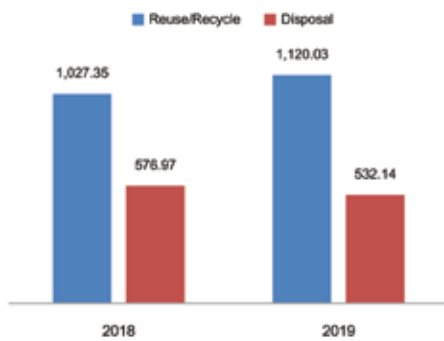
#### Industrial Solid Waste Management (GRI306-2)

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.

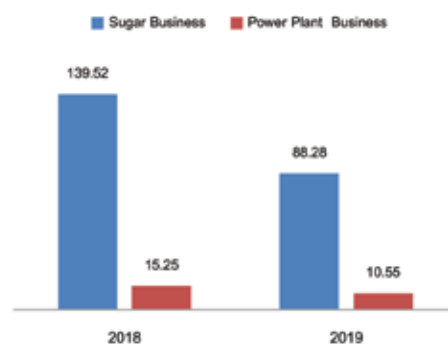
In sugar manufacturing process, there is organic residue called filter cake, that is the mixture of soil, sand and organic matters from sugar cane. The sugar factories usually use this filter cake as raw material for producing natural fertilizer or soil improvement element or deploy it in the sugar cane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



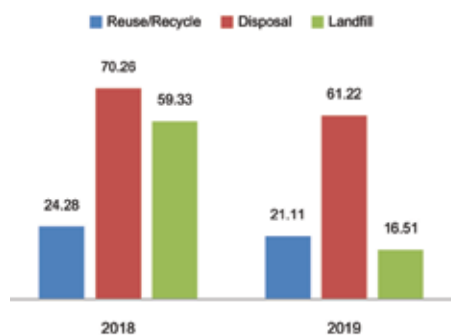
Waste Management Non-Hazardous Waste (Ton)



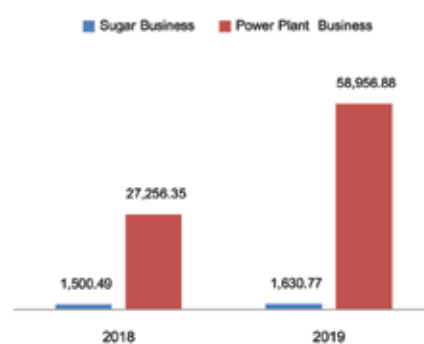
Quantity of Hazardous Waste (Ton)



Waste Management Hazardous Waste (Ton)



Quantity of Non-Hazardous Waste (Ton)



## Social Aspects

### 6. Safety and Occupational Health (GRI403-2)

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 encourage 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 uncomplained 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 activities were organized to promote work safety for employees by New Kwang Soon Lee Sugar Factory Co., Ltd. at Panusnikom, Chonburi in June 2019 and Khon Kaen Sugar Industry PLC, Wang Saphung Branch, Loei in August 2019. 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.



Photos showing SHE Day activities of Khon Kaen Sugar Industry PLC, Wang Saphung, Loei



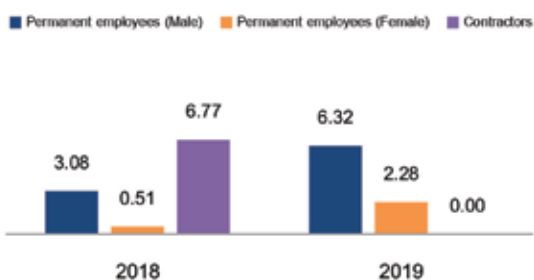
### Photos showing SHE day activities of New Kwang Soon Lee Sugar Factory Co., Ltd



### Zero Accident Project

The Zero Accident Project or Zero Accident in 1,000,000 working hours was initiated by Khon Kaen Sugar Power Plant Co., Ltd. at Wangsaphung, Loei and conducted by the factory's Committee on Safety, Occupational Health and Work Environment so as to promote safety in the workplace to achieve the level that there was no serious accident in work that caused a minimum three-day leave

