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ONE REPORT

Khonburi Sugar Public Company Limited



2023 / 2566

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Dear Shareholders

In the production year 2022/2023, the global sugar price situation has risen continuously since the beginning of 2023. at 19.00 cents per pound, highest price at 28.14 cents per pound in the end of November 2023, mainly reason is from the tight of sugar supply in the global market due to lower sugar production in Thailand, India, China and Mexico. However, due to an unprecedented increase in sugar output of Brazil and the control the use of sugarcane amount for ethanol production of India for increasing the amount of sugar production sufficient for domestic consumption. These causes have resulted in the price of sugar falling sharply from the beginning of December 2023, the lowest price at 20.03 cents per pound on before the end of year and at this price level, there is an incentive to buy imported sugar in large quantities from many the country is pushing for sugar prices to recover to a price level of 22-24 cents per pound in early 2024

For Thailand's sugarcane and sugar industry in the past production year 2022/2023, the total amount of sugarcane produced to be crushed in Thailand was 93.89 million tons or an increase of 1.98 percent for the KBS Group of Companies in the past production year 2022/2023. Khonburi Sugar Factory had 2.92 million tons of sugarcane to be crushed or an increase of 7.42 percent and Sikhio Sugar Factory had 1.03 million tons of sugarcane to be crushed or an increase of 7.42 percent. The company has managed sugarcane cultivation areas to increase the quantity and quality of sugarcane including increasing the efficiency of crushing to increase sugar yield per ton of sugar cane (Yield) reducing production costs and expenses in every activity. The Company realizes that the Company still needs to continuously develop our products by using technology to increase the quality of sugar to meet the standards for the world's major industries and using by-products from the production process to create maximum added value from the biomass power plant business that uses bagasse as fuel to drive the company's growth.

As for the outlook for the sugarcane and sugar industry in this production year 2023/2024, the Company and the sugar industry group estimate that it is in a direction of slowing down in terms of both cane quantity and sugar production due to the decrease in rainfall and the trend of global sugar prices becoming more volatile, The total amount sugarcane entering into the production process is expected that the amount sugarcane crushed throughout the country will approximately decrease of 20 percent, from 93.89 million tons in the production year 2022/2023 to approximately 75 -78 million tons from the cause of the El Niño phenomenon.

In terms of sales promotion and marketing, the Company's policy is to focus on standardized production processes to ensure safe products for consumers and provide a variety of packaging sizes to meet requirement of customers in each group throughout the country and export markets to target countries in Asia. In addition, The Company also focuses on the proportion of refined sugar production as it offers the best returns. This is to maintain the customer bases and expand product delivery channels for both manufacturing industry for export and customer groups in the export zone. (Free Zone).

Message from the Chairman and Chairman of Executive Directors

Mr. Suthep Wongvorazathe
Chairman



Chairman of Executive Directors

Mr. Takon Tawinttermsup

Currently, the company has main products under the KBS brand, including super-refined white sugar, refined white sugar, white sugar and natural sugar. The Company use many marketing strategies to create the “KBS” brand to be known in the market. The Company’s customers are from industrial customers, modern trade customers, distributors and direct business channels with the goal of creating sustainable brand loyalty in the future.

The Company commits and intends to conduct business of the Group along with good corporate governance, social responsibility, community and environment to develop towards sustainable growth and promoting quality society in a quality manner through projects and activities continuously. The company has established a Corporate Social Responsibility Committee to support the well-being of employees and communities around the factory through many public benefit projects.

Finally, on behalf of the Board of Directors, I would like to thank the shareholders, executives, employees, as well as those related to the Company and all related parties. Including the financial institutions that have always supported the Company. KBS Group will be committed to conducting business with integrity, transparency and good governance in order for KBS Group to grow sustainably, be ready for industry competition and be ready to become a leading organization in sugarcane, sugar and bioenergy business in the future.

Board of Directors



Ms. Suvimol Kittayakiern

Independent Director/
Chairman of Audit Committee

Mr. Suthep Wongvorazathe

Chairman of the Board
Independent Director

Mr. Vinit Samritpricha

Independent Director/
Audit Committee/ Chairman
of Nomination and
Remuneration Committee

Mr. Sran Smutkochorn

Independent director/Chairman
of Risk Management Committee/
Nomination and Remuneration
Committee



Mr. Sukda Punkla

Independent Director/
Audit Committee

Board of Directors



Mr. Takon Tawintermsup

Director/Chairman of Executive Committee/Risk Management Committee/Acting Managing Director



Mr. Somkiat Twiltermsup

Director/Executive Director/ Risk Management Committee/ Nomination and Remuneration Committee



Mr. Issara Twiltermsup

Director/Executive Director/ Nomination and Remuneration Committee



Mr. Amnart Rumpoeypong

Director

Management



Mr. Issara Twiltermsup

Assistant
Managing Director
for Corporate Relations

Mr. Somkiat Twiltermsup

Deputy managing Director
for marketing Division

Mr. Takon Tawintermsup

Acting Managing Director

Mr. Rangsan Tawintermsup

Assistant
Managing Director
of Production

Mr. Rathavudh Saetang

Assistant
Managing Director
of Marketing



Mr. Cholachart Worawuthichongsathit

Chief Financial Officer



Ms. Surawee Puangthong

Senior Manager Finance



Part 1

Structure and operations of the Company Group

1. Structure and operations of the Company Group

Policy and overview of business operations Vision and Mission

Vision

01

To be a leading organization in the sugarcane, sugar and bio-energy business with integration of personnel, technology and management.

Mission

02

To conduct business and promote work with good governance, ethics and responsibility to stakeholders, develop management systems, products and services to create business expansion, create value and increase value with innovation and new ideas, create and promote learning to create a unique core competency of the organization and create potential for business to grow fast and stably, adapting and changing the organization to the business environment both nationally and globally to be a modern organization.

Background and important developments

Year 1965

Established Nong Yai Industry Co., Ltd. with a registered capital of 1 million baht at Nong Yai District, Chonburi Province, initial production capacity at 1,500 tons of cane per day.

Year 1967–1987

The Company registered an increase of capital to 100 million baht and expanded production capacity to 13,690 tons of cane per day.

Year 1996

The Company moved its production base to Khon Buri District, Nakhon Ratchasima Province and increased the registered capital to 300 million baht.

Year 1997–2006

Increased registered capital to 350 million baht to increase production capacity to 21,000 tons of cane per day.

Year 2007

The Company changed its name to Khonburi Sugar Co., Ltd.

Year 2010

The Company was transformed into a public company, changing its name to Khonburi Sugar Public Company Limited and expanded production capacity from 21,000 tons of cane per day to 23,000 tons of cane per day.

Year 2011

The Company increased its registered capital to 500 million baht and listed its shares on the Stock Exchange of Thailand.

Year 2012

Entered into Strategic Alliance Agreement with Mitsui Group from Japan.

Year 2013

The Company increased its registered capital to 600 million baht.

Year 2014

Launched KBS Brand.

Year 2015

- In early January 2015, Khonburi Power Plant Company Limited, a subsidiary, started selling electricity (Commercial Operating Date (COD)) to the Electricity Generating Authority of Thailand according to the 22-MW firm contract.
- During December 2015, its production capacity was expanded from 23,000 tons of cane per day to 35,000 tons of cane per day.

Year 2016

In March 2016, the Company announced its intention to join the Private Sector Collective Action Coalition Against Corruption.

Year 2017

In November 2017, the Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption.

Year 2018

In November 2018, the Company disclosed investment information for a sugar mill and power plant project at Sikhio District. The project value is approximately 4,000 million baht.

Year 2019

Filed a registration statement and draft prospectus of Khonburi Sugar Group Power Plant Infrastructure Fund (KBSPIF)

Year 2020

The Khonburi Sugar Group Power Plant Infrastructure Fund was listed on the Stock Exchange of Thailand, with "KBSPIF" as an abbreviation used for trading, for offering investment units to the general public.

Year 2021

In December 2021, it started operating at full capacity for Sikhio Sugar mill.

Business Overview

Khonburi Sugar Public Company Limited and its subsidiaries under the Khonburi Sugar Group are a group of companies that operates an integrated business of sugar production and distribution with plans and operations linking agricultural and industrial mechanisms together. Currently, the Company is the eighth-ranked sugar producer and distributor in Thailand, with sugar production in the production year 2022/2023 amounting to 474,226 tons of sugar. The Group has a clear vision to be a leading organization in the sugarcane, sugar and bio-energy business through integrating personnel, technology and management.

The Group views Thailand's sugar cane and sugar industry as one of the world's top competitive advantages. Thailand is the third largest sugar exporter in the world. It has a geographical advantage compared to other competitors because Thailand is in Asia, the region with the highest sugar consumption in the world and with consumption growth rate much higher than average as a result of the region's rapid economic growth. The movement of the Thai cane and sugar industry will greatly affect the economy and the well-being of the population in Asia, plus the advantage in terms of sugar production of sugar mills in Thailand, which are much more efficient than others in neighboring countries. And Thai sugar factories can also expand their businesses to electricity and ethanol businesses, which will increase the profitability of the business additionally.

Currently, the Company sells sugar to both domestic and foreign customers. The Company's sugar products can be classified into 5 categories: Raw Sugar, Brown Sugar, Natural Sugar, White Sugar and Sucralose Blended Sugar. Sugar) In addition to the production and distribution of sugar, the Company also focuses on product quality and excellent service. The Company has developed a production system to be flexible in order to be able to modify the size and packaging to satisfy the customer needs.



Nature of business

Company's revenue structure

The Company's revenue structure for the past 3 years is as follows:

	For the year ended		For the year ended		For the year ended	
	31 December 2021		31 December 2022		31 December 2023	
	K Baht	%	K Baht	%	K Baht	%
Domestic sales						
- Refined sugar and super Refined sugar ¹	833,106.5	13.1	713,834.5	6.5	683,219.6	5.4
- white sugar ¹	704,397.2	11.1	993,159.9	9.0	1,093,843.1	8.6
- Raw sugar, brown sugar and natural sugar	103,645.5	1.6	140,797.3	1.3	219,845.0	1.7
Total domestic sales	1,641,149.2	25.8	1,847,791.8	16.7	1,996,907.7	15.7
international sales, (Sugar)						
- Refined sugar and super Refined sugar	2,253,903.8	35.4	4,672,480.8	42.3	5,037,843.8	39.5
- Refined sugar	151,532.2	2.4	305,811.8	2.8	346,563.7	2.7
- VHP Sugar	12,923.0	0.2	116,878.6	1.1	98,091.1	0.8
- Bulk raw sugar	126,865.1	2.0	1,115,744.1	10.0	2,214,144.7	17.4
Total international sales	2,545,224.1	40.0	6,210,915.4	56.3	7,696,643.4	60.4
Total sugar sales	4,186,373.3	65.8	8,058,707.1	73.0	9,693,551.0	76.1
Molasses sales, (as by-product from sugar production)	511,049.2	8.0	801,831.0	7.3	855,070.9	6.7
Molasses trading	213,025.1	3.3	188,467.6	1.7	183,046.9	1.4
Total	724,074.3	11.4	990,298.6	9.0	1,038,117.8	8.1
Electricity sales	799,536.6	12.6	1,221,709.9	11.1	1,101,688.4	8.6
Agricultural product sales services	517,547.8	8.1	665,463.5	6.0	718,070.8	5.6
Other income	133,107.9	2.1	98,949.0	0.9	192,363.9	1.5
Total revenues	6,360,639.9	100.0	11,035,128.1	100.0	12,743,791.9	100.0

Business goals

1. Goals for sugar business operations

The Company focuses on organizational development and maintaining business potential in the following matters:

1) Maintain leadership in sugar production. The Company places importance on the quality of sugar production. The Company is committed to maintaining a high level of quality in sugar production with development of production processes and personnel development to have knowledge, ability and expertise in sugar production process. As a result, the Company received various awards on production efficiency continuously.

2) Operate an integrated sugar business and create value-added by-products from the sugar production process. In addition to being a leader in the production and distribution of sugar, the Company also aims to expand its business to other related businesses to elevate the Company to be one of the integrated sugar business groups. Future business development plans include the production of organic fertilizers from by-products from the sugar production process and generating of electricity from bagasse.

3) Aim at business development with sugarcane farmers and business partners. The Company believes that maintaining a good relationship with sugarcane farmers and business partners are the key to sustainable business development. The Company aims to develop business together with sugarcane farmers and trade partners. In the case of sugarcane farmers, the Company has always provided assistance to sugarcane farmers, including providing financial support for sugarcane growing ("Ngoen Kiao"), including giving advice to farmers in various fields to increase productivity and efficiency in sugarcane growing for farmers to survive and receive appropriate returns. In relation to other business partners, the Company has jointly developed businesses such as contract manufacturing for various brands according to the form specified by the customer.

2. Goals on conducting business with transparency

The Company aims to manage risks in various areas to be at acceptable level and suitable for business operations whether it is an operating system risk, financial risk, marketing risk, environmental risk, and innovation and technology risks, etc.

3. Goals on risk management

The Company aims to manage risks in various areas to be at acceptable level and suitable for business operations whether it is an operating system risk, financial risk, marketing risk, environmental risk, and innovation and technology risks, etc.

4. Goals on personnel development

The Company recognizes the importance of employees. It considers that the Company's personnel are the heart of effective organizational development. The Company places importance on human resource development by providing regular and continuous training for employees to enhance their knowledge and abilities and expertise in responsible work for employees in each department in order to develop the organization to grow sustainably. In addition, the Company has also developed personnel to have more knowledge in information technology and automation equipment to increase the efficiency of the Company's operations.

5. Goals on sustainable development

The Company focuses on business development to be stable and sustainable by implementing the operational guidelines of the Department of Industrial Works under the project to encourage industrial operators to have social responsibility by the Department of Industrial Works (Corporate Social Responsibility, Department of Industrial Works: CSR-DIW) CSR-DIW 2010, and received CSR-DIW AWORD 2012, CSR-DIW CONTINUOUS AWARD 2013 and CSR-DIW ADVANCE AWARD at Level 4 year in 2013 to develop all stakeholders related to the Company, including shareholders, investors, customers, farmers, vendors, employees, communities, society, government agencies and others, making the Company's management achieve sustainability and being within the framework of mutual support and assistance which will benefit all parties in both short term and long term.

Business operations of each product line

Khonburi Sugar Public Company Limited divides its business into 2 parts:

1. Sugar production and distribution business

The Company's sugar products can be classified into 5 types.

Raw Sugar

Raw sugar is sugar derived from the primary production process with dark brown color, impurities remaining and low purity. The raw sugar must go through a refine process to be white sugar or refined sugar first so that it can be consumed.

Brown Sugar and Natural Sugar

Brown sugar and natural sugar are refined sugar but do not go through the color degradation process, turning it from brown to golden yellow, which can be consumed. It is popular among consumers who want or prefer the color and smell of sugar that is cane sugar, including those who care about health.

White Sugar

White sugar is sugar that is derived from raw sugar through a refinery process to extract impurities until it is white sugar that is clean. Generally, this type of sugar it is a raw material in the food industry that requires moderate purity, such as energy drinks, sweetened condensed milk, and yoghurt, etc.

Refined Sugar and Super Refined Sugar

Refined sugar and super refined sugar are sugar derived from raw sugar through the refinery process just like the white sugar but will be purer. It looks like a clear white flake. Because of this property, it is commonly used as a raw material in industries that require very pure sugar such as food, pharmaceutical and soft drink industries. In addition, refined sugar is also commonly consumed by people in general.

Sucralose Blended Sugar

The latest innovation of sugar that is twice as sweet because it contains sucralose, which is concentrated sugar extracted from 100% natural sugar cane. It is clean, safe and suitable to be a partner that helps reduce costs for small entrepreneurs, increase profitability. It is also the consumer's kitchen companion that will provide nutritious and better taste in cooking. It can be used to cook both hot and cold dishes, while maintaining the sweetness. It can be applied to all kinds of food and beverages.

2. Business related to by-products from sugar production

In addition to the production and distribution of quality sugar. The Company can use by-products from the sugar production process to generate additional income by expanding the business into the bio-energy business to create the highest added value as follows.

Molasses

Molasses is a by-product of the crystallization process. It looks like a dark brown sticky liquid. Normally, the Company will get about 43 - 45 kilograms of molasses from 1 ton of sugarcane. The Company sells it to customers in various industries to be used as raw materials for the industries of food, beverage, alcohol, liquor, yeast, monosodium glutamate, animal feed, vinegar, soy sauce and sauces. And most importantly, molasses is also a raw material in the energy industry for ethanol production.

Bagasse

The Company uses bagasse from the sugar cane milling process as fuel to generate steam and electricity and pass on to sugar factories and it also has excess electricity to be sold to the Provincial Electricity Authority and Electricity Generating Authority of Thailand, operated by Khonburi Power Plant Co., Ltd. (KPP). Currently, KPP sells power under firm contracts of 22 megawatts to the Electricity Generating Authority of Thailand (EGAT) and has 2 non-firm contracts of 8 megawatts to sell to the Provincial Electricity Authority.

In order to supply enough electricity to meet the growing demand for electricity every year and continually strengthening the stability of electric power, the Ministry of Energy by the Energy Policy and Planning Office has formulated and adjusted the Power Development Plan of Thailand for the years 2010 - 2030 (PDP 2010, Third Revision) to be in line with the country's economic and social development policies.

The company sells the electricity generated in excess of the factory consumption to the Provincial Electricity Authority (PEA) and the Electricity Generating Authority of Thailand (EGAT). At present, the Group has power purchase agreements with the government, which can be summarized as follows:

Company's unit	Other party to the contract	Type of Contract	Power amount under the contract
KPP	Provincial Electricity Authority (PEA)	Very Small Power Producer (VSPP)	Non-Firm, size: 8 MW
KPP	Provincial Electricity Authority (PEA)	Very Small Power Producer (VSPP)	Non-Firm, size: 8 MW
KPP ¹	Electricity Generating Authority of Thailand (EGAT)	Small Power Producer (SPP)	Firm, size: 22 MW

¹Since 2 January 2015, the Group has started to sell electricity to the Electricity Generating Authority of Thailand (EGAT) according to the power purchase agreement of 22 megawatts under operation of Khonburi Power Plant Company Limited, with a summary of benefits as follows:

- Received an Adder at rate of 0.30 baht per kilowatt-hour for small power producers from biomass renewable energy for a period of 7 years from the date of commercial operation (COD).

- Obtained investment promotion certificates from the Board of Investment (BOI) for biomass power generation since 19 April 2013, with special privileges, summarized as follows:

- (1) Exemption from corporate income tax for net profits derived from the business that has been promoted for a period of 8 years and after that will receive an additional 50 percent reduction in corporate income tax for a period of 5 years.

- (2) Exemption from import duties and taxes on machinery and equipment.

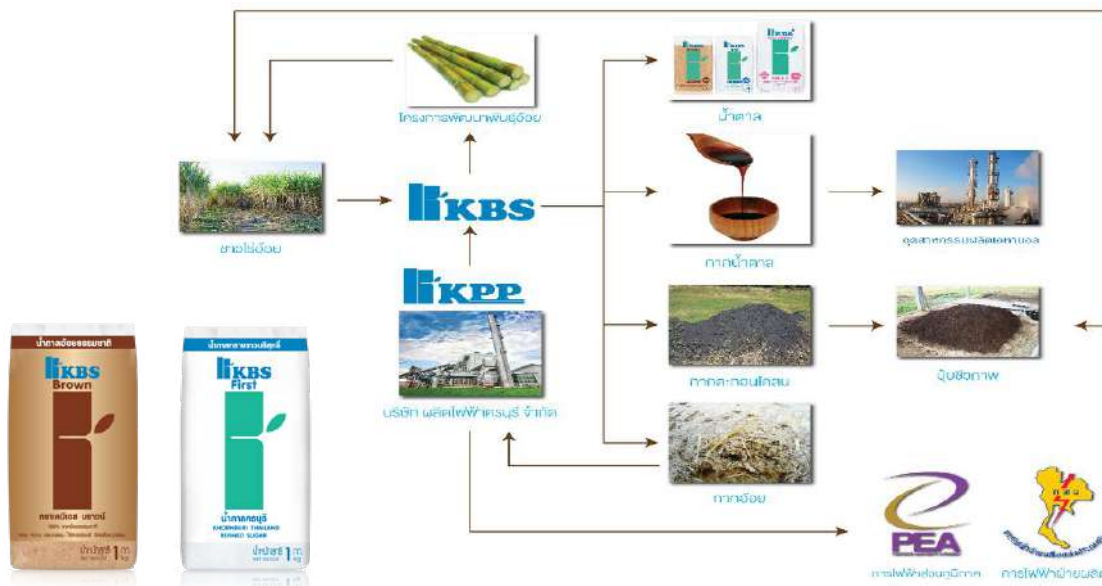
- (3) Allowed to deduct twice the amount of transportation costs, electricity and water bills for a period of 10 years from the date of earning income from the operation and allowed to deduct 25 percent of the investment in installation or construction of facilities in addition to normal depreciation deductions.

- (4) Exemption from including dividend received from the promoted business in the calculation of income tax throughout the BOI period for exemption of corporate income tax.

Molasses Trading

The Group initiated the molasses trading business in 2014, operated by KBS Trading Co., Ltd. (KBST) to increase profitability from the network of molasses producers and users.

Overview of Khonburi Sugar Public Company Limited



Marketing and Competition in the Sugar Industry

Overview of the sugar industry in the world market

The balance between global sugar demand and supply

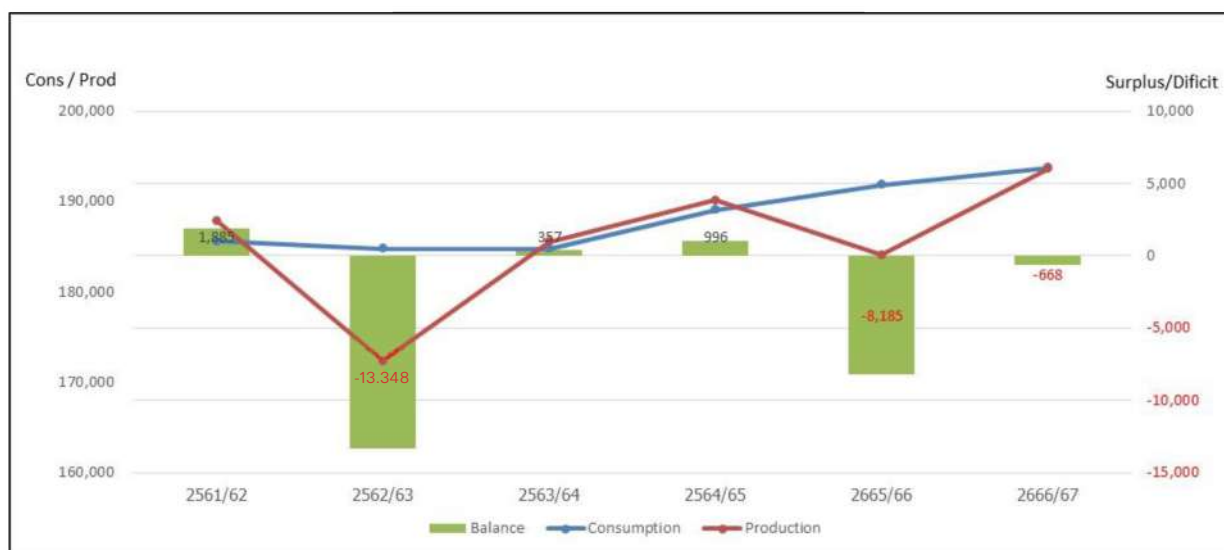
Details of consumption amount, production volume and amount of sugar inventories in the world market (million tons)¹

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Production	187.89	172.37	185.51	190.15	184.07	193.63
Consumption	158.63	184.75	184.75	189.07	191.87	193.71
Balance	1.88	-13.35	0.36	0.99	-8.18	-0.67

Source: Green Pool: Annual Sugar Balances (19 December 2023)

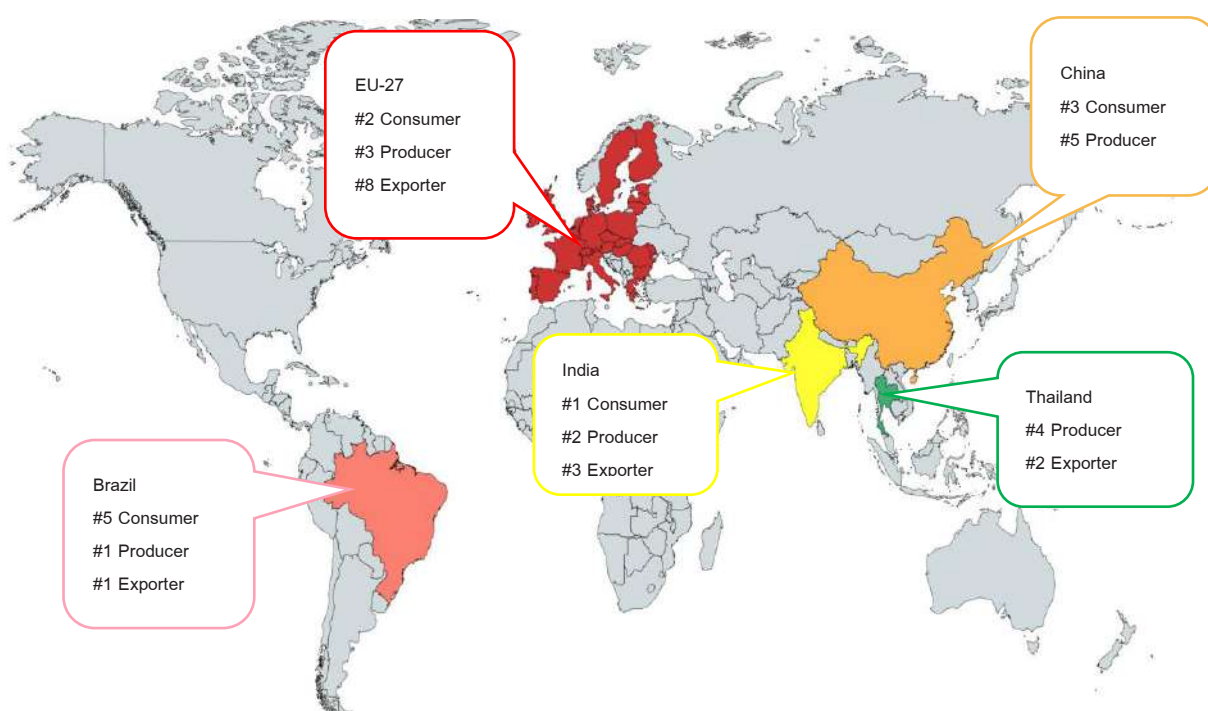
Note: 1 ton of raw sugar (metric ton raw value)

World Sugar Balance



Source: Licht SND 2022

Role of countries in the world sugar industry



Source: Data from USDA

Table showing sugar production volume of major countries in the world

During the production year 2018/2019 to the production year 2022/2023

Output of major producers (million tons)¹

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Brazil	29.50	30.30	42.05	35.45	38.05
India	34.30	28.90	33.76	36.88	32.00
EU	16.75	17.04	15.22	16.58	14.71
Thailand	14.58	8.29	7.59	10.16	11.06
China	10.76	10.40	10.60	9.60	8.96
USA	8.16	7.39	8.37	8.30	8.39
Pakistan	5.27	5.34	6.50	7.56	6.86
Total major manufacturers	119.33	107.67	124.09	124.53	120.03
Production of Major Producers/Total	66.60%	64.68%	68.90%	68.93%	68.47%
Production Volume (%)					
World Production	179.16	166.56	180.11	180.66	175.31

Source: USDA, November 2023

Note 1: Tons of raw sugar (metric ton raw value)

Table showing sugar consumption of major countries in the world

During the production year 2018/2019 to the production year 2022/2023

Consumption of major sugar consumers (million tons)¹

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
India	27.50	27.00	28.00	29.00	29.57
EU	17.00	17.00	16.70	17.00	17.00
China	15.80	15.40	15.50	14.80	15.50
USA	10.98	11.11	11.03	11.31	11.32
Brazil	10.60	10.65	10.15	9.50	9.50
Indonesia	7.06	7.36	7.45	7.60	7.80
Pakistan	5.40	5.54	5.75	6.00	6.20
Total major consumption	94.34	94.06	94.57	95.21	96.88
Consumption of major consumers/ total consumption (%)	54.77%	54.92%	55.02%	54.84%	54.93%
World Consumption	172.24	171.25	171.88	173.64	176.38

Source: USDA, November 2023

Note 1: Tons of raw sugar (metric ton raw value)

Table showing sugar export volume of major sugar exporting countries in the world

During the production year 2018/2019 to the production year 2022/2023

Export volume of major sugar exporters (million tons)¹

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Brazil	19.60	19.28	32.15	25.95	28.20
Thailand	10.61	6.70	3.74	7.01	7.27
India	4.70	5.80	8.41	11.93	7.43
Australia	3.74	3.60	3.40	3.12	3.25
Guatemala	2.13	1.86	1.39	1.65	1.66
Mexico	1.34	1.29	1.24	1.77	1.07
Total major exporters	42.11	38.52	50.33	51.44	48.88
Proportion of Exports of Major Exporters/Total Export Volume (%)	72.43%	71.95%	78.81%	79.37%	76.01%
World Export	58.14	53.54	63.86	64.80	64.32

Source: USDA, November 2023/ Note 1: Tons of raw sugar (metric ton raw value)

Table showing sugar import volume of major countries in the world

During the production year 2018/2019 to the production year 2022/2023

Volume of Sugar Imports of Major Countries (Million Tons)¹

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Indonesia	5.36	4.76	6.12	5.47	5.80
China	4.09	3.81	6.38	5.00	3.80
USA	2.79	3.78	2.92	3.31	3.15
EU	2.37	2.23	1.79	1.99	3.00
Malaysia	2.14	1.97	2.14	1.96	2.13
Bangladesh	2.43	2.40	2.32	2.86	2.09
Total major importers	13.81	14.18	15.55	15.13	19.97
Proportion of Imports of Major Importers/Total Import Volume (%)	25.91%	26.40%	26.32%	27.04%	34.78%
World Import	53.32	53.74	59.10	55.93	57.41

Source: USDA, November 2022/ Note 1: Tons of raw sugar (metric ton raw value)

Thailand's sugar exports

Important trading partners that import sugar from Thailand are as follows



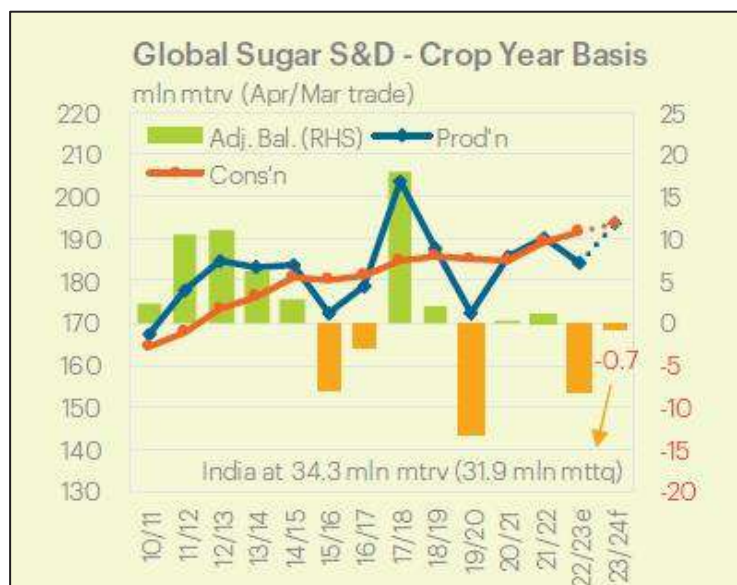
	2021/2022	2022/2023
Indonesia	2.54	2.17
South Korea	0.75	0.71
Cambodia	0.60	0.60
Industrial Estate	0.53	0.79
Laos	0.44	0.41
Malaysia	0.43	0.51
Philippines	0.38	0.61
China	0.34	0.29

Source: Office of The Cane and The Sugar board

Demand and Supply of the World Sugar

Green Pool predicts that for the production year 2022/2023, the global sugar balance will experience a deficit of 8.185 million tons, but for the production year 2023/2024, the global sugar balance will return to a deficit of only 0.668 million tons. Important comes from 2 factors: Factor one the world's main sugar producing country, Brazil, can produce up to 41.80 million tons of sugar and the second factor is due to India's announcement of a ban on the use of sugar cane juice and B-molasses to produce ethanol.

It is expected that in the production year 2023/2024 the production volume and global sugar consumption will reach 193.348 million tons and 193.348 million tons, respectively.



Source: Green Pool : Annual Sugar Balances (19 December 2023)

Overview of the domestic sugar industry

Currently, there are 57 sugar mills in Thailand. And in the production year 2022/2023, there was a total of 93.89 million tons of cane milling, producing 11.06 million tons of sugar per year, with a milling period of 4 months per year starting from the beginning of December to about March. A number of sugar factories are controlled by the government. Expansion or relocation of production bases must be in accordance with the approval criteria of the Ministry of Industry. Those players can be divided into various groups of companies as follows:

Group	Number of mills in the group	Sugar Yield (tons)	Market Share (%)
Mitr Phol Sugar Group	7	2,360,574.81	21.35%
Thai Rung Ruang Industry Group	10	1,820,833.56	16.46%
Korat Sugar Group	2	812,675.69	7.35%
Thai Ekaluck Sugar Group	3	799,706.48	7.23%
Khon Kaen Sugar Group	5	750,921.05	6.79%
Crystalla Sugar Group	3	557,282.76	5.04%
Wangkanai Sugar Group	4	504,841.94	4.56%
Khonburi Sugar Group	2	474,226.39	4.29%
Thai Sugar Mill Group Kanchanaburi	2	365,758.71	3.31%
Ban Pong Sugar Group	2	324,982.54	2.94%
Mitr Kaset Sugar Group	2	239,186.72	2.16%
Kaset Phol Sugar Group	1	216,312.42	1.96%
Rayong Sugar Mills	2	193,485.50	1.75%
Ratchaburi Sugar Group	2	168,586.22	1.52%
Others	10	1,469,649.24	13.29%
Total	57	11,059,024.03	100.00%

Source: Report on sugar production of sugar mills across the country for production year 2022/2023, end of season edition, Office of the Cane and Sugar Board

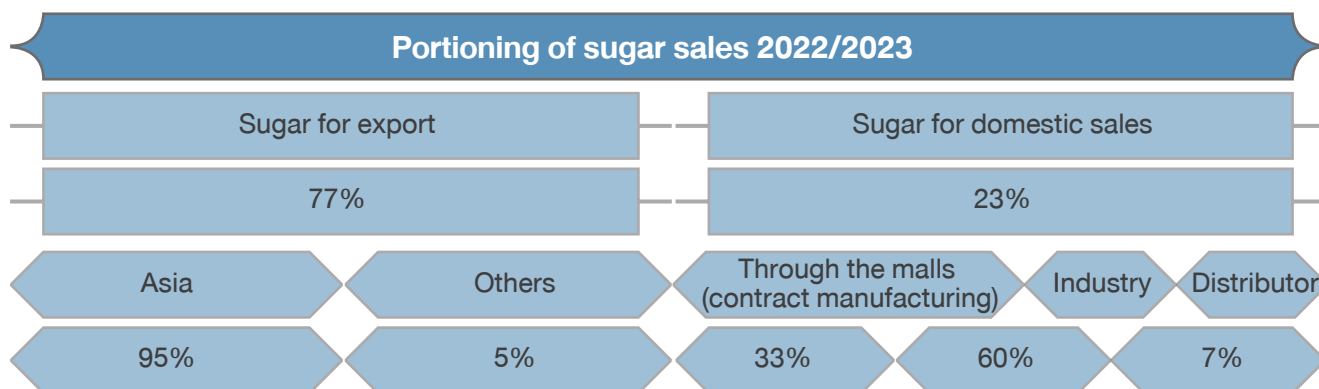
The cane and sugar industry of Thailand is governed by the Cane and Sugar Act of 1984, which requires the Cane and Sugar Board to control the quantity of sugar to meet domestic demand. Every year, the Cane and Sugar Board estimates domestic sugar consumption and estimates monthly domestic sugar sales to each factory in proportion to the amount of sugar that each factory can produce. The quota for the sale of sugar has been cancelled and there is no price control from the government to be in line with trade agreements under the World Trade Organization (WTO), the ASEAN Free Trade Area (AFTA) and more internationally accepted. To sell sugar, a cost plus price is used to reflect the cost of farmers, starting from preparing the sugarcane planting area, planting, fertilizing, harvesting and transporting sugar cane to the factory, including factory costs in sugar production, storage and delivery to customers to calculate the yield of cane and sugar production at a rate of 15 percent, with the selling price set as follows:

1. White sugar = 21.00 baht/kg
2. Refined white sugar = 22.00 baht/kg

Effective from November 15, 2023 onwards, and the amount of sugar of each mill remaining from domestic sales, every mill can be exported abroad.

Marketing and sales

From the vision of the Group, the Sales and Marketing Department have adapted it to develop strategies to meet that vision, namely market expansion and product development. This means expanding to smaller producers and consumers more. Therefore, raising awareness or making KBS known is very important, especially expanding our business into the consumer market. Therefore, it is the origin of the strategy to build KBS Brand in both domestic and international markets.



Domestic sales

The Company sells sugar through various channels, including industrial customers, modern trade customers and distributors (Yee-Pua) as follows:

• Industrial customers

The Company sells super refined sugar, refined white sugar, white sugar and natural sugar to industrial customers to be used as raw materials for various food and beverage products. Normally, the Company will enter into an annual sugar purchase contract to determine the exact quantity and selling price for this group of customers. The strategy that the Company uses to maintain this group of customers is the quality of products that meet their needs, quality standards related to production and food safety, good service, on time delivery of goods and attention to customer requirements, including co-developing and studying cost management together.

• Modern trade customers

The Company sells refined white sugar and natural sugar with packaging under the Company's brands, namely KBS FIRST and KBS BROWN. The Company also accepts production under packaging according to the size and printing of the customer's brand name as specified by the customer (the Company is an Original Equipment Manufacturer or OEM), which is the same production process. It is produced from good quality sugarcane with the production process meeting industry standards, passing the refinery processes by filtering and crystallizing until obtaining crystal clear sugar in every scale. As for natural sugar, KBS Brown, it has natural sugar cane fragrance, which is sweet, mellow, clean and safe.

Normally, the Company enters into annual sugar purchase agreements with this group of customers to determine the exact sales volume and selling price as same as industrial customers. The Company's customers in this group include Hyper Market, Supermarket and convenience stores.

• Distributors (Yee-Pua)

The Group sells refined white sugar, plain white sugar and brown sugar and sugar mixed with sucralose in both general size of packaging of 50 kilograms and small household size of 1 kilogram for distributors (Yee-Pua) to distribute to retail stores and SME entrepreneurs.

International sales

• Sale of raw sugar delivered to the TCSC

Quota B. is divided into 2 equal parts. The first part is supplied to the TCSC for selling, and the second is brought back by the Company to sell by itself, which will be sold in the same way as the sale of quota-C sugar.

• Sale of sugar in foreign countries

According to the Cane and Sugar Act, sugar mills can only export sugar through exporters who have been authorized by the TCSC. Currently, there are 7 exporters authorized by the TCSC. The Company has joined forces with 16 other sugar mills to establish the Thai Sugar Trading Corporation Ltd. to be the sugar export agent of the founder group. The Company directly contacts and negotiates sales with overseas customers. The Thai Sugar Trading Corporation Ltd. delivers goods at the port, handles export documents and carries out customs clearance process, including collecting money from the customers of the Company.

The Thai Sugar Trading Corporation Ltd. entered into a packing credit agreement with commercial banks for the Company on behalf of the Thai Sugar Trading Corporation Ltd. to receive financial support.

The Thai Sugar Trading Corporation Ltd. will transfer the money received according to the packing credit limit from commercial banks to the Company and the Company issues a promissory note to the Thai Sugar Trading Corporation Ltd. as evidence of receipt of payment. The interest rate that the Company pays to the Thai Sugar Trading Corporation Ltd. according to the promissory note is the same rate as that the Thai Sugar Trading Corporation Ltd. pays to commercial banks.

In addition, the Company has also added an export channel through World Sugar Export Co., Ltd. to diversify risks as well. The World Sugar Export Co., Ltd. performs the same duties as the Thai Sugar Trading Corporation Ltd. There are two types of sugar sales contracts that the Company agrees with customers, namely short-term contract and long-term contract. As for short term contract, the Company will enter into a type of contract that specifies both the volume and price to be traded and waiting for delivery only. As for the long-term contract, usually an agreement is made about 6-12 months in advance. The Company will make a contract that specifies only the quantity to be delivered. As for the price, it will refer to the price of sugar futures in order not to let the company take too much risk. Most of the Company's customers are large international sugar trading companies with good financial status, such as WILMAR, MITSUI, SUCDEN and COFCO, etc. In the past, the Company has never had bad debt problems. However, the Company implement the credit policy for customers carefully. The Company regularly reviews the financial status of customers. The Company exports sugar products to customers in more than 20 countries around the world. The main customers are those in Asia such as Hong Kong, China, Singapore, Hong Kong, etc.

Allocation of benefits between sugarcane farmers and sugar mills

According to the Cane and Sugar Act B.E. 2527, the cane and sugar industry has a system for allocation of benefits between cane farmers and sugar mills where 70% of the benefits will be allocated to sugarcane farmers and 30% of the benefits are allocated to sugar mills. There is an annual production cycle. It will start from 1 October of the year until 30 September of the following year. By the end of the production cycle and when the Thai Cane and Sugar Co., Ltd. (TCSC) has finished setting the sugar price for Quota B. The executive committee (EC) will calculate the final cane cost based on the actual performance of the system in that production year to propose to the Cane and Sugar Board (CSB) to submit to the Cabinet for consideration and approval and publishing the final sugar cane price in the Government Gazette for the sugar cane farmers and the production yield to the sugar mill.

Table showing the initial and final sugar cane prices for the past 5 years

Production year	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	<i>at 10 ccs</i>	<i>baht/ton</i>	<i>baht/ton</i>	<i>baht/ton</i>	<i>baht/ton</i>
Initial sugar cane price	700.00	750.00	920.00	1,070.00	1,080.00
Final sugar cane price (zone 9)	687.33	839.69	1,010.73	1,131.24	1,199.19

Source: Announcement of the Cane and Sugar Board

Note: Zone 9 consists of 22 sugar mills in the northeastern region, including Khonburi Sugar Mill.

Procurement of raw materials

Overview of sugarcane growing in Thailand

Sugarcane is an important economic crop of Thailand because sugarcane can be used as a raw material for extraction to obtain sugar cane juice used for production of sugar and ethanol. Sugar cane leaves left over from harvesting in the fields can also be used as a soil improvement material or collected and compressed to be used as fuel for biomass power plants to produce sugar. There are also by-products such as the use of molasses as a raw material for ethanol production and bagasse to be used as fuel to generate electricity or can be used to produce pulp. Cane and sugar industry therefore is outstanding in development of the production process and development to add value to product and by-products of sugarcane continuously. There is a tendency and direction to transcend to become a bio-industry and promote Net Zero greenhouse gas emissions.

Table showing amount of sugarcane throughout the country from the production year 2018/2019 to the production year 2022/2023

Production year	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Sugarcane Plantation Area (Million Rai)	12.24	11.95	10.86	11.02	11.39
Total amount of cane (Million tons)	130.97	74.89	66.66	92.07	113.02

Source: Cane and Sugar Industry Academic and Information Group, the Office of Cane and Sugar

Raw material procurement competition among sugar mills

The sugar mill will promote sugarcane planting with farmers and provide sugarcane near the mill within a radius of about 50 kilometers in order to save transportation costs. Sugar cane price, domestic sugar price and foreign sugar price will have an impact on prices. The weather is an important factor to how much amount of sugarcanes to obtain for milling and affects the cost of sugar production since the amount of sugarcane to enters the production system, which is suitable for the production capacity of the mill, will reduce the total cost of production per unit.

For sugar producers whose factories are located in the lower northeastern region, which are sugar mills, about 80-120 kilometers away, there are 6 companies that have sugarcane plantations adjacent to each other, consisting of Khonburi Sugar Group (Khonburi Sugar Factory and Sikhio Sugar Factory) Surin Sugar Co., Ltd., Korat Industry Co., Ltd., Buriram Sugar Public Co., Ltd. and Ang Vien Industry Co., Ltd. 5 of them, with a radius of approximately 80 kilometers, have designated the promotion area to reduce the overlap of sugar cane sources to make academic support services and increase productivity and reduce competition for raw materials.

In the production season of 2022/2023, the amount of sugarcane throughout Thailand was lower than expected. (Predicted more than 100 million tons) from the climate with less than normal rainfall. There was a period of rain in sugar cane areas throughout the country. But it is still slightly higher than in 2021/2022, including the lower northeastern region. It was also affected by the amount of rain falling below normal.

The following table shows the amount of sugarcane milled throughout the country and the amount of sugarcane milled in the Northeast in the past 5 production seasons.

Production year	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Sugarcanes milled nationwide (million tons)	130.97	74.89	66.66	92.07	93.88
Sugarcanes milled in the Northeast (million tons)	64.45	32.51	30.52	30.06	44.57

Source: Cane and Sugar Industry Academic and Information Group, the Office of Cane and Sugar

Promotion and procurement of sugarcane at the Khonburi Sugar Group

The procurement of quality sugarcane and sufficient quantity for production capacity is the main strategy of Khonburi Sugar Mill since the amount of sugar cane that can be procured each year is one of the important factors that affect the results of operations. Bagasse left over from the sugar cane milling process and investment in energy saving development give biomass fuel for electricity generation and producing steam for use in sugar production and can generate electricity for Provincial Electricity Authority (PEA) and Electricity Generating Authority of Thailand (EGAT). In case of insufficient bagasse to produce the required electricity, the bagasse or other types of biomass fuel will be procured additionally.

Business Model of Khonburi Sugar Group: Raw material management has been developed. It focuses on sugarcane procurement by encouraging farmers to grow sugarcane. It has promoted on knowledge based on appropriate academic principles, inputs of production and discipline for farmers to have a stable career and a better income with sustainability. The promotion process, providing good service and building good relationships with farmers, is an important factor in raw material procurement. Therefore, it gives importance to relationship management with sugarcane farmers through the support of liquidity and working capital, building relationships (Farmer Relationship) and created a Loyalty Program by agricultural academics. As a result, a number of farmers turn to grow sugar cane to supply to the sugar mill continually.

Table showing sugar cane production of Khonburi Sugar Mill compared to the whole country

From production year 2018/2019 to production year 2022/2023

Production year	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Amount of cane throughout the country (tons)	130,970,003	74,893,175	66,658,812	92,070,618	93,887,883
Amount of cane milled by Khonburi Sugar Factory (tons)	3,298,841	1,705,764	1,974,045	3,682,435	3,952,962
Proportion of sugarcane to total amount of sugarcane in the country (%)	2.57	2.28	2.96	3.99	4.21

Good relationship management with sugarcane farmers

Sugarcane farmers are partners and important allies that help Khonburi Sugar Group have stable raw materials. Thus, it focuses on managing relationships with farmers. Its main objective is to create benefits and develop through cooperation and running activities closely with farmers for many years from the process of planting planning to the process of cutting and delivering sugarcane. This creates a supply chain of raw materials and creates a good relationship with farmers in every phase of sugarcane planting since the beginning of soil preparation, procurement of sugar cane varieties, preparation of agricultural tools, sugarcane planting, sugarcane maintenance and water management, Harvesting and transporting sugarcane. These must be carried out in a systematic and comprehensive manner.

(a) Financial support

The main method used to supply sugarcane to the production process and build good relationships with farmers, apart from providing academic knowledge, is giving fund in advance or other necessary factors to sugarcane farmers, such as sugarcane planting inputs, agricultural tool service, procurement of tools for use in sugar cane fields, etc. , which is like pre-booking sugar cane for milling. After the cane grows and is ready to be cut, it is the time for the Khonburi Sugar Group to start milling cane, where the sugarcane farmers will cut sugar cane for delivery and any contributions previously provided will be deducted from the cost of cane delivered. Planning to procure sugarcane will be done about 1 year in advance of the beginning of the production season to ensure that there will be enough sugarcane for production by entering into a sugar cane purchase contract directly with farmers in advance, including making a Financial support contract in case farmers need to get a support for cultivation. In the past, 80 percent of farmers are those who received the Financial support fund to cover various expenses incurred during cultivation since soil preparation, sugarcane breeding, investment in water systems, fertilizers and sugarcane cutting costs.

In addition to the funding approval system that has been prepared step by step, Khonburi Sugar Group have a satellite imagery and map technology have also been used to determine the amount of support, such as the use of GIS (Geographic Information System) to help calculate the amount of planted areas and the suitability of sugarcane cultivation for farmers, planning for sugar cane procurement to meet the age, sorting the harvest according to topography.

The system for analyzing and tracking the productivity of sugarcane farmers has been developed and improved as an application to support the mission of sugarcane plantation management in time through the smart phone system, in line with the payment of Ngoen Kiao according to the activities in the sugarcane plantation. This is to control cultivation and maintenance of sugarcane farms of the farmers throughout the season from the cultivation process until the sugarcane is delivered for deduction of the Financial support which has been paid.

(b) Providing services to sugarcane farmers in planting

Creating sustainable security of raw Materials in order to have the amount of sugar cane that can support the production capacity requires a support to sugarcane farmers in terms of expanding the area and increasing the productivity of cultivation through incentives, for example, promoting the clustering of agricultural tools to share resources in order to create a standard for proper sugarcane cultivation, promoting the use of agricultural machinery to manage sugarcane fields at every step in order to reduce costs and work on time, and pest control with biological farming methods, the creation of large plots, sharing of inputs and developing the potential of sugarcane farmers and the provision of unloading stations to accommodate small sugarcane farmers who do not have large trucks for sugarcane delivery. All of those is to provide services for sugarcane farmers to reduce their costs, increase their income and have a better living and achieve sustainable development. It is the foundation of having stable raw materials.

(c) Establishment of promotion zone offices

Khonburi Sugar Group has established promotion zone offices to cover agricultural areas in many districts of Nakhon Ratchasima Province and parts of Buriram Province, that are suitable for sugarcane cultivation, reduce the risk of climate change and the occurrence of disease outbreaks in sugarcane. There are agricultural academics stationed to take care of sugarcane farmers, serving to solve sugarcane plantation problems in the promotion areas and recommend techniques for planting sugarcane in the right way for better productivity. The agricultural academics are a team experienced in the academic field of sugarcane planting and having a good conscience in service, and therefore able to maintain relationships with sugar cane farmers and be an image for Khonburi Sugar Group in helping develop the community.

(d) Promotion of sugar cane varieties

The development of sugarcane varieties is essential to increase the capacity of sugarcane cultivation in the long run. Therefore, a sugarcane varieties selection project has been established in collaboration with the Office of the Cane and Sugar Board (OCSB) to develop sugarcane varieties that are suitable for the sugarcane planting areas in the promotion zone to be sufficient for expanding the planting area each year. The selection of suitable sugarcane varieties will increase the sweetness value (CCS), resulting in higher income for sugarcane farmers,

helps to increase the time of remaining cane stumps to be longer, causing sugarcane farmers to reduce the cost of sugarcane cultivation, reduce disease and insect infestations, reduces the risk of drought or little rain. Promoting suitable sugarcane varieties therefore strengthens good relations between Khonburi Sugar Group and sugarcane farmers and also helps to stabilize the business. The sugarcane varieties in the planting area are LK92-11, CSB11-303, CSB11-612, Khon Kaen 3, Khon Kaen 4 etc.

(e) Provision of agricultural machinery and modern agricultural technology

Nowadays, sugarcane farmers need agricultural machinery for planting, nourishing sugarcane, as well as harvesting and transporting sugarcane due to a decrease in the number of workers in the agricultural sector. Khonburi Sugar Group therefore has invested and promoted the use of cluster agricultural machinery to manage every step of the sugarcane plantation, for example, promoting the grouping of tillage tractors to establish the standard of sugarcane planting in late rainy season properly, promoting the preparation of sugarcane plantations to support the use of sugarcane harvesters, training to educate heads of sugarcane farmers in the proper way to grow sugarcane in order to understand the benefits of fresh sugarcane cutting, promoting agricultural machinery for sugarcane maintenance, including promoting the use of sugarcane harvesters and sugarcane transportation, supporting the use of drones for agriculture to reduce work time and labor in order to reduce costs and work on time and to build trust and good relationships with sugarcane farmers.

(f) Improving sugar cane quality

In the sugar cane trading system between sugar group and sugar cane farmers, the income of the sugarcane farmers comes from the sale of sugarcane based on the amount of cane weight, trading according to sugar cane quality with sugarcane sweetness value (CCS value) and additional income from the quality cost of fresh sugarcane production. These incomes will be offset by the Financial support that farmers ask for support. Therefore, making sugarcane farmers earn more both quantitatively and qualitatively, that must be done in parallel and managing sugarcane to obtain quality from weight, sweetness and fresh cane cutting is an important mission to help reduce the burden on sugarcane farmers and achieve stable development. Obtaining this quality cane also helps the sugar production to increase the yield per ton of cane (% sugar per ton of cane and kilograms of sugar at 10 ccs).

The table shows the sweetness value (CCS) and the amount of fresh cane of the Khonburi Sugar Mill compared to the whole country from 2018/2019 to 2022/2023 production year.

Production year	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Amount of cane throughout the country (tons)	130,970,003	74,893,175	66,658,812	92,070,668	93,887,883
Amount of cane milled by Khonburi Sugar Mill (tons)	3,298,841	1,705,764	1,974,045	3,682,435	3,952,962
% Fresh sugarcane throughout the country	39.63	50.35	49.08	72.72	67.22
% Fresh cane of Khonburi Sugar Mill	40.38	52.64	62.02	58.50	55.48
Sweetness value (CCS) throughout the country	12.64	12.68	12.91	12.70	13.32
Sweetness value (CCS) of Khonburi Sugar Mill	12.81	12.77	13.14	12.95	13.44
Average sugar cane sweetness value (baht) per 1 ccs throughout the country	40.85	49.99	60.11	66.38	71.85
Cane sweetness (baht) per 1 ccs of Khonburi Sugar Mill	41.24	50.38	60.64	67.87	71.97

Source: Cane and Sugar Industry Academic and Information Group, Office of Cane and Sugar

Production Process

The process of sugar production starts from milling sugar cane to extract sugar cane juice. Most of the sugar mills start their cane milling operations in late November or early December of each year. The cane milling process has start-up cost, which is a very high fixed cost. So, once the sugar cane milling process is started, it will continue to produce 24 hours a day.

The sugar cane milling process will end (closing the cane milling) around April. Total number of days to operate the machine for the sugar cane milling process is about 120 - 150 days.

The sugar cane production process is a continuous process from cane milling. During the sugarcane milling season, the mill crushes sugarcane to produce raw sugar and store it. At the same time, it produces white sugar and refined white sugar in the period after closing the milling. The Company will bring raw sugar collected from the cane milling season to be melt to produce white sugar and refined sugar.

Maintenance and repair of machinery in the sugar industry is divided into 2 phases: 1) after the milling season ends (May to November), it will be the repair of machinery used in the processes of sugar cane milling, extracting sugarcane juice and producing raw sugar, and; 2) the period after melting raw sugar (October to November), it will be a repair of machinery used in the white sugar and refined white sugar production processes.

Sugar production process

• Cane milling, sugarcane juice extraction and raw sugar production can be summarized as following

processes: Sugar cane preparation before the cane milling process. The Company will transport sugar cane that has passed the quality check on the farmers' trucks to the production process. Sugarcane will be conveyed through two sets of blades to chop sugarcane into smaller sizes and then forwarded to the shredder set to shred sugar cane into small shreds.

- Milling and extraction of sugarcane juice

The shredded cane will be passed through cane milling set. The Company has 3 cane milling rails (Rail A has 5 sets of mills with a maximum milling capacity of 17,000 tons of cane per day, and Rail B has 5 sets of mills with a maximum milling capacity of 6,000 tons of cane per day, and Rail C is a diffuser system and there are 3 sets of mills with a production capacity of 12,000 tons of cane per day. The sugarcane juice obtained from the 3 sugarcane milling rails will be passed through the sugarcane juice strainer and stored in a central sugarcane juice storage tank to wait for sending to the evaporator. The remaining bagasse from the last mills will be sent as fuel to generate steam and electricity.

- Purification of sugarcane juice

Sugarcane juice from the mills is heated in a sugar cane warmer to 55 °C and lime water is added to adjust the pH to a range of 7.3 to 7.8. After that, the sugarcane juice is heated again to 103 °C. The sugarcane juice that has been heated will be sent to the "Clarifier" to precipitate the sugarcane juice. The precipitated sugarcane juice will be clearer and will be sent to the evaporator until it reaches a concentration of not less than 60 degrees Brix. The mud sludge will be sent to the vacuum filter to separate mud from sugarcane juice. The resulting sludge (Filter Cake) will be transported to the pile and stored in the preparation area for use in making fertilizer. The sugarcane juice obtained from the filter will be sent back to combine with the sugarcane juice from the mill tandem to further purify the sugarcane juice.

- Sugar crystallization and centrifugation

The syrup that has been boiled to the desired brix value will be put into the sugar crystallization process. The Company's sugar crystallization system uses a 3-time crystallization system, meaning the syrup is crystalized through the A, B and C pans.

The sugar crystallization starts from the A-pan, where the syrup is simmered for about 3 hours until it transforms into "Massecuite", which is crystallized sugar mixed with molasses, a dark viscous liquid. The Massecuite obtained from the A-pan is sent to a centrifuge to separate the sugar crystals (dissolved A-raw sugar) and A-molasses). The raw sugar obtained from the A-pan will be sent to be melted for the production of white sugar or refined sugar. The A-Molasses obtained from the A-pan will be sent to the B-pan.

The A-Molasses will be simmered together with inoculum in the B-pan for approximately 4 hours until transformed into massecuite. Then, the massecuite is sent to centrifuge for sugar crystallization (B-raw sugar) from B-molasses. The B-raw sugar obtained from the B-pan will be transported to store in the warehouse as raw sugar in bulk awaiting sale or stored for further inputting into the production process to become white or refined sugar after the end of milling season (melting season). As for the B- Molasses, it will be sent to be simmered in C-pan.

B-molasses is simmered with inoculum in the C-Pan for approximately 6 hours until transformed into massecuite. Then, the massecuite is to centrifuge for sugar crystallization and mixed with hot water or syrup to be simmered into inoculum for simmering in the A, B and C-pans. As for the C-Molasses C, the final molasses, it will be sent to molasses storage tank for further distribution.

• **Brown sugar production process** includes the following steps in summary:

- B-Magma preparation

Mix the B-raw sugar with hot water without dissolving the sugar to prepare the inoculum for simmering sugar, which is called B-Magma.

- Sugar crystallization and centrifugation

B-Magma is sent to the pan to be simmered together with the syrup and molasses from simmering the white or refined sugar for about 3 hours to crystallize according to the desired properties. Massecuites after simmering are left to allow the sugar crystals to become strong and sent to the centrifuge system to separate brown sugar crystals and molasses apart. The centrifugation process takes about 3 hours and the molasses will be returned to the crystallization process.

- Sugar drying

The brown sugar obtained from the centrifuging process is sent to the dryer to remove moisture from the sugar crystals using a temperature of 60-80 degrees Celsius

- Packing

Brown sugar must pass the quality control process of the Company, i.e. using magnets to absorb metals contaminated in the sugar, sugar flake screening to obtain flake flakes according to the Company's standards before being transported to the process for packing into 50-kg sacks and/or other packaging sizes according to customer requirements.

• **Production processes of white sugar/ refined sugar are** summarized as follows.

The production processes are similar to brown sugar production but adding a color reduction process to get the desired color value.

- Dissolving sugar

To dissolve the melted A-raw sugar from the process of raw sugar production in hot water, called Remelt Syrup.

- Decolorization of sugar

The remelt syrup goes through a decolorization process with carbonation system by mixing the remelt syrup with lime water to capture impurities in the syrup and then purify with carbon dioxide in order for impurities to combine with lime sediment, then filtered with a pressure filter to separate this impurity sediment from the syrup. The filtered clear syrup will be decolored by ion-exchange resin.

- Sugar crystallization and centrifugation

The refined syrup will be sent to the refined pan for crystallization for about 2 hours to obtain the desired properties. The massecuites after crystallization are left to give the sugar crystals strength and sent to the centrifuge system to centrifuge the crystals of white sugar/refined white sugar and molasses apart. The centrifugation process takes about half an hour (evaporation into white or refined sugar will depend on the proportion of refined syrup and refined molasses used in crystallization of each type of sugar).

- Drying of sugar

The white sugar/refined white sugar derived from the centrifugation process will be sent to the dryer to remove moisture from sugar using a temperature of about 80 degrees Celsius.

- Improving sugar quality (Conditioning Silo)

The white sugar and refined white sugar derived from the sugar drying process will be sent to the conditioning silo

to undergo the process of improving the sugar quality. This is to control the moisture content in the sugar to be within the standard to prevent the sugar from caking.

- Packing

The white sugar/refined white sugar must go through the Company's quality control processes, including the use of magnets to absorb metals contaminated in the sugar and screening sugar crystals to obtain sugar crystals according to the Company's standards before being conveyed to the packaging process to put in 50-kg sacks and/or other packaging sizes according to customer requirements

• Production of ultra-refined white sugar

Production processes of ultra-refined white sugar are the same as those for white sugar/refined sugar. The difference is that the proportion of using the syrup that is used for crystallization is more than the ordinary type.

Molasses production process

Molasses is a by-product of the sugar production process, derived from the process of sugar crystallization and centrifuge.

Power generation process

The Company uses bagasse derived from milling and extracting sugar cane juice as fuel to generate electricity. The bagasse will be burned at the boiler to produce steam. The resulting steam will be sent to the steam turbine, which will rotate the generator to generate electricity. A part of the electricity generated by the Company will be used to support sugar production and another part will be sold to the Electricity Generating Authority of Thailand and the Provincial Electricity Authority to create stability for the country.

Assets used in business operations

Main fixed assets of the Company and its subsidiaries

As of 31 December 2023, main fixed assets used in business operations of the Group have net value after accumulated depreciation as shown in the Company's consolidated financial statements at 7,831.2 million baht with details as follows:

Item	Net value after depreciation (million baht)	Proprietary nature	Obligation
Consolidated financial statements			
Land and land improvements	333.6	Owner	As collateral for loans ¹
Buildings and structures	1,229.4	Owner	As collateral for loans ¹
Machinery	5,447.9	Owner	As collateral for loans ¹
Equipment	33.1	Owner	None
Furniture and office appliances	27.5	Owner	None
Vehicles	36.0	Owner	None
Public utilities and waste water treatment system	568.5	Owner	None
Assets under construction	155.2	Owner	As collateral for business loans ¹
Total assets	7,831.2		

1. The Group has placed most of the assets in land and land improvements, buildings and structures, including machinery as collateral with the lender as for long-term loan. The assets under construction are used as collateral for business loans with lenders.

Certain fixed assets related to the subsidiary's power plants are mortgaged as collateral for liabilities under the benefit transfer agreement from the electricity business operation.

Note: In addition to business guarantees with assets in respect of land and land improvements, buildings and structures, including machinery as mentioned, the Company taken the raw sugar stored at the Company's plant in Nakhon Ratchasima Province in the amount of 1,000 million baht to be registered as business collateral for debt repayment with a commercial bank in the country

Trademarks of the Group

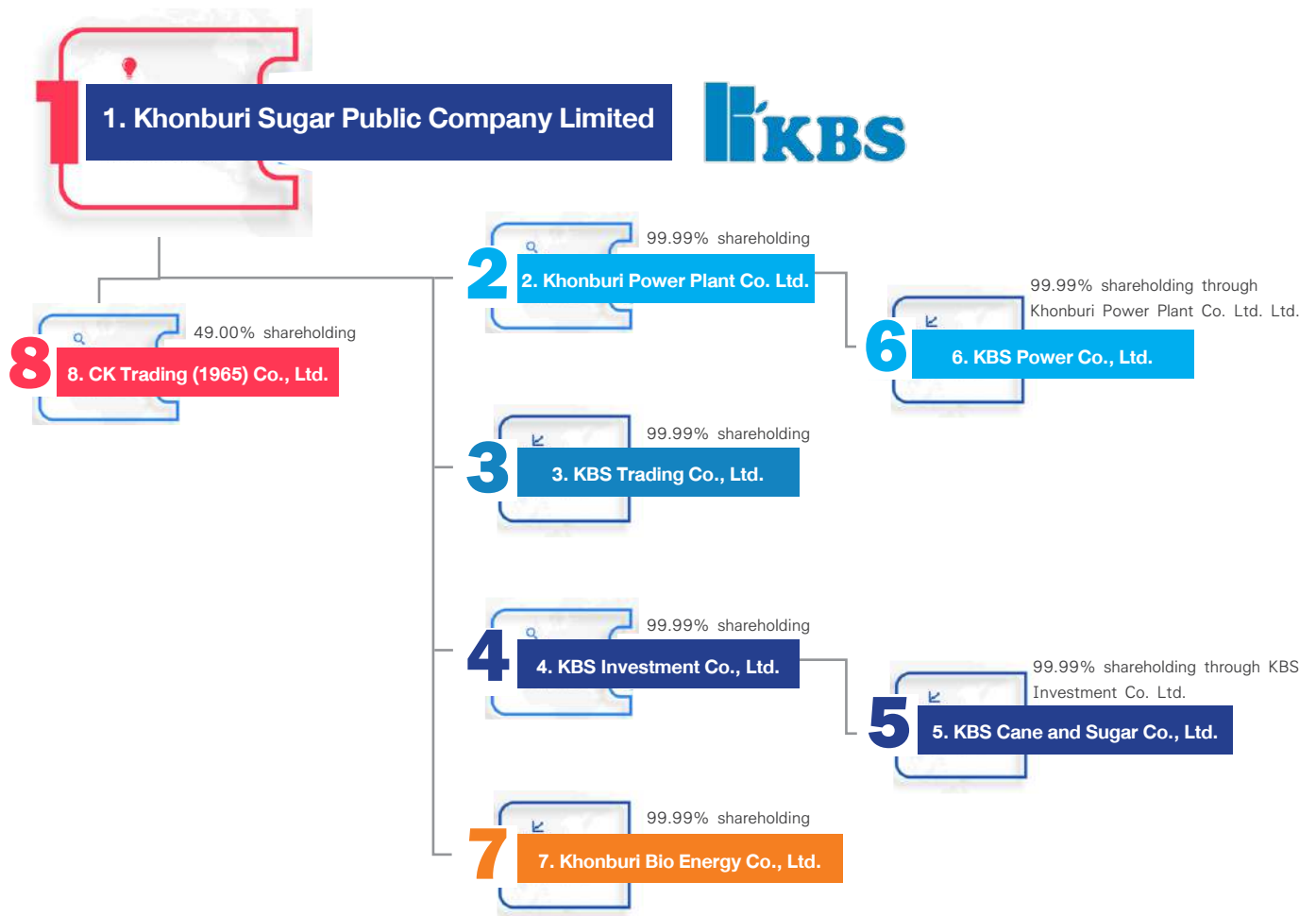


Investment Policy in Subsidiaries and Joint Venture

The Company has a policy to invest only in businesses related to the core business of the Company that the Company sees that it is a mutual benefit or supports the Company's business operations to increase the way to earn income and increase profitability of the Company. In this regard, in management of such joint venture or subsidiary companies, the Company will appoint a representative from the Company to join as a director in that company in the right proportion to supervise the operations of subsidiaries in the appropriate direction and generate the highest return to the Company as a whole.

At present, the Company has invested in 6 subsidiaries, namely KBS Trading Co., Ltd., Khonburi Power Plant Co., Ltd., Khonburi Bio Energy Co., Ltd., KBS Investment Co., Ltd., KBS Cane and Sugar Co., Ltd. and KBS Power Co., Ltd. Currently, the Company holds 99.99 percent of shares of all of its subsidiaries and 49% of the shares of its joint venture, namely CK Trading (1965) Co., Ltd. The Company's executives have been appointed to serve as directors in such subsidiaries and joint venture.

Shareholding Structure of the Group



Details of Subsidiaries and Joint venture

As of 31 December 2023, the Group consists of 6 subsidiaries, divided into 4 subsidiaries that have started selling and providing services, and the other 2 companies are companies established to support future projects and a joint venture company, as follows:

1. Khonburi Sugar Public Company Limited

Type of business: Manufacturer and distributor of sugar and by-products within and outside the country
 Company registration No.: 0107553000191
 Number of ordinary shares: 600,000,000 shares
 Registered capital: 600,000,000 Baht
 Paid-up capital: 600,000,000 Baht
 Location of Head Office: No. 5, Soi Sukhumvit 57, Khlong Tan Nuea Subdistrict, Wattana District, Bangkok 10110
 Phone: +66 2725 4888 Fax: +66 2725 4877
 Location of Khon Buri Sugar Mill: No. 289, Village No. 13, Chorakhe Hin Sub-district, Khon Buri District, Nakhon Ratchasima Province 30250
 Phone: +66 44448 338 Fax: +66 44448 500
 Location of Sikhio Sugar Mill: No. 168, Village No. 6, Nong Ya Khao Subdistrict, Sikhio District, Nakhon Ratchasima Province 30140
 Phone: +66 44001 888 Fax: +66 44001 367
 Website: www.kbs.co.th

2. Khonburi Power Plant Co. Ltd.

Establishment: Khonburi Power Plant Co. Ltd. was established on 11 July 2008.

Type of business: Conducting electricity generating business by using bagasse as the main fuel.

Company registration No.: 0105551074993

Number of ordinary shares: 50,000,000 shares

Registered capital: 500,000,000 Baht

Paid-up capital: 500,000,000 Baht

Location of Head Office: No. 18, Village No. 13, Chorakhe Hin Sub-district, Khon Buri District, Nakhon Ratchasima Province 30250

Phone: +66 44448 652, +66 44448 669 Fax: +66 44448-096

Branch 1: No. 289, Village No. 13, Chorakhe Hin Sub-district, Khon Buri District, Nakhon Ratchasima Province 30250

Phone: +66 44448 338 Fax: +66 44448 500

Branch 2: No. 99, Village No. 13, Chorakhe Hin Subdistrict, Khon Buri District, Nakhon Ratchasima Province 30250

Phone: +66 44448 652, +66 44448 669 Fax: +66 44448-096

Plant Location: No. 18, Village No. 13, Chorakhe Hin Sub-district, Khon Buri District, Nakhon Ratchasima Province 30250

Phone: +66 44448 652, +66 44448 669 Fax: +66 44448-096

Operations: Started generating electricity for sale to the Electricity Generating Authority of Thailand (EGAT) since January 2015

3. KBS Trading Co., Ltd.

Establishment: Formerly known as Agricultural Machinery Service Co., Ltd., established on 22 July 2008 and changed its name to KBS Trading Co., Ltd. on 17 October 2013.

Type of business: Conducting trading business of sugar and by-products from sugar production.

Company registration No.: 0105551079600

Number of ordinary shares: 4,000,000 shares

Registered capital: 40,000,000 Baht

Paid-up capital: 40,000,000 Baht

Location of Head Office: No. 289, Village No. 13, Chorakhe Hin Sub-district, Khon Buri District, Nakhon Ratchasima Province 30250

Phone: +66 44448 338 Fax: +66 44448 500

4. KBS Investment Co., Ltd.

Establishment: Established on 25 March 2014

Type of business: Conducting a business as a holding company

Company registration No.: 0105557044018

Number of ordinary shares: 14,500,000 shares

Registered capital: 145,000,000 Baht

Paid-up capital: 145,000,000 Baht

Location of Head Office: No. 5 Soi Sukhumvit 57, Khlong Tan Nuea Subdistrict, Wattana District, Bangkok 10110

Phone: +66 2725 4888 Fax: +66 2725 4877

Operations: There are no substantial operations at this time.

5. KBS Cane and Sugar Co., Ltd.

Establishment:	Established on 28 March 2014
Type of business:	Conduct a business on organizing seminars to educate and increase the efficiency of sugarcane farming for farmers.
Company registration No.:	0105557046355
Number of ordinary shares:	500,000 shares
Registered capital:	5,000,000 Baht
Paid-up capital:	5,000,000 Baht
Location of Head Office:	No. 5 Soi Sukhumvit 57, Khlong Tan Nuea Subdistrict, Wattana District, Bangkok 10110
Phone: +66 2725 4888	Fax: +66 2725 4877
Plant Location:	No. 168, Village No. 6, Nong Ya Khao Subdistrict, Sikhio District, Nakhon Ratchasima Province 30140
Phone: +66 44001 888	Fax: +66 44001 367

6. KBS Power Co., Ltd.

Establishment:	Established on 28 March 2014
Type of business:	Operate a power generation business using bagasse as the main fuel.
Company registration No.:	0105557046347
Number of ordinary shares:	24,000,000 shares
Registered capital:	240,000,000 Baht
Paid-up capital:	240,000,000 Baht
Location of Head Office:	No. 5 Soi Sukhumvit 57, Khlong Tan Nuea Subdistrict, Wattana District, Bangkok 10110
Phone: +66 2725 4888	Fax: +66 2725 4877
Plant Location:	No. 168, Village No. 6, Nong Ya Khao Subdistrict, Sikhio District, Nakhon Ratchasima Province 30140
Phone: +66 44001 888	Fax: +66 44001 367
Operations:	A 18-MW power plant starting generating electricity in December 2021

7. Khonburi Bio Energy Co., Ltd.

Establishment:	Established on 26 August 2004
Type of business:	Operate by using molasses, which is a by-product of the Company's sugar production process, to make alcohol to mix with fuel, known as ethanol.
Company registration No.:	0105547116130
Number of ordinary shares:	4,400,000 shares
Registered capital:	440,000,000 Baht
Paid-up capital:	115,250,000 Baht
Location of Head Office:	No. 5 Soi Sukhumvit 57, Khlong Tan Nuea Subdistrict, Wattana District, Bangkok 10110
Phone: +66 2725 4888	Fax: +66 2725 4877
Operations:	There are no substantial operations at this time

Joint venture

8. CK Trading (1965) Co., Ltd.

Establishment:	Established on 2 September 2019
Type of business:	To operate as an agent/ broker in trading and providing marketing services and promotion of consumer products of all types.
Company registration No.:	0105562150530
Number of ordinary shares:	100,000 shares
Registered capital:	10,000,000 Baht
Paid-up capital:	10,000,000 Baht
Location of Head Office:	No. 1168/91 Lumpini Tower, 30th Floor, Rama IV Road, Thung Maha Mek Subdistrict, Sathorn District, Bangkok 10120

Companies investing or doing business abroad

- None -

Persons who may have conflicts of interest and hold shares in the Company, its subsidiaries or associated companies altogether more than 10 percent of the shares with voting rights

No person who may have conflicts of interest holds shares in the Company, its subsidiaries or associated companies, altogether more than 10 percent of the shares with voting rights.

Relationship with major shareholder's business group

There is no main business with relationship with or competing with other businesses in the group of major shareholders significantly

Shareholders

Company's shareholders

Distribution of shares by nationality	Number of persons	Number of shares	%
Thai shareholders	3,780	480,153,900	80.03
Foreign shareholders	9	119,846,100	19.97
Total	3,789	600,000,000	100.00

List of major shareholders

List of the first 10 major shareholders of the Company as of 28 December 2023

No	Shareholders	Number of shares held	Proportion (%)
1	Khonburi Capital Co., Ltd.1	172,484,100	28.747
2	SMTBUSA NOMINEES (UK) LIMITED	66,666,666	11.111
3	MITSUMI DM SUGAR CO.,LTD.	33,333,334	5.556
4	Mr. Somkiat Tawiltermsup	31,520,700	5.253
5	Mr. Somchai Tawiltermsup	29,529,600	4.922
6	UBS AG LONDON BRANCH	19,027,300	3.171
7	Ms. Jitsupa Tawiltermsup	15,187,500	2.531
8	Mr. Thanachot Tawiltermsup	15,187,500	2.531
9	Mr. Issara Tawiltermsup	14,045,000	2.341
10	Miss Chonnatee Tawiltermsup	13,880,000	2.313
11	Minor shareholders	189,138,300	31.524
Total		600,000,000	100.000

Note: 1. Khonburi Capital Company Limited is a holding company with the list of shareholders as of 30 December 2023 as follows:

- Group of Mr. Issara Tawiltermsap, holding 39,100,000 shares, accounting for 50%
- Group of Mr. Takon Tawiltermsap, holding 19,550,000 shares, accounting for 25%
- Group of Mr. Somkiat Tawiltermsap, holding 19,550,000 shares, accounting for 25%
- Total 78,200,000 shares, accounting for 100%
- Group of Mr. Issara consists of Mr. Issara Tawiltermsup, Mr. Somchai Tawiltermsup, Mr. Kan Tawiltermsup, Ms. Chonnatee Tawiltermsup and Mr. Teerawat Tawiltermsup
- Group of Mr. Takon consists of Mr. Takon Tawiltermsup, Mr. Rangsan Tawiltermsup and Mr. Rachot Tawiltermsup.
- Group of Mr. Somkiat consists of Mr. Somkiat Tawiltermsup, Ms. Jitsupa Tawiltermsup and Mr. Thanachot Tawiltermsup

Number of registered capital and paid-up capital

The Company has a registered capital of 600,000,000 baht, consisting of 600,000,000 ordinary shares, with a paid-up capital of 600,000,000 baht at a par value of 1 baht per share, with Thailand Securities Depository Co., Ltd. acting as the Company's registrar.

Dividend Payment Policy

Company's Dividend Payment Policy

The Company has a policy to pay dividends to shareholders at no less than 40% of the net profit of the separate financial statements after deduction of all types of reserves as specified in the Company's Articles of Association and by law. If there is no other necessity and the dividend payment does not significantly affect the normal operation of the Company, as the Board deems fit or appropriate, and such action must be in the best interests of the shareholders, the resolution of the Board of Directors considering such matters shall be proposed for approval from the shareholders' meeting, except for the interim dividend payment which the Board of Directors has the authority to approve the interim dividend payment and then report to the shareholders' meeting for acknowledgment at the next meeting.

Dividend Payment Policy of Subsidiaries

The Company's subsidiaries have a policy to pay dividends of not less than 40% of the net profit according to the subsidiaries' financial statements after deduction of corporate income tax, legal reserve and all other reserves, which will be considered in conjunction with cash flow, financial liquidity and investment plans in each period as well.

2. Risk Management

Risk Management Policy

The Board of Directors of Khonburi Sugar Public Company Limited is committed and gives precedence to risk management by establishing a risk management process covering risks on strategy, operations, finance, liquidity, laws and regulations, corruption, information technology, marketing, human rights, including social and environmental issues and external events that affect the Company to enable the Company to manage risks systematically, reduce the chance or potential damages caused by the risk that will affect the achievement of the Company's objectives to be at an acceptable level and in line with the Company's strategic plan, covering

- Cause of the risks that affect the Company both in cash and in kind, including arranging for a risk factor review whenever there is a change in risk factor that affects the Company.
- Type of risk and determining the acceptable level of risk to be used as a basis for responding to the Company's risks.
- Risk assessment taking into account likelihood and impact of risks in both quantitative and/or qualitative aspects.
- Risk management and monitoring each type of risk in order of priority on a regular basis and in a timely manner.

Guidelines

1. The Company operates under acceptable risk to achieve the Company's objectives. The risk management is part of the preparation of the annual business plan, administration and decision making, including project management processes
2. The Company provides processes, guidelines and measures for risk management with quality that is internationally appropriate and sufficient, including identifying, analyzing, evaluating, prioritizing, managing, controlling, monitoring, reporting, assessing and communicating information about risks on a continuous, regular basis and throughout the Company.
3. Set up an internal control system that covers all types of important risks in terms of strategy, operation, finance, and liquidity, laws and regulations, corruption, marketing, information technology, consumer protection, human rights, including social and environmental issues so that the Company has an appropriate and efficient internal control system.
4. All executives and employees of the Company own the risks and are responsible for identifying and assessing the risks of the units under their responsibility, including determining appropriate measures to manage the risk.
5. Encourage employees at all levels to manage risks proactively. A Business Continuity Plan has also been prepared for issues that are material to the business.
6. All the risks that may affect the Company's business plans and strategies and are at high and very high levels must be reported to the Executive Committee, Risk Management Committee and the Board of Directors.
7. The Company promotes a risk management culture to create understanding, consciousness and shared responsibility on risks, controls and effects of risks on the Company in the process of management and operations throughout the Company.

Risk Factors

Risks associated with the nature of the Company's business operations

Risk of fluctuation in revenue from sugar sales

Sugar production and distribution will be under seasonal effect. Normally, sugar cane cutting season in Thailand starts from the end of November to the beginning of December and the cane milling in the sugar production process will end in late March or early April. As for the sugar production process, it still continues its operation. Sugar mills will start selling sugar from January onwards and will gradually decrease in sales until the end of the year. The Company considers the timing of sugar sales from various factors such as the level of available inventory, yield estimation and sugar prices in the world market. The Company's sugar sales are therefore uneven from quarter to quarter.

Risk from the volatility of world sugar prices

In the world market sugar trading, sugar is considered one of the commodities with high price volatility compared to other agricultural commodities. The price of sugar in the world market depends on many factors such as demand and supply of producing countries, consumers, exporters and importers, as well as speculation from speculators in the commodity market, climate that favors or hinders the cultivation of each country, policy for promotion, intervention, export, import of sugar industry by the government, especially in developed countries. In addition, sugar prices are now partly related to fuel prices because sugarcane includes molasses which can be used to produce alcohol, known as ethanol, for mixing with oil to be used as fuel in cars as well/ These factors resulted in the high volatility of sugar prices in the world market.

The volatility of sugar prices in the world market causes the Company to manage risks by using appropriate financial instruments, such as options in sugar trading to reduce the volatility of the Company's profit from the risk of fluctuating sugar prices in the world market. Hedging against the risks as mentioned may negatively affect the Company's quarterly performance. This is because the Company has to record profit and loss from hedging in the income statement according to the fair value of financial instruments at the end of every accounting period. This may not correspond to the period in which the Company delivers sugar products.

In addition, in terms of the Company, previously the Company's performance relied solely on sugar and molasses businesses. The volatility of world sugar prices therefore greatly affected the Company's operations. But the Company has invested in further projects such as the project to produce electricity from biomass fuel. Therefore, in the future, the Company's performance will be less dependent on world sugar prices.

Exchange rate risk

Because the Company exports about 75% of its total sugar sales, most of which is based on the US dollar currency. Therefore, the Company's sales fluctuate with the exchange rate. However, the price of sugarcane that the Company has to pay to farmers under the 70:30 benefit sharing system. So, the cost of sugar cane of the Company fluctuates according to the exchange rate as well. Therefore, most of the Company's revenues and costs are related to the exchange rate in the same direction (Natural Hedge). In addition, the Company considers the use of foreign exchange contracts to reduce the impact of exchange rate fluctuations on the Company's performance. This may negatively affect the Company's quarterly performance.

Risk from procurement of raw materials – sugar cane

The Company is a manufacturer and distributor of sugar products and by-products which uses sugarcane as the main raw material for production. There is therefore a risk associated with the amount of sugarcane that can be procured into the production process. The factors affecting the amount of sugarcane consist of (1) a change in area of sugarcane cultivation (number of rais), which may be caused by farmers switching to other crops that yield higher returns than sugar cane or caused by the government's promotion policy in growing other types of field crops, and; (2) the climate and rainfall, which will affect the amount of sugar cane per plantation area. If these factors

are changed, the amount of sugarcane per rai may decrease as well. The Company has a policy to help farmers in such matters, such as the development of irrigation systems by digging artesian wells to deal with during the dry season or during periods of lack of rain, etc., and; (3) farmers' sugar cane varieties. The Company has allocated the use of sugarcane varieties suitable for the planting area. The Company has set up test plots and selected new sugarcane varieties that could give high returns to farmers and able to produce more sugar per ton of cane.

If sugarcane cultivation area is reduced or the dry climate causes the amount of sugar cane production across the country to decrease, it will result in a decrease in the Company's production of sugar and the cost per unit, especially in terms of fixed cost per unit, will be higher, then profit per unit decreases, and finally result in a decrease in the Company's profit. Moreover, in the year when the amount of sugarcane throughout the country is very low, sugar mills nearby will compete to buy more sugarcane to maintain the proportion of sugarcane to be milled. This may result in higher raw material costs of the Company and result in a decrease in the Company's profits.

However, since Thailand is the second largest sugar exporter in the world and is the main sugar exporter for Asian countries, in the year when the quantity of sugar cane supplied to the sugar production decreases in Thailand, this will result in a sugar shortage in Asia. This will pressure the selling price of sugar in foreign countries to increase. This helps offset the impact from the decreased amount of sugar cane milled and the burden of increasing costs. In addition, the Company has provided assistance to sugarcane farmers through Ngoen Kiao loan for cultivation, fertilizer, sugar cane varieties, irrigation system and introduction of technology to increase productivity and cultivation efficiency. The main goal is for farmers under the care of the Company to receive good returns from long-term sugarcane cultivation as an incentive for the farmers to grow sugarcane and deliver sugarcane to the Company continuously.

Risk of cane cost

The cane and sugar industry in Thailand has established a benefit allocation system between sugarcane farmers and sugar factories based on 70:30 system, which the factory must pay the price of sugar cane to the farmers according to the price calculated by the Cane and Sugar Board (CSB) in order to share the benefits from sugar production to the farmers at 70 out of 100. The cost of sugar cane that the sugar factory must pay to the farmers will be calculated based on the average selling price of sugar that Thai Cane and Sugar Corporation Ltd. or TCSC can actually sell. If the Company is unable to sell sugar in foreign markets (according to Quota C.) at a price higher than the average price that the TCSC can actually sell, the Company will have to pay a high price for sugar cane compared to the Company's sales. As a result, the Company's profit margins and profits decrease.

However, the Company has a risk management by closely monitoring the sales period and volume of the TCSC to ensure that the Company can sell sugar at a reasonable price compared to the TCSC. the average selling price for foreign sales (according to the Company's quota C.) for the last 3 years is higher than the average selling price that the Company can actually sell each year.

Risk from the quality of raw materials – sugar cane

The quality of sugar cane or sugar cane's sweetness is a factor that affects the amount of sugar produced by the Company. The factors impact on the quality of sugarcane includes climatic variations such as unseasonable rain during sugarcane harvesting, which is the main cause of sugarcane quality decreasing in terms of sweetness. In addition, most sugar sales are sold through futures contracts, namely agreements to buy and sell by specifying the quantity and price before the actual sugar delivery about 6 months to 1 year. Therefore, in the event that the sugarcane supplied to the production process is less sweet than usual, the Company will produce less sugar than the expected amount. And if the Company has already sold in advance, the Company may encounter problems with insufficient products to be delivered to customers.

However, the Company has closely monitored the risks that may arise from the quality of sugarcane. In case the sugar cane's sweetness is lower than normal, the Company may consider procuring products for delivery to customers or selecting appropriate financial instruments, such as options to buy or sell sugar to manage the above risks.

Risk of bad debt from the loan to sugarcane farmers (Ngoen Kiao Loan)

In operation of a sugar factory, there will be support for investment in sugarcane plantation to the farmers for use in planting sugar cane to deliver to the factory. This support will be in the form of financing from banks and may be in other forms that are not financial, such as helping with fertilizers, sugarcane varieties, agricultural machinery, etc. This is the practice that almost every sugar factory does. This is known as “Ngoen Kiao Loan” which is like reserving sugar cane for milling in the factory. After the sugarcane grows enough to be cut, it will be the same period when the sugar factory starts milling cane. In the year when the climate is dry or epidemic occurs, farmers may not be able to deliver sugar cane as agreed, resulting in an increase in the Company's doubtful debt and resulting in a decrease in the Company's profits.

The Company attaches importance to risk management from the lending of such loan. Therefore, there is a control from the beginning of the process of lending to the debt collection system. The Company has set up a financial support management committee to approve lending of the Ngoen Kiao. In considering the amount of loan to be lent to the farmers, the Committee must consider sugar cane plantation, amount of sugarcane expected to be planted, including the history of sugarcane delivery and debt repayment of each debtor, follow up on the sugarcane cultivation of the farmers who receive the support from the Company continuously by using a satellite system to monitor and measure the size of sugarcane plantations called GIS (Geographic Information System) as a tool. This makes the sugarcane area data more accurate and makes tracking the sugarcane production more efficient.

Risk on environmental impacts

The Company gives precedence to management so that its business operations do not have a negative impact on the environment and has a policy to control production processes to always be under industry standards. Regarding dust from the factory, the Company has repaired and installed dust collector equipment, including further improving the dust filtration system of the chimney by installing a wet scrubber and electrostatic precipitator. In addition, the Company has been certified for the environmental management system, ISO 14001: 2004, which means that the Company gives precedence to management of the environment systematically. However, the Company cannot guarantee that it will not receive complaints about environmental impact in the future, including the impact on the Company's performance and financial position from being complained about the impact on the environment.

Risk of corruption in the organization

The person responsible for setting policies and supervising has promoted an effective anti-corruption system to ensure that all employees are aware and pay attention to anti-corruption and it is instilled into the corporate culture.

The Company therefore has clearly expressed its intention to the public by becoming one of the “The Private Sector Collective Action Coalition Against Corruption” on 30 March 2016, with the assignment of clear and concrete responsibilities, practices and operational requirements. In 2022, the Company continued to seriously focus on anti-corruption.

Government Policy Risk

The cane and sugar industry in Thailand is regulated and supervised by the Cane and Sugar Board (CSB) under the Cane and Sugar Act B.E. 2527 which has been amended to the Cane and Sugar Act B.E. 2527, even after going through a public hearing and through various committees even to screen, but at this time, the matter has not been proposed to the Cabinet for approval at all, the system of revenue sharing between sugar mills and sugar cane farmers under the 70:30 benefit-sharing system and controlling the entry of new entrepreneurs into the business, etc. It can be seen that all the policies and regulations issued by the Cane and Sugar Board (KSB) have an impact on the Company's production cost and performance, for example, the 70:30 benefit-sharing system will be the source of sugarcane price calculation that the sugar mills must pay to the farmers, sugar export regulations in case of domestic sugar price adjustment policy or in the case of sugar business liberalization policy may affect

the performance of the Company.

In addition, the Company's performance may also be affected by changes in government policies in other areas than those that directly control the cane and sugar industry, such as the policy to support ethanol, a renewable energy, which affects the domestic sales volume of ethanol, or the policy to promote planting and price guarantee for cassava or other agricultural crops, which may have a negative effect on the Company due to the reduction of sugar cane plantations as the farmers turn to higher-yielding crops, etc.

The Company realizes the importance of government policies in determining the direction of the cane and sugar industry. The Company therefore cooperates with 3 sugar factory associations and the association of sugar cane farmers in understanding the government sector to see the importance of sugar cane and sugar industry, which is an industry of source to supply the food and processed food industries. Moreover, at present, it can be converted into fuel energy for cars (ethanol) and can also be used to further increase the production of chemicals. Cane and sugar industry is also an industry that brings a lot of currency into the country since 60 - 70 percent of the total sugar produced is for export, while almost 100 percent of the raw materials used are from domestic sources.

In the past, communication, clarification, understanding with the government sector through the sugar factory associations and the farmers' association were doing well. The government sector has increasingly understood the problems and needs of sugar mills and sugar cane farmers. This helps reduce the risk from government policy on direction of the cane and sugar industry.

Risks related to the nature of business operations of subsidiaries

Biomass power plant business operated by Khonburi Power Plant Co., Ltd.

Risk of shortage of raw materials used as fuel for electricity generation

Currently, the Company is a supplier of bagasse, which are by-products from the sugar production process, to Khonburi Power Plant Co., Ltd. to be used as fuel for electricity generation. If the amount of sugarcane that the Company can supply is not enough, it will affect the amount of bagasse supplied to the power plant. This poses a risk of shortage of fuel for power generation. However, machines of Khonburi Power Plant Co., Ltd. is able to support other types of fuel raw materials such as wood chips, rice husks, etc. Khonburi Power Plant Co., Ltd. has entered into a futures contract for supplementary fuel to be used in the process. There is also a Memorandum of Understanding between Khonburi Power Plant Company Limited and Kasetsart University regarding additional fuel support as well.

Risk of relying on government partners

Since the main trading partner of Khonburi Power Plant Company Limited is the government sector, namely the Provincial Electricity Authority and the Electricity Generating Authority of Thailand, and the income from the sale of power to the government sector is under the conditions which are quite strict and unfavorable to producers. In addition, if the government has changed the management team with a change in the investment policy for capacity development and power transmission or there is a delay in approving the procurement in various projects, it may

3. Business drive for sustainability

Managing the impacts on stakeholders in the business value chain

Business value chain consist of 5 activities according to the overall business operations as follows:

1. Management of means of production

Sourcing and purchasing quality raw materials, giving precedence to the use of local raw materials and procurement with fairness to contract farmers of the Company

The main activities consist of 5 activities according to the overall business operations as follows:

1. Management of means of production

Sourcing and purchasing quality raw materials, giving precedence to the use of local raw materials and procurement with fairness to contract farmers of the Company

2. Operations

Give precedence to production control, raw material processing that reduce the amount of waste from the production process and will affect the environment, with safety in the production process; control the product quality to meet the standards as specified; pack products in standardized packaging to maintain the quality of the product.

3. Distribution

The warehouse can store products to maintain the quality of the product well. Storage and transport of products are convenient. Transport service providers, that meet standards in transporting goods through various distribution channels covering both retail and wholesale, are selected.

4. Marketing and Sales

Set the right price. Provide production information on the label with a clear expiration date and display a mark on the packaging to show the quality and standard of the product. There are various distribution channels, covering wholesale and retail including foreign sales

5. After-sales service

Product warranty; supplier satisfaction assessment; service department receiving comments, suggestion and criticism about the product.

Supporting activities

For the main activities to proceed smoothly and achieve that goal, there must be effective support, operating properly on development of technology for the product, organization management, human resources management, accounting and finance system that will help the main activities run smoothly to help save costs, shorten working time with outputs being more productive.

Stakeholder analysis in the business value chain

The Company gives precedence to stakeholders, both inside and outside the organization. It has a policy to meet the expectations of stakeholders as follows:

Stakeholder Groups	Expectations	Response Guidelines
Stakeholders within the organization		
Shareholders	• Continuous growth of operating results • Dividend payment • Disclosure of correct and complete information • Good corporate governance • Good auditing and internal control systems	• Generating good performance and paying dividends appropriately • Transparent and timely disclosure of information • Establish and comply with policies and business ethics.
Employees	• Appropriate compensation and welfare system • Career advancement and stability • Good and safe working environment • Training to develop work knowledge • Fair treatment without exclusion or discrimination.	• Provide compensation appropriate to the position. • Support potential and stability and progress in work and growth with the organization. • Work safely, properly manage workspace according to ISO 14001 and ISO45001 systems. • Support the development of working abilities.
Customers	• Receive quality products. • Attentive after-sales service with warranty. • Manage quality complaints • Protect customer information and maintain confidentiality.	• Develop and maintain product quality to meet customer requirements. • Address issues quickly and efficiently • Measures are in place to protect customer information and confidentiality.
Business partners	• Treat business partners fairly, transparently and equally. • Comply with agreements. • Build long-term business relationships	• Follow the framework of honest purchases and services • Principles for selecting partners and clear audit processes • Evaluate results fairly. • Strictly comply with trade conditions.
Community	• Social responsibility taking into account the overall benefits. • Promote and support development of activities beneficial to society, the environment and safety. • Efficient use of shared resources	• Participate in activities beneficial to the community and society. • Promote and support what is beneficial to the environment and community safety • Receive suggestions and complaints from the community to find solutions together.
Government agencies	• Obey the law and government policy • Cooperate in submission of information, reports and various documents to the designated government agencies completely.	• Comply with relevant laws on environment and safety. • Submit reports and documents to designated government agencies completely.

Sustainability management in social, community and environmental dimensions

Policies and guidelines on society, communities and the environment

The Company is committed to conducting business with ethics, aims to understand and communicate with society the status and facts of the Company's operations, including the Company's responsibility to the community, society and environment without concealing facts that may be disclosed. In addition, it is committed to participating in the development of the community in which the business operates and society as a whole. in terms of economy, society, community and environment.

Guidelines on society and community

1. The Company continually instills awareness of responsibility to the community, society and the environment in its personnel at all levels, encourages its personnel to volunteer and be responsible for society and communities without expecting anything in return.

2. The Company must return part of its profits to promote activities that create sustainable benefits to society, communities and the environment under the following guidelines:

- It is an activity that is in line with the Company's business operations.
- It is an activity that can be performed continuously and the results are clearly visible.
- It is an activity that truly benefits THE society, communities and environment in the long term.
- It is an activity that promotes development of education and continuous learning.

3. The Company promotes job creation, develops labor skills, as well as preserving the arts and culture of the community in which the Company's business is located.

4. The Company supports participation in the community network, socially monitoring and engagement, technology exchange and transfer as well as alleviating suffering from various disasters.

Guidelines for conserving the environment, energy and natural resources

1. The Company must comply with laws, regulations, environmental management standards and other requirements related to the environment, energy and natural resources in the business operations of the Company.

2. The Company is committed to conducting business with regard to the environment in terms of ecosystem management and biodiversity and climate and environment

3. The Company is committed to management with the goal of preventing and controlling the impact on the environment and controlling activities that may cause a risk of wasting energy and natural resources.

4. The Company is committed to continually reviewing and developing environmental management in terms of energy saving, use of renewable energy, resource conservation, reuse of materials and proper disposal of waste or hazardous materials.

5. The Company provides continuous evaluation and monitoring of its operations or impacts on environment, energy and natural resources.

6. The Company strives to create correct knowledge and understanding for various stakeholders on preserving the environment, energy and natural resources, as well as promoting and cooperating on various public relations activities related to the organization government agencies, society and the general public.

7. The Company is committed to developing knowledge on conservation of the environment, energy and natural resources to create innovations that are beneficial to the business operations of the Company.