#### Injury Rate (IR)



#### Occupational Diseases Rate (ODR)



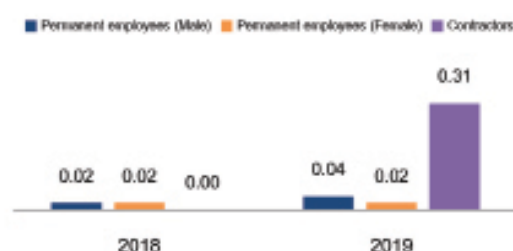
#### Lost Day Rate (LDR)



#### Fatalities Rate



#### Absentee Rate (AR)



#### Note

- Accident Frequency Rate is the index to measure accident in the organization which is calculated from the number of persons who would 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)



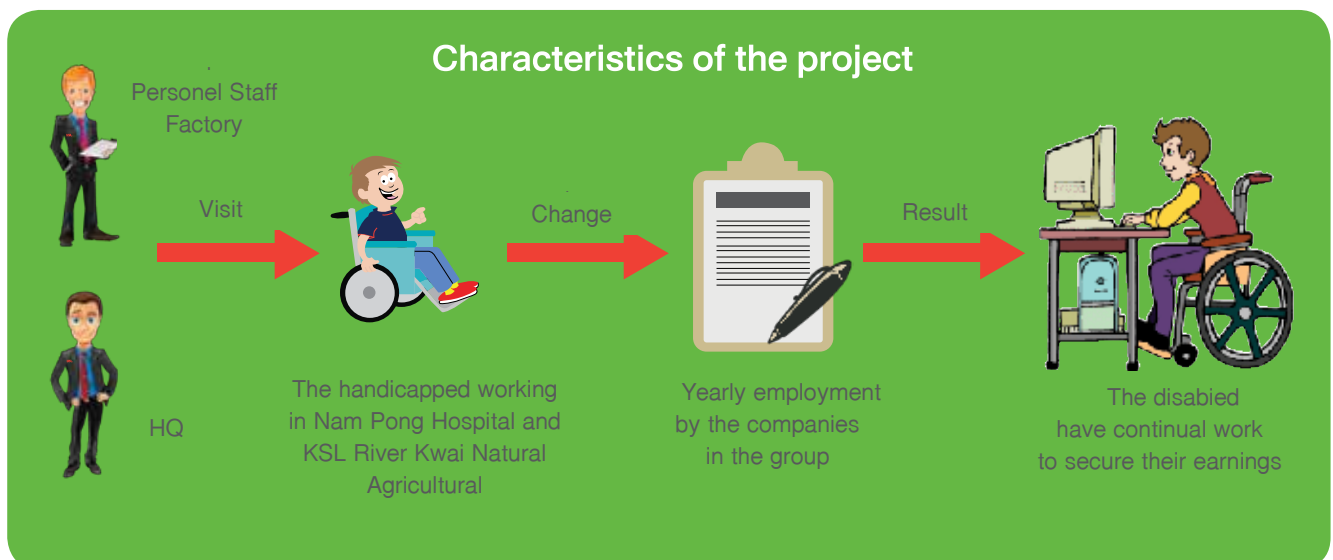
## 7. Quality and Satisfaction of Employees (GRI401-2)

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 2019, the Company plans to hire more disabled as employees by increasing the number from 41 employees to 21 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 Agriculture 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.

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.

In 2019, Khon Kaen Sugar Industry PLC received a bronze level award from the Securities Exchange Commission (SEC) in the Happy Retirement Project organized with its alliances. The project promoted the listed companies to establish provident funds as mechanism to support their employee's saving to reach sufficient fund at their retirement, Employers were deemed an important factor to make their employees aware of saving through the provident funds.

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 4,481 persons**  
**Male 3,722 persons**  
**Female 759 persons**



#### Divided by positions



**Management Level**  
**119 persons**



**Executive Level 72 persons**



**Staff 4,290 persons**



## Management and Personnel Development (GRI404-1)

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 for 2019

The workshop on "The King's Discipline towards Leadership Development for 2019", Class 1 was organized for the employees of Khon Kaen Sugar Industry PLC, Nam Pong Branch and Wang Saphung Branch on 10-12 October 2019, Class 2 for the employees of Tamaka Sugar Industry Co., Ltd., New Krung Thai Sugar Factory Co., Ltd., New Kwang Soon Lee Sugar Factory Co., Ltd. and Thai Fermentation Co., Ltd. at KSL River Kwai Natural Agricultural Center during 17-19 October 2019. The curriculum was designed to develop the potential of employees in doing their work and the leadership by referring to the 23 royal working principles. Also, the employees had suitable the opportunity to learn the Sufficiency Economy Principles of the Late King Bhumiphol Adulayadej for self-reliance. With the Sufficiency Economy to Employees Project, the employees could do suitable agricultural work in their leisure time to reduce their expense and to increase their family income.