Operating results on society, community and environment

Employees and Labors

Complied with human rights principles from employment to employee care in order to create a sense of family bonding with the organization. In 2023, there were a total of 1,083 full-time employees.

Safety, Occupational Health and Working Environment

Continuously developed and improved efficiency of safety operations to reduce the risk of injury or death and took care of the quality of life of employees appropriately, provided a good and safe working environment on the basis of law, strictly prepared to prevent emergencies to protect the operator with annual measurement of environmental quality by measuring the noise level in the workplace, the noise level that people are exposed to, the heat value, and the intensity of light within the workplace. In 2023, all items met the standards.

Energy management

There was energy management on lighting system, air conditioning system, regular inspection and maintenance of equipment to reduce unnecessary energy consumption. In 2023, the energy consumption rate was approximately 13,512,145,557.70 MJ per year.

Water management

There was a condition check and maintenance of the water distribution system within the production process to meet standards, along with an efficient wastewater management system. In 2023, the water consumption rate was approximately 2,953,084.00 cubic meters.

Garbage, Waste and Pollution Management

There was a systematic management of waste and waste in the business process, a system to sort waste by type and create awareness with stakeholders.

Management to reduce greenhouse gas problems

The Company is studying and collecting information to formulate policies and guidelines to reduce greenhouse gas problems.

Social, community and environmental activities

Compilation of public relations activities

of Khonburi Sugar Public Company Limited Group in 2023

Khonburi Sugar Public Company Limited Group still adheres and is committed to conducting business along with the development of public relations, social responsibility and development for sustainability through various activities or projects based on the basic principles of “บ วก ร” (Bor Wor Ror) including

1. Bor : Home or Community

In addition to taking care of the quality of life of employees and their family members, the group of company still recognizes and provides care, support the community especially the community surrounding the factory according to the Environmental Impact Assessment (EIA) through various projects and activities. Continuously and building on the past fiscal year including:

- To carry on a project to visit bedridden people, the disabled and the destitute who live around the factory on a monthly basis. Support and attend monthly meetings with villages surrounding the factory.
- Support budget and personnel in collaboration with community leaders to build housing for the people or the destitute living around the factory.
- Expressing condolences and offering assistance to the family members of the deceased people living around the factory.

- Support and attend monthly meetings with group of the Subdistrict Headman and the Village Headman and government agencies within Khonburi District, Nakhonratchasima Province.
- Support budget and personnel to drive the community enterprise project of the Nakhonratchasima Provincial Industrial Office, Ministry of Industry.
- Support budget for organizing the 2023 annual unity sports event of various communities around the factory.
- Donate refined sugar to government agencies and organizations for the public benefit such as the Red Cross Society of Nakhonratchasima Province, 3rd Infantry Division Headquarters, 2nd Army Region Suranaree Camp Nakhonratchasima Province, Jorakhe-Hin Subdistrict Municipality Office, etc.
- Support molasses to various government agencies, including the 1st Infantry Battalion, 23rd Infantry Regiment, Surathampitak Camp, according to the Royally-initiated Good Soldier Project and the Water Delivery and Manure Maintenance Project to be use as fertilizer for developing and improving the soil.
- To be the main supporter and participated in setting up a booth in the 2nd Khonburi charity walk-run event (Khonburi Run 2023).
- Support budget for Nakhonratchasima Province in organizing the 9th event "Walk Run Fighting Stroke"
- Support budget for organizing the 22nd Asian Women's Volleyball Championship held in Nakhonratchasima Province.

2. Wor : Temple

The group of company supports and participates in events organized by various temples around the factory to join in the maintenance of Buddhism Inheriting the beautiful cultural traditions of the local area and Thailand including:

- Be the host of the Kathin Samakkhi ceremony for the 2023 Kathin Festival for Wat Prang Ku. Jorakhe-Hin Subdistrict, Khonburi District and Wat Mor Din Daeng. Nong Ya Khao Subdistrict, Sikhio District, Nakhonratchasima Province and participated in the 2023 Kathina Kathin Samakkhi offering to various temples around the sugar factory and power plant located in both Khonburi and Sikhio districts Nakhonratchasima Province.
- Support budget for organizing the Dhamma Studies examination for I' grade, I' grade Dhamma of teachers and students of various schools In the Khonburi District area.
- Donate refined sugar to various temples around the sugar factory and power plant located in both Khonburi and Sikhio districts, to be used to cook food at the temple's almshouse during annual traditional events such as the Kum Khao Yai tradition, Buddhist Lent tradition, Kathin tradition, etc.

3. Ror : School, Educational institution

The group of company recognizes and continues to support the education of schools and educational institutions around the factory, including:

- Grant scholarships to students and teachers of schools under the Lam Mun Bon Group, Khonburi District.
- Support budget and reward for schools around factories during National Children's Day in 2023.
- Support the budget for Jorakhe-Hin Sangkhakit Witthaya School. Jorakhe-Hin Subdistrict, Khonburi District in sending students to participate in the international crossword game competition.
- Support professional experience development courses for students of educational institutions interested in sending students to receive internships within the group of company.
- Collaborate with educational institutions to develop professional, community and social experiences together, such as collaborating with the Nakhonratchasima College of Agriculture and Technology to develop community enterprise projects in accordance with the policy of the Nakhonratchasima Provincial Industrial Office, Ministry of Industry.
- Support the budget for School Sports Day around the factory in 2023
- Support molasses to schools interested in using them for teaching agriculture, including Orapim Witthaya School, Orapim Subdistrict, Khonburi District.

Promoting growing sugarcane for farmers to have sustainable income stability

Promotion of growing sugarcane is the main duty of the Group. The Company promotes and supports farmers in the community to grow crops according to the Company's guidelines, that is, growing sugarcane correctly according to academic principles. This can increase productivity and reduce the cost of farmers. The Company has a lot of projects to promote farmers. In addition to financial support (Kiao Lending), we also set up farming sub-stations for the Company's agricultural technicians to closely monitor the farmers from the preparation stage to harvesting and bringing sugar cane to supply the factory. The Company provides relevant tools to serve farmers adequately, including sugarcane varieties, tractors, sugarcane planters, fertilizers, pesticides, sugarcane harvesters, trucks, etc., continually increasing the potential of farmers. In addition, the Company also has researches and developments, sugarcane breeding trial and invention of agricultural machinery to encourage new ideas for further development in the future. And the Company gives importance to management, including dissemination of the concept of successful model farmers for farmers to apply the ideas and practices to try to increase productivity, farmer grouping for the management of agricultural machinery and trucks to give cultivation, efficient harvesting and transportation of sugar cane, reduce costs and increase farmer income sustainably. The Company's operations will help farmers to have a better livelihood and wealth. The development of the community's economy to be strong will be part of the development of society and the nation.

4. Analysis and explanation of the Company's management. (MD&A)

Analyze operations and financial position.

1. Company's performance.

Overview performance

Khonburi Sugar Public Company Limited and its subsidiaries ("The Company") had consolidated net profit amounting to THB 955 million which increased THB 38 million or 4.1% compared with the previous year which net profit of THB 917 million. The Company had Earning before Finance Costs, Taxes, Depreciation, and Amortization (EBITDA) of THB 2,213.7 million which was increased by THB 152 million or 7.4% from the previous year. The change in operating results was as following main factors below:

Total Revenue

The total revenue income for The Company in the year 2023 was THB 12,743.8 million increased by THB 1,708.6 million or 15.5%. The sales and service revenue of the Company were presented table below.

	2023 (Million baht)	2022 (Million baht)	Changed (Million baht)	Changed (%)
Revenue				
Sales and Services Income	12,551.4	10,936.2	1,615.2	14.8
Other Income	192.4	99.0	93.4	94.4
Total Revenue Incomes	12,743.8	11,035.1	1,708.6	15.5

Sales and Services Incomes

Sales and services incomes for the Company in the year 2023 was THB 12,551.4 million increasing by 14.8%. The details were presented in the table below.

	2023 (Million baht)	2022 (Million baht)	Changed (Million baht)	Changed (%)
Revenue from sugar sales	9,693.6	8,058.7	1,634.8	20.3
Revenue from molasse sales	855.1	801.8	53.2	6.6
Revenue from molasse trading	183.0	188.5	(5.4)	(2.9)
Revenue from utility sales	1,101.7	1,221.7	(120.0)	(9.8)
Revenue from agricultural product	718.1	665.5	52.6	7.9
Total Revenue Income	12,551.4	10,936.2	1,615.2	14.8

Note: Intercompany transactions have been eliminated.

Sales sugar revenue increased by THB 1,634.8 million or 20.3% compared with the previous year mainly due to an increase in average sugar selling price by 3.3%. In addition, the sale of sugar volume increased by 16.4%.

Sales molasses revenue increased by THB 53.2 million or 6.6% compared with the previous year mainly due to molasses average selling price increased by 8.7%, while the sales molasses volume decreased by 3.5%. Sales from molasse trading a bit decreased from the previous year by THB 5.4 million or -2.9% although the average selling price of molasses increased by 11.4% however, the molasse sales volume decreased by 8.2%. From the overall sugarcane volume in Thailand increased and the yield of sugar production is higher than the previous year, resulting in less molasse from production. As a result, the volume of molasse in the market decreased making the selling price increase.

For the power plant business, the Company sells electricity as specified in the contracted capacity firm 22 Mwh, non-firm 2 Mwh to the Electricity Generating Authority of Thailand (EGAT), and sells electricity as specified in the contracted capacity 8 Mwh to the Provincial Electricity Authority Provincial (PEA) the revenue decreased than the previous year by THB 120 million or -9.8% due to an average in a selling price decreased by 13.7%, while the sales volumes a bit increase in the volumes sold electricity by 3.7 million kWh or 1.6% compared to the previous year. Sales of agricultural products, gasoline, and agriculture services increased by THB 52.6 million or 7.9% because of higher sugarcane volume production and higher cane promotion to farmers.

The cost of sales and services and gross profit

The cost of sales and services and gross profit for the Company in the year 2023 compared to the year 2022 were presented in the table below.

	2023 (Million baht)	2022 (Million baht)	Changed (Million baht)	Changed (%)
Sales and services income	12,551.4	10,936.2	1,615.2	14.8
Costs of Sales and services	10,251.3	8,585.4	1,665.9	19.4
Gross Profit	2,300.1	2,350.8	(50.7)	(2.2)
% Gross profit	18.3%	21.5%		(3.2)

The Company had the cane crushed in a total of 3.95 million tons cane for Crop year 2022/2023 which increased by 0.3 million tons of cane or increased by 7.3% compared to the previous in Crop 2021/2022. The average cost of sugarcane transportation for this year also increased as the volume of cane crushing increased.

The final sugar cane price in the Crop year 2022/2023 was THB 1,199.19 per ton cane at a sweetness of 10 C.C.S. increased by 67.95 Baht per ton cane or 6.0% from Crop year 2021/2022. This causes, the production cost to be higher than the previous year.

The Company has a gross profit for the year 2023 of THB 2,300.1 million which decreased from the previous year by 50.7 million or -2.2% from the sugarcane cost higher, even though the sales volume and selling price have increased compared to the previous year.

The subsidiary company has gross profit from the utility segment decreased from the average selling price decreased by 3.5% compared to the previous year.

In the year 2023, the Company had a gain on exchange amounting to THB 63.9 million, while the previous year was a loss on foreign exchange of THB 240 million or an increase of 126.6%. Meanwhile, the Company had a loss on changes in the fair value of sugar swap contracts amounting to THB 134.4 million increased by THB 76.5 million or 132.0% compared to the previous year. (2022: loss on changes in fair value of sugar swap contracts by THB 58.0 million) as a result of fluctuations in foreign currency.

The Company has a dividend income amounting to THB 38.5 million which is close to the previous year.

Selling and distribution expenses

In the year 2023, the Company has selling and distribution expenses increased by THB 64.8 million or 14.7%, which increased in sugar transportation expenses, export expenses, and warehouse rental from the sale volumes increased. However, the administrative expenses decreased by THB 12.2 million or -2.7%, mainly from a decrease in allowance for doubtful debt due to better debt repayment.

Finance costs

In the year 2023, the Company has finance costs decreased by THB 21.8 million or -5.3%, compared to the previous year, which are financial costs for normal business operations.

Corporate Income Tax

In the year 2023, the Company has an income tax expense of THB 120.8 million, which the previous year was reported as income tax revenue of THB 25.7 million, which changed from temporary tax differences.

2. Financial position

2.1 Assets

As of 31 December 2023, the Company has total assets of THB 12,800.7 million increase from the previous year by THB 640.1 million or 5.3% with details of changes in current assets and non-current assets as follows:

- Total current assets of THB 3,895.4 million increased from the previous year by THB 1,143.5 million or 41.25% from ;

- Increase in trade and other receivables of THB 138.9 million due to an increase in selling sugar in quarter 4 of the year 2023 compared to quarter 4 in the previous year.
- Increase in the current portion of sugar cane plantation receivables of THB 305.4 million from the advance the sugarcane payment to farmers due to sugarcane prices increased compared to the previous year.
- Increase in inventories of THB 309.7 million from the sugarcane to the production process increased compared to the previous year, it made the inventory increase.
- Increase in derivative assets of THB 250.9 million from foreign currency forward contracts.
- Increase in other current assets of THB 62.8 million from other taxes receivable due to a VAT refund from the Revenue Department.

- Total non-current assets of THB 8,904.9 million decreased from the previous year by THB 503.5 million or 5.4% from ;

- Increase in sugarcane plantation receivables – net of the current portion of THB 58.9 million from the Company paid for the promotion of sugarcane planting for farmers.
- Decrease in property, plant, and equipment and right-of-use assets of THB 328.5 million.
- Decrease in deferred tax assets of THB 96.0 million from reversed to tax expenses from temporary difference.
- Decrease in other non-current assets of THB 64.1 million from other receivables.

2.2 Liabilities

As of 31 December 2023, the Company has total liabilities of THB 8,508.0 million which a bit decreases from the previous year by THB 165.5 million or -1.9% with details of changes in current liabilities and non-current liabilities as follows:

- Total current liabilities of THB 3,680.0 million increased from the previous year by THB 167.9 million or 4.8% from ;
 - Increase in short-term loans from banks of THB 246.3 million from short-term loan for sugarcane payment due to the sugarcane price increase compared to the previous year.
 - Increase in trade and other payables of THB 137.7 million from sugarcane payables increased.
 - Decrease in advance received for goods of THB 226.0 million from goods delivered completed.
 - Increase in the current portion of long-term loans from banks of THB 20.2 million as the Company has drawdown long-term loans as usual during the year and payment on time.
- Total non-current liabilities of THB 4,828.0 million decreased from the previous year by THB 333.4 million or 6.5% from ;
 - Decrease in long-term loans from banks - net of current portion of THB 268.9 million as the repayment of long-term loans.
 - Decrease in lease liabilities - net of current portion of THB 47.7 million from the full payment under the lease agreement which contract ended.
 - Decrease in liability under Revenue Transfers Agreement related to electricity business operations - net of current portion of THB 78.9 million due to the Subsidiary repayment as a contract.
 - Increase in deferred tax liabilities of THB 60 million from a temporary accounting difference.

2.3 Shareholders' equity

As of 31 December 2023, the Company has total shareholders' equity of THB 4,292.7 million increased from the previous year by THB 805.6 million or 23.1% from the performance of the Company net with dividend payment.

Factors or events that may significantly affect the financial position or operations in the Future (forward-looking).

Factors that have a significant effect on the Company may cause the performance to not meet the goals set or there may be significant changes such as the quantity of sugarcane, sugarcane costs, cost of sugarcane transportation, fluctuation of the price difference between raw sugar and white sugar (white premium) and other costs, market competition including foreign currency fluctuations. That mentioned are the main factors that may affect the operation of the Company.

In Crop year 2023/2024, the Company and the sugar industry estimated that the weather conditions to be unfavorable for cultivation, making the sugarcane volume will decrease in next year production, and sugarcane costs are expected to increase due to the sugarcane price which announcement in Crop 2023/2024. Although the sugar price in the world market has been rising since the middle of the year 2022, it is still a positive factor for our business. However, foreign currency fluctuations and coal prices still dropped from the previous year may cause the selling price of the utility segment of the Group to decrease which affects the business of the Company.

Important financial information

Summary of the audit report for the past 3 years.

Report and consolidated financial statements as at 31 December 2021 Auditor presented an unqualified opinion.

Report and consolidated financial statements as at 31 December 2022 Auditor presented an unqualified opinion.

Report and consolidated financial statements as at 31 December 2023 Auditor presented an unqualified opinion.

Summary of operating results of the Company and its subsidiaries

Particular	For the year ended 31 Dec. 21		For the year ended 31 Dec. 22		For the year ended 31 Dec. 23	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Revenues						
Sales and service income	6,227.6	97.9	10,936.2	99.1	12,551.4	98.5
Others income	133.0	2.1	99.0	0.9	192.4	1.5
Total revenues	6,360.6	100.0	11,035.1	100.0	12,743.8	100.0
Expenses						
Cost of sales and services	5,848.4	92.0	858.4	77.9	10,251.3	80.4
Selling and administrative expenses	521.4	8.2	887.9	8.1	940.6	7.4
Loss on exchange	42.4	0.7	240.0	2.2	-	-
Loss on changes in fair value of sugar	-	-	58.0	0.6	134.4	1.1
Total expenses	6,412.2	100.9	9,771.3	88.8	11,326.3	88.9
Profit (loss) before finance cost and income tax (51.6)	(0.8)		1,263.9	11.5	1,417.5	11.1
Share of loss from investment in a joint venture	0.3	0.0	1.8	0.1	2.4	0.0
Finance income	38.1	0.6	39.3	0.4	47.2	0.4
Finance cost	(310.3)	(4.9)	(413.5)	(3.8)	(391.7)	(3.1)
<i>Profit (loss) before income tax</i>	<i>(323.5)</i>	<i>(5.1)</i>	<i>891.5</i>	<i>8.2</i>	<i>1,075.4</i>	<i>8.4</i>
Income tax revenue (expense)	(8.9)	(0.1)	25.6	0.2	(120.8)	(0.9)
Profit (loss) for the year	(332.4)	(5.2)	917.1	8.4	954.6	7.5

Summary of financial position

Particular	31 Dec. 21 (Million Baht)	32 Dec. 22 (Million Baht)	32 Dec. 23 (Million Baht)
Assets			
Current assets			
Cash and cash equivalents	74.6	82.8	189.5
Trade and other receivables	555.2	610.9	711.3
Current portion of sugar cane plantation receivables	534.0	474.1	779.5
Inventories	1,265.0	1,426.6	1,736.3
Current portion of amounts due from the Office of the Cane and Sugar Fund	18.3	-	-
Current derivative assets	36.0	31.4	282.3
Other current assets	157.8	126.4	196.8
Total current assets	2,640.9	2,752.2	3,895.7
Non-current assets			
Investment in joint venture	3.1	4.9	7.3
Investments in long-term other equity instruments	486.7	491.0	420.0
Sugar cane plantation receivables-net of current portion	56.0	81.3	140.2
Property, plant, and equipment	8,171.6	8,085.4	7,831.2
Right-of-use assets	361.7	346.8	272.5
Intangible assets	116.7	118.9	111.7
Advance payment for assets	24.0	4.9	8.6
Deferred tax assets	83.3	96.0	-
Non-current derivative assets	1.7	1.7	-
Other non-current assets	200.2	177.5	113.4
Total non-current assets	9,505.0	9,408.4	8,904.9
Total assets	12,145.9	12,160.6	12,800.6

Summary of financial position (continue)

Particular	31 Dec. 21 (Million Baht)	32 Dec. 22 (Million Baht)	32 Dec. 23 (Million Baht)
Liabilities			
Current liabilities			
Short-term loans from banks	2,070.5	774.2	1,020.5
Short-term loans from related parties	111.4	25.0	25.0
Trade and other payables	1,735.1	1,852.0	1,763.7
Current portion of long-term loans from banks	270.2	479.1	499.3
Current portion of lease liabilities	71.4	83.4	65.9
Current portion of liability under Revenue Transfers related to electricity business operations	65.8	71.6	78.9
Amounts due to the Office of the Cane and Sugar Fund	26.2	61.0	109.1
Current derivative liabilities	78.8	95.7	64.3
Other current liabilities	26.7	70.0	53.2
Total current liabilities	4,456.1	3,512.0	3,679.9
Non-current liabilities			
Long-term loans from banks - net of current portion	2,313.3	2,424.0	2,155.1
Liabilities under lease agreements - net of current portion	264.2	220.0	172.3
Liabilities under finance lease agreements-net of current	-	-	-
Liability under Revenue Transfers Agreement related to electricity business operations - net of current portion	2,536.6	2,465.0	2,386.1
Provision for long-term employee benefits	63.6	52.4	54.6
Non-current financial derivative liabilities	0.4	-	59.9
Total non-current liabilities	5,178.1	5,161.4	4,828.0
Total liabilities	9,634.2	8,673.4	8,507.9
Shareholders' equity			
Registered			
600,000,000 ordinary shares of Baht 1 each	600	600	600
Issued and fully paid up			
600,000,000 ordinary shares of Baht 1 each	600.0	600.0	600.0
Share premium	2,230.2	2,230.2	2,230.2
Retained earnings (Deficit)			
Appropriated - statutory reserve	60.0	60.0	60.0
Unappropriated	(350.8)	574.3	1,228.9
Other components of shareholders' equity	(27.7)	22.7	173.6
Total shareholders' equity	2,511.7	3,487.2	4,292.7
Total liabilities and shareholders' equity	1,2145.9	1,2160.6	12,800.6

Summary of cashflow position

Cash flow statements

	For the year ended 31 Dec. 21	For the year ended 31 Dec. 22	For the year ended 31 Dec. 23
Net cash flows from operating activities	87.4	2,328.2	1,251.1
Net cash flows (used in) investing activities	(986.9)	(694.6)	(196.6)
Net cash flows from (used in) financing activities	922.4	(1,625.4)	(947.7)
Net increase (decrease) in cash and cash equivalents	22.9	8.2	106.8
Cash and cash equivalents at beginning of year	51.6	74.5	82.7
Cash and cash equivalents at end of year	74.5	82.7	189.5

Financial Ratios

Financial Ratios

		For the year ended		
		31-Dec-21	31-Dec-22	31-Dec-23
Liquidity Ratios				
Current Ratio	time	0.6	0.8	1.1
Quick Ratio	time	0.3	0.4	0.6
Average collection period	day	17	13	14
Average sales period	day	59	57	56
Debtor day	day	90	76	64
Cash cycle	day	(14)	(6)	6
Profitability Ratios				
Gross profit margin	%	(6.1)%	21.5%	18.3%
Operating profit margin	%	(0.8)%	(11.5)%	11.1%
Net profit margin	%	(0.8)%	8.4%	7.6%
Return on Equity or ROE		(12.4)%	30.6%	24.5%
Efficiency Ratios				
Return on Assets or ROE	%	(3.0)%	7.5%	7.6%
Return on Fixed Assets or ROFA	%	3.1%	20.1%	20.4%
Fixed Assets Turnover	time	0.6	0.9	1.0
Leverage Ratios				
Debt to Equity Ratio	time	2.8 ¹	1.8 ¹	1.4 ¹
Interest Coverage Ratio	time	1.8	4.8	5.5
Debt service coverage ratio (DSCR)	time	0.0	1.6	0.8

Note: 1. Total liabilities taken into consideration do not include liabilities under the Revenue Transfer Agreement related to electricity business operations.

5. General and important information

General information

The Registrar

Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand
Tel. : +66 2009- 9384
Fax : +66 2009- 9476
TSD CALL CENTER : +66 2009- 9999
E-mail: srg_tsd@set.or.th
Website : www.tsd.co.th

Auditor

Mr. Chayapol Suppasdtanon, C.P.A. Registration No. 3972
Ms. Pimjai Manitkajohnkit, C.P.A. Registration No. 4521
Ms. Orawan Techawatanasirikul CPA Registration No. 4807
Ms. Rosaporn Decharkom CPA Registration No. 5659
Ms. Sumana Punpongsanon, C.P.A. Registration No. 5872
Ms. Kirdsiri Kanjanaprakasit CPA Registration No. 6014
EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 Thailand
P.O. Box 1047, Bangkok 10501
Tel. : +66 2264-9090
Fax. : +66 2264- 0789- 90
Website : www.ey.com

Auditor's remuneration

The Company paid the audit fee to EY Office Company Limited for the fiscal year ended December 31, 2023 for the audit fee of the Company's consolidated and separate financial statements. In an amount not exceeding 1,630,000 baht, The fee for the quarterly financial statements of the consolidated and separate financial statements of the Company for 3 quarters in the amount of not more than 840,000 baht, including the auditor's fee of 2,470,000 baht.

Legal Advisor

Associate Prof. Dr. Sahaton Rattanapijit
The Faculty of Law, Thammasat University Bangkok 10200
Tel. : (66) 2613-2121
Fax. : (66) 2997-2822

Other important information

- None -

legal dispute

As of December 31, 2023, the Company and its subsidiaries There is no legal dispute that affects the Company's business operations and negatively affects the assets of its subsidiaries. significantly or amounting to more than 5% of the shareholders' equity

secondary market

- None -

Financial institutions that regularly contact (only in the case of debt instruments)

- None -

Part 2

Corporate Governance



6. Corporate Governance Policy

The Company places importance on corporate governance with the belief that conducting activities with ethics, transparency and accountability will result in the Company being able to achieve the goal of being a sustainable growing organization. The Company therefore requires all directors, executives and employees to comply with the principles of corporate governance code, as well as disclosing the corporate governance code through the Company's website www.kbs.co.th

The Company has formulated a policy on corporate governance as a framework in areas as follows:

1. The Board of Directors, executives and all employees are committed to performing their duties with dedication and responsibility to the fullest of their abilities for the best interest of the Company and all stakeholders and adhere to the 6 key areas of corporate governance code, namely Accountability, Responsibility, Equitable Treatment, Transparency, Vision to Create Long Term Value, and Ethics, as guidelines for operating with understanding and confidence and faith.

2. The Board of Directors shall perform their duties with determination, dedication and responsibility with independence and clear separation of roles and responsibilities between the Board of Directors and management. The management structure is consistent with appropriate and fair relations between the Board of Directors, executives and shareholders.

3. The Board of Directors plays a key role together with the management in determining the Company's vision, strategies, policies and important plans, taking into account the risks and setting appropriate management guidelines, as well as ensuring that the accounting system, financial reports, and auditing are complete, accurate and reliable.

4. The Board of Directors must be a leader in matters of ethics and a role model in performing duties with honesty, fairness, transparency and auditability in accordance with corporate governance code, as well as overseeing the management of conflicts of interest and connected transactions.

5. The Board of Directors, executives and all employees will adhere to fairness by treating all stakeholders equally.

6. The Company's information, both financial and non-financial, is disclosed sufficiently, reliably and timely for shareholders, investors and stakeholders of the Company to receive equally. There is a public relations unit and investor relations unit responsible for providing information to investors and the general public.

7. The Board of Directors may appoint specific committees as appropriate to help carefully screen important tasks.

8. The Board of Directors must arrange an annual self-assessment as a framework for examining performance of the Board of Directors.

9. There is an appropriate system to select personnel to be responsible for important management positions at all levels and a transparent and fair recruitment process.

10. The Board of Directors determines the corporate governance policy and code of conduct for the Company's business operations for the Board of Directors, executives, employees, including all workers to use as guidelines for their conduct along with the regulations and rules of the Company.

The Company has established an operating and internal control system in accordance with the above corporate governance policy, which consists of 5 important categories as follows:

1) Rights of Shareholders

The Board of Directors recognizes and places importance on the rights of shareholders and has established a good corporate governance policy of the Company by taking into account various factors, including the basic rights of shareholders, with key policies as follows:

1.1) Disclosure of information relating to the shareholders' meeting

The Company has a policy to provide information about the date, time, place and agenda of the shareholders' meeting, as well as all information related to matters to be decided at the shareholders' meeting to the shareholders in advance sufficiently and timely at least as required by law. The Company informs the shareholders of the rules and regulations applicable in the shareholders' meeting, procedure for voting, including disseminating such information on the Company's website prior to sending the documents. This allows the shareholders to have sufficient time to study the meeting information in advance before receiving the information in the form of documents from the Company.

The Company has a policy of refraining from doing anything to limit the shareholders to study the Company's information about the shareholders' meeting.

The Company has an Investor Relations unit to provide communications, information services, news, activities of the Company to institutions, shareholders, analysts and the general public. You can view information through the website, www.kbs.co.th, under the heading "Investor Relations".

1.2) Conduct of the shareholders' meeting

The Company has a policy to facilitate shareholders to fully exercise their rights to attend and vote at shareholders' meetings and not to take any action to limit the opportunity for shareholders to exercise their rights, for example, attending a meeting to vote should not be complicated or costly.

The Company has a policy to encourage shareholders to have the opportunity to express their opinions and ask questions at the shareholders' meeting on matters related to the meeting agenda, with the chairman of the meeting allocating appropriate time. In this regard, the Company provides an opportunity for shareholders to submit questions in advance related to the agenda of the shareholders' meeting prior to the meeting date as the Board of Directors deems appropriate

The Company has a policy to encourage all directors to attend the shareholders' meeting.

2) Equitable Treatment of Shareholders

The Board of Directors recognizes and places importance on the principle of equitable treatment of shareholders without discrimination due to differences in positions other than shareholders. Major shareholder, minority shareholders, institutional investors, foreign shareholders, including shareholders who are directors and executives will be treated equally and fairly.

The Board of Directors has established a corporate governance policy for the Company, taking into account various factors, including the principle of equitable treatment of all shareholders, with relevant key policies are as follows:

2.1) Proposal of additional agenda for the shareholders' meeting

The Company has a policy to facilitate minority shareholders in proposing additional meeting agendas in advance of the shareholders' meeting date. In this regard, the proposing of additional meeting agendas in advance and consideration of such proposal by shareholders must be in accordance with the criteria specified by the Company.

In this regard, major shareholders who are executives will not unnecessarily add to the meeting agenda without prior notice, especially important agenda that shareholders must take time to study before making a decision.

2.2) Nomination of persons to be appointed as directors

The Company has a policy to facilitate minority shareholders in nominating candidates. However, the nomination of persons to be elected as directors and consideration of such proposals by shareholders must be in accordance with the criteria set by the Company.

2.3) Proxy in case of inability to attend the meeting in person

The Company has a policy to encourage shareholders to use proxy forms that allow shareholders to determine their voting direction and at least one independent director should be nominated as an alternative for proxy of shareholders. The Company has delivered such proxy form to the shareholders along with the meeting invitation letter.

2.4) Using ballots for important agendas

The Company has a policy to support the use of ballots for important agenda items such as connected transactions, acquisition or disposition of significant assets, etc., for transparency and accountability in the event that there is a later dispute.

2.5) Appointment of individual directors

The Company has a policy to encourage shareholders to exercise their rights to appoint directors individually.

2.6) Guidelines for retaining and preventing the use of inside information

The Company has written guidelines for retention and prevention of the use of inside information and notify the said guidelines to everyone in the organization to follow. All directors and executives are required to report their interests as required by law to the Company.

Annual General Meeting of Shareholders for the year 2023

The Company places great importance on shareholders' rights and equitable treatment of shareholders by applying relevant principles in every shareholders' meeting from before the meeting, on the meeting day and after the meeting. For the 2023 Annual General Meeting of Shareholders, it was held on Monday, 24 April 2023 at 2:00 p.m. by electronic means (e-Meeting) at the meeting room of Khonburi Sugar Public Company Limited, No. 5 Soi Sukhumvit 57, Sukhumvit Road, Khlong Tan Nuea Sub-district, Watthana District, Bangkok. There were 17 shareholders attending the meeting in person and 14 persons by proxies, totaling 31 persons attending the meeting in person and by proxies, accounting for 73.3331% of total shares of 600,000,000 shares. There were 9 directors attending the meeting out of 9 directors, representing 100.00%. The Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration, Chairman of Executive Committee, managing director, financial director, the Company's secretary, auditor and legal advisor attended the meeting in unison. The details of the meeting are as follows:

Before the shareholders' meeting

- The minority shareholders were given the right to propose agenda for the shareholders' meeting. And there was a process and channel for minority shareholders to participate in selection and appointment of directors between 3 November 2022 and 15 January 2023, with the consideration criteria for proposing agendas for the shareholders' meeting and nominating candidates in order to be considered for election as a director, published on the Company's website. In the 2023 Annual General Meeting of Shareholders, there was no shareholder proposing an agenda for the shareholders' meeting or nominating a person for election as a director.

- An invitation letter for the shareholders' meeting was prepared in both Thai and English languages. In the 2023 Annual General Meeting of Shareholders, the Company has published the invitation letter of the shareholders' meeting on the Company's website and sent the invitation letter to the shareholders in advance so that shareholders receive documents in advance of the meeting date and have sufficient time to study the information prior to the meeting date.

- In the meeting invitation letter, the Company clarified the objectives and reasons and opinions of the Board of Directors for complete and adequate consideration of shareholders. The agenda of the Annual General Meeting of Shareholders consisted of

- 1) In the agenda on appointment of directors provided information of the nominated person, namely, name, age, type of director, position in the Company, education, training/seminar on director courses, experience, positions in other companies and businesses related to the Company's business, date of being a director, number of years in office and attending meetings as members of various committees, shareholding in the Company and other information such as transactions that may cause conflicts of interest with the Company in the past year.

- 2) In the agenda on remuneration consideration, the information on policy, remuneration amount and forms separated by positions, criteria and methods for determining remuneration were provided.

- 3) In the agenda on appointment of auditors, the information about name of the auditor and the audit firm, independence of auditors, number of years of service as the Company's auditor, considered appropriateness of the audit fee were provided.

- 4) In the agenda of dividend payment, the information about the dividend payment policy, amount requested for approval compared to the amount paid in the previous year were provided.

- There was no sudden distribution of documents containing important information in the shareholders' meeting, including not adding meeting agendas or changing important information without notifying shareholders in advance.

- The shareholders who were unable to attend the meeting in person were facilitated by sending a Proxy Form B, which the shareholder can determine the voting direction, with details on how to appoint a proxy in a shareholders' meeting along with the invitation letter to the shareholders' meeting. The proxy forms, Form A, Form B, and Form C, can be downloaded from the Company's website, which the shareholders can determine the direction of voting, with details on how to appoint a proxy in the shareholders' meeting along with the invitation letter to the shareholders' meeting. In addition, the Company also has a list of names and profiles of independent directors, allowing shareholders to choose to be a proxy as well.

On the Shareholders' Meeting Day

- Pre-registration was scheduled 2 hours before the meeting by using a computer system for registration and vote counting for accuracy, speed and reliability of information
- Voting rights in the meeting were determined according to the number of shares held by shareholders. One share is equal to one vote. The Company has only one type of share, namely ordinary shares.
- Before starting the meeting, the Company clarified the voting method and vote counting for shareholders at the meeting to acknowledge.
- Shareholders were given the right to vote, with opportunity being given to the shareholders to vote for the election of directors individually in the agenda on election of directors.
- A summary of the vote counting for each agenda was displayed for the shareholders in the meeting to acknowledge. The shareholders' meeting was conducted in accordance with the agenda stated in the meeting invitation letter correctly and transparently in accordance with the law and the Company's regulations.
- Shareholders were given the right to attend the meeting after the meeting had started. with the right to vote on the agenda that had not yet been resolved.
- Shareholders were given the opportunity to fully express their opinions and ask questions, with the Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Executive Committee Chairman, managing director, senior management and auditor attending the meeting to answer questions from the shareholders.

After the shareholders' meeting

- Notified the resolutions of the Annual General Meeting of Shareholders to the SET on 24 April 2023, which is the same day as the meeting date through the news system of the Stock Exchange of Thailand so that shareholders who did not attend the meeting immediately acknowledged.
- Gave precedence to the quality of the minutes of the shareholders' meeting by recording important matters, consisting of
 - List of names and positions of directors attending the meeting
 - Rights and methods of voting
 - Questions and suggestions from shareholders and clarifications from directors or management
 - Meeting resolutions and voting results for every agenda with clear voting.

The Company complies with the criteria under the Annual General Meeting of Shareholders Quality Assessment Program organized by the Thai Investors Association in collaboration with the Office of the Securities and Exchange Commission ("SEC") and the Association of Listed Companies. The criteria used in the quality assessment cover various steps in organizing the shareholders' meeting before the meeting date, on the meeting date, and after the meeting date.

3) Role of Stakeholders

The Board of Directors recognizes and places importance on the roles of stakeholders such as customers, employees, business partners, shareholders or investors, creditors and communities in which the Company is located, society or the government sector. Other stakeholders include competitors and independent auditors.

3.1) Shareholders or investors

The Company gives importance to shareholders by adhering to the principle of equality of shareholders and is committed to conducting business with transparency, carefulness and focus on long-term stable growth with good returns to create maximum satisfaction for shareholders and provide measures to prevent the use of insider information for the personal benefit of directors or executives.

3.2) Customers

The Company gives importance and care to customers with the utmost responsibility by striving to give customers maximum satisfaction in terms of quality and value for money through controlling the quality of products and services, and also focus on developing products and maintaining sustainable relationships with customers.

3.3) Employees

The Company employees are valuable resources and the heart that supports business operations to achieve its goals. The Company has a wage system, remuneration, benefits that are fair and appropriate, including various welfares such as employee uniforms, annual health check-up, nursing room, health insurance, provident fund, etc. In addition, the Company also aims to develop and enhance the knowledge and skills of employees continuously and consistently. And the Company also takes into account the quality of life of employees and their families with educational support for employees and their children, housing loan projects, etc., and attaches importance to the safety of employees by organizing fire drills, protection system for safety activities and 5S.

3.4) Creditors

The Company complies with the contract and treats the creditors fairly according to the hierarchy of debts according to the contract made, with guidelines to maintain and strictly comply with the conditions with creditors and repay the full amount to creditors on time.

3.5) Partners

The Company treats its partners appropriately, honestly, transparently, fairly and equally. It treats all business partners fairly and equally.

3.6) Competitors

The Company conducts business under fair rules without any acts of corruption that would adversely affect each other and do not seek unlawful trade secrets or violate the agreements not to disclose information of competitors, provided by customers or other persons.

3.7) Government sector

The Company cooperates and supports government policies for the benefit of the nation under relevant laws and regulations, as well as being committed to implementing projects beneficial to the public, whether it is a project from the government or a project initiated by the Company itself, as well as cooperating with the government in anti-corruption efforts.

3.8) Society, Community and Environment

The company has always realized that the Company can run its business smoothly and steadily with acceptance and support from the society and the community. Therefore, it is the company's most important mission to always operate the business with the awareness of community, society and environment responsibility. The Company complies with relevant laws and regulations, as well as overseeing and preventing the Company's operations from causing damage to the quality of life of communities, society and the environment.

4) Disclosure and Transparency

The Company has a policy to disclose important information related to the Company, both financial and non-financial information, accurately, completely, transparently and timely through easily accessible channels, equally and trustworthily to provide shareholders, investors and all stakeholders both domestically and internationally with reliable and sufficient information for decision-making on a regular basis.

4.1) Internal control and transactions that may have conflicts of interest

The Company has a policy to prevent and eliminate potential conflicts of interest by stipulating that transactions that may have conflicts of interest must be in accordance with the rules and procedures prescribed by the Board of Directors and related laws.

The Company will proceed to ensure that directors, executives and/or major shareholders of the Company, as the case may be, do not operate similar or competing businesses or have related transactions in a manner that has other benefits that may conflict with the best interests of the Company. The executives and/or major shareholders of the Company, as the case may be, are required to report to the Company if the executives or shareholders hold shares in companies whose objectives are similar to those of the Company or its subsidiaries for the Company and the Audit Committee to consider whether such shareholding is against the best interests of the Company or its subsidiaries or not.

The Company also attaches importance to good internal control system and has set up an internal audit department to examine the operation of each line to prevent errors and operate with transparency, with a periodic audit and a report to the Audit Committee for consideration.

4.2) Information Disclosure

The Company discloses important information according to the specified criteria through the channel of the Stock Exchange of Thailand and through the website, www.kbs.co.th, under the heading Investor Relations. The information disclosed on the website are Annual Registration Statement (Form 56-1 One Report), Financial Statements, Management Discussion and Analysis, past operating results, information about the business operations of the Company, invitation letter to the shareholders' meeting, minutes of the shareholders' meeting, corporate governance, news to the Stock Exchange of Thailand, etc. The Company assigns the person responsible for Investor Relations to act as a center and representative in disclosing information about the Company, both financial and non-financial information, as well as strengthening good relations with shareholders, investors, securities analysts, general public and stakeholders both domestically and internationally, whom can be contacted at the department below.

- ◆ Managing Director's Office
- ◆ Khonburi Sugar Public Company Limited
- ◆ Telephone: (02) 725-4888 Fax: (02) 725-4877
- ◆ Email: ir@kbs.co.th

4.3) Report of the Board of Directors' Responsibilities for Financial Reports

The Company provides a report of the Board of Directors' responsibilities for the financial reports shown together with the auditor's report in the annual report, which has contents certifying compliance with accounting principles and financial reports with accurate, complete and true information according to the accounting standards. The said report is signed by the Chairman of the Board of Directors and Chief Executive Officer.

5) Responsibilities of the Board of Directors

The Company recognizes the importance of recruiting directors with leadership, vision, experience, knowledge and competence and independence in making decisions for the best interests of the Company and shareholders as a whole, and the importance of clear separation of roles, duties and responsibilities between the Board of Directors and the management, and supervising the Company to have a work system that can be confident that various activities of the Company operates in a legal and ethical manner.

The Company has established a corporate governance policy by taking into account various factors, including the responsibilities of the directors, with relevant key policies as follows:

5.1) Structure of the Board of Directors

The Board of Directors consists of qualified persons with knowledge, abilities, skills and experiences that are beneficial to the Company, including having qualifications and not having prohibited characteristics as required by law. There are 5 independent directors, 1 of which is a woman out of 9 directors, accounting for 1/3 of the total Board of Directors according to the rules and regulations of the SEC Office. All independent directors possess complete independence qualifications as specified by the Company, able to perform duties independently, effectively and beneficially to the Company.

The Chairman of the Board is independent and has no relationship with the management and is not the same person as the managing director. This is to separate the duties of policy-making and routine management.

The Company, being aware of benefits of diversity in the Board of Directors, formulates a policy on diversity in the structure of the Board, consisting of gender, age, level of education knowledge, competence, professional skills, work experience, specialization or other specific features. It is confident that the diversity in the structure of the Board of Directors is an important factor that helps to strengthen the balance of thoughts, quality of work, including efficiency in decision making of the Board of Directors to be beneficial to the Company's business operations.

In addition, in order to supervise the organization thoroughly in all dimensions and in accordance with the corporate governance code, the Board of Directors has appointed sub-committees, which consists of Audit Committee, executive Committee, Risk Management Committee and the Nomination and Remuneration Committee to help relieve the burden of the Board of Directors, assist in scrutinizing important operations in specific matters as assigned and offer opinions to the Board of Directors, as well as having the power to make decisions on some important matters as authorized by the Board of Directors.

5.2) Roles, duties and responsibilities of the Board of Directors

The Company has disclosed the scope and authority of the Board of Directors and sub-committees. by showing details in the topic, Company management structure.

5.3) Term of Directorship

The term of office of a director is in accordance with the Public Limited Companies Act and the Company's Articles of Association, that is, at every annual general meeting of shareholders, at least one-third of the directors shall retire from office. If the number of directors cannot be divided into three parts, then retire by the number closest to 1 in 3. Directors who have been in office the longest are those who retire. Directors who retire from office may be re-elected. However, the appropriate term of office of a director should not exceed 3 consecutive terms. Unless any director is suitable to serve longer than that, the Board of Directors will consider the qualifications and performance of such director and clarify reasons and results of duties to the shareholders.

For independent directors, the Company does not specify the term of office of an independent director since the Company's independent directors are qualified according to the definition of independent directors set by the Capital Market Supervisory Board and the Company and can give independent opinions in the meeting of the Board of Directors. However, if there is an independent director who has served as a director for more than 9 years and the Board of Directors approves that independent director to continue the position, the Board of Directors will present the reasons for requesting the shareholders' meeting to consider approving the appointment of such director as an independent director.

5.4) Directorship in other companies

The Company allows directors to hold directorships in other businesses but must not be an obstacle to perform the duties of a director of the Company. However, a director must not operate a business of the same nature and is in competition with the business of the Company or become a partner or a director in other juristic persons having the same nature and in competition with the business of the Company whether it is done for their own benefit or for the benefit of others unless notified to the shareholders' meeting prior to the appointment resolution.

In addition, the Company has determined that directors should hold directorships in no more than 5 listed companies on the Stock Exchange of Thailand, and no director serves as a director in more than 5 other listed companies.

The Managing Director may hold a directorship in other companies but it must not be an obstacle to performance of the managing director of the Company. And those businesses must not be in the same type of business or in competition with the Company's business.

5.5) Board of Directors Meeting

1. The Company arranges the meeting of the Board of Directors regularly. The Board of Directors' meeting is scheduled to be held at least once every 3 months to consider the financial statements, follow up performance, including giving advice and setting business directions, policies and goals of the Company.

2. The Board of Directors has scheduled the meeting date in advance for each year by informing each director in order to have time to allocate other appointments to be able to attend every Board of Directors' meeting. The directors should attend at least 75% of the Board of Directors' meetings throughout the year.

3. The Chairman of the Board of Directors calls the meeting of the Board of Directors and consider setting the agenda for the meeting. He may consult with the managing director, secretary or consultant of the Company. Each director has the right to propose an agenda for the Board of Directors' meeting.

4. The Company secretary delivers meeting documents to the directors in advance, with brief summary according to the information necessary for consideration. The Chairman shall allocate sufficient time for each meeting. For some issues with insufficient information, the Company directors can always contact the Company secretary for additional information.

5. At the board meeting, there must be no less than half of the total number of directors attending the meeting to constitute a quorum, where the chairman of the board will be the chairman of the board meeting. In case the Chairman is absent from the meeting or unable to perform duties, the Vice Chairman shall preside, if any. If there is no vice chairman or there is but he is not present at the meeting or is unable to perform his duty, the members present at the meeting shall elect one among themselves to preside over the meeting.

6. The decision of the Board of Directors' meeting shall be made by a majority of votes. whereby one director has one vote except for directors who have interests in any matter has no right to vote on that matter. If the votes are equal, the chairman of the meeting shall have an additional vote as a casting vote.

7. The Board of Directors may invite executives, employees, and consultants of the Company to attend the Board of Directors' meeting to provide additional information on the subject of the meeting.

8. The Board of Directors can access additional necessary information from the Managing Director or the Company secretary or other assigned executives.

9. The Board of Directors has a policy for non-executive directors to have the opportunity to hold meetings among themselves as necessary to discuss issues about the management that is in the spotlight without the management involved and should notify the Managing Director of the meeting results as well.

5.6) Self-Assessment of the Board of Directors

The Board of Directors shall assess the performance of the Board of Directors once a year so that the Board of Directors can jointly consider their performance and problems for further improvement by referring to the sample self-assessment form of the board of directors of the Stock Exchange of Thailand. The Company secretary will send the self-assessment form to all directors at the end of every year and collects and reports the evaluation results to the Board of Directors for acknowledgment together with analyzing the results of the assessment to determine guidelines and practices for improving the performance of the Board of Directors continuously.

5.7) Assessment of performance of senior management

The Board of Directors shall assess performance of the Company's top executives based on the Company's business performance, implementation of policies given by the Board of Directors together with the overall economic and social situation. The Board of Directors will use the information obtained to consider the remuneration of senior executives.

5.8) Orientation for new directors

The Company provides an orientation for new directors, which consists of lectures and visits to the business for new directors to be aware of the nature and business guidelines, related regulations, Good Corporate Governance Policy and other necessary information beneficial to the efficient performance of the directors, including providing a director's manual and various criteria related, with the Company secretary acting as a coordinator.

5.9) Development and promotion of knowledge for directors and executives

The Company supports and promotes knowledge development for directors, sub-committee and all executives continuously. The Company secretary has publicized and coordinated to facilitate all directors in participating in various training courses and seminars.

5.10) Supervision of operations of subsidiaries and associated companies

The Company has established systems for corporate governance, risk management and effective internal control in supervising operations of subsidiaries and associated companies through rules, policies and regulations such as operational authority, guidelines and clear work processes. There is also a hierarchical reporting system to relevant executives with periodic reports to the Audit Committee and the Board of Directors to ensure that operations of the subsidiaries and associated companies are consistent with the operations of the Company and in accordance with the founding objectives, which will drive the company to achieve its long-term goals and grow sustainably.

In addition, the Company has disclosed important financial information of its subsidiaries and associated companies, such as information on financial status and operating results, transactions between subsidiaries/company together with connected parties, acquisition or disposition of assets and important transactions. Those items must be disclosed accurately and completely and not against the rules and procedures announced by the Stock Exchange of Thailand.

Implementing Corporate Governance Code for Listed Companies

The Securities and Exchange Commission has established the Corporate Governance Code (CG Code) for listed companies in 2017 to enhance good corporate governance, emphasis on application of the Code (Apply or Explain) in order to achieve appropriate actions to be useful for creating sustainable value for the Company. However, the Company has some issues that cannot be implemented as follows:

Items that have not yet been implemented

- The board should require independent directors to hold office continuously for not more than 9 years from the date of appointment.

Reason

The Board of Directors did not specify the term of office of an independent director to be continued since all independent directors are knowledgeable and capable, including having work experience that makes them understand the business operations of the Company very well, and give independent opinions. None of them are or involved with major shareholders or a controlling person and they have qualifications of independent director according to the rules of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

7. Corporate governance structure and important information about the board sub-committees, executives, employees and others

Management structure

The organization structure as of 31 December 2023 is as follows:



Company management structure

The Company's management structure as of 31 December 2023 consists of the Board of Directors and 4 sub-committees including the Executive Committee, Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee as follows:

Board of Directors

As of 31 December 2023, the Board of Directors consists of 9 members as follows:

No	Name	Position
1.	Mr. Suthep Wongvorazathe	Chairman of the Board
		Independent Director
2.	Ms. Suvimol Krittayakiern	Independent Director
		Chairman of the Audit Committee
3.	Mr. Vinit Samritpricha	Independent Director
		Audit Committee
		Chairman of the Nomination and Remuneration-Committee
4.	Mr. Sran Smutkochorn	Independent Director
		Chairman of the Risk Management Committee
		Nomination and Remuneration Committee
5.	Mr. Sukda Punkla	Independent Director
		Audit Committee
6.	Mr. Takon Tawintermsup	Director
		Executive Chairman
		Risk Management Committee
		Acting Managing Director
7.	Mr. Somkiat Tawiltermisup	Director
		Executive director
		Risk Management Committee
		Nomination and Remuneration Committee
8.	Mr. Issara Tawiltermisup	Director
		Executive director
		Nomination and Remuneration Committee
9.	Mr. Amnart Rumpoeypong	Director

Note: Ms. Nannapat Borwornsirikiat hold the position of Company Secretary

Directors authorized to sign to bind the Company

Directors authorized to sign to bind the Company are Mr. Takon Tawintermsup, Mr. Somkiat Twiltermsup and Mr. Issara Twiltermsup. Two of these three directors sign and affix the Company's seal.

Scope of duties and responsibilities of the Board of Directors

1. Supervise and manage the Company in accordance with the laws, objectives and regulations of the Company, as well as the resolutions of the shareholders' meeting.

2. Perform duties for the best interests of shareholders (Fiduciary Duty) by adhering to the following 4 key practices:

1. Perform duties responsibly, cautiously and carefully (Duty of Care).

2. Perform duties with integrity (Duty of Loyalty).

3. Comply with the laws, objectives, regulations of the Company, resolution of the shareholders' meeting and resolutions of the Board of Directors (Duty of Obedience).

4. Disclose information to shareholders accurately, completely, transparently, verifiably and timely (Duty of Disclosure).

3. Consider and approve important matters related to the Company's operations such as vision, mission, policy, business strategy, goals and operational plans, financial goals and budget.

4. Supervise the normal business operations of the Company and supervise the management to operate in accordance with the vision, mission, policy, business strategy, goals and action plans, financial goals and budget set efficiently and effectively and for the benefit of the Company and shareholders as a whole.

5. Provide an accounting system, financial reporting and auditing as well as to ensure that there is internal control system and internal auditing which are efficient and effective.

6. Provide annual reports of the Company and/or the Board of Directors to be in accordance with the relevant laws or regulations.

7. Supervise and provide a regulatory mechanism to prevent conflicts of interest between stakeholders and the Company.

8. Consider and approve and/or consider and give opinions to be proposed to the shareholders' meeting for approval in entering into transactions that are significant to the Company and entering into connected transactions according to the rules, conditions and procedures of relevant laws and regulations and/or regulations set by the Company.

9. Appoint any director as the Chairman of the Board and appoint the directors in the number as the Board of Directors deems appropriate as vice chairman.

10. Determine and amend the names of authorized directors who can sign to bind the Company.

11. Recruit and appoint a person with knowledge, ability and experience as the Board of Directors deems appropriate, including having all the qualifications required by law and related regulations to be a director in case of a position of director becomes vacant for reasons other than retirement by rotation.

12. Recruit a person with knowledge, ability, experience, and complete qualifications according to relevant laws and regulations to propose to the shareholders' meeting for consideration and appointment as a director of the Company.

13. Consider and determine the remuneration criteria for directors and top executives, taking into account appropriate factors such as job evaluation results, positions, scope of duties and responsibilities, qualifications, knowledge, abilities and experience, motivation to work for the Company in the short term and in the long term, etc.

14. Consider the appropriate amount of remuneration for directors in accordance with the remuneration basis set by the Board of Directors to propose to the shareholders' meeting for consideration and approval.

15. Evaluate performance of the managing director and top executives and determine the remuneration of top executives in accordance with the remuneration basis set by the Board of Directors.

16. Appoint sub-committees and nominate and appoint directors or persons with knowledge, ability and experience as the Board of Directors deems appropriate to serve as a committee member in sub-committees, including determining the scope of powers, duties and responsibilities of the sub-committees.

17. Appoint executive directors by selecting from directors or executives of the Company and appoint any of directors who holds the position of executive director to be the managing director as well as determining the scope of powers, duties and responsibilities of the executive director and managing director.

18. Appoint directors or a person with qualifications, knowledge, ability and experience as the Board of Directors deems appropriate to act as the Company Secretary.

19. Appoint and/or authorize one or more directors or persons to have the power to take any action within the jurisdiction of the Board of Directors as the Board of Directors deems appropriate, whereby the Board of Directors may cancel, withdraw or change such authority.

20. Ensure that there are appropriate channels for communicating with each group of shareholders and stakeholders of the Company.

21. Supervise the disclosure of important information related to the Company in a correct, complete, timely, and transparent manner through accessible channels equally and trustworthily.

22. Determine and amend the internal rules and regulations of the Company on various matters.

23. Have other duties and responsibilities as specified in the relevant laws and regulations, the Company's Articles of Association and the resolutions of the shareholders' meeting.

24. The Board of Directors has duties and responsibilities in formulating a policy and supervising a system that supports effective anti-corruption to ensure that the management recognizes and gives importance to anti-corruption and instills it into the corporate culture.

Scope of duties and responsibilities of the Chairman

1. Direct, track and ensure that performance of the Board of Directors is efficient and achieves the objectives and main goals of the organization.

2. Ensure that all directors participate in fostering an organizational culture with ethics and corporate governance.

3. Allocate sufficient time to enable the management to present matters and enough for the Board of Directors to thoroughly discuss important issues, as well as encouraging the Company directors to have prudent discretion and express opinions independently.

4. Enhance good relations between the Company's directors and the management and support the performance of duties of the directors, managers and management according to Company policy.

5. Ensure transparent disclosure of information and management in the event of a conflict of interest.

6. Supervise performance of duties of the Board of Directors in overall, various sub-committees and individual directors efficiently and effectively.

7. Serve as a chairman of the Board of Directors' Meeting and the Shareholders' Meeting.

Independent Director

The Company has determined qualifications of independent directors in accordance with the announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

1. Holding shares not exceeding one percent of total number of shares with voting rights of the Company, subsidiary company, major shareholder or a controlling person of the Company, including shares held by related persons

2. Not being or having been an executive director, employee, staff, consultant with regular salary or controlling person of the Company, subsidiary company, major shareholder or of the person having control over the Company unless he or she has retired from such position for not less than two years before the date of appointment or consultant of the government which is a major shareholder or a controlling person of the Company.

3. Not being a person with relationship by blood to or by legal registration as parents, spouses, siblings and children, including spouses of children of executives, major shareholders, controlling person or the person who will be nominated as executive or controlling person of the Company or its subsidiaries.

4. Not having or having had a business relationship with the Company, subsidiaries, major shareholders or a controlling person of the Company in a manner that may obstruct exercise of independent judgment, including not being or never been a significant shareholder or a controlling person of persons having business relationship with the Company, subsidiaries, major shareholders or a controlling person of the Company, unless he or she has retired from such a position for not less than two years before the date of appointment. The business relationship as mentioned above includes commercial transactions that are normally done for business operations, renting or renting out real estate, transactions relating to assets or services or giving or receiving financial assistance by means of borrowing or lending, guaranteeing, placing assets as liabilities collateral, including other similar circumstances, resulting in the Company or a contract party having an obligation to pay to the other party from three percent of the net tangible assets of the applicant for permission or from twenty million baht or more whichever is lower. The calculation of such indebtedness shall be in accordance with the method to calculate the value of connected transactions pursuant to the Notification of the Capital Market Supervisory Board on Rules for Connected Transactions mutatis mutandis. However, in considering such indebtedness, the indebtedness incurred during one year prior to the prior to the date of business relationship with the same person shall be included.

5. Not being or having been an auditor of the Company, subsidiary company, major shareholder or a controlling person of the applicant for permission and not being a significant shareholder, controller or partner of the audit firm which the auditors of the Company, subsidiaries, major shareholders or the controlling person of the Company are affiliated with unless he or she has retired from such position for not less than two years before the date of appointment.

6. Not being or having been any professional service provider, including those providing legal or financial advisory services with receives service fees of more than two million baht per year from the Company, subsidiaries, major shareholders or a controlling person of the Company and not being a significant shareholder, controller or partner of that professional service provider as well unless he or she has retired from such a position for not less than two years from the date of appointment.

7. Not being a director who is appointed as a representative of the Company's directors, major shareholder or shareholders who are related to major shareholders.

8. Not operating a business of the same nature and in significant competition with the business of the Company or its subsidiaries or not being a significant partner in a partnership or being an executive director, employee, staff, consultant who receives regular salary or holding more than one percent of total shares with voting rights of other companies operating businesses of the same nature and in significant competition with the business of the Company or its subsidiaries.

9. Not having any other characteristics that make him unable to express independent opinions on the operations of the Company.

Audit Committee

As of 31 December 2023, the Audit Committee consists of 3 directors:

No.	Name	Position
1.	Ms. Suvimol Krittayakiern	Chairman of the Audit Committee
2.	Mr. Vinit Samritpricha	Audit Committee
3.	Mr. Sukda Punkla	Audit Committee

Note: - Ms. Suvimol Krittayakiern is a member of the Audit Committee who has accounting and/or finance knowledge.
- Mr. Manawin Kongto is a secretary of the Audit Committee.

Scope of duties and responsibilities of the Audit Committee

1. Review to ensure that the Company's financial reports are accurate and disclosed adequately by coordinating with external auditors and executives who are responsible for preparing quarterly and annual financial reports, the Audit Committee may suggest that the auditor review or examine any transaction deemed necessary and important during the audit of the Company's accounts.

2. Give advice to the Board of Directors and the management to improve work processes or systems to reduce risks in various matters to get accurate and useful financial reports for the Company to have an efficient working system.

3. Review to ensure that the Company has an appropriate and effective internal control system and internal audit system and consider the independence of the internal audit department, as well as approving the appointment, transfer, termination of the head of the internal audit unit or any other department responsible for internal auditing.

4. Review to ensure the Company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and the laws related to the Company's business.

5. Consider, select and nominate an independent person to be the Company's auditor and propose such person's remuneration, including attending a meeting with the auditor without the management attending the meeting at least once a year.

6. Consider connected transactions or transactions that may have conflicts of interest to comply with the law on securities and stock exchange. This is to ensure that such transactions are reasonable and in the best interest of the Company, including considering the accuracy of the Company's disclosure of information in case of connected transactions or transactions that may lead to conflicts of interest completely.

7. Prepare a report of the Audit Committee to be disclosed in the Company's annual report. The said report must be signed by the chairman of the audit committee.

8. In performing duties of the Audit Committee, if found or suspected of the following items or actions which may have a significant impact on the financial position and the performance of the Company, the Audit Committee shall report to the Board of Directors for improvements within the period of time that the Audit Committee deems appropriate.

(a) Transactions that cause conflicts of interest

(b) Fraud or abnormality or material defect in the internal control system

(c) Violation of the law on securities and exchange, regulations of the Stock Exchange or laws related to the business of the Company.

If the Board of Directors or the executive fails to take a corrective action within the period under the first paragraph, any member of the Audit Committee may report that there is a transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand

9. The Audit Committee may seek independent opinions from any other professional advisors when it deems necessary at the expense of the Company

10. Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee.

As of 31 December 2023, the Nomination and Remuneration Committee consists of 4 directors:

As of 31 December 2023, the Nomination and Remuneration Committee consists of 4 directors:

No.	Name	Position
1.	Mr. Vinit Samritpricha	Chairman of the Nomination and Remuneration Committee
2.	Mr. Sran Smutkochorn	Nomination and Remuneration Committee
3.	Mr. Somkiat Tawiltermsup	Nomination and Remuneration Committee
4.	Mr. Issara Tawiltermsup	Nomination and Remuneration Committee

Note: - Mr. Teerapat Thavisin is the secretary of the Nomination and Remuneration Committee.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

1. Determine the criteria and policy for recruiting suitable persons to serve as directors of the Company and sub-committees to propose to the shareholders' meeting, including an opportunity for minority shareholders to nominate qualified persons to be considered for selection as directors of the Company as another way.
2. Determine the criteria and policy for recruiting qualified persons for the position of managing director to propose to the Board of Directors for consideration and appointment.
3. Regularly review the succession plan for managing director positions.
4. Determine criteria for consideration of remuneration for company directors, sub-committees and Managing Director.
5. Consider proposing remuneration for the Company directors, sub-committee to the Board of Directors for approval and then present to the shareholders' meeting for approval.
6. Consider salary proposals and salary adjustments, including other remuneration of the managing director, then present to the Board of Directors for approval.
7. Set guidelines for evaluating the performance of the Board of Directors, sub-committees and Managing Director annually, taking into account the duties, responsibilities and risks that arise.
8. Perform other duties as assigned by the Board of Directors.

Risk Management Committee

As of 31 December 2023, the Risk Management Committee consists of 3 directors:

No.	Name	Position
1.	Mr. Sran Smutkochorn	Chairman of the Risk Management Committee
2.	Mr. Takon Tawintermsup	Risk Management Committee
3.	Mr. Somkiat Tawiltermisup	Risk Management Committee

Note: Mr. Teerapat Thavisin is the secretary of the Risk Management Committee.

Scope of duties and responsibilities of the Risk Management Committee

1. Establish overall risk management policy to propose to the Board of Directors. Risk management must cover procurement of raw materials and financial support for farmers, production, marketing and finance, as well as investment risks and risks that affect the reputation of the business.
2. Set directions and policies for risk management that may occur from procuring raw materials and giving fund to support farmers. This includes the risk that the Company will not be able to sufficiently supply sugarcane for the production process and the risk of bad debt from giving fund to support farmers.
3. Formulate a policy to manage risks related to production, including risks from production efficiency and risks arising from discontinuity of production.
4. Formulate a policy to manage risks related to marketing and sales, including the risk of volatility of sugar prices in the world market and exchange rate risk.
5. Determine the policy framework for the use of financial instruments such as sugar futures, forward foreign exchange contracts, etc., to hedge the Company's financial risks.
6. Establish a policy framework and principles for insuring various types of assets to reduce the risk of possible disasters.
7. Set strategies in line with the risk management policy to support and encourage cooperation at all levels of employees. However, they must be able to monitor, supervise, assess and maintain the risk at an appropriate level.
8. Develop and review the Company's risk management system to be efficient and effective continuously by regularly evaluating and monitoring the risk management process in accordance with the established policy
9. Determine the preparation of a risk report and recommendations to the Board of Directors for further improvements.
10. Perform other duties related to risk management as assigned by the Board of Directors.

Executive Committee

No.	Name	Position
1.	Mr. Takon Tawintermsup	Chairman of the Executive Committee
2.	Mr. Somkiat Tawiltermisup	Executive Committee
3.	Mr. Issara Tawiltermisup	Executive Committee

Note: Mr. Teerapat Thavisin is the secretary of the Executive Committee.

Scope of duties and responsibilities of the Executive Committee

1. Consider and formulate policies, business strategy, goals and action plans, financial goals and budget of the Company by considering various business factors appropriately to present and seek approval from the Board of Directors.

2. Supervise, examine and monitor the Company's business operations in accordance with the Company's policy, business strategy, goals and action plans, financial goals and budget approved by the Board of Directors to be efficient and effective.

3. Determine the organizational structure and policies related to the management of the Company. This includes policies on recruitment, training, employment and termination of the Company's employees. It may assign the managing director and/or the Human Resources Director as an authorized person to sign the employment contract on behalf of the Company.

4. Study the feasibility of investing in new projects and has the power to consider and approve the Company to invest or jointly invest with any person, juristic person or business organization in the form that the Executive Committee deems appropriate to operate according to the objectives of the Company, as well as considering and approving the expenditure of such investment, entering into a legal contract and/or any action relating to such matter until completion in the amount from 10 million baht, but not exceeding 50 million baht.

5. Consider and approve financial transactions with financial institutions in terms of account opening, borrowing, loan application, pledge, mortgage, guarantee and others, including trading and registration of any ownership of land according to the objectives for the benefit of the Company's operations as well as entering into legal contracts and/or any actions related to such matters until completion in the amount from 10 million baht, but not more than 50 million baht.

6. Consider and approve the entry into financial instruments such as sugar futures, foreign forward contracts, etc. to hedge the Company's financial risks.

7. Consider and give suggestions or opinions to the Board of Directors regarding any projects, proposals or transactions related to the business operations of the Company that exceeds the predetermined limit and/or relevant laws and regulations or Company's regulations, assigning the shareholders' meeting or the Board of Directors to consider and approve.

8. Consider and approve rules, regulations, management policies and business operations of the Company or any action which binds the Company.

9. Authorize the Managing Director to operate the Company's business within the scope of authority, duties and responsibilities as determined by the Executive Board under the supervision of the Executive Committee

10. Appoint and/or assign executive directors or any person or persons to take any action within the scope of the Executive Committee's authority as the Executive Committee deems appropriate, whereas the Executive Committee may cancel or revoke or amend such authority.

11. Consider and approve the operational authority manual to make the appointees and/or authorized persons aware of their scope of responsibility and authority and to be used as a manual in practice with reference evidence and according to a systematic procedure.

12. Prepare a succession plan for the position of managing director.

13. Have any powers, duties and responsibilities as assigned or in accordance with the policies assigned by the Board of Directors.

Scope of powers, duties and responsibilities of the Executive Committee above are under the basis of relevant laws and rules, as well as the regulations of the Company. And in the event that any operation or transaction that have or may have a conflict of interest and/or entering into a transaction with a connected person according to relevant laws and regulations or the Company's Articles of Association requiring the shareholders' or the Board of Directors' meeting to consider and approve, then the Executive Committee shall give opinions and propose to the Board of Directors to consider and take action as required by relevant laws and regulations or the Company's Articles of Association further.

Management Team

As of 31 December 2023, the Company's senior executives consisted of 7 persons consisting of

No.	Name	Position
1.	Mr. Takon Tawintermsup	Acting Managing Director
2.	Mr. Somkiat Tawiltermisup	Deputy Managing Director for Marketing Division
3.	Mr. Issara Tawiltermisup	Assistant Managing Director for Corporate Relations
4.	Mr. Rangsan Tawintermsup	Assistant Managing Director for Production and Acting Assistant Managing Director for Supply Chain Management
5.	Mr. Rathavudh Saetang	Assistant Managing Director for Marketing Division
6.	Mr. Chalachart Woruwuthichongsathit	Finance Director
7.	Ms. Surawee Puangthong	Senior Finance Manager

Scope of duties and responsibilities of Managing Director

1. Responsible for operations and/or the day-to-day management of the company, including overseeing its overall operations to comply with the Company's policies, business strategy, goals and action plans, financial goals and budget approved by the Board of Directors.

2. Consider, negotiate and approve entering into a legal contract and/or any action related to operations and/or day-to-day management of the Company in the amount not exceeding 10 million baht.

3. Consider entering into a legal contract and/or negotiate any contract related to operations and/or any action related to operations and/or day-to-day management of the Company with a value that exceeds the predetermined limit to give opinions and propose such matter to the Board of Directors and/or Executive Committee to consider, scrutinize and find further conclusions.

4. Set trade terms such as credit limits, payment term, trading contract, changes in trade conditions, etc., in an amount not exceeding 10 million baht

5. Consider hiring, appointing, transferring, terminating, determining the scope of duties and responsibilities and appropriate compensation for employees of the Company with the position of department manager or lower according to the policy set by the Executive Committee.

6. Consider hiring, appointing, transferring, terminating, determining the scope of duties and responsibilities, evaluating results and appropriate compensation of high-ranking executives from the position of Deputy Managing Director to the position of division managers or equivalent according to the policy set by the Board of Directors and/or the Nomination and Remuneration Committee.

7. Appoint consultants in various fields necessary for the business operation and/or the day-to-day management of the Company

8. Appoint and/or assign any person or persons to perform any act within the scope of the Managing Director's authority. as the Managing Director deems appropriate and the managing director may cancel, withdraw or change such authority.

9. Have any powers, duties and responsibilities as assigned or according to the policy assigned by the Board of Directors and/or Executive Committee.

8. Report on key corporate governance performance

Performance of the Board of Directors in the past year

- The Company arranges the meeting of the Board of Directors regularly. The Board of Directors' meeting is scheduled to be held at least once every 3 months to consider the financial statements, follow up performance, including giving advice and setting business directions, policies and goals of the Company.

- Board of Directors schedules the meeting dates in advance for each year by informing each director in order to have time to allocate other appointments to be able to attend the Board of Directors' meetings every time. The directors should attend at least 75% of the Board of Directors' meetings throughout the year.

In 2023, the Company held a total of 4 Board of Directors meetings, with the attendance ratio of the entire Board of Directors at 100%.

In 2023, the date of the 2024 Board of Directors' meetings have been scheduled in advance (this schedule is subject to change), excluding special meetings as follows:

No.	Board of Directors / Audit Committee	Nomination and Remuneration Committee
1	Monday, 26 February 2024	Monday, 26 February 2024
2	Monday, 13 May 2024	
3	Monday, 5 August 2024	
4	Monday, 11 November 2024	

- The attendance of the Board of Directors and sub-committee meetings of each director in 2023 can be summarized as follows:

No	Name of directors	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Executive Committee
1.	Mr. Suthep Wongvorazathe	4/4	-	-	-	-
2.	Mr. Takon Tawintermsup	4/4	-	-	-	12/12
3.	Mr. Somkiat Tawiltermisup	4/4	-	-	1/1	12/12
4.	Mr. Issara Tawiltermisup	4/4	-	-	1/1	12/12
5.	Mr. Sran Smutkochorn	4/4	-	-	1/1	-
6.	Ms. Suvimol Krittayakiern	4/4	4/4	-	-	-
7.	Mr. Vinit Samritpricha	4/4	4/4	-	1/1	-
8.	Mr. Sukda Punkla	4/4	4/4	-	-	-
9.	Mr. Amnart Rumpoeypong	3/4	-	-	-	-

- The Company's directors assesses performance of Board of Directors once a year so that the Board of Directors can jointly consider their performance and problems for further improvement by referring to the form from the sample self-assessment form of the board of directors of the Stock Exchange of Thailand. The Company Secretary will send the self-assessment form to all directors at the end of every year and collects and reports the assessment results to the Board of Directors for acknowledgment, along with analyzing the assessment results to determine guidelines and practices for continuously improving the Board's performance, which the assessment criteria are calculated as a percentage of the full score as follows: More than 80% = excellent, more 60% = good, more than 40% = fair, more than 20% = poor and less than 20% = no action has been taken. In the Board of Directors Meeting No. 1/2024 on 26 February, there was a self-assessment of the Board of Directors to assess the overall performance of the Board of Directors. The topics used in the assessment included structure and qualifications of the Board of Directors, Roles and Responsibilities of the Board of Directors, Board of Directors' Meeting, Director's Duties, Relationship with Management, and Self-development of Directors and Development of Executives. The results of the 2023 annual assessment showed an average score of 96.61% and the results of self-assessment of the Board of Directors individually showed an average score of 95.74%, which is at an excellent level.

Nomination and Appointment of the Board of Directors

The Company has established a Nomination and Remuneration Committee to be responsible for determining the criteria and policy for recruiting suitable and capable persons to serve as directors to propose to the shareholders' meeting, including the opportunity for minority shareholders to nominate suitable persons to be elected as the Company's directors.

The Company has given shareholders the opportunity to propose matters for inclusion in the meeting agenda in advance between 3 November 2022 and 15 January 2023, by notifying shareholders through the news system of the Stock Exchange of Thailand along with announcing criteria and specifying procedures clearly on the Company's website at www.kbs.co.th, Investor Relations Section under Information for Shareholders.

The shareholders' meeting shall appoint directors in accordance with the rules and procedures prescribed in the Company's Articles of Association as follows:

1. One shareholder has one vote per share.

2. In the event that the number of persons nominated as directors exceeds the number of directors to be elected in that election, the voting method shall be used individually. Each person elected by the shareholder will receive votes from the shareholders according to the number of shares held by the shareholder under Clause 1. Such shareholders shall not divide their votes into any number to any person. Those who receive the highest number of votes in descending order will be elected as directors equal to the number of directors to be elected at that time. In the event that the number of votes for candidates in descending order are equal, which would otherwise exceed the number required or elected at that time, the presiding chairman shall have a casting vote.

3. In the event that a director's position becomes vacant due to reasons other than retirement by rotation, the Board of Directors shall elect persons with complete qualifications and without prohibited characteristics under the law on public limited companies and the law on securities and stock exchange as a replacement director at the next Board of Directors' meeting unless the remaining term of the director is less than 2 months. A replacement director will be in office only for the remaining term of the director he replaces. And the resolution of the Board of Directors must consist of votes of not less than three-fourths of the number of remaining directors.

Remuneration for Directors and Executives

The Company has a policy to determine remuneration for directors at a rate comparable to that of the same industry and sufficient to motivate and retain quality directors. For the remuneration of executive directors and executives, it is in line with the performance of the Company and the performance of each executive.

Nomination and Remuneration Committee shall determine necessary and appropriate monetary compensation for company directors, sub-committee and managing director. The Nomination and Remuneration Committee will present to the Board of Directors' meeting for approval and at the Annual General Meeting of Shareholders for approval annually.

1) Remuneration for Committees

According to the resolution of the Annual General Meeting of Shareholders for the year 2023, held on 24 April 2023, it approved the meeting allowance and annual compensation in the amount not exceeding 8,000,000 baht, which is the same rate as the year 2022, with the form of payment as follows:

- Meeting allowance for the year 2023 as follows:

Committees	Position	Amount per time (Baht)
Board of Directors	Chairman	35,000
	Member	25,000
Audit Committee	Chairman	35,000
	Member	25,000
Nomination and Remuneration Committee	Chairman	35,000
	Member	25,000
Risk Management Committee	Chairman	35,000
	Member	25,000
Executive Committee	Chairman	35,000
	Member	25,000

- Total meeting allowance and the annual remuneration for the year 2023 are as follows:

Name	2021			2022			2023		
	Meeting allowance	Annual compensation	Total	Meeting allowance	Annual compensation	Total	Meeting allowance	Annual compensation	Total
1 Mr. Suthep Wongvorazathe	120,000	528,000	648,000	120,000	528,000	648,000	135,000	633,600	768,600
2 Ms. Suvimol Krittayakiern	200,000	396,000	596,000	200,000	396,000	596,000	230,000	475,200	705,200
3 Mr. Vinit Samritpricha	170,000	528,000	718,000	190,000	528,000	718,000	220,000	633,600	853,600
4 Mr. Sran Smutkochorn	130,000	528,000	658,000	100,000	528,000	628,000	115,000	633,600	748,600
5 Mr. Sukda Punkla	160,000	330,000	490,000	160,000	330,000	490,000	190,000	396,000	586,000
6 Mr. Takon Tawintermsup	440,000	528,000	968,000	440,000	528,000	968,000	495,000	633,600	1,128,600
7 Mr. Somkiat Tawiltermisup	340,000	594,000	934,000	340,000	594,000	934,000	395,000	712,800	1,107,800
8 Mr. Issara Tawiltermisup	360,000	462,000	822,000	340,000	462,000	802,000	395,000	554,400	949,400
9 Mr. Amnart Rumpoeypong	80,000	198,000	278,000	80,000	198,000	278,000	70,000	237,600	307,600
Total	2,000,000	4,092,000	6,092,000	1,970,000	4,092,000	6,062,000	2,245,000	4,910,400	7,155,400

2) Executive remuneration

Remuneration of the Company executives can be summarized as follows:

Details	Year 2021	Year 2022	Year 2023
	(Baht)	(Baht)	(Baht)
Number of executives	8 persons	7 persons	7 persons
Compensation			
Salary, bonuses, etc.	30,397,014	40,638,832	35,797,278

Company secretary

The Company Secretary plays an important role in supporting and supervising activities of the Board of Directors to operate efficiently and effectively and comply with laws, rules, regulations and corporate governance code. The Board of Directors appoints the Company Secretary by considering knowledge, ability and suitability to act as the company secretary and has defined duties and responsibilities of the Company Secretary as follows:

1. Arrange the meeting of the Board of Directors and the shareholders' meeting
2. Prepare and store various documents as required by relevant laws
3. Perform any other tasks as assigned by the Board of Directors.
4. Ensure that the Company and the committees comply with the relevant rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), including public company laws.

The Board of Directors resolved to appoint Ms. Nannapat Borwornsirikiat as the Company Secretary with effect from 8 August 2022. Profile and details of the Company Secretary appear in Attachment 1

Personnel

Change in the number of employees (including executives) of the Company and its subsidiaries are as follows:

As of date/ number of employees	31 December 2021	31 December 2022	31 December 2023
Khonburi Sugar PCL.	886	930	953
Khonburi Power Plant Co., Ltd.	92	93	97
KBS Trading Co., Ltd.	-	-	-
KBS Investment Co., Ltd.	-	-	-
KBS Cane and Sugar Co., Ltd.	12	7	10
KBS Power Co., Ltd.	19	19	23
Khonburi Bio-Energy Co., Ltd.	-	-	-
Total	1,009	1,049	1,083

Human Resource Development Policy

The Company has a policy that wishes to develop employees to have knowledge, ability and potential in order to prepare for competition. This will help drive and strengthen the organization sustainably. The goal is to push and provide opportunities for self-development and make the most of the available potential along with creating a good working atmosphere, challenging, aiming to work as a team, as well as encouraging to advance in their own line of work under the principle of "Recruitment, Development and Retention"

Recruitment

The Company has determined job positions, roles and responsibilities of each position, criteria for selecting personnel appropriately to obtain personnel with knowledge, ability and good attitude towards the organization. This is in line with the values of the organization that strives to create people with honesty, ethics, analytical thinking skills and dedication to the organization by stipulating fair employment conditions, appropriate compensation and other welfare benefits according to the law.

Development

The Company has developed an employee training plan to enhance the potential of the Company's personnel by preparing individual development plans, competency-based management system and job position qualifications that are consistent with the vision, mission and direction of the organization, whereby employees must be assessed from the start of work, career advancement planning, training, competency-based development, improvement according to each job position to develop employees to have more potential in work and opportunity to advance to a higher position.

The number of training hours for employee development of the Company

Year of training	Total number of training hours	Average Hours : Person
Year 2023	38,859	35.88

Retention

The Company realizes that employees are the key factor in driving the organization to success. The Company therefore places importance on treating employees fairly in order to retain employees to work with the organization in terms of providing opportunities, rewards, appointments, transfers and developing potential along with moral development so that employees are happy at work.

Supervision of the use of inside information

The Company has measures to prevent the use of inside information. Employees at all levels of the company should maintain information and documents that cannot be disclosed to outsiders. The use of internal information by employees of the Company must be within the framework of duties and responsibilities which the employees have been assigned only. The Company has prepared a written guideline for prevention of use of inside information. It was approved by the Board of Directors Meeting No. 3/2010 on 13 October 2010 and the Company sent a circulating letter to employees and executives for their acknowledgement and strict compliance.

The Company has policies and procedures for supervision to prevent its directors, executives and employees from using the inside information for their own benefit, including for the trading of the Company's securities as follows:

1. The Company has set up a protection against the use of the Company's information, with prohibition being set in the Company's Code of Conduct and work regulations that prohibit its directors, executives and employees from disclosing material inside information of the Company or using it for their own benefit.

2. Directors, executives and employees of the Company should avoid insider trading for their own benefit in trading shares of the Company or providing inside information to other persons for the benefit of trading the Company's stocks.

3. Directors, executives and employees of the Company should avoid and refrain from trading the Company's securities during the period of 1 month prior to the disclosure of financial statements, including other important information to the public and should wait at least 24-48 hours after the information has been disclosed to the public before trading the Company's stock.

4. The Company provides knowledge and understanding to its directors and executives regarding the duty to report the holding of the company's securities for the first time (Form 59-1) and to report changes in securities holding (Form 59-2), including their spouses and minor children as well as related persons, including related penalties according to Section 59 of the Securities and Exchange Act B.E. 2535. The changes in securities holding (Form 59-2) must be reported within 3 business days from the date of purchase, sale, transfer or acceptance of transfer to the Office of the Securities and Exchange Commission.

5. Directors and executives are responsible for reporting to the Board of Directors or person assigned by the Board of Directors on trading of the Company's stocks at least 1 day before trading.

The Company Secretary shall notify the directors, executives and departments that receive inside information not to disclose inside information to third parties or people who do not have relevant responsibilities, and not to trade the Company's securities during the 1-month period prior to the public disclosure of the financial statements.

In the past year 2023, the Board of Directors and executives strictly complied with this rule. Therefore, there was no case of violation or failure to comply with the rules for insider trading of securities and asset trading according to the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. In addition, the Board of Directors and executives had a report on the holding of the Company's securities when taking the position for the first time and report on changes in securities holdings. This includes their spouses and minor children.

Internal Audit Office

The company realizes that a good audit will increase the efficiency of the Company's work. Therefore, in order to keep the Company's work effective, the Company has established an internal audit office to perform audit duties which the scope of authority of the Office of Internal Audit are as follows:

1. Prepare an annual audit plan which shows the weighted goals and the importance of auditing.
2. Ensure and prepare audit action plans in accordance with the annual audit plan.
3. Ensure and conduct audits according to the audit plan.
4. Attend meetings, give suggestions, consult and exchange opinions according to the audit results with the agency of the auditees.
5. Ensure preparation of audit result reports.
6. Supervise and follow up on the results of improvements and corrections according to recommendations and suggestions.
7. Supervise retention or destruction of audit data documents according to internal audit procedures
8. Maintain the organization's assets to prevent damage.

At present, the Company has an internal audit manager and internal auditors, a total of 5 persons. The staff in the internal audit office consists of those with experience in internal auditing.

Anti-Corruption

Company and its subsidiaries have an ideology in conducting business with integrity by adhering to management based on corporate governance code and code of conduct, as well as policies and practices to various groups of stakeholders. The Company has established a policy against all forms of corruption that may arise from operations and contacts with stakeholders, which the Company requires its directors, executives and employees to strictly abide by. In 2016, the Company declared a clear intention to the public by becoming one of the "Thailand's Private Sector Collective Action Coalition Against Corruption" and in 2017, the Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption.

Definition according to Anti-Corruption Policy

Corruption means bribery in any form by offering to give, promising to give, pledging, demanding or receiving money, assets or any other benefits that are undue to/from government officials, government agencies, private agencies or persons in charge, either directly or indirectly for such persons to act or omit performing their duties for acquisition or maintenance of business benefits or recommending business to a particular company or to obtain or retain any other benefits that are undue for business unless permitted by laws, rules, announcements, regulations, local traditions or trade customs to do so.

Anti-Corruption Policy

Directors, executives and employees of the Company are prohibited from conducting or accepting any form of corruption directly or indirectly, covering all businesses in all countries and all related agencies. And there shall be a review of compliance with the Anti-Corruption Policy on a regular basis, as well as reviewing the guidelines and requirements for operating in accordance with changes in the economic, political and social environment in business operations, as well as rules, regulations and legal provisions.

Duties and Responsibilities

1. Board of Directors has duties and responsibilities in setting policies and supervising a system that supports effective anti-corruption to ensure that the management recognizes and places importance on anti-corruption and instills it into the corporate culture.
2. Audit Committee has duties and responsibilities for reviewing financial and accounting reporting systems, internal control system, internal audit system and other processes related to anti-corruption measures to ensure compliance and efficiency.

3. Executives have duties and responsibilities to establish a system and promote and support the anti-corruption policy to be communicated to employees and all related parties, including reviewing the suitability of the system and various measures to comply with changes in business, rules, regulations and legal requirements.

4. Internal Audit Office Manager has duties and responsibilities to audit and review the operation to ensure that it is correct and in accordance with the policy, guidelines, operational authority, regulations and laws, regulatory requirements to ensure that there is a control system that is appropriate and adequate to the risk of corruption that may occur and report to the Audit Committee.

Guidelines

1. The Company's directors, executives and employees at all levels must comply with the anti-corruption policy and the Company ethics. They must not be involved in corruption, whether directly or indirectly.

2. The Company's employees shall not neglect or ignore when seeing an action that is within the scope of corruption related to the Company and must notify their supervisor or person in charge and cooperate in investigating various facts. If there is any doubt or question, consult their supervisor or a person assigned to be responsible for monitoring compliance with the Company's Code of Conduct through various channels specified by the Company.

3. The Company will provide fairness and protect employees who refuse to corrupt or report corruption related to the Company using measures to protect complainants or those who cooperate in reporting all corruption cases as provided by the Company in the Whistle blower Policy.

4. Those who commit corruption as a violation of the Company's ethics must be subject to disciplinary action according to the regulations set by the Company. In addition, they may be punished by law if the action is unlawful.

5. The Company recognizes the importance of disseminating knowledge and understanding to other people who have to perform duties related to the Company or may affect the Company in the matters to comply with this anti-corruption policy.

6. The Company is committed to creating and maintaining a corporate culture that adheres to the belief that corruption is wrong and unacceptable for transactions with the government and/ or private sector.

Requirements on Implementation

1. This Anti-Corruption Policy shall have an effect covering the whole personnel management process since the recruitment or selection of personnel, promotion, training, employee performance assessment and compensation and punishment of employees, requiring supervisors at all levels to communicate with employees for use in business activities under their responsibilities and supervise the implementation to be effective.

2. Any actions under the anti-corruption policy shall follow the guidelines set forth in the Company's Code of Conduct, policies and guidelines to treat different groups of stakeholders, including related regulations and operating manuals of the Company, as well as any other guidelines to be determined further by the Company.

3. For clarity on actions that are at high risk for corruption, the Company directors, executives and employees at all levels must exercise caution in the following matters:

3.1 Gifts, Entertainment and Expenses

Giving or accepting gifts and entertainments must be done openly, transparently and in accordance with the Company's Code of Conduct and guidelines for accepting/giving gifts, assets or any other benefits and entertainment of the Company.

3.2 Charitable donations or support

Giving or receiving donations or sponsorship must be transparent and legal and accountable. It must be ensured that the donation or support fund will not be used as an excuse for bribery. In addition, political funding must be transparent and only comply with applicable laws.

3.3 Business relationship and procurement with the government sector

Do not give or accept bribes of all kinds in business operation. The Company's operations and working with the government must be transparent, honest and comply with relevant laws.

3.4 Political Contributions

The Company is a politically neutral organization, who does not favor political parties, political group or any politician whether globally, domestically or internationally as specified in the Company's Code of Conduct.

Policy on protection and fairness to employees who report information or give clues about corruption or non-compliance with the law, rules and regulations of the Company and company ethics (Whistleblower Policy).

Whistleblower Policy

Khonburi Sugar Public Company Limited and its subsidiaries (the Company) have set a policy for reporting clues. This is a measure to protect and provide fairness to directors, employees and other persons to notify information or give clues about fraud, corruption or non-compliance with the law and the Company's regulations in order to achieve effective improvements.

Clues that should be reported:

1. Acts of corruption and/or fraud
2. Abusive use of power
3. Use of money, assets and/or facilities of the Company without approval
4. Involved in a conflict of interest and/or a business opportunity position.
5. Non-compliance with rules, regulations and/or code of conduct for the Company's business operations.
6. Involved in political and dangerous acts and/or other illegal activities
7. Negligence and/or corruption in duty
8. Illegal actions
9. Disclosure of the Company information without permission
10. Actions that pose a risk to safety and security of property, facilities and/or employees of the Company.
11. Actions that do not meet professional standards
12. Concealment of the above information
13. Actions that threaten or intimidate the Board of Directors, executives or employees of the Company.

Clues that should not be reported:

1. False and unreasonable information
2. Information that is defamatory
3. Information that is baseless and with insufficient evidence

Guidelines for reporting clues:

1. Types of corruption or unusual acts
2. Name of person concerned
3. Time, place and date of corruption
4. Methods for committing corruption
5. Persons who witness corruption
6. Documentary or relevant evidence

Persons who have the right to report a complaint:

1. Employees and/or those who witness acts that violate laws, rules and regulations of the Company or ethics in conducting business of the Company.

2. Employees who are harassed, intimidated, subjected to disciplinary action such as salary cuts, suspension, dismissal, or being discriminated against in undue ways related to employment conditions, arising from their complaints, providing information, or providing information to assist in the investigation process or collect facts for the recipient of the complaint. This includes litigation, witnessing, testimony or any cooperation to a court or government agency.

Channels for reporting clues or complaints:

The Board of Directors provides opportunities for stakeholders to communicate with the Board of Directors and will protect the rights of stakeholders who report clues or make complaints on various issues with communication channels through the Audit Committee of the Company to proceed in accordance with the process set by the Company and report to the Board of Directors. The contact channels are as follows:

1. By post, sent to: Chairman of the Audit Committee
Khonburi Sugar Public Company Limited
P.O. Box 419, Phra Khanong, Bangkok
2. By e-mail, sent to the Chairman of the Audit Committee at anticorruption.kbs@gmail.com

In case the complainant chooses to remain anonymous, he/she must specify details, facts or evidence that is clear enough to show that there is a reasonable cause to believe that there is an action that violates the law, rules and regulations of the Company or ethics in conducting business of the Company.

However, the complaints will be treated as confidential. And the complainants may file a complaint through more than one channel and the identity of the complainant is not required to be disclosed. In the event that the complainant reveals himself or herself, it will enable the Company to notify the result of the action or additional details in the complained matter.

Procedures to investigate:

1. The complaint recipient will submit the matter to the Complaint Acceptance and Consideration Committee to investigate and gather facts or may assign a reliable person or entity to verify the facts.

2. The Committee accepts and considers complaints and/or the authorized person invites any employee to give information or ask to send any documents related to fact-finding.

3. If the investigation reveals that the action according to the complaint exists, the Company will proceed as follows.

3.1 In the event that the complaint is a matter of the Company's violation of laws, rules, regulations or code of conduct, it will be presented with comments and guidelines for proper conduct to authorized persons in the Company to consider taking actions. And in case of important matters such as matters that affect the reputation, image or financial position of the Company, contrary to the Company's business policy or related to high-ranking executives, etc., it shall be submitted to the Audit Committee or the Board of Directors for consideration.

3.2 In case the complaint causes damage to any person, a mitigation method which is appropriate and fair to the sufferers shall be proposed.

Protection of those who report or provide clues:

1. The complainant can choose to remain anonymous if he/she believes that disclosure may cause damage to himself/herself but must specify details, facts or evidence that is clear enough to show that there is a reasonable cause to believe that there is an action that violates the law, rules, regulations of the Company or the Company's business ethics truly. However, if choosing to disclose themselves, it will allow the recipient of the complaint to act more quickly.

2. The Company-related information is treated confidential and will be disclosed as necessary regarding safety and damage of the reporter, source of information or related person. In this regard, the person responsible for every step must keep the information received in the utmost confidentiality and will not disclose to anyone else. Failure to comply shall be subject to disciplinary action.

3. In the event that the complainant considers that he or she may be unsafe or suffer damage, the complainant may request the Company to set up appropriate protection measures or the Company may set protective measures without the complainant requesting if it is deemed that it is likely to cause damage or insecurity.

4. Employees who treat others with unfair means and discrimination by inappropriate means or causing damage to other person, which has a motive from the persons who have complained, reported a complaint or given a clue about corruption or non-compliance with laws, rules, regulations or business ethics of the Company, including the fact that such persons sue and prosecute, witness or provide any cooperation to a court or government agency, shall be considered a disciplinary offense that must be punished. However, it may be punished according to the law if the action is considered an offense under the law.

5. Persons who have suffered damage will receive a relief by means or procedures that are appropriate and fair.

6. Any person who retaliates or threatens the whistleblower will be properly treated under a disciplinary action, including being prosecuted according to the law

9. Internal control and related transactions

Internal control

The Board of Directors and management have direct duties and responsibilities for establishing and maintaining an internal control system, which will cover financial control, corporate governance, operations and risk management. Therefore, the Board of Directors assigns the Audit Committee with authority and duty to review and ensure that the Company's financial reports are accurate and sufficient, review to ensure that the Company has appropriate and effective internal control and internal audit systems, and review to ensure compliance with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand Regulations and laws related to the Company's business. To ensure that the Company's internal control system is continually effective and to ensure that there is no negligence in compliance with the Company's designed internal control system significantly, in October 2010, the Company established an internal audit office with duties and responsibilities for independent assessment about internal control, risk management and corporate governance, including reviewing for the Company to comply with regulations, especially connected transactions. Currently, as of 31 December 2023, the Internal Audit Office has 5 employees. At the Board of Directors' Meeting No. 1 of 2024 on 26 February 2024, with all independent directors and audit committee members attending, the Board of Directors Jointly considered and assessed the adequacy of the Company's internal control system by comparing with internal control guidelines under 5 elements that are significant to the efficiency and effectiveness of internal control according to the concept of COSO, as follows:

- 1) Control environment
- 2) Risk Assessment
- 3) Control measures
- 4) Information system and data communication
- 5) Tracking system

Together with comments from the Audit Committee and inquiries from the management, it was seen that the Company had sufficient internal control. As for the report of the Internal Audit Office, there were no significant internal control defects. In addition, the Company's external auditor, EY Office Limited, audited the year 2023 financial statements and had only a slight remark on the defects in the internal control system on the Company's financial accounting. However, it is insignificant to the overall system.

The Board of Directors was of the opinion that the Company's internal control system was sufficient and appropriate for the Company's business operations and could protect the Company's assets from being misused by executives or those having insufficient power to do so.

In this regard, the Company's Internal Audit Office has prepared plans, policies and guidelines for auditing, taking into account potential risks. In the Audit Committee Meeting No. 4/2023 on 13 November 2023, it approved the internal audit plan for the year 2024, focusing on auditing of production management system, raw material procurement and promotion management system, procurement management system, human resource management system and auditing according to the Anti-Corruption Policy, including evaluating effectiveness of the internal control system compliance of the information department.