### The Company put much importance to environment aspect.

The problem regarding environment mostly occurred because of lack of knowledge and understanding about environment. The approach, therefore, was to create awareness and to train employees in respect of environment by providing relevant curriculum for directors, executives and staff who were related to the matter and those who were interested in. In 2019, there were curriculum as follows.

1. Sustainable sugar cane production under changing policy and environment
2. Controller of industrial waste management
3. Controller of water pollution treatment system
4. Controller of air pollution treatment system
5. Sustainability Reporting Workshop: GRI Standards Class 1-2

### 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.

### Average Hours of Training per year/per person

#### Classified by Sex

Male Hour (s) 12.68  
Female Hour (s) 13.76



#### Classified by Level



Executive Hours (s)  
6.88



Management Hour (s)  
19.06



Staff Hour (s)  
12.79



## Human Right

### Human Rights and Ethical Treatment to Labour

KSL group respects human rights and legitimate treatment to people and providing this issue in the Corporate Governance Policy covering a fair treatment to shareholders and other stakeholders including staff, customers, supplies, creditors and the society as a whole.

The Company establishes guidelines for practice regarding the employees' rights and provides the business ethics to be consistent with the basic rights and standards including healthcare, occupational health and work safety. Moreover, the employees may submit suggestions or opinions to the management or in case of complaints or clues of misconduct to Chairman of Audit Committee or Internal Audit Office. The informants are safeguarded from punishment or disclosure of his identity to warrant that they will be protected from abuse of power.

The Company regards its workforce as significant resource. The promotion of skills and work quality will benefit both the staff and the Company to achieve mutual development, growth and success

### Respect and Fair Treatment to Employee

#### Important principles of this matter include

1. Respect to privacy. Personal information shall not be disclosed to outsiders or irrelevant person except the disclosure is required by law
2. Equal treatment to all. Discrimination that causes deprivation of rights or benefits due to similarity or difference, e.g. physical condition, mind, race, nationality, religion, gender, age, education, status, etc., in any way shall be prohibited.
3. Respect to dignity, status or opinion.

## 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, accountability and promise keeping.
- Treating people with equality, non-discrimination and respect to others's 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.

The group of companies put much emphasis on sustainable growth with the Company's core values to lead the work environment continually until they become corporate culture. In 2019, KSL Virtual Run 2019 was an activities with the main purpose to promote behavior consistent with the core values of all personnel in the head office, factories and subsidiary companies.

**KSL Virtual Run 2019** was a synergy within KSL to achieve the 300,000 kilometers target within 4 months. The distance was converted to donation at 5 baht per kilometer to Ramathibodi Foundation to buy medical equipment. As such, the donation was jointly made by the Company and its subsidiaries, Thai Fermentation Co., Ltd. and Racha Ceramics Co., Ltd.

The runners were the group of companies' personnel and outsiders, total 1,867 persons. The target distance was achieved with the total distance of 314,116 kilometers. Accordingly, the donation was more than expected as the distance was converted to 1,570,580 baht with additional donation from external persons of 15,800 baht.

**KSL Virtual Run 2019** was an activity with the project slogan "Yes We Can". The achievement reflected the truth that if people dedicated to something whichever for themselves or for others, they could finally achieve.







## Innovation

In 2019, the Company continued the KSL Innovation Award Project to promote creativity, which is one of the Company's core values and to achieve the Company's vision. The project was a competition of innovative work, both software and hardware, submitted by the personnel of group of companies. A requirement was that the work would be practical for today or future to support the business. Each type of work was divided into three levels, i.e., conceptual, prototype and commercial.

There were 17 contested innovative works which were awarded. **Eleven of them were hardware type as follows.**

1. **Conceptual level:** The awarded projects were Value-added product with Molasses Sugar; Heat Recovery Blowdown; Electricity generated with water flow.
2. **Prototype level:** The awarded projects were Low GI Sugar Production; White sugar sifter system, Diffuser Pitch 1250; Cooling Crystallizer; Reclaim rubber belt; Coconut Shredders
3. **Commercial level:** The awarded projects were Continuous Conditioning Silo; Control system of sugar level in A-Horizontal Crystallizer on Centrifugal using semi-auto control valve.