Related Party Transactions

Related party transactions of the Company and companies related to persons who may have conflicts for the financial statements for the year ended 31 December 2023 and 2022



Person/juristic person who may have conflicts	Relationship	Nature of the related party transactions	Amount (Baht)		Necessity/reasonability of the transaction	Opinion of the Audit Committee
			Fiscal year ended 31 December 2023	Fiscal year ended 31 December 2022		
1. The Thai Sugar Trading Co., Ltd.	• It is a related company • Shared shareholders/directors	- Export Service Fee	13,818	10,717	- The Company appointed Thai Sugar Trading Co., Ltd. which is a company that the OCSB has allowed to be a sugar export company according to the Cane and Sugar Act, acting as an agent for the Company in delivering sugar to foreign countries	- The Company appointed The Thai Sugar Trading Co., Ltd. as an agent for export and receiving packing credit support from commercial banks via The Thai Sugar Trading Co., Ltd. in accordance with business necessity in order to comply with relevant laws. - The rate of service fees from being an export agent and the interest rates between them are reasonable.
		- Interest expense	10,762	14,911	- The Thai Sugar Trading Co., Ltd. entered into a packing credit agreement with commercial banks for the Company in the name of The Thai Sugar Trading Co., Ltd. to get sugar financial support, transferring money received according to the packing credit line from the commercial bank to the Company. Then, the Company issues a promissory note to The Thai Sugar Trading Co., Ltd. according to the promissory note at the same rate as the interest rate that The Thai Sugar Trading Co., Ltd. pays to the commercial bank.	
		- Dividends	350	350	- It is considered as other long-term investment.	
		- Trade accounts payable	12,599	12,599	- Substitution sugar borrowing between sugar mills, whereby The Thai Sugar Trading Co., Ltd. is an agent to export sugar under supervision of The Thai Sugar Trading Co., Ltd.	
		- Trade accounts receivable	32	32	- Holding of USD that has been paid by debtors of The Thai Sugar Trading Co., Ltd. through opening an FCD account.	
		- Advance payment for export	-	-		
		- Compensation for the sugar factory	-	-		
		- other accounts receivable	-	-		

Person/juristic person who may have conflicts	Relationship	Nature of the related party transactions	Amount (Baht)		Necessity/reasonability of the transaction	Opinion of the Audit Committee
			Fiscal year ended 31 December 2023	Fiscal year ended 31 December 2022		
2. Khonburi Capital Co., Ltd.	• It is a related company. • Shared shareholders/directors	- Rent of building & equipment	14,255	13,574	- The Company rents space at Building No. 5, Sukhumvit 57, Klongton Nua Subdistrict, Wattana District, Bangkok by entering into a 3-year long-term lease agreement starting from 1 September 2022 to 31 August 2025 by dividing the lease agreement. - Service income 1) Office space lease agreement, rental rate of 532 baht/square meter (total amount of 38,237,734.08 baht throughout the contract period or 1,062,159.28 per month); 2) Equipment lease contract, rental rate of 63 baht/square meter/month (total amount 4,528,152.72 baht throughout the contract period or 125,782.02 baht per month); 3) Common service contract, rental rate of 79 baht/sq.m./month (total amount of 5,678,159.76 baht throughout the contract period or 157,726.66 baht per month). 4) Utility service agreement, electricity rate of 6 baht per unit and water rate as charged by the Metropolitan Waterworks Authority. Security deposit Security deposit made with the tenant in the amount of 3 months of rent, equivalent to 3,186,477.84 baht, to refund upon expiration of the contract (termination of the lease).	- It is a normal business transaction of the Company. And the rental rate is reasonable.
		- Utilities payable	52	49		
		- Other accounts receivable	-	-		
		- Service fees and utilities	2,598	2,480		
		- Advance deposit	3,186	3,186		

Person/Juristic person who may have conflicts	Relationship	Nature of the related party transactions	Amount (Baht)		Necessity/reasonability of the transaction	Opinion of the Audit Committee
			Fiscal year ended 31 December 2023	Fiscal year ended 31 December 2022		
3. World Sugar Export Co., Ltd.	- It is a related company. - Shared shareholders/directors	- Export Service Fee - Advance payment for export - Dividends - Compensation for the sugar factory - Other accrued income	2,034 77 - 522 522 71	2,745 32 - 923 - 988 -	- The Company appoints the World Sugar Export Co., Ltd. as an export agent and receiving money, in accordance with business necessity in order to comply with relevant laws. - The rate of service fees from them are reasonable. - Holding of USD received from payment of debtors of the World Sugar Export Co., Ltd. Through opening an FCD account.	- Appointment of the World Sugar Export Co., Ltd. as an export agent and receiving money, in accordance with business necessity in order to comply with relevant laws. - The rate of service fees from them are reasonable.
4. Mitsui & Co., Ltd.	Major shareholders related to the Company	- Revenue from sales - Management fee income - Trade accounts receivable	332,036 418 -	320,594 1,010 6,263	The Company sells sugar to MITSUI AND CO. at a price comparable to other trading partners.	It is a normal business transaction of the Company and reasonable.
5. CK Trading Co., Ltd.	Shared shareholders/directors	- Commission - Trade accounts payable - Trade accounts receivable - Sales revenue - Investment	9,460 934 - 589 4,900	9,460 844 - 2,331 4,900	CK Trading Co., Ltd. is a sugar distribution management agent under supervision of Khonburi Sugar Public Company Limited Group for customers in the modern trade market and domestic customers.	The broker appointment contract is reasonable with terms in accordance with the general trade conditions.
6. Mitsui Co., Ltd. (Kumpawapi Sugar Co., Ltd.)	It is a related company, the major shareholders of which are related to the Company.	- Buy raw sugar - Interest expense - Trade accounts payable	- - -	33,115 - -	The Company buys raw sugar and bagasse from Kumpawapi Sugar Co., Ltd. at a price comparable to other trading partners.	It is a normal business transaction of the Company and reasonable.

Person/Juristic person who may have conflicts	Relationship	Nature of the related party transactions	Amount (Baht)	Necessity/reasonability of the transaction	Opinion of the Audit Committee
			Fiscal year ended 31 December 2023	Fiscal year ended 31 December 2022	
7. Mitsui Co., Ltd. (Kaset Phol Sugar Co., Ltd.)	• It is a related company, the major shareholders of which are related to the Company.	- Buy raw sugar - Interest expense - Trade accounts payable	- - -	33,115	- The Company buys raw sugar and bagasse from Kaset Phol Sugar Co., Ltd. at a price comparable to other trading partners.
8. Khonburi Sugar Power Plant Infrastructure Fund or KBSPIF	• It is a related company in which the Company holds 16% of its shares.	- KBSPIF shares price - Financial liabilities - Fund management fee - Transfer the rights to earn income to KBSPIF - Dividend	446,541 2,464,965 2,544 199,239 38,171	420,000 2,563,495 2,616 206,013 38,136	- The company has initially invested in investment units 15% of the total number of investment units issued, and the percentage that the Company holds exceeds 10%. The subsidiary issued the KBSPIF fund in August. It entered into 2 contracts with the said fund to transfer the right to earn from the sale of electricity as disclosed in the notes to the financial statements.
9. Thai Cane and Sugar Co., Ltd.	• It is a related company. • Shared shareholders/directors	- Short-term loan - Interest expense - Accrued Interest - Export Service Charge	25,000 945 198 1,219	25,000 1,060 190 603	The borrowing is based on business needs and is reasonable.

Necessity and reasonability of related party transactions

The Audit Committee Meeting No. 1/2024, held on 26 February 2024, considered information about the related party transactions of the Company and related companies and persons who may have conflicts in the fiscal year ended 31 December 2023, together with inquiries from the management of the Company, including reviewing the information specified in the notes to the financial statements of the Company's auditor, it was concluded that the related transactions of the Company in the fiscal year ended on 31 December 2023 were conducted for the normal course of business of the Company and according to general trading conditions in the same way that a prudent would do with a contractual party in general in the same situation, with trade bargaining power, without influence that the other party is a person who may have conflicts (Arm's Length Basis) and there is no transfer of benefits between the Company and the persons who may have conflicts. Please see the necessity of the transaction and the audit committee's opinion on the related transactions in the form of related transactions of the company and related companies and persons who may have conflicts for the fiscal year ended on 31 December 2023 (12-month period).

Measures or procedures for approval of related party transactions

The Board of Directors' meeting resolved to establish a policy and procedures for making related transactions so that the transactions between persons or juristic persons that may have conflicts are transparent and in order to protect the interests of the Company. The aforementioned policy and procedures can be summarized as follows:

Entering into related transactions or connected transactions of the Company and its subsidiaries shall be in accordance with the rules of the Securities and Exchange Act and the Announcement of the Capital Market Supervisory Board No.ThorJor.21/2551 on Rules for Connected Transactions, together with the Announcement of the Securities and Exchange Commission of Thailand on Disclosure of Information and Practices of Listed Companies in Connected Transactions, including related regulations of the SEC and/or the Stock Exchange of Thailand, as well as complying with the regulations on disclosure of related party transactions in the notes to the financial statements that have been audited by the Company's auditor and the annual registration statement (56-1 One Report) as well.

In the event that the law requires the Company to obtain approval from the Board of Directors' meeting or the shareholders' meeting before entering into any connected transaction, the Company will arrange for the audit committee to review and comment on such transactions, and the opinion of the Audit Committee shall be presented to the meeting of Board of Directors or shareholders, as the case may be, to ensure that the proposed transaction is for the best interest of the Company.

In this regard, the Audit Committee's meeting has considered and approved in principle that the management can approve such transactions if those transactions have commercial agreements in the same manner that a reasonable person would do with a general contract party in the same situation, with commercial bargaining power without the influence of their status as a director, executive or related person, whereby the Company must prepare a report summarizing transactions with amount of more than 1,000,000 baht to report at every Board of Directors meeting.



Part 3

Financial Statements

Independent Auditor's Report

To the Shareholders of Khonburi Sugar Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Khonburi Sugar Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Khonburi Sugar Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Khonburi Sugar Public Company Limited and its subsidiaries and of Khonburi Sugar Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is that matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter is described below.

Allowance for expected credit losses of sugar cane plantation receivables

As discussed in Note 10 to the financial statements, the allowance for expected credit losses of sugar cane plantation receivables is estimated based on various assumptions. Therefore, the management is required to exercise considerable judgement in determining the assumptions to be used in estimating allowance for expected credit losses of the sugar cane plantation receivables, particularly in situation when debtors are unable to repay their debts. Therefore, I considered the valuation of allowance for expected credit losses of sugar cane plantation receivables is a key audit matter.

I assessed the internal controls relevant to sugar cane plantation receivables and gained an understanding on the calculation of the allowance for expected credit losses. I also assessed the assumptions and methods used by the Company in calculating allowance for expected credit losses of sugar cane plantation receivables applying the following procedures:

- I gained an understanding of the basis applied in determining allowance for expected credit losses of sugar cane plantation receivables in general and specific cases, and reviewing the consistency of the application of that basis.
- I performed analytical procedures of assumptions that the Company applied against historical data to determine reasonableness of the assumptions.
- I tested the calculation of allowance for expected credit losses of sugar cane plantation receivables.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

I am responsible for the audit resulting in this independent auditor's report.



Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 26 February 2024

Khonburi Sugar Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Assets					
Current assets					
Cash and cash equivalents	8	189,548,077	82,786,311	165,902,129	58,935,899
Trade and other receivables	7, 9	650,116,252	511,157,445	791,117,515	484,084,048
Current portion of sugar cane plantation receivables	10	779,463,753	474,084,391	779,463,753	474,084,391
Short-term loans to related parties	7	-	-	7,500,000	12,500,000
Inventories	11	1,736,328,685	1,426,598,579	1,636,664,122	1,348,673,426
Current derivative assets	36	282,250,451	31,417,772	282,250,451	31,118,790
Advances payment for molasses and woodchip		61,207,048	99,739,813	-	-
Current tax assets		11,073,862	3,361,257	800,322	572,170
Other current assets	12	185,749,600	123,017,473	141,046,093	76,144,385
Total current assets		3,895,737,728	2,752,163,041	3,804,744,385	2,486,113,109
Non-current assets					
Investment in joint venture	13	7,307,421	4,947,931	4,900,000	4,900,000
Investments in subsidiaries	14	-	-	789,228,665	789,228,665
Investments in other long-term equity instruments	15	419,953,018	490,943,242	419,953,018	490,943,242
Sugar cane plantation receivables - net of current portion	10	140,208,436	81,327,341	140,208,436	81,327,341
Property, plant and equipment	16	7,831,186,048	8,085,393,828	5,040,812,088	5,278,759,916
Right-of-use assets	20	272,533,483	346,823,602	263,299,678	339,487,946
Intangible assets	17	111,717,913	118,907,588	7,410,560	9,836,679
Advance payment for purchase of assets		8,611,746	4,887,064	7,464,625	4,875,000
Deferred tax assets	29.1	-	96,049,074	-	70,960,406
Non-current derivative assets	36	-	1,662,205	-	1,662,205
Other non-current assets		113,397,030	177,467,425	113,294,831	177,355,225
Total non-current assets		8,904,915,095	9,408,409,300	6,786,571,901	7,249,336,625
Total assets		12,800,652,823	12,160,572,341	10,591,316,286	9,735,449,734

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Statement of financial position (continue)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	18	1,020,545,532	774,200,190	1,020,545,532	774,200,190
Short-term loans from related parties	7	25,000,000	25,000,000	1,136,200,000	1,101,700,000
Trade and other payables	7, 19	1,470,725,367	1,332,972,297	1,644,149,962	1,346,224,187
Advance received for goods		293,006,878	518,994,916	292,994,007	456,644,916
Current portion of long-term loans from banks	21	499,313,049	479,141,596	429,520,496	409,373,981
Current portion of lease liabilities	20	65,931,287	83,389,912	62,924,982	81,288,442
Current portion of liability under Revenue Transfers Agreement related to electricity business operations	22	78,877,877	71,641,408	-	-
Corporate income tax payable		1,320,206	660,828	-	-
Amounts due to the Office of the Cane and Sugar Fund		109,052,719	60,975,275	109,052,719	60,975,275
Current derivative liabilities	36	64,260,904	95,717,589	63,894,576	95,717,589
Other current liabilities		51,917,718	69,405,207	13,586,965	36,841,675
Total current liabilities		3,679,951,537	3,512,099,218	4,772,869,239	4,362,966,255
Non-current liabilities					
Long-term loans from banks - net of current portion	21	2,155,089,900	2,424,013,979	1,601,616,723	1,800,748,249
Lease liabilities - net of current portion	20	172,336,071	219,964,340	166,260,621	214,326,307
Liability under Revenue Transfers Agreement related to electricity business operations - net of current portion	22	2,386,087,514	2,464,965,392	-	-
Provision for long-term employee benefits	23	54,640,623	52,412,977	48,836,464	46,905,457
Deferred tax liabilities	29.1	59,883,303	-	66,815,232	-
Non-current derivative liabilities	36	-	36,852	-	36,852
Total non-current liabilities		4,828,037,411	5,161,393,540	1,883,529,040	2,062,016,865
Total liabilities		8,507,988,948	8,673,492,758	6,656,398,279	6,424,983,120
Shareholders' equity					
Share capital					
Registered					
600,000,000 ordinary shares of Baht 1 each		600,000,000	600,000,000	600,000,000	600,000,000
Issued and fully paid up					
600,000,000 ordinary shares of Baht 1 each		600,000,000	600,000,000	600,000,000	600,000,000
Share premium		2,230,175,000	2,230,175,000	2,230,175,000	2,230,175,000
Retained earnings					
Appropriated - statutory reserve	24	60,000,000	60,000,000	60,000,000	60,000,000
Unappropriated		1,228,872,870	574,254,198	867,145,794	394,195,536
Other components of shareholders' equity		173,616,005	22,650,385	177,597,213	26,096,078
Total shareholders' equity		4,292,663,875	3,487,079,583	3,934,918,007	3,310,466,614
Total liabilities and shareholders' equity		12,800,652,823	12,160,572,341	10,591,316,286	9,735,449,734

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales income	25, 32	12,467,995,653	10,846,181,284	11,188,909,395	9,439,456,675
Services income	25, 32	83,432,374	89,997,845	84,470,181	91,148,773
Other income		63,414,390	56,695,929	65,549,197	59,509,765
Gain on exchange		63,899,037	-	63,753,471	-
Dividend income	14, 15	38,521,000	38,310,970	198,521,000	38,310,970
Reversal of impairment loss on financial assets		26,529,448	3,942,120	26,529,448	3,942,120
Total revenues		12,743,791,902	11,035,128,148	11,627,732,692	9,632,368,303
Expenses					
Cost of sales		10,113,131,064	8,456,314,514	9,553,810,458	7,794,015,355
Cost of services		138,175,439	129,183,915	133,154,343	124,215,962
Selling and distribution expenses		505,613,377	440,822,274	498,384,490	432,487,491
Administrative expenses		434,945,694	447,063,992	302,613,333	275,919,514
Loss on exchange		-	240,027,730	-	240,131,507
Loss on changes in fair value of sugar swap contracts		134,440,265	57,951,484	134,440,265	57,951,484
Total expenses		11,326,305,839	9,771,363,909	10,622,402,889	8,924,721,313
Profit from operating activities		1,417,486,063	1,263,764,239	1,005,329,803	707,646,990
Share of profit from investment in joint venture	13.2	2,359,490	1,787,739	-	-
Finance income	26	47,238,904	39,274,532	47,528,900	39,604,692
Finance cost	27	(391,704,201)	(413,462,643)	(180,011,691)	(199,968,463)
Profit before income tax		1,075,380,256	891,363,867	872,847,012	547,283,219
Income tax revenue (expenses)	29.2	(120,765,184)	25,680,659	(99,900,354)	19,975,272
Profit for the year		954,615,072	917,044,526	772,946,658	567,258,491

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Statement of comprehensive income (continue)

For the year ended 31 December 2023

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Gain on cash flow hedges - net of income tax	229,079,176	46,979,064	229,614,691	47,641,092
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	229,079,176	46,979,064	229,614,691	47,641,092
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Gain (loss) on investment in long-term equity designated at fair value through other comprehensive income - net of income tax	(78,113,556)	3,360,000	(78,113,556)	3,360,000
Actuarial gain - net of income tax	-	7,963,876	-	6,052,633
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(78,113,556)	11,323,876	(78,113,556)	9,412,633
Other comprehensive income for the year	150,965,620	58,302,940	151,501,135	57,053,725
Total comprehensive income for the year	1,105,580,692	975,347,466	924,447,793	624,312,216
Earnings per share	31			
Basic earnings per share				
Profit for the year	1.59	1.53	1.29	0.95

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements

	Other components of equity							
	Other comprehensive income							Total shareholders' equity
	Issued and fully paid up share capital	Share premium	Retained earnings	Gain (loss) on cash flow hedges	Gain (loss) on investment in long-term equity designated at fair value	Discount on business combination under common control	Total other components of shareholders' equity	
			Appropriated - statutory reserve					
			Unappropriated					
Balance as at 1 January 2022	600,000,000	2,230,175,000	60,000,000	(350,754,204)	36,960,000	(3,684,880)	(27,688,679)	2,511,732,117
Profit for the year	-	-	-	917,044,526	-	-	-	917,044,526
Other comprehensive income for the year	-	-	-	7,963,876	3,360,000	-	50,339,064	58,302,940
Total comprehensive income for the year	-	-	-	925,008,402	3,360,000	-	50,339,064	975,347,466
Balance as at 31 December 2022	600,000,000	2,230,175,000	60,000,000	574,254,198	40,320,000	(3,684,880)	22,650,385	3,487,079,583
Balance as at 1 January 2023	600,000,000	2,230,175,000	60,000,000	574,254,198	40,320,000	(3,684,880)	22,650,385	3,487,079,583
Profit for the year	-	-	-	954,615,072	-	-	-	954,615,072
Other comprehensive income for the year	-	-	-	-	(78,113,556)	-	150,965,620	150,965,620
Total comprehensive income for the year	-	-	-	954,615,072	(78,113,556)	-	150,965,620	1,105,580,692
Dividend paid (Note 34)	-	-	-	(299,996,400)	-	-	-	(299,996,400)
Balance as at 31 December 2023	600,000,000	2,230,175,000	60,000,000	1,228,872,870	(37,793,556)	(3,684,880)	173,616,005	4,292,663,875
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continue)

For the year ended 31 December 2023

(Unit: Baht)

Separate financial statements

	Other components of equity						
	Retained earnings			Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
	Issued and fully paid up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Gain (loss) on cash flow hedges	Gain (loss) on investment in long-term equity designated at fair value	
Balance as at 1 January 2022	600,000,000	2,230,175,000	60,000,000	(179,115,588)	(61,865,014)	36,960,000	2,686,154,398
Profit for the year	-	-	-	567,258,491	-	-	567,258,491
Other comprehensive income for the year	-	-	-	6,052,633	47,641,092	3,360,000	57,053,725
Total comprehensive income for the year	-	-	-	573,311,124	47,641,092	3,360,000	624,312,216
Balance as at 31 December 2022	600,000,000	2,230,175,000	60,000,000	394,195,536	(14,223,922)	40,320,000	3,310,466,614
Balance as at 1 January 2023	600,000,000	2,230,175,000	60,000,000	394,195,536	(14,223,922)	40,320,000	3,310,466,614
Profit for the year	-	-	-	772,946,658	-	-	772,946,658
Other comprehensive income for the year	-	-	-	-	229,614,691	(78,113,556)	151,501,135
Total comprehensive income for the year	-	-	-	772,946,658	229,614,691	(78,113,556)	924,447,793
Dividend paid (Note 34)	-	-	-	(299,996,400)	-	-	(299,996,400)
Balance as at 31 December 2023	600,000,000	2,230,175,000	60,000,000	867,145,794	215,390,769	(37,793,556)	3,934,918,007
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	1,075,380,256	891,363,867	872,847,012	547,283,219
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	746,636,288	729,056,190	517,999,268	505,807,674
Gain on disposal of land and equipment	(19,012,621)	(9,731,057)	(19,012,621)	(9,731,057)
Write-off of bad debts	4,782,435	5,029,941	4,782,435	5,029,941
Reversal of allowance for expected credit losses	(26,419,062)	(3,942,120)	(26,419,062)	(3,942,120)
Share of gain from investment in joint venture	(2,359,490)	(1,787,739)	-	-
Reduction (reversal) of inventories to net realisable value	687,671	(3,125,690)	605,464	(3,144,812)
Long-term employee benefits expenses	6,349,043	6,783,136	5,648,004	5,381,629
Loss on changes in fair value of sugar swap contracts	5,689,042	79,933,493	5,689,042	79,933,492
Unrealised loss (gain) on exchange	856,414	(414,865)	856,414	(414,865)
Gain on changes in fair value of investments in equity instrument	(110,386)	-	(110,386)	-
Dividend income	(38,521,000)	(38,310,970)	(198,521,000)	(38,310,970)
Finance income	(47,238,904)	(39,274,532)	(47,528,900)	(39,604,692)
Finance cost	385,020,249	406,932,094	177,935,035	198,171,673
Profit from operating activities before changes in operating assets and liabilities	2,091,739,935	2,022,511,748	1,294,770,705	1,246,459,112
Operating assets (increase) decrease				
Trade and other receivables	(140,265,470)	(11,207,079)	(308,340,129)	(149,678,638)
Sugar cane plantation receivables	(342,262,840)	36,923,555	(342,262,840)	36,923,555
Inventories	(310,417,777)	(158,517,886)	(288,596,160)	(123,715,325)
Advances payment for molasses and woodchip	38,532,765	(46,925,121)	-	-
Other current assets	(59,370,868)	56,071,506	(64,329,537)	25,075,034
Other non-current assets	66,938,759	24,923,645	66,928,758	24,823,245
Operating liabilities increase (decrease)				
Trade and other payables	98,464,219	248,496,732	272,489,255	382,912,453
Advance received for goods	(225,988,038)	86,118,709	(163,650,909)	111,468,709
Other current liabilities	50,809,267	86,134,282	42,375,565	67,693,618
Cash flows from operating activities	1,268,179,952	2,344,530,091	509,384,708	1,621,961,763
Cash paid for income tax	(12,992,781)	(8,286,844)	(800,322)	(572,170)
Cash paid for long-term employee benefits	(4,121,397)	(8,045,649)	(3,716,997)	(6,977,382)
Net cash flows from operating activities	1,251,065,774	2,328,197,598	504,867,389	1,614,412,211

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Cash flows statement (continue)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Decrease in short-term loans to related parties	-	-	5,000,000	1,300,000
Cash paid for purchase of long-term investment in equity instrument	(26,541,335)	-	(26,541,335)	-
Cash paid for acquisitions of property, plant and equipment	(394,078,670)	(802,736,321)	(202,394,476)	(555,767,442)
Proceeds from disposal of land and equipment	145,124,122	14,445,230	145,124,122	15,751,563
Cash paid for acquisitions of intangible assets	(315,000)	(222,160)	(300,000)	(162,361)
Decrease (increase) in advance payment for assets	(3,724,682)	19,095,050	(2,589,626)	17,485,752
Cash receipt from interest income	44,459,796	36,546,541	44,749,793	36,876,701
Cash receipt from dividend income	38,521,000	38,310,970	198,521,000	38,310,970
Net cash flows from (used in) investing activities	(196,554,769)	(694,560,690)	161,569,478	(446,204,817)
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	246,345,342	(1,296,299,810)	246,345,342	(1,241,299,810)
Increase (decrease) in short-term loans from related parties	-	(86,400,980)	34,500,000	100,899,020
Repayment under liability under Revenue Transfer Agreement related to electricity business operations	(74,185,993)	(68,399,692)	-	-
Cash paid under lease agreements	(206,955,158)	(100,347,757)	(203,903,336)	(99,332,641)
Cash receipt from long-term loans from banks	230,402,600	589,899,540	230,402,600	515,380,200
Repayment of long-term loans from banks	(479,949,880)	(271,066,161)	(409,949,880)	(251,066,161)
Dividend paid	(299,996,400)	-	(299,996,400)	-
Cash paid for interest expenses	(363,409,750)	(392,796,239)	(156,868,963)	(184,139,887)
Net cash flows used in financing activities	(947,749,239)	(1,625,411,099)	(559,470,637)	(1,159,559,279)
Net increase in cash and cash equivalents	106,761,766	8,225,809	106,966,230	8,648,115
Cash and cash equivalents at beginning of year	82,786,311	74,560,502	58,935,899	50,287,784
Cash and cash equivalents at end of year (Note 8)	189,548,077	82,786,311	165,902,129	58,935,899
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Increase (decrease) in undue installments for acquisition of fixed assets	38,726,158	(217,441,506)	24,980,060	(131,348,154)
Increase in right-of-use assets	103,940,386	48,029,279	99,874,018	40,926,476
Capitalise interest expenses to construction in progress	-	1,451,246	-	1,451,246
Transfer amortisation of financial fee to construction in progress	-	16,255	-	16,255
Transfer of asset under installation to intangible assets	2,809,870	9,885,960	-	9,885,960
Transfer right-of-use assets to motor vehicles	110,432,921	5,049,114	110,432,921	5,049,114
Actuarial gain	-	(9,954,937)	-	(7,565,792)
Loss (gain) on investment in long-term equity designated at fair value through other comprehensive income	97,641,945	(4,200,000)	97,641,945	(4,200,000)
Gain on cash flow hedges recognised through other comprehensive income	(286,348,970)	(58,723,830)	(287,018,364)	(59,551,365)

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2023

1. General information

1.1 Corporate information

Khonburi Sugar Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is Khonburi Capital Co., Ltd. which shareholding is 27.55%. The Company is principally engaged in manufacture and distribution of sugar, which is sold both domestically and overseas. The registered office of the Company is at 5 Soi Sukhumvit 57, Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok. Its factories are located at 289 Moo 13 Jarakhe-Hin, Khonburi, Nakhonratchasima, and 168 Moo 6 Nongyakhao, Sikhio, Nakhonratchasima.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Khonburi Sugar Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
			(Percent)	(Percent)
<u>Held by the Company</u>				
Khonburi Power Plant Co., Ltd.	Manufacture and distribution of electricity	Thailand	100	100
KBS Trading Co., Ltd.	Trading of sugar, molasses and by products	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 (Percent)	2022 (Percent)
Khonburi Bio Energy Co., Ltd.	Manufacture and distribution of ethanol	Thailand	100	100
KBS Investment Co., Ltd.	Holding company	Thailand	100	100
<u>Held by subsidiaries of the Company</u>				
KBS Cane and Sugar Co., Ltd. (100% held by KBS Investment Co., Ltd.)	Provide seminar for knowledge and enhance efficiency of planting to planters	Thailand	100	100
KBS Power Co., Ltd. (100% held by Khonburi Power Plant Co., Ltd.)	Manufacture and distribution of electricity	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control cases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and a joint venture under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and payment with traditional business practice to customers.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends income

Dividends are recognised when the right to receive the dividend is established.

Other income

Other income is recognised upon completion of performance obligation and there is a certain possibility of receiving the money.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods, work in process, and molasses are valued at the lower of cost under the average method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes raw material cost, labour cost and attributable factory overheads.

Raw materials, chemicals, spare parts, factory supplies, and other supplies are valued at the lower of weighted average method and net realisable value and are charged to production costs whenever consumed.

The common production costs incurred in the production process are not allocated to bagasse from productions of sugar. Therefore, revenue from sale of by products is presented as deduction from production costs in each production season.

4.4 Investments in subsidiaries and joint venture

- a) Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any)
- b) Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	10 years
Building and premises	20 - 30 years
Machinery	4 - 50 years
Equipment	3 - 10 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 years
Facilities system and water treatment system	20 - 30 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful live is as follows:

	<u>Useful lives</u>
Computer software	5 years
Right to use the transmission facilities	25 years

4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.9 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining income.

4.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	2 - 9 years
Office equipment	2 - 4 years
Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labour law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 45 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information. For planter receivables, the Group will consider contractual payments more than the Group's policy based on the harvesting year.

The Group classifies planter receivables into three groups in order to measure the expected credit loss, with the classification of the financial assets determined on the basis of the change in credit quality since the initial transaction date, as follows:

Group 1: No significant increase in credit risk

Group 2: Significant increase in credit risk

Group 3: Credit-impaired

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Group will change from recognising expected credit loss over the expected lifetime to recognising the 12-months expected credit loss.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Derivatives and hedge accounting

a) Derivative financial instruments

The Group uses derivatives, such as forward exchange contracts, interest rate swap contracts and sugar swap contracts, to hedge its foreign currency risks, interest rate risks and sugar price risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

b) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria of hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

4.18 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 buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables and sugar cane plantation receivables

In determining an allowance for expected credit losses of trade receivables and sugar cane plantation receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences at the end of reporting report between the tax bases of assets or liabilities and their account amount to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Sugar cane price and planters payable

The recognition of sugar cane price and planters payable, requires management to make estimates of the sugar cane price by reference to the calculation method of the Office of the Cane and Sugar Board. The estimation involves certain assumptions and estimates.

6. Seasonality of operations

The operations of the Company are affected by the seasonality of sugar manufacture, with the production season running from November to April, and the off season for production running from May to October.

7. Related party transactions

The relationships between the Company and related parties are summarised below.

Name	Relationship
Khonburi Power Plant Co., Ltd.	Subsidiary
KBS Trading Co., Ltd.	Subsidiary
Khonburi Bio Energy Co., Ltd.	Subsidiary
KBS Investment Co., Ltd.	Subsidiary
KBS Cane and Sugar Co., Ltd.	Subsidiary (Held by subsidiary)
KBS Power Co., Ltd.	Subsidiary (Held by subsidiary)
C K Trading (1965) Co., Ltd.	Joint venture
Khonburi Sugar Power Plant Infrastructure Fund	The Company is the major shareholder
Khonburi Capital Co., Ltd.	Major shareholders/Common directors
The Thai Sugar Trading Corporation Limited	Common shareholders/Common directors
World Sugar Export Co., Ltd.	Common shareholders/Common directors
Thai Cane and Sugar Co., Ltd.	Common shareholders/Common directors
Chumporn Palm Oil Industry Public Company Limited	Common shareholders/Common directors
CPI Trading Co., Ltd.	Common shareholders/Common directors
Mitsui and Co., Ltd.	Shareholders
Mitsui & Co Europe Plc.	Common major shareholders
Kaset Phol Sugar Co., Ltd.	Common major shareholders
The Kumphawapi Sugar Co., Ltd.	Common major shareholders

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2023	2022	2023	2022	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales income	-	-	48,339	6,524	Cost plus margin
Services income	-	-	1,038	1,151	Cost plus margin
Interest income	-	-	426	383	3.74% - 4.00% per annum (2022: 2.41% - 3.74% per annum)
Sales of bagasse	-	-	607,160	583,984	Contract price
Rental income	-	-	5,792	6,047	Contract price
Management income	-	-	3,980	3,480	Contract price
Other income	-	-	156	141	Contract price
Dividend income	-	-	160,000	-	As declared
Electricity charges	-	-	334,216	307,473	Contract price
Steam charges	-	-	544,966	444,629	Contract price
Purchase of supplies	-	-	1,589	518	Cost plus margin
Purchase of fertilizer	-	-	-	10,495	Cost plus margin
Purchase bagasse	-	-	3,019	-	Cost plus margin
Rental expenses	-	-	68	64	Contract price
Service expenses	-	-	13,006	10,495	Contract price
Interest expenses	-	-	16,248	22,282	0.55% - 4.00% per annum (2022: 0.55% - 7.38% per annum)
Transactions with related parties:					
Sales income	332,036	320,594	332,036	320,594	Contract price
Dividend income	38,521	38,311	38,521	38,311	As declared
Other income	940	4,280	940	4,280	Cost plus margin
Purchase of raw sugars	-	33,115	-	33,115	Contract price
Rental expenses	14,255	13,574	14,255	13,574	Contract price and comparable price charged to other customers
Service and utilities charges	2,598	2,480	2,598	2,480	Contract price
Export service expenses	17,071	14,521	17,071	14,521	Contract price
Interest expenses	210,941	221,527	11,702	15,514	3.58% - 4.25% per annum (2022: 2.70% - 3.75% per annum)
Transactions with joint venture:					
Sales income	589	2,331	589	2,331	Contract price
Commission fee	9,460	9,460	9,460	9,460	Contract price

As at 31 December 2023 and 2022, the balances of the accounts between the Company, subsidiaries, and those related companies are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			2023	2022
	2023	2022	2023	2022
Trade receivables - related parties (Note 9)				
Subsidiaries	-	-	1,639	27
Related company	-	6,262	-	6,262
Total trade receivables - related parties	-	6,262	1,639	6,289
Other receivables - related parties (Note 9)				
Subsidiaries	-	-	332,940	187,537
Related companies	-	314	-	314
Total other receivables - related parties	-	314	332,940	187,851
Other current assets - related parties				
Subsidiaries	-	-	23	21
Other non-current asset (Rental deposit)				
Related company	3,186	3,186	3,186	3,186
Trade payables - related parties (Note 19)				
Subsidiaries	-	-	379,660	229,005
Accrued expense - related party (Note 19)				
Related company	122	49	122	49
Accrued interest - related parties (Note 19)				
Related companies	198	190	198	190
Other payables - related parties (Note 19)				
Related companies	60,377	44,441	12,599	297
Joint venture	934	844	934	844
Total other payables - related parties	61,311	45,285	13,533	1,141
Short-term loans to related parties				
Subsidiaries	-	-	7,500	12,500
Short-term loans from related parties				
Subsidiaries	-	-	1,111,200	1,076,700
Related companies	25,000	25,000	25,000	25,000
Total short-term loans from related parties	25,000	25,000	1,136,200	1,101,700
Liabilities under Revenue Transfer Agreement related to electric business operations (Note 22)				
Related company	2,464,965	2,536,607	-	-

Loans to and loans from related parties

Short-term loans to subsidiaries carried interest at rates of 4.00% per annum (2022: 2.41% - 3.74% per annum), due for repayment on demand and no security to guarantees.

Short-term loans from subsidiaries and related parties carried interest at rates of 1.70% - 4.25% per annum (2022: 0.55% - 7.38% per annum), due for repayment on demand and no security to guarantees.

As at 31 December 2023 and 2022, the balances of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 1 January 2023	Increase during the year	Decrease during the year	Balance as at 31 December 2023
Short-term loans from related parties				
Related companies*	25,000	2,005,006	(2,005,006)	25,000

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2023	Increase during the year	Decrease during the year	Balance as at 31 December 2023
Short-term loans to related parties				
Subsidiaries	12,500	-	(5,000)	7,500
Short-term loans from related parties				
Subsidiaries	1,076,700	562,000	(527,500)	1,111,200
Related companies*	25,000	2,005,006	(2,005,006)	25,000
Total	1,101,700	2,567,006	(2,532,506)	1,136,200

* The Company has appointed two related companies as exporter representatives to enter into short-term loan agreements and forward exchange contracts with banks, carried interest at rate for short-term loan agreements of 3.58% - 4.25% per annum (2022: 2.7% - 3.5% per annum). These loans will be due within three months. Under the power of attorney, the Company agrees to accept liability for any losses.

Liabilities under Revenue Transfer Agreement related to electricity business operations

Liabilities under Revenue Transfer Agreement related to electricity business operations carried effective interest rate for the entire period of agreement at rate of 7.38% per annum, and there were security transactions as described in Note 22 to financial statements.

The movement of the balance of liabilities under Revenue Transfer Agreement related to electricity business operations is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance as at 1 January 2023	Decrease during the year	Balance as at 31 December 2023
Khonburi Sugar Power Plant Infrastructure Fund (KBSPIF)			
Liabilities under Revenue Transfer Agreement related			
to electricity business operations	2,563,496	(74,186)	2,489,310
Financial fee	(26,889)	2,544	(24,345)
Net	<u>2,536,607</u>	<u>(71,642)</u>	<u>2,464,965</u>

Directors and management's benefits

During the year ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	45,837	45,685	43,053	42,392
Post-employment benefits	417	1,176	381	1,115
Total	<u>46,254</u>	<u>46,861</u>	<u>43,434</u>	<u>43,507</u>

Guarantee obligations with related parties

The Company had outstanding guarantee obligations with its related parties, as described in Note 35.7 a to financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	624	631	526	536
Bank deposits	188,924	82,155	165,376	58,400
Total	<u>189,548</u>	<u>82,786</u>	<u>165,902</u>	<u>58,936</u>

As at 31 December 2023, bank deposits in savings accounts carried interests between 0.45 and 0.55 percent per annum (2022: 0.125 and 0.35 percent per annum).

9. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2023	2022	2023	2022
<u>Trade receivables - related parties</u>				
Aged on the basis of due date				
Not yet due	-	6,262	1,639	6,289
Total trade receivables - related parties	-	6,262	1,639	6,289
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due date				
Not yet due	538,732	373,287	374,652	159,900
Past due				
Up to 3 months	19,873	14,682	19,873	14,682
3 - 6 months	-	86	-	86
6 - 12 months	-	1	-	1
Over 1 year	11,264	11,264	11,264	11,264
Total trade receivables - unrelated parties	569,869	399,320	405,789	185,933
Less: Allowance for expected credit losses	(11,896)	(11,896)	(11,896)	(11,896)
Total trade receivables - unrelated parties - net	557,973	387,424	393,893	174,037
Total trade receivables - net	557,973	393,686	395,532	180,326
<u>Other receivables</u>				
Advances	15,367	57,194	15,216	56,846
Accrued other income	27,164	988	8,713	988
Other receivables - related parties	-	314	322,940	187,851
Other receivables - unrelated parties	49,612	58,975	48,717	58,073
Total other receivables - net	92,143	117,471	395,586	303,758
Total trade and other receivables - net	650,116	511,157	791,118	484,084

The normal credit term is 15 days to 90 days.

10. Sugar cane plantation receivables

The balances of sugar cane plantation receivables as at 31 December 2023 and 2022, aged on the basis of due dates, are summarised below.

1. Receivables for direct sugar cane planting and others related to the planting such as labor, fertilizers, and insecticide. This receivable is due in one year.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2023	2022
Sugar cane plantation receivables aged on the basis of due dates		
2024/2025 harvesting year	42,358	-
2023/2024 harvesting year	731,994	24,008
2022/2023 harvesting year	11,203	436,199
2021/2022 harvesting year	4,668	19,571
2020/2021 harvesting year	2,993	5,408
2019/2020 harvesting year	11,487	13,278
2018/2019 harvesting year	22,859	27,321
2017/2018 harvesting year	30,892	39,058
2016/2017 harvesting year	25,485	28,177
Before 2016/2017 harvesting year	76,503	85,845
Total current portion of sugar cane plantation receivables	960,442	678,865
Less: Allowance for expected credit losses	(180,978)	(204,781)
Current portion of sugar cane plantation receivables - net	779,464	474,084

2. Receivables for the sugar cane plantation supplies, water system, agricultural machinery and equipment. This receivable is due in during the period of 2 - 5 years.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2023	2022
Sugar cane plantation receivables aged on the basis of due dates		
2026/2027 harvesting year	24,822	2,721
2025/2026 harvesting year	35,718	5,164
2024/2025 harvesting year	81,098	17,887
2023/2024 harvesting year	-	56,733
Sugar cane plantation receivables - long-term portion	141,638	82,505
Less: Allowance for expected credit losses	(1,430)	(1,178)
Sugar cane plantation receivables - long-term portion - net	140,208	81,327

The Company charges interests at rates as stipulated in agreements. Most planters have provided land and motor vehicles as collateral.

Movements of allowance for expected credit losses of sugar cane plantation receivables are as follows.

(Unit: Thousand Baht)

General approach	Consolidated / Separate financial statement			
	No significant	Significant	Credit-impaired	Total
	increase in credit risk (Stage 1)	increase in credit risk (Stage 2)		
Balances as at 1 January 2022	1,203	53,347	152,679	207,229
Increase (decrease) during the year	4,794	5,555	(11,619)	(1,270)
Changes due to staging of financial assets	(110)	110	-	-
Balances as at 31 December 2022	5,887	59,012	141,060	205,959
Increase (decrease) during the year	64	(8,148)	(15,467)	(23,551)
Changes due to staging of financial assets	313	(8,147)	7,834	-
Balances as at 31 December 2023	6,264	42,717	133,427	182,408

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	1,317,936	1,066,565	-	-	1,317,936	1,066,565
Inventories in process	60,579	76,618	-	-	60,579	76,618
Raw materials	71,095	44,140	(225)	(225)	70,870	43,915
Chemicals, spare parts, factory supplies and other supplies	180,150	193,228	(3,347)	(2,659)	176,803	190,569
By products (Molasses)	110,141	48,932	-	-	110,141	48,932
Total	1,739,901	1,429,483	(3,572)	(2,884)	1,736,329	1,426,599

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	1,317,936	1,066,565	-	-	1,317,936	1,066,565
Inventories in process	60,579	76,618	-	-	60,579	76,618
Chemicals, spare parts, factory supplies and other supplies	150,543	158,487	(2,535)	(1,929)	148,008	156,558
By products (Molasses)	110,141	48,932	-	-	110,141	48,932
Total	<u>1,639,199</u>	<u>1,350,602</u>	<u>(2,535)</u>	<u>(1,929)</u>	<u>1,636,664</u>	<u>1,348,673</u>

During the current year, the Group reduced cost of inventories by Baht 0.7 million (the Company only: Baht 0.6 million) to reflect the net realisable value. This was included in cost of sales.

During 2022, the Group reversed the write-down of cost of inventories by Baht 3.1 million (the Company only: Baht 3.1 million) and reduced the amount of inventories recognised as expenses during the year.

12. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Input tax refundable	61,812	27,014	33,333	-
Withholding tax deducted at source	7,695	14,438	4,638	8,236
Prepaid expenses	77,562	52,900	72,485	49,999
Others	38,681	28,665	30,590	17,909
Total other current assets	<u>185,750</u>	<u>123,017</u>	<u>141,046</u>	<u>76,144</u>

13. Investment in joint venture

13.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which are jointly controlled by the Company and other company. Details of this investment is as follows:

							(Unit: Thousand Baht)	
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amounts based on equity method		Carrying amounts based on cost method	
					2023	2022	2023	2022
					2023	2022	2023	2022
					(%)	(%)		
<u>Held by the Company</u>								
C K Trading (1965) Co., Ltd.	Conduct an agent business of selling consumer goods	Thailand	49	49	7,307	4,948	4,900	4,900
Total					7,307	4,948	4,900	4,900

13.2 Share of comprehensive income and dividend received

During the current year, the Company recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

Joint venture	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in joint venture during the year		Dividend received during the year	
	2023	2022	2023	2022
C K Trading (1965) Co., Ltd.	2,359	1,788	-	-

13.3 Summarised financial information about material joint venture

Summarised information about financial position of C K Trading (1965) Company Limited as at 31 December 2023 and 2022.

	(Unit: Thousand Baht)	
	2023	2022
Cash and cash equivalent	18,051	16,471
Other current assets	2,950	1,994
Non-current assets	220	220
Other current liabilities	(2,687)	(3,330)
Other non-current liabilities	(3,621)	(5,257)
Net assets	14,913	10,098
Shareholding percentage (%)	49%	49%
Share of net assets - net	7,307	4,948
Carrying amounts of joint venture based on equity method	7,307	4,948

Summarised information about comprehensive income for the years ended 31 December 2023 and 2022.

	(Unit: Thousand Baht)	
	2023	2022
Revenue	26,671	28,854
Other income	89	98
Profit	4,815	3,648

14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Impairment for investment		Investments - net		Dividend received during the year	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)								
<u>Subsidiaries held by the Company</u>												
Khonburi Power Plant Co., Ltd.	500,000	500,000	100	100	500,000	500,000	-	-	500,000	500,000	160,000	-
KBS Trading Co., Ltd.	40,000	40,000	100	100	40,000	40,000	-	-	40,000	40,000	-	-
Khonburi Bio Energy Co., Ltd.	115,250	115,250	100	100	115,250	115,250	(11,021)	(11,021)	104,229	104,229	-	-
KBS Investment Co., Ltd.	145,000	145,000	100	100	145,000	145,000	-	-	145,000	145,000	-	-
<u>Subsidiaries held by KBS Investment Co., Ltd.</u>												
KBS Cane and Sugar Co., Ltd.	5,000	5,000	100	100	-	-	-	-	-	-	-	-
<u>Subsidiary held by Khonburi Power Plant Co., Ltd.</u>												
KBS Power Co., Ltd.	240,000	240,000	100	100	-	-	-	-	-	-	-	-
Total investments in subsidiaries					800,250	800,250	(11,021)	(11,021)	789,229	789,229	160,000	-

As at 31 December 2023 and 2022, the Company had pledged of 50 million of common shares in Khonburi Power Plant Co., Ltd. as collaterals for the liability under Revenue Transfer Agreement related to electricity business operations as described in Note 22 to financial statements.

15. Investments in other long-term equity instruments

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Cost	Consolidated / Separate financial statements			
				Book value measured at		Dividend income	
	2023	2022		fair value	during the year	2023	2022
<u>Investments in long-term non-listed companies -</u>	(%)	(%)					
<u>Designated at fair value through profit or loss</u>							
The Thai Sugar Trading Corporation Limited	7.29	7.29	1,750	18,407	18,271	350	175
Thai Cane and Sugar Corporation Limited	1.22	1.22	243	1,134	1,136	-	-
Thai Sugar Millers Corporation Limited	1.43	1.43	2	(30)	1	-	-
World Sugar Export Co., Ltd.	5.00	5.00	1,000	1,143	1,135	-	-
Total			2,995	20,654	20,543	350	175
<u>Investment in long-term listed company -</u>							
<u>designated at fair value through other</u>							
<u>comprehensive income</u>							
Khonburi Sugar Power Plant Infrastructure Fund							
("KBSPIF")	15.95	15.00	446,541	399,299	470,400	38,171	38,136
Total investments in other long-term equity instruments			449,536	419,953	490,943	38,521	38,311

The Company must maintain a minimum 15% shareholding in KBSPIF within a period of 10 years from the date of the successful investment of the fund which is accordance with undertaking agreement. However, the Company has no influence on the decision of financial policy or the operation of KBSPIF, therefore, the Company classified such investment as investment in other long-term equity instruments in the statement of financial position.

16. Property, plant and equipment

	Consolidated financial statements								(Unit: Thousand Baht)
	Land and land improvement	Buildings and premises	Machinery	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Facilities system and water treatment system	Assets under installation and construction	
Cost									
As at 1 January 2022	349,256	1,985,151	8,211,962	181,313	119,734	119,734	1,049,085	1,797,194	13,805,040
Acquisitions during the year	31,736	219	11,071	7,310	2,579	1,439	726	531,683	586,763
Transfers from right-of-use assets	-	-	-	-	-	5,049	-	-	5,049
Disposals/write-off during the year	-	-	(2,971)	(3,703)	(256)	(14,352)	-	-	(21,282)
Transfers of assets under installation to intangible assets	-	-	-	-	-	-	-	(11,221)	(11,221)
Transfers in (out)	-	335,459	1,850,337	2,060	5,373	-	73,020	(2,266,249)	-
As at 31 December 2022	380,992	2,320,829	10,070,399	186,980	127,430	103,481	1,122,831	51,407	14,364,349
Acquisitions during the year	1,275	-	9,552	7,815	3,692	8,730	-	401,739	432,803
Transfers from right-of-use assets	-	-	-	-	-	110,433	-	-	110,433
Disposals/write-off during the year	(30,000)	-	(35,662)	(2,759)	(1,394)	(97,732)	-	-	(167,547)
Transfers of assets under installation to intangible assets	-	-	-	-	-	-	-	(2,810)	(2,810)
Classification of asset classes	-	(81,829)	276,693	-	-	-	(194,864)	-	-
Transfers in (out)	-	44,731	241,844	2,287	6,217	-	-	(295,079)	-
As at 31 December 2023	352,267	2,283,731	10,562,826	194,323	135,945	124,912	927,967	155,257	14,737,228
Accumulated depreciation									
As at 1 January 2022	18,097	896,101	3,965,396	147,258	90,588	83,500	432,549	-	5,633,489
Depreciation for the year	281	85,906	494,323	9,675	9,607	10,869	51,373	-	662,034
Depreciation on disposals/write-off	-	-	(2,447)	(3,498)	(256)	(10,367)	-	-	(16,568)
As at 31 December 2022	18,378	982,007	4,457,272	153,435	99,939	84,002	483,922	-	6,278,955
Depreciation for the year	280	83,047	526,447	10,559	9,929	7,703	30,557	-	668,522
Classification of asset classes	-	(10,710)	165,730	-	-	-	(155,020)	-	-
Depreciation on disposals/write-off	-	-	(34,528)	(2,759)	(1,387)	(2,761)	-	-	(41,435)
As at 31 December 2023	18,658	1,054,344	5,114,921	161,235	108,481	88,944	359,459	-	6,906,042

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Buildings and premises	Machinery	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Facilities system and water treatment system	Assets under installation and construction	Total
Allowance for impairment loss:									
As at 31 December 2022	-	-	-	-	-	-	-	-	-
Increase during the year	-	-	43,548	-	-	-	-	-	43,548
Decrease during the year	-	-	(43,548)	-	-	-	-	-	(43,548)
As at 31 December 2023	-	-	-	-	-	-	-	-	-
Net book value									
As at 31 December 2022	362,614	1,338,822	5,613,127	33,545	27,491	19,479	638,909	51,407	8,085,394
As at 31 December 2023	333,609	1,229,387	5,447,905	33,088	27,464	35,968	568,508	155,257	7,831,186
Depreciation for the year									
2022 (Baht 610 million included in manufacturing cost, and the remaining balance in administrative expenses)									662,034
2023 (Baht 672 million included in manufacturing cost, and the remaining balance in administrative expenses)									668,522

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land and land improvement	Buildings and premises	Machinery	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Facilities system and water treatment system	
Cost								
As at 1 January 2022	274,706	1,569,112	4,750,162	150,022	99,004	120,071	896,117	9,617,783
Acquisitions during the year	31,736	219	4,062	6,509	1,304	1,273	726	425,886
Transfers from right-of-use assets	-	-	-	-	-	5,049	-	5,049
Disposals/write-off during the year	-	-	(2,971)	(3,702)	(257)	(14,352)	-	(22,588)
Transfers of assets under installation to intangible assets	-	-	-	-	-	-	-	-
Transfers in (out)	-	326,020	1,716,702	1,766	4,673	-	-	(9,885)
As at 31 December 2022	306,442	1,895,351	6,467,955	154,595	104,724	112,041	951,344	10,016,245
Acquisitions during the year	1,275	-	1,340	5,907	2,035	8,690	-	227,374
Transfers from right-of-use assets	-	-	-	-	-	110,433	-	110,433
Disposals/write-off during the year	(30,000)	-	(35,662)	(2,759)	(1,394)	(97,732)	-	(167,547)
Classification of asset classes	-	-	182,769	-	-	-	(182,769)	-
Transfers in (out)	-	44,596	145,157	846	3,637	-	-	-
As at 31 December 2023	277,717	1,939,947	6,761,559	158,589	109,002	133,432	768,575	10,186,505
Accumulated depreciation								
As at 1 January 2022	18,097	825,684	2,750,992	122,331	76,298	94,097	419,967	4,307,466
Depreciation for the year	280	69,124	308,388	8,108	6,794	10,611	43,282	446,587
Depreciation on disposals/write-off	-	-	(2,447)	(3,498)	(256)	(10,367)	-	(16,588)
As at 31 December 2022	18,377	894,808	3,056,933	126,941	82,836	94,341	463,249	4,737,485
Depreciation for the year	280	69,135	322,914	8,807	6,666	7,491	34,350	449,643
Classification of asset classes	-	-	165,317	-	-	-	(165,317)	-
Depreciation on disposals/write-off	-	-	(34,528)	(2,759)	(1,387)	(2,761)	-	(41,435)
As at 31 December 2023	18,657	963,943	3,510,636	132,989	88,115	99,071	332,282	5,145,693

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Buildings and premises	Machinery	Equipment	Furniture, fixtures and office equipment	Motor vehicles	Facilities system and water treatment system
							Assets under installation and construction
							Total
Allowance for impairment loss:							
As at 31 December 2022	-	-	-	-	-	-	-
Increase during the year	-	-	18,915	-	-	-	18,915
Decrease during the year	-	-	(18,915)	-	-	-	(18,915)
As at 31 December 2023	-	-	-	-	-	-	-
Net book value							
As at 31 December 2022	288,065	1,000,543	3,411,022	27,654	21,888	17,700	5,278,760
As at 31 December 2023	259,060	976,004	3,250,923	25,600	20,887	34,361	5,040,812
Depreciation for the year							
2022 (Baht 427 million included in manufacturing cost, and the remaining balance in administrative expenses)							446,587
2023 (Baht 474 million included in manufacturing cost, and the remaining balance in administrative expenses)							449,643

The Group has pledged most assets as collateral against credit facilities and loans received from banks (including all types of liabilities) as mentioned in Note 18 and Note 21 to financial statements.

The subsidiary has pledged partial assets regarding with power plant as collateral against liability under revenue transfers agreement related electricity business operations as described in Note 22 to financial statements.

During the second quarter of the current year, the Group recorded losses on machinery resulting from a fire accident at the factory located in Nakhon Ratchasima Province amounting to Baht 19 million (the Company only: Baht 19 million) and recorded an allowance for impairment of assets as a result of the subsidiary's damaged machinery amounting to Baht 25 million. Subsequently, during the fourth quarter of the current year, the Group repaired the damaged machinery until it was back in normal use and received compensation from the insurance companies. Therefore, the allowance for impairment loss of assets from the machinery has been reversed in full.

As at 31 December 2023, the Group has certain items of plant and equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment of those assets amounted to approximately Baht 1,908 million (2022: Baht 1,836 million) (The Company only: Baht 1,847 million, (2022: Baht 1,781 million)).

17. Intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 are presented below.

	Consolidated financial statements			(Unit: Thousand Baht) Separate financial statements
	Computer software	Right to use the transmission facilities	Total	Computer software
As at 31 December 2023				
Cost	55,383	156,386	211,769	47,040
Less: Accumulated amortisation	(44,454)	(55,597)	(100,051)	(39,629)
Net book value	10,929	100,789	111,718	7,411
As at 31 December 2022				
Cost	52,870	155,774	208,644	46,739
Less: Accumulated amortisation	(40,634)	(49,102)	(89,736)	(36,902)
Net book value	12,236	106,672	118,908	9,837

A reconciliation of the net book value of intangible assets for the years ended 31 December 2023 and 2022 are presented as below.

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value as at 1 January	118,908	116,675	9,837	1,949
Acquisition during the year - at cost	315	123	301	164
Transfers from asset under installation	2,810	11,321	-	9,885
Amortisation for the year	(10,315)	(9,211)	(2,727)	(2,161)
Net book value as at 31 December	111,718	118,908	7,411	9,837

18. Short-term loans from banks

	Interest rates		Consolidated		Separate	
	financial statements		financial statements		financial statements	
	2023	2022	2023	2022	2023	2022
	(% per annum) (% per annum)					
Promissory notes	3.8 - 4.0	2.7 - 3.8	1,020,546	774,200	1,020,546	774,200

Short-term loans from banks are due within 3 months and 6 months as from issuance date of promissory notes, and are secured by mortgage of land and construction thereon, machinery, and equipment of the Group.

As at 31 December 2023, the Company had outstanding liabilities with a bank amounting to Baht 284 million (2022: Baht 211 million). Because the Company issued post-date cheques to sugar cane plantation receivables for the purchase of sugarcane and the planters sold the post-date cheques to the bank at a discount.

19. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Sugar cane payables	797,006	646,242	797,006	646,242
Trade payables - related parties	-	-	379,660	229,005
Trade payables - unrelated parties	139,103	216,913	112,757	165,920
Accounts payable for purchasing fixed assets	202,734	164,008	143,847	118,867
Accrued expenses - related parties	122	49	122	49
Accrued expenses - unrelated parties	25,929	54,430	23,260	25,710
Accrued interest expenses - related parties	198	190	198	190
Accrued interest expenses - unrelated parties	1,240	685	1,001	552
Other payables - related parties	61,311	45,285	13,533	1,141
Other payables - unrelated parties	243,082	205,170	172,766	158,548
Total trade and other payables	<u>1,470,725</u>	<u>1,332,972</u>	<u>1,644,150</u>	<u>1,346,224</u>

Sugar cane payables

The Company purchased sugar cane for the 2023/2024 harvesting year in accordance with the letter of the Office of the Cane and Sugar Board dated 8 December 2023, which specified the initial price of sugar cane at Baht 1,420 per ton of sugar cane at the sweetness of 10 C.C.S. The price will vary by Baht 85.20 per ton for each 1 C.C.S variation. Up to the date on which the Company's directors approved these financial statements, the Office of the Cane and Sugar Board has not yet announced the final sugar cane prices for the 2023/2024 harvesting year.

The Company purchased sugar cane for the 2022/2023 harvesting year in accordance with the letter of the Office of the Cane and Sugar Board dated 8 December 2022, which specified the initial price of sugar cane at Baht 1,080 per ton of sugar cane at the sweetness of 10 C.C.S. The price will vary by Baht 64.80 per ton of sugar cane for each 1 C.C.S. variation. Subsequently, on 8 December 2023, the Office of the Cane and Sugar Board announced the final sugar cane price for the 2022/2023 harvesting year at Baht 1,199.19 per ton of sugar cane at the sweetness of 10 C.C.S. in the Royal Thai Government Gazette. The price will vary by Baht 71.95 per ton of sugar cane for each 1 C.C.S variation. As the final sugar cane price was higher than the initial sugar cane price, the Company already recorded sugar cane payables using the final sugar cane price.

20. Leases

Group as a lessee

The Group has entered into contracts for various items of building, equipment and vehicles used in its operations. Leases generally have lease terms between 2 - 9 years (The Company only: 2 - 9 years).

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Buildings	Office equipment	Motor vehicles	Total
As at 1 January 2022	77,479	3,342	280,883	361,704
Addition	18,811	6,374	22,844	48,029
Transferred to motor vehicles	-	-	(5,049)	(5,049)
Lease cancellation	-	-	(49)	(49)
Depreciation for the year	(19,663)	(1,496)	(36,652)	(57,811)
As at 31 December 2022	76,627	8,220	261,977	346,824
Addition	-	-	103,940	103,940
Transferred to motor vehicles	-	-	(110,433)	(110,433)
Depreciation for the year	(20,180)	(3,849)	(43,769)	(67,798)
As at 31 December 2023	56,447	4,371	211,715	272,533

(Unit: Thousand Baht)

	Separate financial statements			
	Buildings	Office equipment	Motor vehicles	Total
As at 1 January 2022	77,479	3,342	279,899	360,720
Addition	18,811	6,374	15,741	40,926
Transferred to motor vehicles	-	-	(5,049)	(5,049)
Lease cancellation	-	-	(49)	(49)
Depreciation for the year	(19,663)	(1,496)	(35,901)	(57,060)
As at 31 December 2022	76,627	8,220	254,641	339,488
Addition	-	-	99,874	99,874
Transferred to motor vehicles	-	-	(110,433)	(110,433)
Depreciation for the year	(20,180)	(3,849)	(41,600)	(65,629)
As at 31 December 2023	56,447	4,371	202,482	263,300

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease payments	263,882	336,677	253,976	328,186
Less: Deferred interest expenses	(25,615)	(33,323)	(24,790)	(32,572)
Total	238,267	303,354	229,186	295,614
Less: Portion due within one year	(65,931)	(83,390)	(62,925)	(81,288)
Lease liabilities - net of current portion	172,336	219,964	166,261	214,326

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
As at 1 January	303,354	335,530	295,614	334,503
Additions	120,820	52,313	116,865	44,682
Accretion of interest	21,048	15,859	20,610	15,762
Repayments	(206,955)	(100,348)	(203,903)	(99,333)
As at 31 December	238,267	303,354	229,186	295,614

A maturity analysis of lease payments is disclosed in Note 37.2 to financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	67,798	57,811	65,629	57,060
Interest expense on lease liabilities	21,048	15,859	20,610	15,762
Expense relating to short-term leases	1,849	3,188	1,651	3,056
Expense relating to leases of low-value assets	740	663	495	572

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 210 million (2022: Baht 104 million) (the Company only: Baht 206 million (2022: Baht 103 million)), including the cash outflow related to short-term lease, leases of low-value assets. The Group has no future cash outflows relating to leases that have not yet commenced.

21. Long-term loans from banks

Loan no.	Credit facilities (Million Baht)	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
				2023	2022	2023	2022
1	2,286	3.50	16 semi-annual installments starting from Baht 30 million and raising annually up to Baht 199 million, commencing from June 2022	1,804,654	1,982,821	1,804,654	1,982,821
2	714	3.50	16 semi-annual installments starting from Baht 10 million and raising annually up to Baht 61 million, commencing from June 2022	623,920	693,920	-	-
3	460	4.50	Repayment of all principals within 30 April 2023	-	160,490	-	160,490
4	120	MLR - 1	Annual installments for 3 years or 5 years, commencing from April 2022	47,528	68,988	47,528	68,988
5	748	4.50	Repayment of all principals within 30 April 2024	180,570	-	180,570	-
Total				2,656,672	2,906,219	2,032,752	2,212,299
Less: Deferred financial fee				(2,269)	(3,063)	(1,615)	(2,177)
Long-term loans - net				2,654,403	2,903,156	2,031,137	2,210,122
Less: Current portion due within one year				(499,313)	(479,142)	(429,520)	(409,374)
Long-term loans from banks - net of current portion				2,155,090	2,424,014	1,601,617	1,800,748

Movements in the long-term loans from banks account for the year ended 31 December 2023 and 2022 are summarised below.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance as at 1 January	2,903,156	2,583,438	2,210,122	1,945,178
Add: Additions during the year	230,403	589,900	230,403	515,380
Less: Repayment during the year	(479,950)	(271,066)	(409,950)	(251,066)
Amortisation financial fee	794	884	562	630
Balance as at 31 December	2,654,403	2,903,156	2,031,137	2,210,122

Loan credit facilities No. 5

On 2 February 2023, the Company entered into loan agreement with a local bank of Baht 748 million. The objective is to fund the sugar cane plantation for 2023/2024 harvesting year. The loan is to be repaid in full amount within 30 April 2024.

These loans are secured by mortgages of land and construction thereon, machinery and equipment of the Company and two subsidiaries. Moreover, the loan credit facilities No. 1 requires the Company to mortgage its raw brown sugar stored at the Company's factory in Nakhonratchasima Province, up to the amount of Baht 1,800 million, to guarantee the payment of loans with the bank.

Under the above loan agreements, the Group must comply with covenants as specified in the agreements that, among other things, require the Company and subsidiaries to maintain certain interest bearing debt to equity ratio, and debt service coverage ratio (DSCR) at the rate prescribed in the agreements.

As at 31 December 2023 and 2022, the Company and a subsidiary have to maintain interest bearing debt to equity ratio and debt service coverage ratio (DSCR) as specified in loan agreements. As at 31 December 2023 and 2022, the Company could maintain with all loan covenants required in loan agreement. However, that subsidiary has already received the waiver letter for interest bearing debt to equity ratio from bank in December 2023, and received the waiver letter for non-compliance in all financial ratios from bank in December 2022.

As at 31 December 2022, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 243 million (2023: Nil) (the Company only: Baht 243 million (2023: Nil)).

22. Liability under Revenue Transfer Agreement related to electricity business operations

On 20 August 2020, Khonburi Power Plant Co., Ltd (a subsidiary) and Khonburi Sugar Power Plant Infrastructure Fund ("KBSPIF") have signed the Revenue Transfer Agreement related to electricity business operations. The agreement require the subsidiary to transfer 62 percent of the right of revenue from the electricity business operations for a period of 20 years to KBSPIF as follows:

1. Sales of electricity for 22 megawatts with Electricity Generating Authority of Thailand ("EGAT") only in respect of such revenues not affected by USD currency fluctuations and those not affected by average coal price.
2. Sales of electricity for 3.5 megawatts with Khonburi Sugar Public Company Limited.

The summary of movement of Liability under Revenue Transfer Agreement related to electricity business operations is below;

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2023	2022
Balance as at 1 January	2,536,607	2,602,390
Less: Repayment by the subsidiary during the year	(74,186)	(68,399)
Add: Amortisation of financial fee during the year	2,545	2,616
Balance as at 31 December	2,464,966	2,536,607
Less: Current portion due within one year	(78,878)	(71,641)
Liability under Revenue Transfer Agreement related to electricity business operations - net of current portion	<u>2,386,088</u>	<u>2,464,966</u>

Furthermore, the Company and a subsidiary entered into the Undertaking agreement, Security agreement, and Stock pledge agreement as described in Notes 14, 15, and 35.6 and also other agreements which shall be subject to the terms and conditions under Revenue Transfer Agreement related to electricity business operations.

23. Provision for long-term employee benefits

Movement in the provision for long-term employee benefits, which represents compensation payable to employees after they retire during the year ended 31 December 2023 and 2022, are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Provision for long-term employee benefits				
at beginning of year	52,413	63,630	46,905	56,067
Included in profit or loss:				
Current service cost	4,916	5,871	4,387	4,614
Interest cost	1,433	913	1,261	767
Included in other comprehensive income:				
Actuarial gain arising from:				
Financial assumptions changes	-	(7,327)	-	(6,427)
Experience assumptions changes	-	(2,628)	-	(1,139)
Benefits paid during the year	<u>(4,121)</u>	<u>(8,046)</u>	<u>(3,717)</u>	<u>(6,977)</u>
Provision for long-term employee benefits				
at end of year	<u>54,641</u>	<u>52,413</u>	<u>48,836</u>	<u>46,905</u>

The Group expects to pay long-term employee benefits amounting to Baht 3 million within next one year (2022: Baht 8 million) (the Company only: Baht 3 million (2022: Baht 8 million)).

As at 31 December 2023 and 2022, the weighted average duration of the liabilities for long-term employee benefit is 15 - 17 years (the Company only: 15 years).

Significant actuarial assumptions are summarised below:

	(% per annum)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	3.15 - 3.75	3.15 - 3.75	3.15	3.15
Salary increase rate	4.0	4.0	4.0	4.0
Staff turnover rate (depending on age)	1.9 - 22.9	1.9 - 22.9	3.8 - 22.9	3.8 - 22.9

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Million Baht)							
	Consolidated financial statements				Separate financial statements			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate	(5)	(4)	6	5	(4)	(4)	4	5
Salary increase rate	6	5	(5)	(4)	5	4	(4)	(4)

	(Unit: Million Baht)							
	Consolidated financial statements				Separate financial statements			
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2023	2022	2023	2022	2023	2022	2023	2022
Staff turnover rate	(5)	(4)	5	5	(4)	(4)	5	4

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to Section 1202 of the Civil and Commercial Code, the subsidiaries are required to set aside a statutory reserve at least 5% of their net income each time the subsidiaries pay a dividend, until such reserve reaches 10% of their registered share capital. The statutory reserve can neither be used to offset with deficit nor be used for dividend payment.

25. Revenue from contracts with customers

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Type of goods or service:				
Sales of sugars and molasses	10,732	9,049	10,550	8,861
Sales of oil, fertilizer, insecticide and others	635	575	639	579
Services of agriculture	83	90	84	91
Sales of electricity	1,102	1,222	-	-
Total revenue from contracts with customers	12,552	10,936	11,273	9,531

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Timing of revenue recognition:				
Revenue recognised at a point in time	11,367	9,624	11,189	9,440
Revenue recognised over time	1,185	1,312	84	91
Total revenue from contracts with customers	12,552	10,936	11,273	9,531

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 32 relating to the segment information:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
External customers	12,552	10,936	11,225	9,524
Inter-segment	934	765	48	7
Total	13,486	11,701	11,273	9,531
Adjustments and eliminations	(934)	(765)	-	-
Total revenue from contracts with customers	12,552	10,936	11,273	9,531

26. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest income on bank deposits	634	212	515	175
Interest income on loans	46,605	39,063	47,014	39,430
Total	47,239	39,275	47,529	39,605

27. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	164,733	185,036	157,325	182,385
Interest expenses on lease liabilities	21,048	15,859	20,610	15,762
Interest expense from interest rate swaps	-	24	-	24
Bank fee	4,139	3,915	2,077	1,797
Financial fee related to KBSPIF	201,784	208,629	-	-
Total	391,704	413,463	180,012	199,968

28. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate	
	Statements		financial statements	
	2023	2022	2023	2022
Salaries and wages and other employee benefits	617,462	562,451	538,510	489,611
Depreciation and amortisation	746,636	729,056	517,999	505,808
Transportation expenses	283,929	253,459	261,198	224,332
Stabilisation costs, research fee and contribution to Cane and Sugar Fund	146,298	124,047	146,298	124,047
Maintenance expenses	383,877	303,654	266,445	198,835
Raw materials and other supplies used	7,151,800	6,232,528	6,488,606	5,609,776
Changes in finished goods and work in process	235,332	127,148	235,332	127,148

29. Income tax

29.1 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit losses	39,084	44,368	39,084	44,368
Allowance for diminution in value of inventories	714	195	507	386
Allowance for impairment of investment in a subsidiary	-	-	2,204	2,204
Derivative revaluation at fair value				
- reflected in profit or loss	66,627	15,595	66,627	15,595
- reflected in shareholders' equity	-	3,556	-	3,556
Investment in other long-term equity designated at fair value				
- reflected in shareholders' equity	9,449	-	9,449	-
Provision for long-term employee benefits	10,913	10,483	9,767	9,381
Unused tax loss	28,186	147,936	20,919	121,533
Total	154,973	222,133	148,557	197,023
Deferred tax liabilities				
Derivative revaluation at fair value				
- reflected in profit or loss	56,380	6,556	56,450	6,556
- reflected in shareholders' equity	53,848	60	53,848	-
Investments in other long-term equity designated at fair value				
- reflected in profit or loss	3,532	3,510	3,532	3,510
- reflected in shareholders' equity	-	10,080	-	10,080
Leases	12,406	12,231	12,852	12,270
Accumulated depreciation - Plant and equipment	88,690	93,647	88,690	93,647
Total	214,856	126,084	215,372	126,063
Deferred tax assets (liabilities) - net	(59,883)	96,049	(66,815)	70,960

29.2 Income tax expense (revenue)

Income tax expense (revenue) for the years ended 31 December 2023 and 2022 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	2,578	1,667	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	118,187	(27,348)	99,900	(19,975)
Income tax expense (revenue) reported in profit or loss	120,765	(25,681)	99,900	(19,975)

The reconciliation between accounting profit and income tax expense (revenue) is shown below.

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	1,075,380	891,364	872,847	547,283
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	215,076	178,273	174,569	109,457
Effects of:				
Income exempted from promotional privileges (Note 30)	(50,788)	(110,158)	-	-
Non-deductible expenses	13,285	15,165	11,430	14,565
Exempted income/additional deductible expenses	(41,327)	(24,111)	(41,257)	(24,059)
Tax losses	(15,486)	(84,880)	(44,842)	(119,938)
Others	5	30	-	-
Income tax expense (revenue) reported in profit or loss	120,765	(25,681)	99,900	(19,975)

As at 31 December 2023, the Group has unused tax losses totaling Baht 282 million (2022: Baht 286 million) (the Company only: Nil (2022: Baht 114 million)), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of unused tax losses. Those tax losses will expire by the year 2027 (2022: 2026).

29.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax relating to				
Gain on cash flows hedge	(57,270)	(11,745)	(57,404)	(11,910)
Loss (gain) arising on long-term FVOCI equity instruments	19,529	(840)	19,529	(840)
Actuarial gain	-	(1,991)	-	(1,513)

30. Promotional privileges

A subsidiary company received promotional privileges from the Board of Investment for its electricity and steam from biomass fuels pursuant to the promotion certificate No.1557(1)/2556 on 19 April 2013. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (on 18 December 2014) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

A subsidiary company received promotional privileges from the Board of Investment for its electricity and steam from renewable energy pursuant to the promotion certificate No.63-0437-1-00-1-0 on 14 April 2020. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (on 11 December 2021).

Operating revenues for the years ended 31 December 2023 and 2022, divided by promoted and non-promoted operating are summarised below.

(Unit: Million Baht)

	Consolidated financial statements							
	Promoted operations		Non-promoted operations		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from sales and service								
Domestic sales	1,316	1,356	4,380	4,134	(934)	(765)	4,762	4,725
Export sales	-	-	7,789	6,211	-	-	7,789	6,211
Total	1,316	1,356	12,169	10,345	(934)	(765)	12,551	10,936

31. Profit per share

Basic profit per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following tables set forth the computation of basic profit per share:

Consolidated financial statements						
Net profit for the year		Weighted average number of ordinary shares		Profit per share		
2023	2022	2023	2022	2023	2022	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic profit per share						
Net profit attributable to equity holders of the Company						
954,615	917,045	600,000	600,000	1.59	1.53	
Separate financial statements						
Net profit for the year		Weighted average number of ordinary shares		Profit per share		
2023	2022	2023	2022	2023	2022	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic profit per share						
Net profit attributable to equity holders of the Company						
772,947	567,258	600,000	600,000	1.29	0.95	

32. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments as follows:

- The sugar cane segment: production, distribution of sugar cane and related services, e.g. provision of agricultural machines and vehicles (sugar cane harvesters and tractors) to planters who sell sugar cane to the Company.
- The sugar and molasses trading segment: purchase and sale of sugar, molasses and by products.
- The utilities segment: generation of electricity and steam whereby bagasse is used as main fuel.

No operating segments have been aggregated from the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with the third-party transactions.

The following tables present financial information regarding the Group's operating segments for the years 2023 and 2022.

(Unit: Million Baht)

	For the year ended 31 December 2023					
	Sugar cane segment	Sugar and molasses trading	Utilities segment	Total reportable segments	Eliminations	Consolidated
Revenue from sale and service						
from external customers	11,224	225	1,102	12,551	-	12,551
Inter-segment revenue	62	3	869	934	(934)	-
Total	11,287	228	1,971	13,485	(934)	12,551
Segment profit	1,596	11	660	2,265	35	2,300
Unallocated revenue segment and expense segment:						
Other income						104
Selling and distribution expenses						(506)
Administrative expenses						(435)
Gain on exchange rates						64
Finance income						47
Finance cost						(392)
Loss on changes in fair value of sugar swap contracts						(134)
Reversal of impairment loss on financial assets						27
Income tax expenses						(121)
Profit for the year						954

(Unit: Million Baht)

For the year ended 31 December 2022

	Sugar cane segment	Sugar and molasses trading	Utilities segment	Total reportable segments	Eliminations	Consolidated
Revenue from sale and service						
from external customers	9,524	191	1,221	10,936	-	10,936
Inter-segment revenue	17	-	748	765	(765)	-
Total	9,541	191	1,969	11,701	(765)	10,936
Segment profit	1,617	14	626	2,257	94	2,351
Unallocated revenue segment and expense segment:						
Other income						96
Selling and distribution expenses						(441)
Administrative expenses						(447)
Loss on exchange rates						(240)
Finance income						39
Finance cost						(413)
Loss on changes in fair value of sugar swap contracts						(58)
Reversal of impairment loss on financial assets						4
Income tax revenue						26
Profit for the year						917

Geographic information

Revenue from external customers is based on locations of customers.

(Unit: Million Baht)

	2023	2022
Revenue from external customers		
Thailand	4,762	4,725
Asia	7,383	5,697
Europe	406	497
Others	-	17
Total	12,551	10,936

Major customers

For the year 2023, the Group had revenues from a major customer amount Baht 4,477 million (2022: Baht 3,386 million derived from a major customer), arising from the production and distribution of sugar cane segment.

33. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributes to the fund monthly at rates of 3 to 10 percent of basic salary. The fund, which is managed by Kasikorn Asset management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 11 million (2022: Baht 10 million) (the Company only: Baht 9 million (2022: Baht 9 million)) were recognised as expenses.

34. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2022	Annual General Meeting of the shareholders on 24 April 2023	299,996	0.5

35. Commitments and contingent liabilities

35.1 Capital commitments

As at 31 December 2023, the Group had capital commitments of approximately Baht 157 million (2022: Baht 112 million) (the Company only: Baht 113 million (2022: Baht 86 million)), relating to the construction of factory buildings and acquisition of machinery.

35.2 Molasses sale/purchase commitments

As at 31 December 2023, the Group had commitments to molasses purchase of Baht 66 million (2022: molasses purchase of Baht 67 million) (the Company only: Nil (2022: Nil)), and molasses sales of Baht 292 million (2022: Baht 226 million) (the Company only: Baht 292 million (2022: Baht 164 million)), for which the delivery has not yet been made. The agreements will mature within one year.

35.3 Sugar sales commitments

As at 31 December 2023, the Company had commitments to sugar sales of Baht 394 million (2022: Baht 1,246 million) (the Company only: Baht 392 million (2022: Baht 1,246 million)), for which the delivery has not yet been made. The agreements will mature within one year.

35.4 Commitment in respect of uncalled investment

As at 31 December 2023 and 2022, the Company has committed to pay the uncalled portions of its investments as follows:

	(Unit: Million Baht)	
	2023	2022
Khonburi Bio Energy Co., Ltd.	324.8	324.8

35.5 Electricity sale/purchase commitment

The subsidiary has entered into the following agreements to sell electricity at a specified quantities and prices as determined in the agreements.

Company's name	Date of agreement	Period (Years)	Commencement		Contracted capacity (MW)
			date	End of period	
Provincial Electricity Authority (PEA)	20 July 2009	20	16 July 2013	15 July 2029	8
Electricity Generating Authority of Thailand (EGAT)	6 November 2014	25	2 January 2015	31 December 2039	22
Provincial Electricity Authority (PEA)	3 December 2007	1 year and renew every 1 year automatically	21 December 2007	-	8
Provincial Electricity Authority (PEA)	29 December 2022	2	-	31 December 2024	4

35.6 Agreements relating to the operation of electricity from biomass

On 1 December 2017, the Company and a subsidiary revised and amended agreements relating to the operation of electricity from biomass. The terms are 3 years, as from the date of 1 December 2017 until 30 November 2020. If none of the parties notifies the other in written form to terminate or change the agreement within 90 days from the end of the contract term, the agreement will remain in force until (and including) 31 December 2039. The details of the said agreement are as follows.

- The electricity sale/purchase agreement - The Company has agreed to acquire an electricity voltage of 3,300 volts for power supply of 2 - 25 megawatt (season based) from its subsidiary. The price is the same as the electricity price purchased from the Electricity Authority, excluding Adder.
- The steam sale/purchase agreement - The Company has agreed to acquire the steam, with the pressure of 0.5 - 23 bars and at the temperature of 115 - 400 degree Celsius, from its subsidiary. The price is as stipulated in the agreement.
- The bagasse sale/purchase agreement - The Company has agreed to sell at least 0.82 million tons of bagasse at moisture of 47% - 53% to its subsidiary. The price is as stipulated in the agreement.

In addition, the subsidiary has entered into several lease agreements with the Company in respect of lease of land, building, and machinery to be used in the operation of electricity from biomass. The terms of the agreements are generally 3 - 30 years.

In 2020, the Company and a subsidiary amended agreements relating to minimum quantity of bagasse's sell and electricity price which shall be subject to terms and conditions of the revenue transfer agreement related to electricity business operations as described in Note 22 to financial statements.

35.7 Guarantees

- a) As at 31 December 2023, the Company guaranteed bank credit facilities of two subsidiaries amounting to Baht 810 million (2022: Baht 810 million).
- b) As at 31 December 2023, the Company and subsidiaries had outstanding bank guarantees of approximately Baht 3 million and Baht 13 million, respectively (2022: Baht 13 million and Baht 39 million, respectively) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.
- c) As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 82 million (2022: Baht 82 million) issued by banks on behalf of the subsidiary in respect of performance under an electricity sale/purchase agreement and the submission of applications and offer to sell electricity. They were used as security with the Provincial Electricity Authority and the Electricity Generating Authority of Thailand, in compliance with the regulations of purchasing electricity from small power producers.

36. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in other long-term equity instruments				
Listed company	399,299	-	-	399,299
Non-listed companies	-	-	20,654	20,654
Current derivative assets				
Sugar swap contracts (Commodities swap)	-	13,012	-	13,012
Forward exchange contracts	-	269,238	-	269,238

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Current derivative liabilities				
Sugar swap contracts (Commodities swap)	-	63,895	-	63,895
Forward exchange contracts	-	366	-	366
Liabilities for which fair value are disclosed				
Long-term loans from banks	-	-	2,303,627	2,303,627
Liabilities under Revenue Transfer				
Agreement related to electricity business operations	-	-	2,902,410	2,902,410

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in other long-term equity instruments				
Listed company	470,400	-	-	470,400
Non-listed companies	-	-	20,543	20,543
Current derivative assets				
Sugar swap contracts (Commodities swap)	-	698	-	698
Forward exchange contracts	-	30,720	-	30,720
Non-current derivative assets				
Sugar swap contracts (Commodities swap)	-	1,662	-	1,662
Liabilities measured at fair value				
Current derivative liabilities				
Sugar swap contracts (Commodities swap)	-	47,517	-	47,517
Forward exchange contracts	-	48,201	-	48,201
Non-current derivative liabilities				
Sugar swap contracts (Commodities swap)	-	37	-	37
Liabilities for which fair value are disclosed				
Long-term loans from banks	-	-	2,528,572	2,528,572
Liabilities under Revenue Transfer				
Agreement related to electricity business operations	-	-	2,963,930	2,963,930

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in other long-term equity instruments				
Listed company	399,299	-	-	399,299
Non-listed companies	-	-	20,654	20,654
Current derivative assets				
Sugar swap contracts (Commodities swap)	-	13,012	-	13,012
Forward exchange contracts	-	269,238	-	269,238
Liabilities measured at fair value				
Current derivative liabilities				
Sugar swap contracts (Commodities swap)	-	63,895	-	63,895
Liabilities for which fair value are disclosed				
Long-term loans from banks	-	-	1,713,837	1,713,837

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in other long-term equity instruments				
Listed company	470,400	-	-	470,400
Non-listed companies	-	-	20,543	20,543
Current derivative assets				
Sugar swap contracts (Commodities swap)	-	698	-	698
Forward exchange contracts	-	30,421	-	30,421
Non-current derivative assets				
Sugar swap contracts (Commodities swap)	-	1,662	-	1,662
Liabilities measured at fair value				
Current derivative liabilities				
Sugar swap contracts (Commodities swap)	-	47,517	-	47,517
Forward exchange contracts	-	48,201	-	48,201
Non-current derivative liabilities				
Sugar swap contracts (Commodities swap)	-	37	-	37
Liabilities for which fair value are disclosed				
Long-term loans from banks	-	-	1,878,527	1,878,527

37. Financial instruments

37.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Derivative assets				
Derivative assets not designated as cash flow hedges instruments				
Sugar swap contracts (Commodities swap)	13,012	2,360	13,012	2,360
Derivative assets designated as cash flow hedges instruments				
Forward exchange contracts	269,238	30,720	269,238	30,421
Total derivative assets	<u>282,250</u>	<u>33,080</u>	<u>282,250</u>	<u>32,781</u>
Derivative liabilities				
Derivative liabilities not designated as cash flow hedges instruments				
Sugar swap contracts (Commodities swap)	63,895	47,554	63,895	47,554
Derivative liabilities designated as cash flow hedges instruments				
Forward exchange contracts	366	48,200	-	48,200
Total derivative liabilities	<u>64,261</u>	<u>95,754</u>	<u>63,895</u>	<u>95,754</u>

Derivatives not designated as hedging instruments

Sugar and Sugarcane price fluctuation risk

The Group uses sugar swap contracts to manage risk from sugar export sales income based on the average price of the sugar and exchange rate of actual sale made by The Thai Sugar Trading Corporation Limited (TCSC).

The Group is holding the following sugar swap contracts as at 31 December 2023 and 2022 which was summarised by maturity dates.

	Consolidated / Separate financial statements		
	As at 31 December 2023		
	Maturity		
	Less than 1		
	year	1 to 2 years	Total
Sugar swap contracts (for highly probable forecast sales)			
Notional amount (in Ton)	42,670	-	42,670
Notional amount (Million US Dollar)	24	-	24
Average hedged rate (US Dollar/Ton)	556	-	556
Sugar swap contracts (for highly probable forecast purchases)			
Notional amount (in Ton)	62,001	-	62,001
Notional amount (Million US Dollar)	37	-	37
Average hedged rate (US Dollar/Ton)	593	-	593

	Consolidated / Separate financial statements		
	As at 31 December 2022		
	Less than		
	1 year	1 to 2 years	Total
Sugar swap contracts (for highly probable forecast sales)			
Notional amount (in Ton)	64,282	12,000	76,282
Notional amount (Million US Dollar)	20	5	25
Average hedged rate (US Dollar/Ton)	312	386	

Consolidated / Separate financial statements

As at 31 December 2022

	Less than 1 year	1 to 2 years	Total
Sugar swap contracts (spread) (for highly probable forecast sales)			
Notional amount (in Ton)	30,000	5,080	35,080
Notional amount (Million US Dollar)	3	0.1	3.1
Average hedged rate (US Dollar/Ton)	89	27	
Sugar swap contracts (for highly probable forecast purchases)			
Notional amount (in Ton)	37,300	12,000	49,300
Notional amount (Million US Dollar)	15	6	21
Average hedged rate (US Dollar/Ton)	400	479	

Derivatives designated as hedging instruments in cash flow hedges

Foreign currency risk

Forward exchange contracts are designated as hedging instruments in cash flow hedges of forecast sales and forecast purchases in USD. There is an economic relationship between the hedged items and the hedging instruments as the term of the forward exchange contracts match those of the expected highly probable forecast transaction. The forward exchange contracts balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The Group is holding the following forward exchange contracts as hedging instruments classified by the payment due as at 31 December 2023 and 2022.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Less than 1 year	Less than 1 year	Less than 1 year	Less than 1 year
Forward exchange contracts (for highly probable forecast sales)				
Notional amount (Million US Dollar)	166.4	133.9	166.4	133.9
Average forward rate (Baht /US Dollar)	34.04 - 36.50	32.95 - 35.84	34.04 - 36.50	32.95 - 35.84
Forward exchange contracts (for highly probable forecast purchases)				
Notional amount (Million US Dollar)	0.6	0.3	-	-
Average forward rate (Baht /US Dollar)	33.68 - 34.65	33.32	-	-

Hedge effectiveness testing of derivatives are designated as hedging instruments in cash flow hedges

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The impact of the hedging instruments on the statement of financial position as at 31 December 2023 and 2022 and the effect of the cash flow hedges in the statement of comprehensive income for the year ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Profit or loss					
Other comprehensive income	(Included in sales income)					
	Amount of cash flow hedge					
	Effectiveness		Ineffectiveness		reserve	
	2023	2022	2023	2022	2023	2022
Forward exchange contracts	286	59	-	-	(94)	(233)

(Unit: Million Baht)

	Separate financial statements					
	Profit or loss					
	Other comprehensive income		(Included in sales income)			
			Amount of cash flow hedge			
	Effectiveness		Ineffectiveness		reserve	
2023	2022	2023	2022	2023	2022	
Forward exchange contracts	287	60	-	-	(94)	(234)

37.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, sugar cane plantation receivables, amounts due from the Office of the Cane and Sugar Fund, short-term loans to related parties, short-term loans from banks, short-term loans from related parties, trade and other payables, amounts due to the Office of the Cane and Sugar Fund, long-term loans from banks, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, sugar cane plantation receivables, and loans to. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and sugar cane plantation receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and sugar cane plantation receivables are regularly monitored. Most planters have provided assets as collateral. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables and other receivable are written-off by the Group's policy to determine the appropriateness.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of short-term and long-term loans from banks, short-term loans from related parties and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows, and included interest payment:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from banks	50	975	-	-	1,025
Short-term loans from related parties	-	26	-	-	26
Trade and other payables	-	1,471	-	-	1,471
Amounts due to the Office of the Cane and Sugar Fund	-	109	-	-	109
Lease liabilities	-	81	195	-	276
Long-term loans from banks	-	589	2,051	319	2,959
Liability under Revenue Transfers Agreement related to electricity business operations	-	281	1,112	3,065	4,458
Total non-derivatives	50	3,532	3,358	3,384	10,324
Derivatives					
Derivative liabilities: net settled					
Sugar swap contracts					
(Commodities swap)	-	64	-	-	64
Forward exchange contracts	-	-	-	-	-
Total derivatives	-	64	-	-	64

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2022					
	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from banks	-	799	-	-	799
Short-term loans from related parties	-	26	-	-	26
Trade and other payables	-	1,852	-	-	1,852
Amounts due to the Office of the Cane and Sugar Fund	-	61	-	-	61
Lease liabilities	-	108	330	17	455
Long-term loans from banks	-	502	1,605	929	3,036
Liability under Revenue Transfers Agreement related to electricity business operations	-	280	1,112	3,551	4,943
Total non-derivatives	-	3,628	3,047	4,497	11,172
Derivatives					
Derivative liabilities: net settled					
Sugar swap contracts (Commodities swap)	-	48	-	-	48
Forward exchange contracts	-	18	-	-	18
Total derivatives	-	66	-	-	66

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2023					
	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from banks	50	975	-	-	1,025
Short-term loans from related parties	980	26	-	-	1,006
Trade and other payables	-	1,644	-	-	1,644
Amounts due to the Office of the Cane and Sugar Fund	-	109	-	-	109
Lease liabilities	-	77	189	-	266
Long-term loans from banks	-	498	1,566	193	2,257
Total non-derivatives	1,030	3,329	1,755	193	6,307
Derivatives					
Derivative liabilities: net settled					
Sugar swap contracts (Commodities swap)	-	64	-	-	64
Forward exchange contracts	-	-	-	-	-
Total derivatives	-	64	-	-	64

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from banks	-	799	-	-	799
Short-term loans from related parties	1,020	26	-	-	1,046
Trade and other payables	-	1,803	-	-	1,803
Amounts due to the Office of the					
Cane and Sugar Fund	-	61	-	-	61
Lease liabilities	-	107	329	17	453
Long-term loans from banks	-	429	1,081	807	2,317
Total non-derivatives	1,020	3,225	1,410	824	6,479
Derivatives					
Derivative liabilities: net settled					
Sugar swap contracts					
(Commodities swap)	-	48	-	-	48
Forward exchange contracts	-	18	-	-	18
Total derivatives	-	66	-	-	66

Market risk

There are three types of market risk comprising currency risk, interest rate risk, and sugar price risk. The Group enters into a variety of derivatives to manage their risk exposure, including:

- Forward exchange contracts to hedge the foreign currency risk arising on the export of goods and purchase of equipment;
- Interest rate swaps contracts to mitigate the risk of rising interest rates for long-term loans from banks;
- Sugar swap contracts to manage the risks from gross profit fluctuation

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its export of goods and purchase of equipment that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. General, the forward contracts mature within one year.

The Company appointed a related company as its representative for the purpose of concluding forward exchange contracts, with power of attorney. The Company agrees to accept liability for any losses.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 December 2023 and 2022, the Group hedged its expected foreign currency sales and purchases. Those hedged sales and purchases were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The Group had the following foreign currency financial assets and liabilities.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	8.0	1.2	-	0.2	34.06	34.39 - 34.73
Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	8.0	1.2	-	-	34.06	34.39

Foreign currency sensitivity

The Group has no significant impact on the Group's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022, as from a reasonably possible change in exchange rates within next one year, with all other variables held constant.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits at banks, short-term and long-term loans from banks. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2023						
	Fixed interest rates					
	Within 1 year	1 - 7 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	189	1	190	Note 8
Trade and other receivables	-	-	-	650	650	Note 9
Sugar cane plantation receivables	780	140	-	-	920	Note 10
Other non-current assets	-	48	-	-	48	5%
	780	188	189	651	1,808	
<u>Financial liabilities</u>						
Short-term loans from banks	1,021	-	-	-	1,021	Note 18
Short-term loans from related parties	25	-	-	-	25	Note 7
Trade and other payables	-	-	-	1,471	1,471	Note 19
Amounts due to the Office of the Cane and Sugar fund	-	-	-	109	109	-
Lease liabilities	66	172	-	-	238	Note 20
Long-term loans from banks	478	2,129	47	-	2,654	Note 21
Liability under Revenue Transfers Agreement related to electricity business operations	79	2,386	-	-	2,465	Note 22
	1,669	4,687	47	1,580	7,983	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2022						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 7 years				
<u>Financial assets</u>						
Cash and cash equivalents	-	-	82	1	83	Note 8
Trade and other receivables	11	-	-	600	611	Note 9
Sugar cane plantation receivables	474	81	-	-	555	Note 10
Other non-current assets	-	96	-	-	96	5%
	485	177	82	601	1,345	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2022

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 7 years				
<u>Financial liabilities</u>						
Short-term loans from banks	774	-	-	-	774	Note 18
Short-term loans from related parties	25	-	-	-	25	Note 7
Trade and other payables	-	-	-	1,852	1,852	Note 19
Amounts due to the Office of the Cane and Sugar fund	-	-	-	61	61	-
Lease liabilities	83	220	-	-	303	Note 20
Long-term loans from banks	458	2,376	69	-	2,903	Note 21
Liability under Revenue Transfers Agreement related to electricity business operations	72	2,465	-	-	2,537	Note 22
	<u>1,412</u>	<u>5,061</u>	<u>69</u>	<u>1,913</u>	<u>8,455</u>	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2023

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 7 years				
<u>Financial assets</u>						
Cash and cash equivalents	-	-	165	1	166	Note 8
Trade and other receivables	-	-	-	791	791	Note 9
Sugar cane plantation receivables	780	140	-	-	920	Note 10
Short-term loans to related parties	8	-	-	-	8	Note 7
Other non-current assets	-	48	-	-	48	5%
	<u>788</u>	<u>188</u>	<u>165</u>	<u>792</u>	<u>1,933</u>	
<u>Financial liabilities</u>						
Short-term loans from banks	1,021	-	-	-	1,021	Note 18
Short-term loans from related parties	1,136	-	-	-	1,136	Note 7
Trade and other payables	-	-	-	1,644	1,644	Note 19
Amounts due to the Office of the Cane and Sugar fund	-	-	-	109	109	-
Lease liabilities	63	166	-	-	229	Note 20
Long-term loans from banks	408	1,576	47	-	2,031	Note 21
	<u>2,628</u>	<u>1,742</u>	<u>47</u>	<u>1,753</u>	<u>6,170</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
Within 1 year	1 - 7 years					
<u>Financial assets</u>						
Cash and cash equivalents	-	-	58	1	59	Note 8
Trade and other receivables	11	-	-	473	484	Note 9
Sugar cane plantation receivables	474	81	-	-	555	Note 10
Short-term loans to related parties	13	-	-	-	13	Note 7
Other non-current assets	-	96	-	-	96	5%
	<u>498</u>	<u>177</u>	<u>58</u>	<u>474</u>	<u>1,207</u>	
<u>Financial liabilities</u>						
Short-term loans from banks	774	-	-	-	774	Note 18
Short-term loans from related parties	1,102	-	-	-	1,102	Note 7
Trade and other payables	-	-	-	1,803	1,803	Note 19
Amounts due to the Office of the						
Cane and Sugar fund	-	-	-	61	61	-
Lease liabilities	81	214	-	-	295	Note 20
Long-term loans from banks	<u>388</u>	<u>1,753</u>	<u>69</u>	<u>-</u>	<u>2,210</u>	Note 21
	2,345	1,967	69	1,864	6,245	

Interest rate sensitivity

The Group has no significant impact on the Group's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities to a reasonably possible change in floating interest rate as at 31 December 2023 and 2022, as from a reasonably possible change in interest rate in next one year, with all other variables held constant

Sugar and sugarcane price fluctuation risk

The net income of the cane and sugar system is calculated based on the overall income from the domestic and export sugar distribution. The final revenue is in accordance with the Office of Cane and Sugar Board's announcement for the preparation of revenue projections, determination and payment of sugar cane price, sugar production costs and the ratio of returns between sugarcane plantations and factories B.E. 2562.

The selling price of export sugar and the exchange rate of the actual sales made by TCSC have substantial impact on the cane price, which is the major cost of the sugar production. To manage risk on the fluctuation of gross profit, the Company has hedged the risk by entering into sugar swap contracts (commodities swap) for the period of 1 - 2 years. Gain or loss is recognised in the statement of income when the contracts are settled or expired.

37.3 Fair values of financial instruments

Since the majority of the financial instruments of the Group are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position, except items as follow which have the estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position.

(Unit: Thousand Baht)

	As at 31 December 2023			
	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term loans from banks	2,654,403	2,529,456	2,031,137	1,940,321
Liability under Revenue Transfers Agreement related to electricity business operations	2,464,965	2,902,410	-	-

(Unit: Thousand Baht)

	As at 31 December 2022			
	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term loans from banks	2,903,156	2,754,987	2,210,122	2,105,828
Liability under Revenue Transfers Agreement related to electricity business operations	2,536,607	2,963,930	-	-

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- d) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- e) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

37.4 Reconciliation of recurring fair value measurements of assets, categorised within Level 3 of the fair value hierarchy

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
	Investments in non-listed equity instruments
Balance as of 1 January 2022	20,543
Gain (loss) recognised into profit or loss	-
Balance as of 31 December 2022	20,543
Gain recognised into profit or loss	111
Balance as of 31 December 2023	20,654

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
Long-term investments in non-listed equity securities	Adjusted book value	Forecast profit for the year ended 31 December 2023	Closed to profit for the year ended 31 December 2022	No significant impact

38. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group's debt-to-equity ratio was 1.98:1 (2022: 2.49:1) and the Company's was 1.69:1 (2022: 1.94:1).

39. Event after the reporting period

On 19 February 2024, the meeting of Executive Committee of Khonburi Power Plant Co., Ltd. (the subsidiary) passed the resolution to propose to the Annual General Meeting of the shareholders for approval for dividend payment from the profit of the year ended 31 December 2023, to be paid at a rate of Baht 2.1 per share or a total of Baht 105 million. Such dividend will be paid and recorded after being approved by the Annual General Meeting of that subsidiary's shareholders.

On 26 February 2024, the meeting of the Company's Board of Directors passed the resolution to propose to the Annual General Meeting of the Company's shareholders for approval for dividend payment from the profit of the year ended 31 December 2023, to be paid at a rate of Baht 0.55 per share or a total of Baht 330 million. Such dividend will be paid and recorded after being approved by the Annual General Meeting of the Company's shareholders.

40. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 26 February 2024.