## Six awarded software projects were as follows.

1. **Conceptual level:** The awarded projects were Control system of C-seed pan automation; Modified People Smart for HRM
2. **Prototype level:** The awarded projects were Process Stock for the Future; Control system of turbine using DCS; Auto C-seed
3. **Commercial level:** The awarded projects was Queue Lock Program

## RESPONSIBILITY TOWARDS COMMUNITY AND SOCIETY

Activities conducted in 2019 for sustainable value by tracing the King's guidelines.

**Sugar cane** the origin of natural energy and also alludes to the cane farmers.

**Bundle of cane** unity reflecting trust between farmers and factories to coordinately produce full cycle of natural energy.

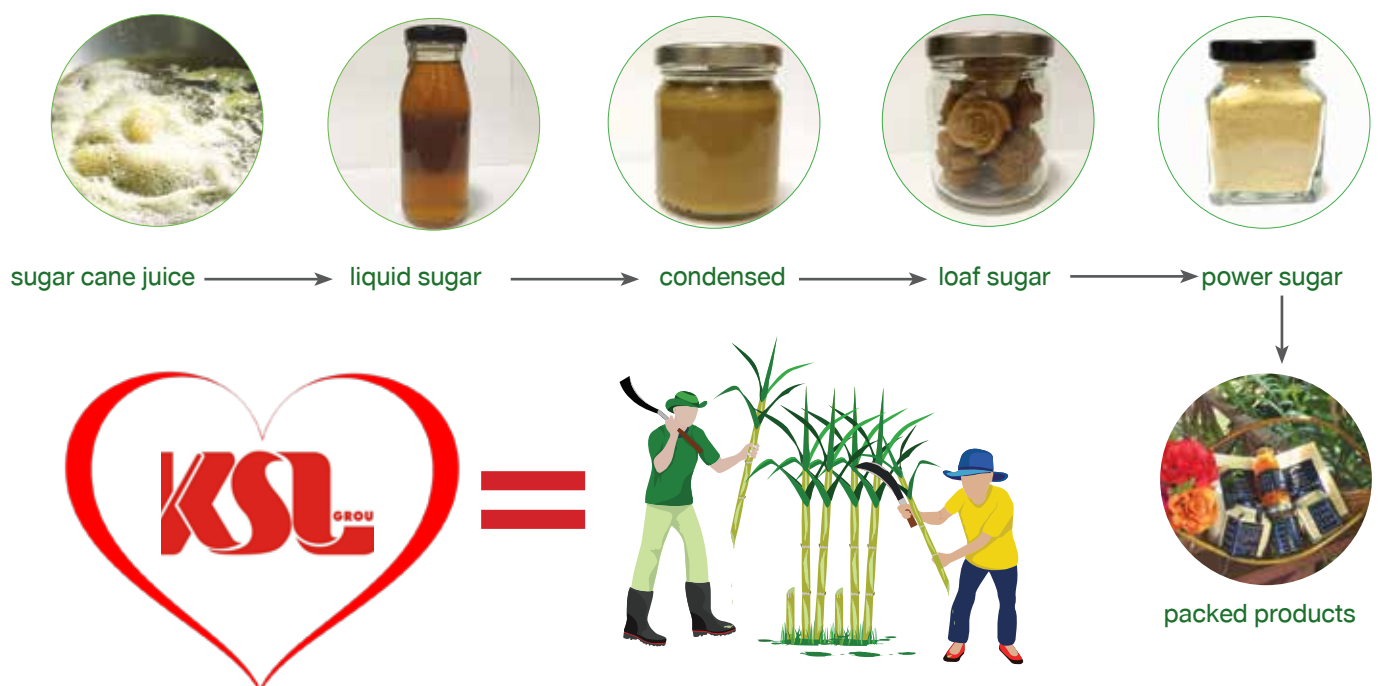
**Local cloth with national flag colors** the application of Thainess to current economy to preserve farming career, kindness and sharing.

**Soil** restoring life to land, meaning sustainable agriculture, reduction, abandonment of chemicals in a right way to preserve the fertility of land.