Attachment 1

History of Penalties of the Company's Directors, Executives and Controlling Persons in the Past 5 Years



Attachment 1

History of Penalties of the Company's Directors, Executives and Controlling Persons in the Past 5 Years

No directors, executives or controlling persons of the Company have committed any offences pursuant to Securities and Exchange Act, B.E. 2535 (A.D. 1992), or Derivatives Act, B.E. 2546 (A.D. 2003), in the past 5 years, with regard to the following offences:

1. Gross misconduct or negligence;
2. Disclosure or dissemination of false information or misleading statements or concealment of significant truth that should be clearly declared, which may affect the decision of shareholders, investors or related parties;
3. Unfair treatment or exploitation of the investors in stock trading or derivative contracts or involving or having involved in or supporting such acts.

Directors and Management Profile

Directors

Name	: Mr. Suthep Wongvorazathe
Position	: Chairman / Independent Director
Age	: 76 years old
Education	: Master degree of Business Administration, University of Wisconsin. Bachelor degree of Business Administration, Finance Major, University of Wisconsin.
Training	: Director Accreditation Program (DAP) Class 48/2005

Number of shares held at the beginning of the year	: -
Number of shares held at the end of the year	: -
Number of Shares in Subsidiaries	: -
Number of shares held by the spouse and minor children at the end of the year	: -

Other current positions :

2023 - Present	Independent Director, Chairman Bangchak Sriracha Public Company Limited
2023 - Present	Independent Director, Vice Chairman BCPG Public Company Limited
2016 - Present	Chairman, Independent Director Khonburi Sugar Public Company Limited
2015 - present	Chairman M.K. Real Estate Development Public Company Limited

2022 – present	Chairman, Chairman of Executive Committee Thai Agro Exchange Co., Ltd.
2018 - present	Director C P D Holding Company Limited
2017 - present	Director H S H Siamchaophraya Holdings Company Limited
2015 - present	Director Buntudthong Pattana Company Limited
2011 - Present	Director New Corp Company Limited
2008 - Present	Director Asia Kangnam Company Limited

Name	: Ms. Suvimol Krittayakiern
Position	: Independent Director / Chairman of Audit Committee
Age	: 72 years old
Education	: Master Degree of Accountancy Chulalongkorn University Bachelor Degree of Accountancy Chulalongkorn University
Training	: R-DF-Director Forum (R-DF) Class 1/2010 Audit Committee Program (ACP) Class 36/2011 Director Certification Program (DCP) Class 92/2007 Ethical Leadership Program (ELP) Class 10/2017 Advance Audit Committee Program (AACP) Class 27/2017
Training in the past year	: Seminar organized by Alumni Association Faculty of Commerce and Accountancy, Chulalongkorn University - Update TFRS year 2022 - Compliance with important laws for business sustainability
Number of shares held at the beginning of the year	: -
Number of shares held at the end of the year	: -
Number of Shares in Subsidiaries	: -
Number of shares held by the spouse and minor children at the end of the year	: -
Other current positions :	
2019 – Present	Chairman and Independent Director NSL Foods Public Company Limited
2017 - Present	Independent Director and Audit Committee Team Consulting Engineering and Management Public Company Limited
2010 – Present	Chairman of Audit Committee and Independent Director Khonburi Sugar Public Company Limited
2017 - Present	Accounting Standard Committee the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
2017 - Present	Committee the Federation of Accounting Professions Under the Royal patronage of His Majesty the King
2017 - Present	Chairman of the Audit Committee Thai Investors Association
2012 - Present	Director Foundation to Support the Development of Academic Law - Faculty of Law, Chulalongkorn University
2012 - Present	Director and Treasurer Yong Som Jai Santiwattana Foundation
2010 - Present	Managing Director DIA International Audit Company Limited
2004 - Present	Professional Committee Department of Accountancy, Chulalongkorn University Alumni Association
2002 - Present	Director 75 C P E Company Limited
1990 - Present	Executive Director DIA Audit Company Limited
1988 - Present	Director Yong Som Jai Company Limited

Name : Mr. Vinit Samritpricha

Position : Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee

Age : 72 years old

Education : Master degree of Business Administration,
Indiana University of Pa., USA
Bachelor degree of Accounting, Thammasat University

Training : Director Certification Program (DCP) Class 20/2002

Number of shares held at the beginning of the year : -

Number of shares held at the end of the year : -

Number of Shares in Subsidiaries : -

Number of shares held by the spouse and minor children at the end of the year : -

Other current positions :

2021 - Present Independent Director, Member of Audit Committee and Chairman of Nomination and Remuneration Committee, Khonburi Sugar Public Company Limited

2008 – present Director and Audit Committee Chairman, Krungthai XSpring Securities Co., Ltd.

Name : Mr. Sran Smutkochorn

Position : Independent director / Chairman of Risk Management Committee /
Member of Nomination and Remuneration Committee

Age : 59 years old

Education : Master degree of Economics The University of California, Los Angeles.
Bachelor degree of Economics The University of California, Northridge

Training : Director Accreditation Program (DAP) Class 42/2005

Number of shares held at the beginning of the year : -

Number of shares held at the end of the year : -

Number of Shares in Subsidiaries : -

Number of shares held by the spouse and minor children at the end of the year : -

Other current positions :

2011 - Present Independent Director, Chairman of Risk Management Committee, Member of
Nomination and Remuneration Committee, Khonburi Sugar Public Company Limited

2013 - Present Independent Director, Chairman of Audit Committee
FS Corporation Public Company Limited

Name : Mr. Sukda Punkla

Position : Independent Director / Member of Audit Committee

Age : 67 years old

Education : Master of Engineering (Industrial Management Engineering)
King Mongkut's University of Technology North Bangkok
Bachelor of Industrial Engineering Rajamangala University of Technology

Training : -

Number of shares held at the beginning of the year : -

Number of shares held at the end of the year : -

Number of Shares in Subsidiaries : -

Number of shares held by the spouse and minor children at the end of the year : -

Other current positions :

2018 - Present Independent Director and Member of Audit Committee
Khonburi Sugar Public Company Limited

Name : Mr. Takon Tawintermsup

Position : Director / Chairman of Executive Committee / Risk Management Committee / Acting Managing Director

Age : 70 years old

Education : Matthayom 3, Matthayom Wat Thatthong school.

Training : Director Certification Program (DCP) Class 32/2003
: Finance for Non-Finance Director (FND) Class 5/2003

Number of shares held at the beginning of the year : 4,131,250 shares

Number of shares held at the end of the year : 4,131,250 shares

Number of Shares in Subsidiaries : Khonburi Power Plant Co., Ltd. : 1 share,
KBS Trading Co., Ltd. : 1 share,
Khonburi Bio Energy Co., Ltd. : 1 share,
KBS Investment Co., Ltd. : 1 share,
KBS Cane and Sugar Co., Ltd. : 1 share,
KBS Power Co., Ltd. : 1 share

Number of shares held by the spouse and minor children at the end of the year : -

Other current positions :

1974 - Present Chairman of Executive Committee, Director, Acting Managing Director
Khonburi Sugar Public Company Limited

1979 - Present Director, Chairman of Executive Committee
Chumporn Palm Oil Industry Public Company Limited

2020 - Present Director CPI Power Company Limited

2017 - Present Director All Bloom Coconut Company Limited

2017 - Present Director CPI Grow Company Limited

2016 - Present Director CPI Trading Company Limited

2014 - Present Director CPP Company Limited

2014 - Present Director KBS Investment Company Limited

2014 - Present Director KBS Cane and Sugar Company Limited

2014 - Present Director KBS Power Company Limited

2011 - Present Director CPI Agrotech Company Limited

2010 - Present Director Khonburi Capital Company Limited

2008 - Present Director KBS Trading Company Limited

2008 - Present Director Khonburi Power Plant Company Limited

2004 - Present Director Khonburi Bio Energy Company Limited

1993 - Present Director Chumporn Holding Company Limited

Name : Mr. Somkiat Twiltermsup

Position : Director / Executive Director / Risk Management Committee /
Nomination and Remuneration Committee / Deputy Managing Director of Marketing

Age : 62 years old

Education : Bachelor of Arts in Accountancy, Finance and Economics University of Essex

Training : Director Accreditation Program (DAP) Class 90/2011

Number of shares held at the beginning of the year : 31,520,700 shares

Number of shares held at the end of the year : 31,520,700 shares

Number of Shares in Subsidiaries : Khonburi Power Plant Co., Ltd. : 1 share,
KBS Trading Co., Ltd. : 1 share,
Khonburi Bio Energy Co., Ltd. : 1 share,
KBS Investment Co., Ltd. : 1 share,
KBS Cane and Sugar Co., Ltd. : 1 share,
KBS Power Co., Ltd. : 1 share

Number of shares held by the spouse and minor children at the end of the year : -

Other current positions :

2011 - Present Director, Executive Director, Risk Management Committee, Nomination and Remuneration Committee and Deputy Managing Director of Marketing, Khonburi Sugar Public Company Limited

2014 - Present Director KBS Investment Company Limited

2014 - Present Director KBS Cane and Sugar Company Limited

2014 - Present Director KBS Power Company Limited

2012 - Present Director Banpanna Company Limited

2010 - Present Director Khonburi Capital Company Limited

2008 - Present Director KBS Trading Company Limited

2008 - Present Director Khonburi Power Plant Company Limited

2004 - Present Director Khonburi Bio Energy Company Limited

Name : Mr. Issara Twiltermsup

Position : Director / Executive Director / Nomination and Remuneration Committee / Assistant Managing Director of Corporate Affairs

Age : 45 years old

Education : Bachelor of Science Industrial Management with an additional Major in Economics Carnegie Mellon University
Bachelor of Law Thammasat University

Training : Director Accreditation Program (DAP) Class 78/2009
Director Certification Program (DCP) Class 132/2010
Financial Statements for Directors (FSD) Class 7/2010
ISO 9000 : 2000, ISO 14001 : 2004 Lead Auditor Training Course

Number of shares held at the beginning of the year : 14,045,000 shares

Number of shares held at the end of the year : 14,045,000 shares

Number of Shares in Subsidiaries : Khonburi Power Plant Co., Ltd. : 1 share,
KBS Trading Co., Ltd. : 1 share,
Khonburi Bio Energy Co., Ltd. : 1 share,
KBS Investment Co., Ltd. : 1 share,
KBS Cane and Sugar Co., Ltd. : 1 share,
KBS Power Co., Ltd. : 1 share

Number of Shares in join venture : C K Trading (1965) Co., Ltd. : 1,000 share

Number of shares held by the spouse and minor children at the end of the year : -

Other current positions :

2011 - Present Director, Executive Director, Nomination and Remuneration Committee and Assistant Managing Director of Corporate Affairs
Khonburi Sugar Public Company Limited

2014 - Present Director KBS Investment Company Limited

2014 - Present Director KBS Cane and Sugar Company Limited

2014 - Present Director KBS Power Company Limited

2010 - Present Director Khonburi Capital Company Limited

2008 - Present Director KBS Trading Company Limited

2008 - Present Director Khonburi Power Plant Company Limited

2007 - Present Director, Executive Director, Managing Director N.Y. Development Company Limited

2004 - Present Director Khonburi Bio Energy Company Limited

2001 - Present Director, Executive Director, Managing Director N.Y. Rubber Company Limited

2001 - Present Director, Executive Director, Managing Director N.Y. Plantation Company Limited

2001 - Present Director, Executive Director, Managing Director Talaysup Company Limited

Name : **Mr. Amnart Rumpoeypong**

Position : Director

Age : 48 years old

Education : Master of Business Administration, Chulalongkorn University.
Bachelor of International Business, University of North Carolina at Charlotte.

Training : Director Accreditation Program (DAP) Class 82/2010

Number of shares held at the beginning of the year : 250,000 shares

Number of shares held at the end of the year : 250,000 shares

Number of Shares in Subsidiaries : -

Number of shares held by the spouse and minor children at the end of the year : -

Other current positions :

2006 - Present Director Khonburi Sugar Public Company Limited

2006 - Present Director and Deputy Managing Director N.Y. Rubber Company Limited

2006 - Present Director and Deputy Managing Director N.Y. Plantation Company Limited

2006 - Present Deputy Managing Director N.Y. Development Company Limited

Management

Name : Mr. Rathavudh Saetang

Position : Assistant Managing Director of Marketing
 Age : 65 years old
 Education : Master of Business Administration for Management (EMBA)
 National Institute of Development Administration (NIDA)
 Bachelor of Science in Quantitative Economics Ramkhamhaeng university
 Training : -

Number of shares held at the beginning of the year : -
 Number of shares held at the end of the year : -
 Number of Shares in Subsidiaries : -
 Number of shares held by the spouse and minor children at the end of the year : -

Name : Mr. Rangsan Tawintermsup

Position : Assistant Managing Director of Production
 Age : 38 years old
 Education : M Phil Industrial Systems , Manufacture and Management University of
 Cambridge , Trinity College , UK BA (Hons) Mathematics University of
 Cambridge , Trinity College , UK
 Training : -

Number of shares held at the beginning of the year : 12,125,000 shares
 Number of shares held at the end of the year : 12,125,000 shares
 Number of Shares in Subsidiaries : -
 Number of shares held by the spouse and minor children at the end of the year : -

Name : Mr. Cholachart Worawuthichongsathit

Position : Chief Financial Officer
 Age : 42 years old
 Education : Master Degree Financial, Chulalongkorn University
 Master Degree Chemical Engineering, Loughborough University, UK Bachelor
 Degree Chemical Engineering Faculty of Science, Chulalongkorn University
 Training : CFO's Orientation Course
 Chief Financial Officer Certification Program

Number of shares held at the beginning of the year : -
 Number of shares held at the end of the year : -
 Number of Shares in Subsidiaries : -
 Number of shares held by the spouse and minor children at the end of the year : -

Name : Ms. Surawee Puangthong

Position : Senior Manager Finance
 Age : 58 years old
 Education : Master of Business Administration Accounting Siam University
 Bachelor of Accounting Dhonburi Rajabhat University
 Bachelor of General Management Dhonburi Rajabhat University
 Training : Director Accreditation Program (DAP) 90/2011

Number of shares held at the beginning of the year : 6,400 shares
 Number of shares held at the end of the year : 6,400 shares
 Number of Shares in Subsidiaries : -
 Number of shares held by the spouse and minor children at the end of the year : -

Company's Secretary

Name : Ms. Nannapat Borwornsirikiat

Position : Company Secretary
 Age : 51 years old
 Education : Bachelor of Business Administration Bangkok University
 Training : -

Number of shares held at the beginning of the year : -
 Number of shares held at the end of the year : -
 Number of Shares in Subsidiaries : -
 Number of shares held by the spouse and minor children at the end of the year : -

Roles and Responsibilities of the Company's Secretary

The Company's Secretary is supposed to perform in accordance with Standard 89/15 under Securities and Exchange Act, B.E. 2535 (A.D. 1992), and act as the center of preparation/maintenance of documents, directors register, arrangement of shareholders' meetings, invitations and minutes of shareholders' meeting, reports on interests of directors and executives as well as other assigned matters.

Attachment 2

Details of the directors of subsidiaries



Attachment 2

Details of Directors of Subsidiaries

Name	Subsidiaries							Joint venture CK Trading (1965) Co., Ltd.
	Khonburi Sugar Public Company Limited	KBS Trading Co., Ltd.	Khonburi Power Plant Co. Ltd.	Khonburi Bio Energy Co., Ltd.	KBS Invest- ment Co., Ltd.	KBS Cane and Sugar Co., Ltd.	KBS Power Co., Ltd.	
Mr. Suthep Wongvorazathe	III, X							
Mr. Takon Tawintermsup	I, II, IV	I	I	I	I	I	I	
Mr. Somkiat Twiltermsup	I, II, IV	I	I	I	I	I	I	
Mr. Issara Twiltermsup	I, II, IV	I	I	I	I	I	I	I
Mr. Amnart Rumpoeyping	I							
Mr. Sran Smutkochorn	III							
Mrs. Suvimol Krittayakiern	III							
Mr. Vinit Samritpricha	III							
Mr. Sukda Punkla	III							
Mr. Namchai Lowwattanatrakul			I					
Mr. Rangsan Tawintermsup	IV		I					
Mr. Rathavudh Sae-Tang	IV	I						I

Note

X = Chairman
I = Director

II = Executive Director
III = Independent Director

IV = Executive

Attachment 3

Details about the Heads of the Internal Audit

Attachment 3

Details about the head of the internal auditor

Name : **Mr. Manawin Kongto**

Position : Internal Audit Manager

Age : 48 years old

Education : Master's Degree in Economics Ramkhamhaeng University
Bachelor's degree, Bachelor of Engineering Chiang Mai University
Bachelor of Business Administration Chiang Mai Rajabhat University

Training : Certificate of Internal Auditor of Thailand CPIAT No. 055

Number of shares held at the beginning of the year : -

Number of shares held at the end of the year : -

Number of Shares in Subsidiaries : -

Number of shares held by the spouse and minor children at the end of the year : -

Attachment 4

Principles of Corporate Governance and Code of Ethics

Principles of Corporate Governance and Code of Ethics

are a key factor to create fairness, transparency and enhance the organization's efficiency. They also the key to success and sustainable growth of Khonburi Sugar Public Company Limited

Revision History

Handbook of Principles of Corporate Governance and Code of Ethics

Issue No./ Revision No.	Date	Revised Content	Reason
 01/00 02/00	 09/05/2560 23/04/2563	 New issuance Revised the whole document	 To cover the changed business context of the Company and be in accordance with the guidelines of regulatory agencies and good corporate governance principles for listed companies, year 2017.

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Announcement of Khonburi Sugar Public Company Limited

Khonburi Sugar Public Company Limited and its affiliates strongly believe that management based on the principles of corporate governance and code of ethics is an important factor that promotes efficient business operations with honesty, transparency and accountability to bring about maximum benefit to shareholders and create fairness to all stakeholders which contributes to the sustainability of the organization.

For the Company to achieve the above goals and maintain excellence in virtue, which is an important fundamental value, the Company has prepared a handbook of Principles of Corporate Governance and Code of Ethics since 2016 for all directors, executives and employees of the Group to adhere to as good practices. The Board of Directors and the management give precedence to updating the standards of corporate governance and business ethics to be international and in line with the Company's strategy, rules and changing circumstances.

In 2020, the Company has reviewed and improved the corporate governance policy to cover the changing business context of the Company and in accordance with the guidelines of regulatory agencies and good corporate governance principles for listed companies 2017. Therefore, the Company deems it appropriate to revise the Handbook of Principles of Corporate Governance and Code of Ethics, along with reviewing principles and practices of the Company in accordance with development of relevant regulations and international standards by announcing to all directors, executives and employees to adhere to them in their practice, as well as promoting and supporting companies in the Khonburi Sugar Group to apply the Handbook of Principles of Corporate Governance and Code of Ethics as a guideline for their fair, honest and transparent business operations.

The company sincerely hopes that all directors, executives and employees will cooperate and are committed to studying and strictly complying with the Handbook of Principles of Corporate Governance and Code of Ethics to lead the organization to achieve the goal of building stability and sustainable growth.

(Mr. Suthep Wongvorazathe)

Chairman of the Board

(Mr. Takon Tawintermsup)

Chairman of the Executive Committee
and Managing Director

Anti-Corruption Message from Chairman of Executive Committee and Managing Director

Khonburi Sugar Public Company Limited and its affiliates give precedence to good corporate governance with the realization that effective, transparent and accountable management will be able to build confidence and reliability for all stakeholders, as well as helping to create growth for the Company. This is partly due to a sustainable society free from corruption. Because the corruption is not only a major obstacle to development in various fields, it also reduces the competitiveness of the business and causes damage to society and the nation as a whole.

Therefore, in order to express our intention and commitment to conducting business in accordance with relevant laws and regulations by not accepting all forms of corruption, the Company announced its intention to become Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 30 March 2016 and was certified as a member of the CAC on 17 November 2017.

In addition, the Company has established an anti-corruption policy as a clear guideline in business operations and continually campaign to emphasize anti-corruption within the organization included in the Handbook of Principles of Corporate Governance and Code of Ethics for the Board of Directors, executives and all employees of Khonburi Sugar Public Company Limited and its affiliates to strictly follow consistently and continuously.

The anti-corruption policy was considered and approved by the Board of Directors at the meeting No. 4/2016 on 4 November 2016 and has been reviewed and reviewed regularly to cover the changing context of the Company's business operations and in accordance with changes in business laws. The Board of Directors has considered and approved the anti-corruption policy (that has been revised) at the Board of Directors' meeting No. 4/2020 on 11 May 2020.

(Mr. Takon Tawintermsup)

Chairman of the Executive Committee and Managing Director

Guidance on Handbook of Principles of Corporate Governance and Code of Ethics

- Study and understand the content and comply with the Handbook of Principles of Corporate Governance and Code of Ethics.
- Learn about the content related to your duties and responsibilities.
- Review knowledge and understanding of the contents of the Handbook of Principles of Corporate Governance and Code of Ethics regularly and continuously.
- Promote, educate and give advice to colleagues or others both inside and outside the Company to understand the principles of corporate governance and code of ethics in the case of performing duties that may be related to the Company or may affect the Company.
- When there are questions or inquiries, consult your superior, agency or person designated by the Company to be responsible for monitoring compliance with the principles of corporate governance and code of ethics.
- Notify your supervisor, agency or responsible person when you find a violation or non-compliance with the principles of corporate governance and code of ethics.
- Cooperate with agencies or designated persons responsible for investigating facts or various operations that violate or fail to comply with the principles of corporate governance and code of ethics.
- Superiors at all levels must be a leader in compliance with principles of corporate governance and code of ethics, as well as promoting the working environment for employees and related personnel to understand that compliance with the principles of corporate governance and code of ethics is correct and must be practiced.

Code of practice and follow up

The Company requires that it is duties and responsibilities of directors, executives and all employees to be acknowledged and comply with the policies and requirements contained in the Handbook of Principles of Corporate Governance and Code of Ethics of the Company. The Company will promote, develop and provide knowledge and understanding in this matter to its directors, executives and employees. In addition, the Company also requires executives at all levels to ensure and take responsibility and consider it as an important matter to encourage employees under their command to have knowledge and understanding on and strictly comply with the Handbook of Principles of Corporate Governance and Code of Ethics of the Company.

If the Company's personnel encounter problems in making decisions or performing tasks related to the Code of Ethics that is not stipulated in the Company's Code of Ethics, ask yourself the following questions about that action:

- Is the action against the law, order and good morals or not?
- Is the action against the policy, corporate values, principles of corporate governance and code and any regulations of the Company?
- Does the action negatively affect the image of the Company?
- Does the action seriously harm the stakeholders of the Company?
- Is the action acceptable and able to be disclosed to society or not?

Governance process for compliance

Board of Directors

Determine the Company's principles of corporate governance and code of ethics, review them to be appropriate and update them, as well as providing useful guidelines and suggestions.

Audit Committee

Review to ensure that the Company has a process to develop good corporate governance continuously, as well as providing guidelines and recommendations necessary for development.

Human Resources Department

- Ensure that employees receive the Company's Code of Conduct and Corporate Governance principles.
- Clarify, advice and communicate in various forms continually to keep the employees informed of their duty to comply with the principles of corporate governance and code of ethics
- Follow up and keep the forms of acknowledgment and adherence to the Handbook of Principles of Corporate Governance and Code of Ethics signed by executives and employees.

Internal audit unit

- Preliminarily review the information in case there is or it is believed that there may be non-compliance with the principles of corporate governance and code of ethics and report to the Audit Committee.
- Follow up and coordinate for corrective action on non-compliance with principles of corporate governance and the code of ethics as soon as possible and report progress to the Audit Committee.

Legal Section

- Examine and provide advice in cases where the principles of corporate governance and code of ethics may involve legal issues.
- Provide advice on preparation and improvement of the principles of corporate governance and code of ethics to ensure complete and appropriate content.

Company Secretary Section

- Coordinate with regulatory agencies, exchange knowledge with other agencies to use information to develop policies and good corporate governance, and consider proposing amendments to the principles of corporate governance and code of ethics to the Board of Directors.
- Coordinate with relevant departments both within and outside the organization to communicate the principles of corporate governance and code of ethics through appropriate channels.

The Company will not take any actions against the laws or principles of corporate governance and code of ethics. Any directors, executives or employees who violate the principles of corporate governance and codes of ethics or practices as prescribed will be investigated and considered for disciplinary action in accordance with the Company's regulations. This may include termination of employment. And if there is an action that is believed to be against the laws, rules and regulations of government, the Company will send it to government officials for further legal action. In this regard, if personnel find any acts against laws and/or principles of corporate governance and code of ethics, report through various channels as stated in the Company's complaints and whistleblowing measures. The Company will conduct an investigation without revealing the name of the whistleblowers to protect the potential impact on such whistleblowers or complaints. (Details are according to the measures for complaints and whistleblowing).





1

General Information

The Company is committed to conducting business with transparency, morality, ethics and responsibility to society and the environment.

Vision

“To be a leading organization in sugarcane, sugar and bio-energy businesses by integrating personnel, technology and management.”

The Company operates an agricultural processing business as a fully integrated sugar producer, aiming to be an organization with excellent potential, a leader in the country with social and environmental responsibility, who is fair and creates appropriate rewards for stakeholders based on the principles of good corporate governance.

Mission

Stepping into a leading organization in agro-industry is a challenge that personnel and those related to the Company must do and be in the same direction. Therefore, the management team has set the mission at the organization level as follows:

- 1) Operate business and promote work with good governance, ethics and responsibility to stakeholders.
- 2) Develop a management system for products and services to further the business to create value and add value with innovations and new ideas.
- 3) Create and promote learning to bring about the distinct core competencies of the organization and potential for business to grow rapidly and stably.
- 4) Transform and change the organization to suit the business environment both nationally and globally to become a modern organization.

Values

The Company has set the values of the organization as a guideline for transferring and cultivating all employees at all levels to uphold and practice with goal in the same direction and create a good corporate culture.

- INTEGRITY - Adhere to righteousness and ethics.
- ORGANIZATIONAL COMMITMENT - Dedicated and devoted to support the organization's success.
- ANALYTICAL THINKING - Think, analyze and solve problems systematically
- CUSTOMER SERVICE ORIENTATION - Provide quality service to customers.
- CONCEPTUAL THINKING - Able to get an overview
- TEAMWORK AND COOPERATION – Cooperate with others to achieve the goals of the organization.

Complaints and Whistleblowing

The Company encourages its personnel and stakeholders to participate in overseeing compliance with the Company's principles of corporate governance and code of ethics by encouraging inquiries in case of doubts about the Company's principles of corporate governance and code of ethics. It also provides opportunities for all personnel and stakeholders to file complaints, report clues, or provide information about improper actions or those suspected of violation or non-compliance with laws, rules, regulations, corporate governance principles or code of ethics and send detailed evidence to the relevant agencies through the following channels

1. By post, sent to: Chairman of the Audit Committee
Khonburi Sugar Public Company Limited
PO Box 419 Phra Khanong, Bangkok
2. By e-mail, sent to the Chairman of the Audit Committee at anticorruption.kbs@gmail.com

Conditions and consideration of the clues and complaints

1. The details of the clues or complaints must be true, clear or sufficient to investigate the facts for further actions.
2. The whistleblower or the complainant can choose not to disclose his/her name, address and contact phone number if he/she seed that disclosure will cause insecurity or any damage. However, disclosure will enable the Company to report progress, ask for more useful information, clarify the facts or mitigate damage more conveniently

and quickly.

3. Those who report whistleblowers or complaints will be protected, regardless of whether they are employees of the Company or outsiders.

4. The duration of complaint processing depends on complexity of the case, adequacy of evidence provided by the complainant, including evidence and explanations of the respondent.

5. The recipient of complaints and those involved in the investigation process must keep relevant information confidential and disclosed as necessary, taking into account the safety and damage of the complainant or those who cooperate in the investigation of the facts and source of the information or the person involved.

6. In the event that the complainant or those cooperating in the investigation believes that they may be exposed to insecurity or damage, the complainant or those cooperating in the investigation may request the Company to impose the appropriate protection measures, or the Company may impose protection measures by the complainant or those who cooperate in the investigation without request if it is deemed that the case is prone to cause damage or insecurity.

7. Whoever gives false clues or complaints or treats others by unfair means, discriminates through inappropriate methods, bullies, retaliates, threatens or causes damage to other person for a motive from that person making a complaint, reporting a complaint or giving clues about corruption or non-compliance with laws, rules, regulations or the Company's Code of Business Conduct, including such person filing the lawsuit, testifying or providing any co-operation to the court or government agency, shall be considered a disciplinary offense that must be punished, and may be punished according to the law if such action is considered an offense under the law.

Fact Checking Procedure

1. The complaint recipient will send the case to the Complaint Receiving and Consideration Committee to investigate and gather facts or assign a trusted person or entity to be an investigator.

2. The Complaint Receiving and Consideration Committee and/or authorized person has the power to invite any employee to give information or request that any relevant documents be submitted for investigation.

3. If the investigation reveals that there was an action according to the complaint, the Company will proceed as follows.

3.1 In case the complaint is a case that the Company violates the law, rules, regulations or the Company's code of conduct, it will be submitted with an opinion and guidelines for corrective action to the authorized operators in the Company to consider action. And in the case of important matters such as those that affect the reputation, image or financial position of the Company, conflict with the Company's business policies or related to senior management, etc., it shall be submitted to the Audit Committee or the Board of Directors for consideration.

3.2 In the event that the case in the complaint causes damage to any person, it will offer appropriate and fair mitigation measures to the victims.

Protection of the rights of employees or other persons working for the Company

The Company will not act unfairly to directors, executives, employees, staff or any other person who is employed for the Company, whether by changing job position, nature of work or place of work, ordering work suspension, threatening, interfering with work, termination of employment, or any other act which is unfair treatment to them on the grounds that such person...

- Complain when seeing events or something suspected of wrongdoing, corruption, violation or non-compliance with laws, rules, regulations, corporate governance principles or business ethics.

- Report clues, provide information, cooperate or provide assistance in any way to directors, management, government agency or regulatory agencies for the benefit of considering or investigating the case of suspected violation or non-compliance with laws, regulations, and corporate governance principles or business ethics.

- Deny corruption even if doing so will cause the Company to lose business opportunities.

The Company will keep the information confidential and will not disclose the name of the whistleblowers or the complainants to the public without their consent unless it is a disclosure in accordance with the duty required by law.

2 Good Corporate Governance

It is a framework for the Company's business operations, which adheres to morality, ethics, and takes into account balanced interests of all stakeholders to lead to a stable and growing business, along with a good society and environment in the long run.



Corporate Governance Principles

Definition and Meaning

Good corporate governance refers to organizational structuring and management mechanisms to link the relationship between shareholders, board of directors, executives and employees with important objectives in creating appropriate benefits, taking into account the overall stakeholders which leads to the maximum benefit to the shareholders and all groups of stakeholders. Such structuring and management mechanisms must reflect the following key principles:



1. **Accountability:** Responsible for their own decisions and actions, able to clarify and explain that decision
2. **Responsibility:** Have a sense of responsibility for performing duties with sufficient capacity and efficiency
3. **Equitable Treatment:** Treat all stakeholders equally, fairly and with reasonable explanation.
4. **Transparency:** Transparent in its operations that can be verified and disclose information transparently to those involved.
5. **Vision to Create Long Term Value:** Vision to create long-term added value for the organization.

6. **Ethics:** Has a code of conduct and business ethics.

Importance of good corporate governance

1. Enhance the management system to be good and transparent with clear international standards that will help the Company to have competitive potential, prevent and eliminate potential conflicts of interest.
2. Build confidence for investors both inside and outside the country by encouraging communication between the Company and the stakeholders.
3. It is a tool for measuring performance of Khonburi Sugar Public Company Limited and checking various operations to improve the operation to be more efficient.
4. Create a framework for responsibility of the Board of Directors and executives to all stakeholders, as well as to create obligations for the management to exercise power within the specified scope.

Corporate Governance Policy

Khonburi Sugar Public Company Limited is determined to be. Therefore, the Company has set a corporate governance policy as a framework for performing various tasks as follows:

1. The Board of Directors, executives and all employees are committed to performing their duties with dedication and responsibility to their fullest ability for the best interest of the Company and all stakeholders and are committed to adopting the 6 key principles of good corporate governance, namely Accountability, Responsibility, Equitable Treatment, Transparency, Vision to Create Long Term Value, and Ethics, as guidelines for operating with understanding, confidence and faith.
2. The Board of Directors will perform its duties with determination, dedication, responsibility and independence. And there is a clear separation of roles and duties between the Board and the management by arranging the management structure consistent and related to each other appropriately and fairly between the board of directors, executives, and shareholders;
3. The Board of Directors plays an important role together with the management in defining the Company's vision, strategies, policies and important plans, taking into account risk factors and appropriate management guidelines, and must undertake to ensure that the accounting, financial reporting and auditing systems are complete, accurate and reliable.
4. The Board of Directors must be a leader in ethical matters and a role model of performing duties with honesty, fairness, transparency and auditability in accordance with the principles of good corporate governance, as well as overseeing the management of conflicts of interest and connected transactions.
5. The Board of Directors, executives and all employees will adhere to fairness by treating all stakeholders equally.
6. Information disclosure of the Company, both financial and non-financial matters, shall be sufficient, reliable and timely for the shareholders, investors and stakeholders of the Company to receive information equally. There is a public relations unit and investor relations unit responsible for providing information to investors and the general public.
7. The Board of Directors may appoint an ad hoc committee as appropriate to help carefully scrutinize important tasks.
8. The Board of Directors must provide an annual self-assessment to be used as a framework for reviewing performance of the Board of Directors.
9. There shall be a system to recruit personnel who will be responsible for important management positions at all levels and there shall be a transparent and fair recruitment process.
10. The Board of Directors shall formulate a policy on corporate governance and code of ethics for the Board of Directors, executives, staff, including all employees to use as guidelines for conduct, along with the regulations and rules of the Company.

The Company has established the Company's operating and internal control systems in accordance with the above corporate governance policy, consisting of 5 important chapters as follows:

- Chapter 1. Rights of Shareholders
- Chapter 2. Equitable Treatment of Shareholders

- Chapter 3. Roles towards Stakeholders
- Section 4. Disclosure and Transparency
- Chapter 5 Responsibilities of the Board

Guidelines based on corporate governance principles

Chapter 1. Rights of Shareholders

The Board of Directors recognizes and values the rights of shareholders and has formulated the Company's good corporate governance policy by taking into account various factors, including the fundamental rights of shareholders. The key policy guidelines are as follows:

1. Rights of Shareholders

1. Right to register as an owner of the Company's shares.
2. Right to change hands or transfer of rights in one's shares.
3. Right to regularly and adequately receive important information of the Company.
4. Right to attend the meeting to vote at the shareholders' meeting of the Company.
5. Right to appoint or remove the Company's directors.
6. Right to consider remuneration of the Company's directors
7. Right to receive a share in the Company's profits
8. Right to participate in decision making and know the results of the Company's decision regarding changes in the Company's fundamentals, including:
 - Sale or transfer of the entire business of the company or some important parts to other people.
 - Purchase or acceptance of transfer of other businesses to the Company.
 - Entering into, amending or terminating contracts relating to leasing of all or substantial parts of the Company's business, assigning other people to manage the Company's business or a merger with another entity for the purpose of sharing profit and loss.
 - Changes to the Memorandum of Association or the Articles of Association of the Company or other requirements with the same nature.
 - Increase or decrease in the Company's capital.
 - Amalgamation or dissolution of the Company.
 - Issuance of debentures.
 - Other special transactions that is not a normal transaction.

2. Shareholders' meeting

Shareholders have full opportunity to attend the shareholders' meeting and vote at the meeting. The Company encourages all shareholders, whether a major shareholder, minority shareholder, institutional investors or foreign shareholders, to attend the shareholders' meeting and will not take any action to eliminate the right to access the Company's disclosable information. This includes not blocking communication between shareholders or attending the shareholders' meeting. The Company has various actions related to the shareholders' meeting as follows:

Before the shareholders' meeting

1. Minority shareholders can propose issues to the agenda of the shareholders' meeting. and can nominate qualified persons to be considered for appointment as the Company's director prior to the meeting date according to the criteria set by the Company.
2. The invitation letter for the shareholders' meeting and supporting documents for consideration contain important, complete and clear information, prepared in both Thai and English.
3. The Company disseminates the invitation letter for the shareholders' meeting and other meeting documents in advance of the meeting date on the Company's website: www.kbs.co.th, under the topic "Investor Relations".
4. The Company sends the invitation letter for the shareholders' meeting and other meeting documents to the shareholders in advance sufficiently and in a timely manner at least as required by law, as well as informing shareholders of the rules and regulations applied in the shareholders' meeting, voting process to give the shareholders sufficient time to study the information supporting the meeting and make the decision to vote on various agendas.

On the shareholders' meeting date

1. The Company fixes the date, time and place of holding the shareholders' meeting, taking into account the convenience of the shareholders to hold the meeting.
2. The Company applies a computer system and barcodes to registration and vote counting for quickness and convenience and for accuracy and reliability of the information.
3. The Company encourages shareholders to use ballots in every agenda.
4. Shareholders who are unable to attend the meeting in person can vote by appointing a proxy to an independent director of the Company or any other person whom the shareholders deem appropriate to attend the meeting on their behalf.
5. The Company explains to shareholders the rules used to control the shareholders' meeting and voting clearly from the beginning of the meeting.
6. The Company does not add any agenda other than those specified in the invitation letter for the shareholders' meeting or change important information without notifying the shareholders in advance.
7. Directors, executives, and auditors of the Company attend the shareholders' meeting and give the shareholders an opportunity to ask questions, comment and request clarification from the Board of Directors, the management or the auditor in the relevant agenda.
8. The Company allows shareholders to vote for election of directors on individual basis.
9. The Company counts the votes and discloses the voting results of each agenda to the shareholders' meeting clearly and transparently.

After the shareholder meeting

1. The Company notifies the meeting resolutions and voting results of each agenda through the Stock Exchange of Thailand's news system.
2. The Company prepares minutes of the meeting with complete essence for submission to the Stock Exchange of Thailand and publishes it on the Company's website within 14 days from the date of the meeting.
3. The Company publishes the minutes of the shareholders' meeting on the Company's website, www.kbs.co.th, under the topic "Investor Relations" and it is notified via the Stock Exchange of Thailand's news system.

Chapter 2. Equitable Treatment of Shareholders

The Board of Directors recognizes and gives precedence to the principles of equitable treatment of shareholders without discrimination due to differences in positions other than the position of shareholder. The major shareholders, minority shareholders, institutional investors and foreign shareholders, including shareholders who are both directors and executives, will be treated equally and fairly.

The Board of Directors has formulated the Company's good corporate governance policy, taking into account various factors. This includes the principles of equal treatment for all shareholders, with important policy guidelines related as follows:

1. Supervision of the use of inside information

The Board of Directors supervises the establishment of policies used to control the use of inside information and insider trading in the Company's securities to ensure equality and fairness to all shareholders and to prevent its directors, executives and employees involved from trading securities and seeking benefits for themselves or others in a wrong way.

Control of Inside Information

Directors, executives and all employees must not use the Company inside information which are material and has not been disclosed to the public for the benefit of oneself and others and abide by the policies and guidelines regarding recording, reporting, and data retention and the use of inside information strictly as defined by the Company.

Holding of the Company's Securities

Directors, executives and employees of the Company have the right to freedom of investment and trading in the Company's securities. But in order to prevent any conflict of interest, the directors, executives and employees, including their spouses and minor children, must not buy, sell, transfer or accept transfer of the Company's securities during the period of one month prior to the disclosure of the financial statements to the public. In the case where the directors, executives and employees, including their spouses and minor children, buy, sell, transfer or accept transfers of the Company's securities, they must prepare and disclose a report of securities holding, as well as change in the Company's securities holding to the regulators for acknowledgment according to the rules provided.

2. Supervision of conflicts of interest

The Company has a policy to conduct business with integrity, openness, transparency and fairness by requiring all directors, executives and employees not to engage in business that competes with the Company, to avoid making transactions connected to themselves or related persons/juristic persons that may cause a conflict of interest with the Company. The Board of Directors is responsible for ensuring that the Company strictly complies with the rules, procedures and disclosure of connected transactions as required by law or regulatory authority. In the case where it is necessary to enter into a connected transaction, such transactions must be in accordance with general trading conditions based on the principles approved by the Board of Directors with transparency and fairness, like doing transactions with outsiders and taking into account the best interests of the Company. Stakeholders must not take part in considering transactions with which they have conflicts of interest. In the event that it is a connected transaction that does not comply with the general trading conditions based on the principles approved by the Board of Directors and may cause a conflict of interest, it must undergo the review and opinions from the Audit Committee before proposing for approval from the Board of Directors or shareholders.

3. Reporting the stake

Directors and executives of the Company are responsible for reporting their own interests and those of their related parties, which are a stake related to the management of the Company's business in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board. The Company secretary is responsible for collecting and delivering a copy of the stakeholder report to the chairman of the board and the chairman of the audit committee for acknowledgment.

Chapter 3. Roles of Stakeholders

The Company recognizes and places importance on the roles of stakeholders such as shareholders or investors, employees, customers, business partners, creditors, competitors, communities in where the Company is located, society, and government sectors, mainly adhering to mutual benefit between the Company and various groups of stakeholders, with policy to treat stakeholders as follows:

1. Shareholders or investors

The Company gives importance to shareholders by adhering to the principle of equality of shareholders and is committed to conducting business with transparency, prudence and focusing on long-term stable growth with good returns in order to create highest satisfaction for shareholders and provides measures to prevent the use of inside information for the personal benefit of directors or executives.

2. Customers

The Company values and cares for its customers with the utmost responsibility by striving to give customers the highest satisfaction in terms of quality and value for money y controlling the quality of products and services. It also aims to develop products and maintain sustainable relationships with customers.

3. Employees

The Company employees are extremely valuable resources and the key to supporting business operations to achieve the goals. The company has a system of wages, compensation, and welfare that is fair and appropriate,

including welfare such as employee uniforms, annual health check-up, infirmary room, health insurance, provident fund, etc. In addition, the Company also strives to continuously and consistently develop its employees' knowledge and abilities. And the Company also takes into account the quality of life of its employees and their families with educational support for employees and employees' children, housing loan program, etc., and attaches importance to employee safety by organizing fire drills, safety system, safety activities and 5S activities.

4. Creditors

The Company complies with the contract and provides fairness to creditors in the hierarchy of debts according to the contracts entered into. There are guidelines to strictly maintain and comply with conditions with creditors and make full payment to the creditors on time.

5. Partners

The Company treats its partners appropriately with integrity, transparency, fairness and equality. Every business partner of the Company is treated fairly and equally.

6. Competitors

The Company operates its business in accordance with fair rules without any fraudulent actions that are harmful to each other and does not seek unlawful trade secrets or breach an agreement not to disclose Competitors' information whether obtained from customers or others.

7. Society, Community and Environment

The Company has always realized that the Company operates its business smoothly and stably with acceptance and support from society and the community. Thus, it is the Company's important mission to operate its business with a sense of responsibility to communities, society and the environment always. The Company complies with applicable laws and regulations, as well as ensuring to prevent its operations from causing damage to the quality of life of the community, society and environment.

8. Government Sector

The Company cooperates and supports government policies for the benefit of the nation under applicable laws and regulations, as well as being committed to implementing projects that are beneficial to the public, whether it is a government project or a project initiated by the Company, as well as cooperating with the government sector in anti-corruption.

1. Disclosure

The Company has a policy to disclose both financial and non-financial information, which are important and related to the Company completely, transparently and timely through channels easily accessible, equal and reliable to provide its shareholders, investors and all stakeholders both domestically and internationally with reliable and sufficient information for decision-making on a regular basis.

1. Disclosure

The Company adheres to the principles of accurate, complete, transparent, thorough and timely disclosure of both financial and non-financial information in both Thai and English according to the specified rules to provide investors and all stakeholders both domestically and internationally with reliable information enough to make decisions on a regular basis and easy to access through the channels of the Stock Exchange of Thailand and through the Company's website, www.kbs.co.th, under the topic "Investor Relations". The information disclosed includes

- Financial information and important information of the Company such as Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), financial statements, Management Discussion & Analysis, previous performance results, Information about the Company's business operations, information about major shareholders, letter of invitation to the shareholders' meeting, minutes of the shareholders' meeting, dividend policy, information about the directors, sub-committees and executives, corporate governance and business ethics, and news notified to the Stock Exchange of Thailand.

- Important movements and activities of the Company.

2. Persons responsible for disclosing information

- Managing Director or the person assigned by the Managing Director shall be responsible for disclosure of the Company's information by adhering to the principles of accuracy, completeness, timeliness and equality
- The Company Secretary is responsible for disclosing important information to the Stock Exchange of Thailand, Securities and Exchange Commission
- Senior management in finance and the Investor Relations shall be responsible for providing information and answering inquiries from shareholders, investors, securities analysts, media and the general public about financial information, operating results, nature of business operations, Company's policies, plans and investments, projects under development, shareholding structure and factors that may affect the change in key operating results.
- Those who are not responsible for disclosure of the Company's information or who are not assigned by the Managing Director shall not disclose inside information that may affect the reputation and image of the Company, including information that may affect changes in the price and trading volume of the Company's securities.

3. Auditor

The financial statements of the Company and its subsidiaries are audited by independent auditors, who have knowledge and all the qualifications as specified to assure the Board of Directors and shareholders that the financial statements of the Company and its subsidiaries accurately reflect the Company's financial status and operating results. The Company has a policy to change the auditors every 5 years so that the opinions of the auditors are truly independent.

4. Preparation of financial reports and reports of the Board of Directors' responsibility for financial reports

The Board of Directors attaches great importance to and is responsible for the financial statements of the Company and its subsidiaries, which are prepared in accordance with generally accepted accounting standards and principles by using appropriate accounting policies in accordance with the principles of caution, accuracy and completeness in order to be able to reflect the actual performance of the Company. The Board of Directors provides a report on the operating results and discloses important information in a transparently and adequately manner. The report is signed by the chairman and chairman of the executive committee and reported to relevant agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand continuously for the benefit of shareholders and investors. The Board of Directors also has appointed the Audit Committee to review the reliability and accuracy of financial reports, including the internal control system to be sufficient and appropriate to ensure that the Company's financial statements are reliable.

Chapter 5. Responsibilities of the Board of Directors

The Company recognizes the importance of selecting directors with leadership, vision, experience, knowledge, and abilities and having independence in making decisions for the best interests of the Company and its shareholders as a whole, and the importance of clearly separating roles and responsibilities between the Board of Directors and the management and ensuring that the Company has a work system to ensure that various activities of the Company operates in a legal and ethical manner.

The Company has formulated the Company's good corporate governance policy, taking into account various factors, including responsibilities of the directors. There are important policy guidelines related as follows:

1. Composition and structure of the Board of Directors

- The Board of Directors consists of at least 5 members and at least one-third of them are independent directors but not less than 3 members, provided that not less than half of the total number of directors must reside in the Kingdom.
- The Board of Directors elects one director to be the Chairman. In the event that the Board deems appropriate, it may choose one director or more to be vice chairman and also may choose one or more directors to be a person

performing any other duties in the Board with powers and duties as assigned by the Chairman of the Board.

- The Chairman of the Board shall be an independent director and not the same person as the Managing Director in order to ensure a clear separation of roles and duties and a balance of power in operation.

- The Board of Directors consists of qualified persons with a wide range of knowledge, abilities, experiences, and expertise that are beneficial to the Company's business operations regardless of gender, age, nationality, ethnicity, religion, educational institution, vocational skills or other specific qualifications.

2. Qualifications of Directors

- The directors must have qualifications and not have any characteristics prohibited by law.
- The directors may or may not be shareholders of the Company.
- The directors must have knowledge, abilities, skills and experiences that are beneficial to the Company's business operations with ethics, honesty and integrity and have enough time to devote fully to the performance of the director's duties.

- The directors may hold a directorship in other companies. However, such directorship must not be an obstacle to performance of duties of the Company's director and must be in accordance with the guidelines set by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In this regard, the directors must not operate businesses of the same nature and competing with the Company's business or become a partner or director in other juristic persons with the same nature and competing with the Company's business whether it is done for their own benefit or for the benefit of others.

- The independent directors must be independent from a control of the Company's management and major shareholder and must not have any involvement or interest in finance and business administration, as well as having all the qualifications related to independence as specified by the Company and in accordance with announcements of the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

1. Holding shares not more than one percent of the total number of shares with voting rights of the Company, its subsidiaries, major shareholders or the person with power to control the Company. The shares holding shall include shares held by related persons.

2. Currently or previously, not being a director who participates in management, employee, personnel, advisor with regular pay, or person with control power of the Company, its subsidiaries, major shareholder or of the person with control power of the Company unless the aforementioned characteristics have been terminated for not less than two years prior to the date of appointment. However, such prohibited characteristics do not include the case where the independent director used to be a government official or consultant of the government which is a major shareholder or the person with control power of the Company.

3. Not a person who has a blood relationship or by legal registration as a father, mother, spouse, sibling and child, including spouse of children of executives, major shareholders, persons with control power or the person to be nominated to be an executive or person with controlling power of the Company or its subsidiaries.