Khon Kaen Sugar Industry PLC or KSL Group is a sugar business that has long conducted social activities to create benefits and sustainable happiness to community and society by applying the Sufficiency Economy Principles among the group of companies and all stakeholders, including cane farmers, suppliers, communities surrounding the factories, external entities for happy living together and for sustainability of farming career.

The focus of KSL on the cane farmers and increase of farmers' income leads to the product hand-made sugar.







KSL Group made an alternative career for the farmers through KSL River Kwai Natural Agriculture Center, by selecting Sufficiency Economy Center Pa Rak Nam in Nong Bua Lumpoo Province, a KSL learning center network of KSL Wang Sapung as an example of income increment with agriculture by promoting the knowledge of changing organic sugar cane to natural cane sugar. The activity was well accepted by the Province. This was also another aspect of allocating the land previously used to grow sugar cane only to increase income to farmers and to disseminate the knowledge to those interested.



### Reduction of expense

Raw Material Supply nominated a group of cane farmers who systematically managed their sugar fields to reduce cost and increase productivity in the area of New Krung Thai Sugar Factory Co., Ltd. for the Excellent Cane Farmers Award of 2019 organized by the Cane and Sugar Office. The farmers who got the award were

1. Mr. Kongseng Sae Heng received the award for the cane farmer who efficiently managed the production factors in respect of water management (Group 3- 200 rais of farm land and more)
2. Mr. Sakda Sae Heng received the first runner-up award in respect of soil and fertilizer management.
3. Mr. Wasant Trakulosot received award for outstanding organic cane farm.

The photos below showed activities that encouraged farmers to reduce household expense by doing mixed agriculture pursuant to the Sufficiency Economy Principles by allocating part of land for growing seasonal vegetables and feeding animals to produce household food and reduce food expense.





## Participation of employees

Workshop curriculum on The King's Disciplines towards Leadership Development in 2018 Project was the training course that all employees were entitled to enroll. The course included the working method of King Rama IX focusing on the principles of Sufficiency Economy which consisted of modesty, reasonableness, immunity, knowledge and morality. The knowledge obtained from the training was meant to be applied to the work and daily living. After the training, the Company supported materials to employees to practice immediately after the training as an example of mixed agriculture within the area of sugar cane transport center and the company's sugar cane field.



## Youth Model in Sufficiency Economy

This activity was the support of Youth Model in Sufficiency Economy in elementary and secondary schools. KSL group of companies intended to disseminate the King's Disciplines and self-dependence to the students by conducting training activities to extend the knowledge base for making food supply and reducing expenses of the schools.







## Participation of external agencies

The Natural Agriculture Center KSL River Kwai on behalf of Khon Kaen Sugar Industry PLC and the group of companies was proud to support the 17<sup>th</sup> Army District to display the knowledge base on Thai kitchen and to give a breeding buffalo as a learning media for the military's project and those who were interested in.

On 9 August 2019, Her Royal Highness Princess Maha Chakri Sirindhorn went to conduct her royal mission at Kanchanaburi Province and saw the Good Soldier Project at the 17th Military District where Mr. Jirakiat Poomswasdi- Governor, Lieutenant General Wasu Jiamsuk- Commander and other head of government agencies with people greeted the royal visit.

In this occasion, Miss Watcharin Bunyawinit, Manager for Social Activities and Vice Director of KSL River Kwai Natural Agricultural Center on behalf of Khon Kaen Sugar Industry PLC and the group of companies greeted the visit and received a commemorative medal.





## Developing Wat Mor Thao community

The group of companies took part in the public park Project at Bann Mor Thao Community by supporting water pumps used to maintain the area in the occasion of the Royal Coronation Ceremony of His Majesty the King Rama X. The activity also linked the knowledge base to the community which was located near the Natural Agriculture Center.

The Company paved the way for community's involvement with the KSL Natural Agriculture Center by becoming speakers at the Center to convey knowledge to visitors and converted the community to be selling point of local products that were supported by the Company so that the community could increase income and develop community members



## Dissemination of knowledge through observation visit

Conveyance of the King's Disciplines and Principles of Sufficiency Economy to those interested who observed and received training at 18 knowledge bases to apply the knowledge in their daily life.



## Networking

The group of KSL companies and KSL River Kwai Natural Agriculture Center cooperated with Natural Agriculture Foundation every year to organize the events Restoring life to Land and Merit as Profit as a venue for exchanging and sharing the resources among networks and exhibits gratitude to teachers of the network. The revenue from the events were given to the network for its activities.







## Handicapped persons to work at the River Kwai Natural Agriculture Center

The KSL group of companies had hired a number of handicapped persons to work at the River Kwai Natural Agriculture Center pursuant to his/her skills by being assistant lecturers at each knowledge base

The objective of employment was to show the handicapped persons' ability to those who were interested in the activities at the Center and other related associations for the handicapped. Each employee gained additional income from working at the assigned base.



## Caring environment by using waste materials from factories

The activity was done by the factories by using waste materials from the production to optimize the benefits for farmers and communities around the factories, such as

1. Molasses as food for microbes to make bio-fertilizer
2. 200 litre plastic barrel to ferment liquid bio-fertilizer and grow mushroom
3. 200 litre metal barrel to make furnace for burning high quality charcoal which also gives smoke vinegar as by-products
4. Filter cake to increase organic material in planting soil and to be an ingredient in bio-fertilizer

Besides, the companies produce ready-made organic fertilizer for the farmers.



Sustainability news follow at  
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## KSL GROUP ACTIVITIES IN 2019

### Shareholders Site Visit 2019



On March 15, 2019, Khon Kaen Sugar Industry Public Company Limited invited shareholders for a company visit. On this occasion, 61 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, being an arm to handle social activities of the group of companies through the dissemination and training in accordance with the Sufficiency Economy Principles. The visitors also had a good opportunity to pay homage to a local highly-respected Buddhist statue - Phra Buddha Metta Prachathai Trilokanart Kandharat Anusorn, at Wat Thipsukontharam. Don Salaeb sub-District, Huay Krajae District, Kanchanaburi.

### KSL Virtual Run 2019 to raise fund for donation to Ramathibodi Foundation for medical equipment and appliances

Khon Kaen Sugar Industry PLC organized KSL Virtual Run 2019 to raise fund for donation to Ramathibodi Foundation for medical equipment and appliances and to promote health and physical exercise of the executives and the staff so that the personnel have good health that benefits their work and their living quality.

On 1 April 2019, Mr. Chamroon Chinthammit - Chief Executive Officer and President of the Company, presided over the opening of KSL Virtual Run 2019 at Sriyudhaya School where executives and staff of the Company, Thai Fermentation Co., Ltd. and Racha Ceramic Co., Ltd. attended the ceremony.

The objective of KSL Virtual Run 2019 was to promote the health awareness of executives and staff by running to accumulate distance to meet each individual target within the period of four months, from 1 April to 31 July 2019 for personnel at the head office and from 1 May to 31 August 2019 for those at the factories. The total target in this project was 300,000 kilometers. The acquired distance would be converted to five baht per kilometer for donating to the Ramathibodi Foundation to procure medical equipment and appliances.

At the closing of the project, executives and staff at both the head office and the factories could accumulate the total distance of 314,116 kilometers which was turned to 1,570,580 Baht of donation. Apart from this amount, the runners who were not KSL staff also donated 15,800 Baht in addition.



On 17 September 2019, the closing event of the KSL Virtual Run 2019 was held at KSL Tower. The representative of Ramathibodi Foundation, Assistant Professor Thongchai Pongmakapat, M.D., the executive director and treasurer of the Foundation, attended the event and received the donation from Mr. Chamroon Chinthammit, CEO & President of Khon Kaen Sugar Industry PLC.





## Khon Kaen Sugar Industry PLC received bronze level award in the Happy Retirement Project from SEC

On 16 October 2019, Khon Kaen Sugar Industry PLC received a bronze level award in the Happy Retirement Project from the Securities and Exchange Commission. In this event, Miss Ruenvadee Suwanmongkol, Secretary - General of SEC, reported to the audience of the project and presented the awards to eligible companies.

Mr. Dhajjai Subhapholsiri, as Chairman of the Company's Provident Fund Committee, represented the Company to receive the award which was judged under the established criteria. Moreover, Mr. Dhajjai Subhapholsiri was invited to be a speaker in the seminar "Being a role model employer with support of Provident Fund" in the same event.



The Company had objectives to support employee's saving through the provident fund and to educate employees of saving money for future and the fund's benefit for retirement.

The Happy Retirement Project operated on the cooperation of SEC and their alliances, namely, the Securities Exchange of Thailand, Association of Provident Fund, Association of Investment Management Companies and the fund management companies. The project promoted the saving for enough expenditure after retirement using provident fund as a mechanism by the concept that employers were vital to create awareness and knowledge on their employees.

## New Krung Thai Co., Ltd. received Carbon Footprint Award from the Greenhouse Gas Management Organization (Public Organization)

New Krung Thai Sugar Factory Co., Ltd. (Bo Ploy Factory) had a control system for sugar production to reduce the greenhouse gas emission to standard level. The system involved sugar production process, water production process, steam production process, electricity production process, waste water treatment process, transportation of sugar with less fuel and less emission of exhausted gas. The system was audited as fulfilling the standard by the Greenhouse Gas Management Organization (Public Organization) (TGO).

On 19 September 2019, the representative of New Krung Thai Sugar Factory Co., Ltd., Mr. Thitipongse Chaiyathap, Acting Head of Safety and Occupational Health and Environment, received Certificate of Standard for Carbon Footprint of Products and Carbon Footprint Reduction in the annual event of 2019 organized by the



Greenhouse Gas Management Organization (Public Organization) (TGO) at Mayfair Grand Ballroom, the Berkeley Hotel, Pratunam, Bangkok. The award was aimed to promote the cooperation among government, private sectors and communities to reduce domestic greenhouse gas with support from TGO. In this event, Mr. Dhanetpol Dhanaboonyawat, Secretary to the Ministry of Natural Resources and Environment, presided over the event and awarded certificates and plaques to governmental units and private sectors that participated in the reduction of greenhouse gas emission.

The statistics showed that more than entrepreneurs and various entities helped reduce greenhouse gas and the reduction amounted to 3,419,849.29 ton-carbon dioxide.





## Khon Kaen Sugar Industry PLC's corporate governance in 2019 was assessed at the level excellent for the second consecutive year

In 2019, Khon Kaen Sugar Industry PLC was assessed a listed company having corporate governance as excellent for the second consecutive year. The Thai Director Institute conducted the survey pursuant to the project on corporate governance survey on listed companies for the year 2019 to survey and monitor development of corporate governance of the Thai listed companies by applying the assessment criteria developed from the major five principles

laid down by the Organization for Economic Cooperation and Development (OECD), namely, (1) rights of shareholders (2) Equal treatment to shareholders (3) Roles of Stakeholders (4) Disclosure and Transparency and (5) Responsibilities of Directors. The survey resulted was presented to general public so that the listed companies would use as guidelines to develop their corporate governance.

## Khon Kaen Sugar Industry PLC received Sustainability Disclosure Acknowledgement Certificate 2019 from Thaipat Institute

On 11 December 2019 at the Securities Exchange Commission - Room 601, Khon Kaen Sugar Industry PLC was granted a certificate acknowledging its disclosure of sustainability for 2019 from Thaipat Institute. Miss Watcharin Boonyavinij, Division Manager-Corporate Social Activities, represented the Company in this event where Mr. Woranut Piendham, Thaipat Institute Director informed the audience of the objectives of the Sustainability Disclosure Project 2019 and Dr. Pipat Yuprutikarn, Chairman of Thaipat Institute reported the audience about encouraging the concerned parties for sustainability disclosure in 2019.

Thaipat Institute had established the Sustainability Disclosure Community (SDC) to help elevate the disclosure of sustainability by assessing the disclosure of the community's member to grant three types of awards, i.e., Sustainability Disclosure Award, Sustainability Disclosure Recognition and Sustainability Disclosure Acknowledgement in order to promote the long-term development of community' members to sustainability and to respond to the sustainability target.





# GRI CONTENT INDEX

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GRI 103 Economic Performance	201-1	Direct economic value generated and distributed	8,98	SDG 2 /SDG 5 /SDG 7 /SDG 9 Infrastructure investments SDG 8 - Economic performance SDG 9 - Research and development	-
	201-3	Defined benefit plan obligations and other retirement plans	57		-
GRI 103 Management Approach 2016	ANTI-CORRUPTION				
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GRI STANDARD		DISCLOSURE	PAGE / WEBSITE	SDGs	EXTERNAL ASSURANCE
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