4. Currently or previously having no a business relationship with the Company, its subsidiaries, major shareholders or the person with control power of the Company in a manner that may impede the exercise of their independent judgment, including, currently or previously, not being a significant shareholder or a controlling person of those having business relationship with the Company, its subsidiaries, major shareholders or the person with control power of the company unless the foregoing relationships have been terminated for not less than two years prior to the date of appointment. The business relationship as aforementioned includes transactions that are normally carried out for the purpose of doing business, renting or renting out real estate, transactions related to assets or services or giving or receiving financial assistance by accepting or lending, guaranteeing, depositing assets as collateral for debt including other similar natures resulting in the Company or the contracting party having obligations to pay to the other party from three percent of the applicant's net tangible assets or twenty million baht or more whichever is lower. Calculation of such indebtedness shall be in accordance with the method to calculate value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules for Connected Transactions, mutatis mutandis. However, in considering such indebtedness, it shall include indebtedness incurred during one year prior to the date

of business relationship made with the same person.

5. Currently or previously not being an auditor of the Company, its subsidiaries, major shareholder or the person with control power of the license applicant and not being a significant shareholder, a controlling person or a partner of the audit firm which the auditor of the Company, its subsidiaries, major shareholders or the person with control power of the Company is affiliated with unless having been discharged from the foregoing nature for not less than two years prior to the date of appointment.

6. Currently or previously not being a professional service provider of any kind. This includes serving as a legal or financial advisor with service fees of more than two million baht per year from the Company, its subsidiaries, major shareholders or the person with control power of the Company and not being a significant shareholder, a controlling person or a partner of that professional service provider unless the foregoing relationship has been terminated for not less than two years from the date of appointment.

7. Not being a director appointed to represent the directors of the Company, major shareholder or shareholders who are related to major shareholders.

8. Not operating a business with the same condition and significant competition with business of the Company or its subsidiaries or not being a significant partner in the partnership or being a director who takes part in the management, an employee, a personnel, an advisor with regular salary or holding more than one percent of total number of shares with voting rights of other companies which operates businesses with the same nature and is a significant competition with business of the Company or its subsidiaries.

9. Having no other characteristic to prevent him/her from expressing an independent opinion on the Company's operations.

3. Nomination and Appointment of the Board of Directors

Recruitment of directors must be transparent, fair and verifiable under applicable laws and regulations

Criteria and methods of recruiting

1. The Nomination and Remuneration Committee considers selection and screening of qualified persons according to the Company's Articles of Association, as well as other criteria related and presents to the Board of Directors for approval. The Nomination and Remuneration Committee will consider qualified persons to be directors from the following channels:

- Nomination from major shareholders, minority shareholders, directors or executives of the Company for a person to be considered for appointment as a director.
- Consideration from the Director Pool of the Thai Institute of Directors Association or of other agencies with preparation of such information.
- Other channels that the Nomination and Remuneration Committee consider appropriate.

2. The Board of Directors proposes to the shareholders' meeting to consider and appoint directors.

3. Shareholders consider appointing directors based on the following criteria and methods.

(1) A shareholder shall have one vote for each share held.

(2) Each shareholder must use all the votes he has under (1) to elect one person or more persons to be directors but cannot divide the votes to any person to any extent.

(3) Persons receiving the highest number of votes in descending order shall be elected as directors equal to the number of directors that should have or to be elected at that time. In the case where the persons elected in descending order have equal votes exceeding the number that should have or should be elected at that time, the chairman shall have the casting vote.

4. In the event that a director's position is vacant for reasons other than retirement by rotation, the Board of Directors shall elect a person who is fully qualified and does not have any prohibited characteristics under the law on public limited companies and the law on securities and exchange to replace in the next Board of Directors meeting. Unless the remaining term of the director is less than 2 months, the person elected to replace the discharged director will be in office only for the remaining term of the director whom he or she replaces. And the resolution

of the Board of Directors must consist of votes of not less than three-fourths of the number of remaining directors.

4. Term of Directorship

The term of office of the Company's director is in accordance with the Public Limited Companies Act and the Company's Articles of Association as follows: One-third of the directors shall retire at least. If the number of directors cannot be divided exactly into three parts, it shall be the number closest to one-third of the directors. Those who have been in office for the longest time shall retire. A director who vacates office may be elected to hold office again. However, the appropriate term of office for a director should not exceed 3 consecutive terms unless any director is suitable to hold office longer, where the Board of Directors will consider the qualifications and performance of duties of such director and explain the reasons and the results of the performance of duties to the shareholders. As for the independent directors, the Company does not determine the term of office of the independent directors. This is because the Company's independent directors are qualified according to the definitions of independent directors set by the Capital Market Supervisory Board and the Company and able to express opinions independently at the Board of Directors' meeting. The Board of Directors will present the reason for requesting the shareholders' meeting to consider and approve the selection of such director as an independent director.

5. Termination of Directorship

1. Retirement by rotation

2. In addition to the retirement by rotation, the directors will vacate office upon

- Death
- Resignation
- Being disqualified or prohibited by law or the Company's Articles of Association.
- The shareholders' meeting passed a resolution to vacate office with a vote of not less than three-fourths

of the number of shareholders who attend the meeting and are entitled to vote and hold shares in aggregate not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

- Being ordered by the court for resignation

3. Directors wishing to resign shall submit a resignation letter to the Company and the resignation shall effective from the date the resignation letter reaches the Company.

6. Policy on Directorship in Other Businesses of the Directors and Managing Director

The Company stipulates that its directors may hold directorship in other entities but it must not obstruct performance of duties of the Company's director and compete with the Company's business or become a partner or director in other juristic persons having the same nature as and competing with the Company's business whether it is done for their own benefit or for the benefit of others unless notified to the shareholders' meeting prior to the resolution of appointment.

In addition, the company stipulates that the directors should hold director positions in no more than 5 companies listed on the Stock Exchange of Thailand.

The Managing Director may hold directorship in other companies but it must not obstruct performance of duties of the Managing Director of the Company and that business must not be of the same type as or compete with the Company's business.

7. Roles, Duties and Responsibilities of the Board of Directors

1. Supervise and manage the Company in accordance with the law, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting.

2. Perform duties for the best interests of shareholders (Fiduciary Duty) by adhering to the following four key practices:

1. Perform duties with responsibility, caution and prudence (Duty of Care).
2. Perform duties with honesty (Duty of Loyalty).
3. Comply with the law, objectives, and articles of association of the Company, resolution of the shareholders' meeting and resolution of the Board of Directors (Duty of Obedience).

4. Disclose information to shareholders accurately, completely, transparently, accountably and timely (Duty of Disclosure).

3. Determine and review structure of the Board of Directors regarding the number of directors, independent director ratio, including qualifications to suit the Company's business operations.

4. Supervise the process of nomination and election of persons to be directors of the Company transparently according to the rules on recruitment and appointment set by the Board of Directors to propose to the shareholders' meeting for consideration and approval.

5. Supervise determination of remuneration for the directors of the Company and sub-committees appropriately in accordance with the remuneration rules set by the Board of Directors to propose to the shareholders' meeting for consideration and approval.

6. Report their own stakes or those of related persons, which are related to management of the business of the Company or its subsidiaries to the Company, in line with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board. In addition, the Board also has a duty to inform the increase or decrease in holding of securities in the Company.

7. Determine vision, objectives, policies, goals, strategies, plans and annual budgets through analysis of environment and change of factors that affect the business and stakeholders. It is reviewed and improved for efficiency of the business operation.

8. Supervise the normal business operations of the Company and supervise the management to operate business in accordance with the vision, mission, policy, business strategy, goals and action plans, financial goals and budget of the Company efficiently and effectively and for the benefit of the Company and shareholders as a whole.

9. Determine and formulate policies on corporate governance, business ethics, code of conduct, anti-corruption, as well as policies and practices related of the Company in writing and reviewe the policy and its implementation.

10. Ensure provision of an appropriate internal control system and internal audit to be efficient and effective to minimize the risk of fraud and abuse of power, including preventing illegal activities.

11. Supervise and establish a mechanism to prevent conflicts of interest between stakeholders and the Company, carefully consider conflicts of interest with clear guidelines for the benefit of the Company and shareholders, where stakeholders shall not participate in decision making.

12. Ensure that the Company has an effective risk management system or process by formulating risk management policies and taking into account important risk factors that may occur, setting guidelines for risk management, following up on the performance according to the risk prevention guidelines, including regularly reviewing the risk management

13. Provide an accounting system financial reporting and reliable auditing

14. Support and promote innovation and apply innovation and technology to create added value to the business, along with creating benefits for all stakeholders.

15. Ensure provision of management of information technology in accordance with the needs of the Company and measures to maintain the security of information technology.

16. Consider and approve and/or consider and give opinions to propose to the shareholders' meeting for approval in entering into transactions significant to the Company, acquisition/disposal of assets and entering into connected transactions in accordance with the rules, conditions and methods of relevant laws and rules and/or regulations set by the Company.

17. Require the management to report on the Company's performance by regularly comparing actual results with the established goals, as well as reporting finance and progress of operations in various areas of the Company in order to operate the business in accordance with the goals and policies set. And if not in accordance with that, the Board of Directors must provide corrective actions and improvements and supervise the management to take corrective action and develop that matter continually.

18. Consider and approve any transaction or action which has a significant impact on the financial position, liabilities, business operations and reputation of the Company as well as monitoring the adequacy of financial liquidity and ability to repay debt.

19. Consider and approve the Company's quarterly performance and operating results compared to plans and budgets and consider the trends in the next phase of the year.

20. Supervise preparation of financial statements at the end of the accounting year of the Company to be accurate to show the financial position and operating results in the past year to be truthful, complete and accurate, in accordance with generally accepted accounting standards and audited by the Company's auditor before being presented to the shareholders' meeting for consideration and approval.

21. Ensure that information is disclosed and the annual report and the Annual Registration Statement (Form 56-1) are prepared in accordance with the rules prescribed by law or regulatory agency and able to adequately reflect the financial position and operating results and updated information, provide opinion on the adequacy of the internal control system and risk management in the annual report, as well as supervising the disclosure of information through various channels regularly.

22. Arrange an annual shareholders' meeting to be held within 4 months from the end of the Company's accounting period with invitation letter to the shareholders, including meeting agendas and supporting documents for consideration in advance for a reasonable period of time and it shall not be less than the period specified in the relevant regulations.

23. Consider and approve the interim dividend payment of the Company to the shareholders when the Company is considered having a reasonable profit to do so and report the said dividend payment to the shareholders' meeting for acknowledgment in the next shareholders' meeting.

24. Ensure that shareholders are involved in the decision making of the Company's important matters, respect the rights of and treat all shareholders, both major and minority, and all stakeholders equally, fairly and transparently, provide communication channels with shareholders and stakeholders appropriately.

25. Provide clear, transparent and appropriate action guidelines for receiving and handling complaints, whistleblowing as well as the process to protect complainants and whistleblowers.

26. Arrange a meeting of the Board of Directors at least once every 3 months.

27. Attend at least 75% of the Board of Directors' meetings held each year and shareholders' meetings unless there is a force majeure where the directors must inform the Chairman of the Board or Company Secretary in advance of the meeting.

28. Consider appointing and determining the powers and duties of sub-committees, including Audit Committee, Nomination and Remuneration Committee, Executive Committee and Risk Management Committee for efficient operation and beneficial to the Company, shareholders and stakeholders.

29. Consider defining the management structure with the power to appoint the Managing Director, as well as determining the approval power entrusted to the Managing Director and consider amending such powers for appropriateness.

30. Evaluate their own performance and that of the Board of Directors at least once a year.

31. Continuously develop knowledge and ability in working, encourage directors and executives of the Company to attend training or attend courses related to performance of duties and responsibilities of the directors and executives or seminars continually increasing the knowledge of operation.

32. Arrange for preparation of a succession plan and a plan to develop senior executives to have knowledge, skills, experience and characteristics necessary to drive the organization towards its goals.

33. Appoint a director or a person who is qualified with knowledge, capability and experience as the Board of Directors deems appropriate to be the Company Secretary to help carry out various activities of the Board of Directors and the Company, including the meeting of the Board of Directors and shareholders as well as giving advice to directors and the Company on how to conduct themselves and operate their business in accordance with the law and related regulations regularly, and also ensure that directors and the Company disclose information accurately, completely, transparently and in a timely manner.

34. Determine and amend names of authorized directors to bind the Company.

35. The Board may delegate powers to one or more directors or sub-committees or managing director or any other person to perform any act on behalf of the Board of Directors under control and supervision of the Board or may delegate powers to give such persons the powers and within the period as the Board deems appropriate. The Board may cancel, revoke, change or amend such delegation when it sees fit.

However, the delegation of power must not be in the nature that allows such person to consider and approve the transaction that it or such person may have a conflict, stake or any other conflicts of interest (if any) with, unless it is a normal business transaction in accordance with general trading conditions or in accordance with the policies and rules that the Board has considered and approved under the rules, conditions and procedures prescribed in connection with connected transactions and acquisition or disposition of important assets of listed companies according to the announcement of the Capital Market Supervisory Board and/or any other announcements of relevant agencies.

In the case where the Board assigns any person to act on its behalf in any matter, it must be made in writing or recorded as the Board's resolution in the minutes of the Board of Directors' meeting and clearly specify the scope of powers and duties of the attorney.

36. Supervise the policies and operations of the subsidiaries and associated companies in accordance with those of the parent company and relevant laws and regulations.

37. Comply with laws, rules, regulations, policy on corporate governance and business ethics, anti-corruption policy as well as policies, guidelines related to the Company.

38. Encourage and support all executives and employees to understand and comply with the law, rules, regulations, policy on corporate governance and business ethics, code of conduct anti-corruption policy and practices related to the Company as well as being a role model in compliance with the principles of corporate governance and code of ethics. This is to ensure that all The Company's personnel participate in promoting an ethical corporate culture and good corporate governance.

8. Roles and Duties of Chairman of the Board and Managing Director

The Chairman of the Board and the Managing Director must not be the same person in order for a clear separation of roles and balance of power in the operation.

The Chairman of the Board has duties and responsibilities as a leader of the Board of Directors to adhere to the principles of corporate governance and code of ethics and a role model for directors, executives and employees of the Company. The Chairman of the Board shall supervise, monitor and ensure performance of duties of the Board of Directors and sub-committees to be efficient to achieve the Company's objectives and main goals, strengthen good relationships between executive directors and non-executive directors and between the Board of Directors and the management, as well as being a chairman of the Board of Directors' Meeting and the shareholders' meeting by supervising the said meetings to proceed smoothly and provide opportunities for directors and shareholders to express their opinions or suggestions in a constructive and independent manner.

The Managing Director has duties and responsibilities to administer and manage the Company to ensure implementation of the plans, strategies, visions and missions set out with the scope of powers and duties according to the law, objectives and the Articles of Association as well as resolutions of the Board of Directors' meetings and the resolutions of the shareholders' meetings.

9. Appointment of Sub-committees

The Board of Directors may appoint sub-committees to help supervise and screen important work in various fields and report the performance to the Board of Directors on a regular basis. The subcommittees consist of

1. Audit Committee

Audit Committee consists of at least 3 independent members and at least 1 person must have sufficient knowledge and experience to review the reliability of the financial statements. The Audit Committee has the following scope of powers and duties:

1. Review to ensure that the Company has accurate financial reporting disclosed adequately by coordinating with external auditors and the management responsible for preparing both quarterly and annual financial reports. The Audit Committee may recommend that the auditor review or audit any transaction that is deemed necessary and important during the audit of the Company's accounts.

2. Give advice to the Board of Directors and the management to improve work processes or work systems to reduce risks in various matters to get accurate and useful financial reports to provide the Company an efficient working system.

3. Review to ensure that the Company has an internal control system and an internal audit system that are appropriate and effective and consider the independence of the internal audit unit as well as approving the appointment, transfer and dismissal of the head of the internal audit unit or any other agency responsible for internal audit.

4. Review to ensure that the Company complies with the law on securities and exchange, requirements of the Stock Exchange and laws related to the Company's business.

5. Consider, select and nominate an independent person to act as the Company's auditor and propose such person's remuneration, including attending the meeting with the auditor without the management attending at least once a year.

6. Consider connected transactions or transactions that may have conflicts of interest to be in accordance with the law on securities and exchange and regulations of the Stock Exchange of Thailand to ensure that such transactions are reasonable and for the best benefit to the Company, including considering the disclosure of the Company's information in the event of connected transactions or transactions that may have conflicts of interest to be accurate and complete.

7. Prepare the Audit Committee's report to be disclosed in the Company's annual report. The said report must be signed by the Chairman of the Audit Committee.

8. In performance of duties of the Audit Committee, if it finds or suspects of any of the following items or actions, which may have a significant impact on the financial position and performance of the Company, the Audit Committee shall report to the Board of Directors for improvement within the time the Audit Committee deems appropriate:

- (a) Transactions with conflict of interest;
- (b) Fraud or irregularity or significant defect in the internal control system
- (c) Violation of the law on securities and exchange, requirements of the Stock Exchange or laws

related to the Company's business

If the Board of Directors or the executive fails to take corrective actions within the period under paragraph one, any of the Audit Committee members may report the transaction or the act under paragraph one to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

9. The Audit Committee may seek independent opinions from any other professional advisers when deemed necessary at the expense of the Company.

10. Perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

2. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of not less than 3 members,. A half of them is independent members and the chairman of the committee must be an independent member. The Nomination and Remuneration Committee has the following scope of powers and duties:

1. Consider and determine the criteria and policy for nominating suitable persons to serve as the Company's directors and sub-committees to propose to the shareholders' meeting as well as giving opportunities for minority shareholders to nominate qualified persons to be considered as the Company's directors.

2. Consider and determine the criteria and policy for nominating qualified persons for the position of Managing Director to propose to the Board of Directors for consideration and appointment.

3. Regularly review the succession plan for holding the position of Managing Director.

4. Determine the criteria for considering the remuneration for the Company's directors, sub-committees and Managing Director.

5. Consider and propose the remuneration of the Company's directors and sub-committees to the Board of Directors for approval and then propose to the shareholders' meeting for approval.

6. Consider salary offer and salary adjustment, including other remuneration of the Managing Director and then propose to the Board of Directors for approval.

7. Set guidelines for evaluating performance of the Board of Directors, sub-committees and Managing Director annually taking into account the duties and responsibilities and risks incurred

8. Perform other duties as assigned by the Board of Directors.

3. Risk Management Committee

Risk Management Committee consists of at least 3 members, with the chairman being an independent member. The Risk Management Committee has the following scope of powers and duties:

1. Determine the overall risk management policy to propose to the Board of Directors. The risk management must cover raw material procurement and providing fund to support farmers, production, marketing and finance, as well as investment risks and risks affecting the reputation of the business.
2. Determine the direction and policy to manage potential risks from procuring raw materials and giving fund to support farmers. This includes the risk that the Company will not be able to sufficiently supply sugarcane to the production process and the risk of bad debt from giving fund to support farmers.
3. Determine the policy to manage risks related to production. This includes the risk of production efficiency and the risks arising from discontinuity of production.
4. Formulate the policy for managing risks related to marketing and sales, including the risk of volatility in world sugar prices and exchange rate risk.
5. Formulate the policy framework for the use of financial instruments such as futures for trading sugar, foreign currency forward, etc., to hedge the Company's financial risks.
6. Establish a policy framework and principles of insurance of various types of assets to minimize the risk of disasters that may occur.
7. Strategize in accordance with the risk management policy to support and drive cooperation at all levels of employees. However, it must be able to monitor, assess and maintain the risk level at an appropriate level.
8. Develop and review the Company's risk management and management system to be efficient and effective continuously by regularly evaluating and monitoring the risk management process in accordance with the established policies.
9. Require preparation of risk reports and recommendations to the Board of Directors for improvement.
10. Perform other risk management duties as assigned by the Board of Directors.

4. Executive Committee

Executive Committee consists of executive directors and Managing Director not less than 3 persons. the Executive Committee has the following scope of powers and duties:

1. Consider and formulate policies, business strategies, goals and action plans, financial goals and budget of the Company, taking into account business factors appropriately to propose to the Board of Directors for approval.
2. Supervise, inspect and monitor the Company's business operations in accordance with the Company's policy, business strategies, goals and action plans, financial goals and budget approved by the Board of Directors to be efficient and effective.
3. Determine the organizational structure and policies related to the Company's management. This includes the Company's policies regarding the selection, training, employment and termination of employees. This may be assigned to the Managing Director and/or the Human Resources Director on behalf of the Company to sign the employment contract.
4. Conduct a feasibility study in new projects and has the power to consider and approve the Company to invest or jointly invest with any person, juristic person or other business organization in the form that the Executive Committee deems appropriate to operate the business according to the objectives of the Company as well as considering and approving the expenditure of such investment, entering into a legal contract and/or any actions related to the aforementioned matter until it is done for the amount ranging from 10 million baht but not exceeding 50 million baht.
5. Consider and approve financial transactions with financial institutions for opening accounts, borrowing, applying for loans, pledges, mortgages, guarantees and others, including trading and registration of any land ownership according to the objectives for the benefit of the Company's operations, as well as entering legal contracts and/or any action related to the matter until it is done for the amount ranging from 10 million baht but not exceeding 50 million baht.

6. Consider and approve entering into financial instrument contracts such as futures for trading sugar, foreign currency forward, etc., to hedge the Company's financial risks.

7. Consider and give suggestions or opinions to the Board of Directors regarding any projects, proposals or transactions related to the Company's business operations that exceeds the financial limit and/or those to be approved by the shareholders' meeting or the Board of Directors as required by applicable laws and regulations or the Articles of Association.

8. Consider and approve the rules, regulations, policy guidelines for the Company's management and business operations or any action which is binding on the Company.

9. Authorize the Managing Director to operate the Company's business in accordance with the scope of powers, duties and responsibilities as prescribed by the Executive Committee under supervision of the Executive Committee.

10. Appoint and/or assign Executive Directors or any one or more persons acting within the scope of the Executive Committee's powers as the Executive Committee deems appropriate. These powers may be revoked or amended by the Executive Committee.

11. Consider and approve the manual on operating powers so that the appointed and/or the authorized persons are aware of the scope of their responsibilities and powers and to be used as a manual in operation as reference evidence and follow the steps in a systematic way.

12. Prepare a succession plan for the position of Managing Director.

13. Have any powers, duties and responsibilities as assigned or according to the policy assigned by the Board of Directors.

The above scope of powers, duties and responsibilities of the Executive Committee is subject to the rules of applicable laws and regulations as well as the articles of association of the Company. And in the case of any operations or transactions that has or may have a conflict of interest and/or is entering into a transaction with a connected party in accordance with applicable laws and regulations or the Company's Articles of Association, the shareholders' meeting or the Board of Directors shall consider and approve and the Executive Committee shall give an opinion and present the matter to the Board of Directors to consider and implement in accordance with applicable laws and regulations or the Articles of Association of the Company.

10. Board of Directors' Meeting

1. The Board of Directors must hold a meeting at least once every 3 months to consider the financial statements, follow up operating results as well as advising and determining the business direction, policies and goals of the Company by scheduling the meeting date in advance throughout the year and there may be special meetings as necessary.

2. The Board of Directors has a duty to attend the Board of Directors' meetings regularly. The directors should attend at least 75% of the Board meetings throughout the year.

3. The Chairman of the Board shall summon the Board of Directors meeting and determine the agenda for the meeting. It may consult with the Managing Director, the Company Secretary or the Company's advisor. Each director has the right to propose matters for the Board of Directors' meetings.

4. At least 2 directors have the right to request the chairman of the board to convene a meeting of the committee. The chairman or person assigned by the chairman must set a meeting date within 14 days from the date of receiving the request.

5. The chairman of the board or a person assigned by the chairman of the board shall send a notice calling for the meeting specifying the date, time, place and agenda of the meeting to all directors at least 7 days in advance of the meeting date. Except in case of urgent need to maintain the benefits of the Company, an earlier meeting date may be set.

6. The Company Secretary shall send the meeting documents to the directors in advance so that the directors have time to study and consider the information in advance of the meeting, with summary based on the information necessary for consideration. The directors have the right to ask to see or examine relevant documents or ask the management to clarify additional details on some issues that are insufficient. The directors can request additional information through the Company Secretary at any time.

7. At the board meeting, at least half of the total number of directors must be present at the meeting to constitute a quorum. The chairman of the board will be the chairman of the board meeting. In the event that the chairman is not present at the meeting or unable to perform duties, the vice chairman (if any) shall be the chairman. If there is no vice chairman or the vice chairman is not present at the meeting or unable to perform duties, the members present at the meeting shall elect one among themselves to preside over the meeting.

8. The decision of the Board of Directors' meeting shall be made by a majority of votes, whereby one director has one vote, except for directors who have interests in any matter and will have no right to vote on that matter. If the votes are equal, the chairman of the meeting shall have a casting vote.

9. The Board of Directors may invite the Company's executives, employees, and consultants to attend the Board of Directors' meeting to provide additional information on the matters of the meeting.

10. The Board of Directors can access additional necessary information from the Managing Director or the Company Secretary or other executives assigned.

11. The Board of Directors has a policy for non-executive directors to have the opportunity to meet among themselves as necessary to discuss various problems about management that is in the spotlight Without the management team involved and should inform the Managing Director of the meeting results.

12. The Company secretary shall record and prepare minutes of the meeting with complete, accurate and clear details on both the meeting results and the opinions of the directors. The minutes of meetings that have been certified by the Board of Directors, including copies of the meeting invitation letter and meeting documents must be kept by the Company Secretary in the form of paper documents and electronic data in a safe place and ready for request for information retrieval or examination from directors or persons who are entitled and involved only.

11. Directors' remuneration

1. The Board of Directors shall determine the pattern and criteria for payment of directors' remuneration and other benefits to the directors and sub-committees and propose to the shareholders' meeting for approval. The Nomination and Remuneration Committee is responsible for scrutinizing the amount of remuneration for each year in a transparent, fair and appropriate manner. To determine the directors' remuneration, the Board of Directors should compare it to the standards of other companies in the same business, based on fairness, taking into account experience, obligations, scope of accountability and responsibility, including expected benefits from each director. In this regard, the directors assigned with increased duties and responsibilities should receive more remuneration such as the director who is a member of the Audit Committee may receive additional remuneration for performing audit committee duties, etc.

2. The remuneration of the Managing Director and senior management should be in accordance with the principles and policies set by the Board of Directors by taking into account the best interests of the Company. The remuneration in a form of salaries, bonuses and long-term incentives should be consistent with the Company's performance and that of each executive.

12. Self-Assessment of the Board of Directors

The Board of Directors jointly determines the criteria for self-assessment of the Board of Directors both in the form of groups and individuals in accordance with the guidelines of the Stock Exchange of Thailand, as well as the nature and structure of the Board of Directors with annual performance assessment to jointly consider the results and problems and set guidelines for further improvements.

13. Orientation for new directors

The Company provides orientation for newly appointed directors. This includes lectures and business visits in order for the new directors to be informed of the Company's information, rules, regulations, policies, business information that are important to the performance of the director's duties and other information necessary and useful for effective performance of duties of directors, such as roles, duties and responsibilities of directors, code of conduct, nature of business, retrospective minutes of the board of directors meeting and minutes of meetings of sub-committees, including introduction to the Board of Directors and executives.

14. Development and promotion of knowledge to directors

The Company continually supports and promotes knowledge development for directors by promoting and facilitating the directors to attend training and seminars on various courses which increases the knowledge of the performance of duties.

15. Succession Plan

The Board of Directors ensures that there is a succession plan for the Managing Director and senior management of the Company. This is to ensure that they possess the knowledge, skills, experience and attributes necessary to drive the organization towards its goals. The Nomination and Remuneration Committee is responsible for scrutinizing the operations to be transparent, fair and appropriate to the Company's business direction, as well as providing supervision and development of executives' potential to prepare them for succession.

16. Appointment of Company Secretary

The Company Secretary plays a key role in supporting and overseeing activities of the Board of Directors to operate with efficiency and effectiveness and comply with laws, rules, regulations and corporate governance principles. The Board of Directors will consider and appoint an appropriate person as the Company Secretary based on knowledge and understanding of the Company's operations under various laws and regulations related such as memorandum of association, articles of association, Securities and Exchange Act, Public Company Limited Act, principles of corporate governance and code of ethics, etc., and to support and supervise various activities of the Board of Directors to operate with efficiency and effectiveness. The Board of Directors prescribes that the Company Secretary has the following duties:

- Prepare and maintain documents related to the director registration, the Company's annual report, notice of meeting of the Board of Directors, minutes of the Board of Directors' meeting, notice of the shareholders' meeting and the minutes of the shareholders' meeting
- Keep reports on interests of directors and executives
- Organize meetings of the Board of Directors and the shareholders' meeting to be in accordance with the rules, regulations and relevant laws.
- Provide advice on operation of the Company and the Board of Directors in accordance with the Memorandum of Association, Articles of Association, Securities and Exchange Act, Public Company Limited Act and various laws related
- To be the center of communication between directors, executives and shareholders.
- Coordinate and follow up on implementation of the resolutions of directors and shareholders.
- Supervise disclosure of information and information reports in the areas responsible to the regulatory agencies in accordance with the regulations and requirements of the regulatory agencies.
- Take other actions as assigned by the Board of Directors

17. Supervision of operations of subsidiaries and associated companies

The Board of Directors has established systems for corporate governance, risk management and effective internal controls to supervise operations of subsidiaries and associated companies through rules, policies, and regulations, such as clear authority, guidelines and work processes. There is also a hierarchical reporting system to relevant executives, with periodic reports to the Audit Committee and the Board of Directors to ensure that the operations of subsidiaries and associated companies are consistent with those of the Company and in accordance with the objectives of the establishment. This will drive the Company to achieve its long-term goals and achieve sustainable growth. In addition, the Company has disclosed significant financial information of its subsidiaries and associated companies, such as financial position and operating results, transactions between subsidiaries/companies and connected parties, acquisition or disposal of assets and important transactions. The said transactions must be disclosed accurately and completely and not contrary to the rules and procedures as announced by the Stock Exchange of Thailand.

3

Code of Ethics

The Code of Ethics is a good practice that all employees of the Company must adhere to as a principle in their work in order to ensure that the Company's operations are transparent, ethical, and take into account all stakeholders.

Code of Ethics

The Company has established a Code of Ethics as a guideline for good business practices for the Board of Directors, executives and employees to adhere to.

Code of Ethics for Directors and Executives

- Perform duties in accordance with the laws, rules, regulations and policies related.
- Perform duties with honesty, caution, prudence and ethics for the best interest of the Company and all stakeholders
- Act as a role model for employees in compliance with corporate governance principles and the Company's Code of Ethics.
- Support and supervise the Company to conduct business with transparency without corruption.
- Dedicate time to performing their duties to the best of their ability.
- Avoid practices that cause conflicts of interest with the Company directly or indirectly.
- Do not act or get involved in receiving or give property or any benefits, that is dishonest, from/to stakeholders related to the Company.
- Do not use their powers and duties for personal gain.
- Maintain their dignity to be accepted in society. Dress appropriately for roles, duties, and circumstance.
- Treat others with kindness, respect the rights and dignity of others and respect each other.
- Be open-minded and open to the opinions of subordinates with reason and without prejudice.
- Maintain confidential information of the Company and its stakeholders from leaking to unrelated parties even after the end of their duties with the Company, except in the case of law or binding conditions that must be complied with.
- Do not use the information obtained from performance of duties to exploit their own or others' benefits, including not taking any action unfairly related to trading securities of the Company and other related companies.

Code of Ethics for Employees

- Perform duties in accordance with the laws, rules, regulations and policies related
- Perform duties in your own responsibility to the best of their ability with honesty, fairness and adherence to morals and ethics.
- Perform duties with transparency without corruption.
- Have responsibility, prudence and dedication by taking the best interests of the Company as the priority, not assigning their duties to any person to act on their behalf, directly or indirectly, unless it is necessary or for speed in the work that does not require their specific ability to perform.
- Always seek ways to improve efficiency of the work in their responsibilities.
- Maintain their own dignity to be accepted in society, with polite manners, dress and act appropriately for roles, duties, and occasions.
- Treat others with kindness, respect for the rights and dignity of others and respect each other.
- Work according to the chain of command, take orders and take direct responsibility for their supervisors. Don't cross the chain of command if it's not necessary. Avoid criticizing superiors and colleagues that may cause damage to that person or to the Company.
- Be open-minded and listen to the opinions of their colleagues consciously and reasonably without prejudice.
- Jointly build unity and help each other for the benefit of work, society and the nation as a whole.
- Do not use the Company's resources, labor, premises and facilities for other purposes than performance of duties or welfare that they are entitled to.
- Maintain confidential information of the Company and its stakeholders from leaking to unrelated parties even after the end of their duties with the Company, except in the case of law or binding conditions that must be complied with.

- Do not use the information obtained from performance of duties to exploit their own or others' benefits, including not taking any unfair action on trading of securities of the Company and other related companies.
- Avoid any action or expressing opinions to stakeholders of the Company, individuals, mass media, social media or social networks in any form on the matters that may affect the reputation and image of the organization or make others understand that the Company is involved in such actions or opinions.
- Do not use the work of others, inside and outside the Company, to claim falsely as their own work.
- Cooperate in activities organized by the Company to create unity, support each other, including social activities organized by the Company
- Do not take any action that cause trouble, annoyance, undermine the morale of others to the extent of hostility or interference with working in the manner of sexual harassment, whether towards the Company's personnel or outsiders who come into contact for business. This includes sexual assault, flirtation, molestation, indecent assault and possessing obscene images, in both verbal and physical conducts.

Code of Ethics for Investor Relations Department

Investor Relations Department is a representative for communication with shareholders, institutional investors, individual investor, securities companies, journalists and the general public interested in the Company's securities through a variety of channels and means, where information or disclosure must be done regularly, complete, accurate and timely on both positive and negative facts. The disclosure must be done thoroughly and fairly and comply with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. Therefore, investor relations personnel must perform their duties in accordance with the Code of Ethics for Investor Relations as follows:

- Perform duties with honesty, fairness and responsibility.
- Disclose the necessary information accurately, clearly, timely and fairly to all parties by refraining from using inappropriate words or form that may cause misunderstanding of the Company's securities.
- Provide opportunities for all related parties to access and inquire information.
- Do not present information that affects the price of the Company's securities or may affect investment decisions or affect the rights of shareholders before the official publication to the Stock Exchange of Thailand.
- Do not disclose inconclusive information or that in the process of negotiating which is uncertain or exaggeration
- Perform duties mainly based on the interests of shareholders and stakeholders.
- Build confidence, enhance the image and good attitude of the Company, as well as building good relationships with all parties
- Maintain the Company's confidentiality and avoid any action or exploitation that will bring benefits to themselves by relying on the inside information of the Company.
- Perform duties with knowledge, full ability professionalism and diligently study for knowledge to improve work efficiency on a regular basis.
- Follow the approach on not accepting any appointment of investors or analyst near period of announcement of the financial statements and stock trading practices provided by the Company.
- Do not trade shares of the Company before and after the earnings announcement date.
- Work in accordance with the rules, regulations, and relevant laws, including those of regulators.

4

Policies and Guidelines for Compliance with Code of Ethics

Policies and guidelines for compliance with laws, regulations and rules related and respect for culture and traditions

The Company attaches importance to compliance with laws, regulations, operating procedures and rules related in all areas where it enters the business including respect for differences in culture and traditions of each locality. Therefore, the Company's personnel must study, understand, respect, and do not violate laws, regulations and rules, stand up for doing the right thing and those fair to all parties and not do anything which is contrary to the culture and traditions, including reporting complaints and clues when seeing violations or non-compliance with the law.

Guidelines

1. The Company's personnel must study and understand the laws, regulations, and operating procedures and rules directly related to their duties and responsibilities and strictly comply with. If you are unsure, seek advice from the legal section. Do not act according to your own understanding without guidance.
2. The Company's personnel should study and understand the law, tradition and culture in each area or country of destination before traveling to or taking any action when going to work in different areas or abroad to ensure that the products, product samples and equipment brought, travel documents, purpose of the trip and performance are not illegal or contrary to the customs and culture of that area or country.
3. The Company respects the customs and cultures of each locality in every country in which the Company invests by conducting its business and complying with the laws of each country or locality concerned with realization that laws, rules or customs of each locality may have different conditions, procedures or practices.
4. The Company's personnel will not provide assistance or support circumvention or violate compliance with laws, regulations, operating procedures and rules relating to the business of the Company. When found that the Company's regulations, requirements or procedures or orders are different from those applicable in that area or country, consult the relevant authorities before taking any action.
5. When found violations or non-compliance with laws, rules and regulations, report to superiors, related agencies or through channels for receiving complaints according to the measures of complaints and whistleblowing. And in the event that it is considered as a matter that may have a significant impact on the Company, immediately report to the superior.
6. The Company has compiled laws, rules, and government regulations into categories to enable the Company's personnel to study, understand and provide appropriate legal training to the Company's personnel.

Internal Control and Internal Audit Policies and Practices

The Company has established a good internal control system. and has regular follow-up and evaluation. The Company strives to be a company with excellent internal auditing, with audit committee to supervise, with efficient internal audit unit, and with management and employees who pay attention to internal control and internal audit.

Practices

1. The Company has an appropriate and adequate internal control system to ensures that the Company operates its business with due regard for efficiency and effectiveness in its operations, reliability and accuracy of financial reports and compliance with relevant laws, rules and regulations.
2. The Company determines to have good internal control activities in every function appropriately.
3. The Company provides an internal audit as an important mechanism for measuring the appropriateness and adequacy of the internal control and risk management systems.
4. The company provides an internal audit unit which is independent and reports directly to the Audit Committee, with personnel knowledgeable, capable and adhering to the code of conduct of the internal auditors to perform the duty of auditing and improve the control measures to suit the changing situation, environment and risk factors.
5. The Company lays a foundation and encourages its personnel at all levels to have knowledge, understanding, and have a positive attitude towards internal control and internal audits.

6. All personnel of the Company are responsible for supporting the work of the Internal audit unit, cooperate and provide accurate and truthful information to the internal audit unit and external auditors and must strictly adhere to and comply with the internal control system and internal audit in order for the operation to be efficient and effective, accurate and reliable.

7. The Audit Committee is responsible for monitoring and reviewing the suitability and adequacy of the internal control system, risk management policy and practices to always be consistent with the actual business conditions and report the audit results to the Board of Directors.

Risk Management Policy

The Board of Directors of Khonburi Sugar Public Company Limited is committed and gives importance to risk management by defining risk management processes to cover risks on strategy, operations, finance, liquidity, law and regulations, corruption, information technology, marketing, human rights, including social and environmental issues and external events that affect the Company in order to be able to manage risks in a systematic way, reduce the chance or damage that may be caused by the risks that will affect the achievement of the Company's objectives to an acceptable level and in line with the Company's strategic plans, covering

- Source of the risks that affect the Company in cash and in kind, as well as arranging for a risk factor review every time there is a change in risk factors that affect the Company.
- Type of risk and determining the acceptable risk level to be used as a criterion for risk response to the Company.
- Risk Assessment by assessing the likelihood and impact of risks both quantitatively and/or qualitatively.
- Risk Management and monitoring each type of risk according to priorities, where the risks are monitored regularly and in a timely manner.

Practices

1. The Company operates business under acceptable risk to achieve the objectives of the Company. The risk management is determined to be a part of the annual business plan to be preparation, administration and decision making, including project management processes.

2. The Company provides processes, guidelines and measures for risk management with suitable quality at international level and sufficiently. This includes identifying, analyzing, evaluating, prioritizing, managing, controlling, monitoring, reporting, evaluating and communicating information about risks on an ongoing, regular basis and throughout the Company.

3. Provide an internal control system that covers various types of important risks in all aspects in terms of strategy, operations, finance, liquidity, law and regulation, corruption, marketing, information technology, consumer protection, human rights, including social and environmental issues in order for the Company to have an appropriate and efficient internal control system.

4. All executives and employees of the Company are the owners of the risks, who are responsible for identifying and assessing the risks of the agencies they are responsible for, including determining appropriate measures to manage the risks.

5. Focus on employees at all levels to proactively manage risks and provide a business continuity plan for issues that are important to the business.

6. All the risks that may affect the Company's business plans and strategies and at high and very high levels must be reported to the Executive Committee, Risk Management Committee and the Board of Directors for acknowledgement.

7. The Company promotes a risk management culture to create understanding, awareness and shared responsibility on risks, controls and impacts of the risks to the Company in the management process and operating throughout the Company.

Policy and Practices on Conflict of Interest Management and Connected Transactions

The Company's personnel must work with the Company's interests in mind without personal needs and influence from those close to. The Company's personnel must always be aware of whether they have a stake or conflict of interest in their work. When found that he or she has a stake or conflicts of interest, such personnel should refrain from doing such work and allow others to take responsibility for him/her in order to eliminate allegations of conflicts of interest, abusing his/her powers for his/her own benefit and damaging the Company.

Practices

1. The Company's personnel must not engage in a business that competes with or causes conflicts of interest with the Company, whether it is a temporary or permanent operation, directly or indirectly.
2. The Company's personnel must not act in the way that may cause conflicts between their personal interests and the Company's interests or create obligations related to the Company directly or indirectly unless the interests have been disclosed and is specifically permitted or authorized to do so.
3. The Company's personnel must not take part in consideration of the transactions with which they have conflicts of interest. In the event that it is necessary to get involved, it shall be reported to the supervisor immediately.
4. Any agenda of the meeting to be considered, in which any attendee has a stake, such person must temporarily leave the meeting to allow other attendees to consider, analyze, and criticize without the influence of that stakeholder.
5. The Board of Directors and the management must carefully consider conflicts of interest in connection with the connected transactions between the Company and its subsidiaries and associated companies with honesty and integrity rationally and independently under the framework of good ethics taking into account the best interests of the Company.
6. The Company's personnel must be careful not to let personal relationships with other persons or entities affect the best interests of the Company.
7. The Company's personnel must strictly comply with the rules, procedures and disclosure of connected transactions as prescribed by law or regulatory authorities and in accordance with the Company's regulations.
8. In the event that the Company has a necessity to make a connected transaction, such transaction must be in accordance with general trading conditions based on the principles approved by the Board of Directors with transparency and fairness like doing transactions with outsiders, without influence of the Company's personnel and taking into account the best interests of the Company.
9. In the case where a connected transaction is not in accordance with the general trading conditions based on the principles approved by the Board of Directors or the nature and size of the transaction is not under the management's jurisdiction, it must undergo the review and opinions giving from the Audit Committee before proposing for approval from the Board of Directors or shareholders.
10. Getting work from a subsidiary or associated company may be done with approval of superiors, management and directors.
11. Recruitment of new personnel who is related to the Company's personnel must be transparent and fair to those who have the same qualifications. The Company's personnel must not intervene or use their influence to help recruit those related to them.

Policies and Practices Regarding Recording, Reporting, Data Retention and Use of Inside Information

Confidential data is non-public data, that if disclosed to the public or in the hands of competitors, will cause serious impact on the Company. This includes all types of information provided by partners and customers with trust in the Company. The Company has a duty to keep such data confidential by making it known only to those who are necessary to. Therefore, it is the duty of the personnel to strictly maintain the security of the data.

Practices

1. The Company's personnel must record financial data, business data as well as information about the stakeholders of the Company accurately, completely and in a timely manner by complying with the rules prescribed by the Company or the law.

2. The Company's personnel must report data accurately and honestly in accordance with the facts without producing fake documents, concealing or distorting the data.

3. The Company determines the confidentiality level of data and method which the Company's personnel must understand each level of confidentiality and practices to maintain confidentiality.

4. The Company's personnel must keep important business data, as well as confidential data about the Company and its stakeholders in the most stringent and in a limited way without disclosing to unrelated parties, inside and outside the Company, even after retirement, resignation, or the end of employment with the Company, except in accordance with the requirements by law or resolution of the Board of Directors.

5. The Company's personnel must not use inside data of the Company which has not been disclosed to the public for exploitation for their own and others' benefits.

6. Hiring someone who previously worked with competitors or government, the Company must find and study confidentiality agreements which that person has previously entered into with competitors or governments and must not do anything to cause that person to act in violation of the agreement made with the competitor or the government which will cause litigation.

7. Outsiders who have the opportunity to get involved or have the opportunity to know important inside data of the Company must sign a confidentiality agreement to ensure that they will exercise the same care and confidentiality as those of the Company's personnel.

8. Disclosure of critical business information must be made by the Company's competent personnel. General personnel have no duty to disclose information. When asked to disclose the information which they have no obligation to disclose, refer to the person responsible for disclosing that information in order to provide accurate information and in the same direction.

9. The Company's personnel should retain data for at least 10 years, both documented and electronically stored. If certain types of documents are retrieved, they must be retained as required by law. The Company's personnel should study on a case by case basis. When the retention period expires, the documents are to be destroyed.

Securities Trading Policy and Practices

The Company is committed to treating all shareholders with transparency and fairness in accordance with good corporate governance principles to maintain the confidence of shareholders and investors in the Company's securities.

Practices

1. The Company's personnel must not take any action that is unfair about trading in securities of the Company and other related companies for the benefit of themselves or others, such as

- Not buying, selling, transferring, accepting the transfer of the Company's securities by taking advantage of inside information that has not yet been disclosed for the their own or others' benefit (Insider Trading).

- Not buying, selling, transferring, accepting the transfer of the Company's securities in a manner that misleads others with the aim of causing the price and/or trading volume of the securities to deviate from the normal conditions, with the intent to mislead others about the price and trading volume and aiming to benefit from that trading scam (Market Manipulation).

- Not publishing false news or distorting information that causes misunderstandings or intending to mislead others in the Company's facts or the Company's securities prices (Misstatement).

2. The Company has set measures to prohibit the Company's personnel, including their close relatives and related persons from trading the securities within 1 month prior to disclosure of the quarterly and annual financial statements and within 24 hours after disclosure of such financial statements to the public (Blackout Period).

3. In the event that there are rumors or news affecting the trading of securities or affecting the decision to invest in the Company's securities, the Company must clarify the facts on such rumors or news as soon as possible.

4. In the event of unusual trading conditions of securities of the Company and other related companies caused by the leak of the Company's undisclosed information by an insider, it shall be assumed that the insider who causes the leak of information is in violation of Company's regulations and may be prosecuted in accordance with applicable laws.

Tax Policies and Practices

The Company pays attention to tax management by adhering to the principles of accuracy, transparency and accountability to build trust with all groups of stakeholders. The tax policy consists of the following key principles:

Tax Code of Conduct

The Company aims to be an organization with valuable growth and tax responsibility to create added value for society.

Tax Risk Management

The Company considers tax risks to ensure that it is identified and tax risk management and report to the management and tax agencies to appropriately reduce the impact of potential risks.

Tax Transparency

The Company discloses tax information to the government and the public transparently by applying the disclosure standards on tax strategies and reporting through the Company's financial reports.

Practices

1. The Company provides tax management with transparency, fairness, and auditability in accordance with the guidelines of relevant laws and regulations of every country in which the Company operates in order for the Company to receive appropriate tax benefits and create added value for the best benefit of the Company and related stakeholders

2. The Company provides planning, studying and analyzing tax effects for investment projects of the Company before investing.

3. The Company provides a person responsible for tax to coordinate and liaise with government tax authorities, who has knowledge and skills on tax to provide accurate and truthful tax information to conduct business.

Policies and Guidelines for Receiving and Giving Gifts, Hospitality, Entertainment or Other Benefits

Receiving and giving gifts in the tradition is a normal practice for the Company's personnel to show kindness, gratitude or care. However, the Company does not encourage giving and receiving gifts, assets or any other benefits which are improper and may affect decision-making in performance of duties.

Practices

1. Receiving and giving gifts, hospitality, entertainment or other benefits can be done but with the following natures:

- Acting on behalf of the Company accurately, openly and transparently.
- With reasonable value and such gifts or property must not be illegal.

- Not contrary to moral principles, conforming to laws, regulations of the Company, including government agencies, state enterprises and other agencies related.

- Appropriate to situations, festivals and customs in each locality

- Not used as an excuse for corruption

2. The Company's personnel and their families are prohibited from demanding or receiving a gift, hospitality, entertainment or any other benefits from the contractors, subcontractors, customers, business partners, or those involved in the Company's business directly or indirectly if such action affects the decision to perform duties with bias or embarrassment or creates a conflict between their own interests and those of the Company.

3. The Company's personnel are responsible for reporting the receipt and giving of gifts, hospitality, entertainment or other benefits to their superiors and persons designated to be responsible for. In the event that personnel have questions about accepting and giving gifts, hospitality, entertainment or any other benefits, inquire or seek advice from their superior or the person designated to be responsible for. In addition, if the receipt is inappropriate, it shall be returned the giver. If the return is impossible or inappropriate, send it to the Internal Audit Department for donation or further action as appropriate.

4. The Company publicize to its contractors, subcontractors, customers, business partners, or those involved in the Company's business to be aware of the practices on accepting and giving gifts, hospitality, entertainment or other benefits on a basis.

5. The Company's personnel must not give bribes or any similar benefits to the Company's personnel or third parties, especially to government officials.

6. Providing gifts, hospitality, entertainment or other benefits to government officials in Thailand and foreign countries must ensure that it is not against the law and local customs.

Policies and Guidelines on Charitable Donations and Financial Supports

The Company has a clear policy on charitable donations and financial supports. Charitable donations and financial supports must be done behalf of the Company with transparency according to Company's regulations and laws to ensure that donations or contributions will be used for the public benefit or meet the purpose of the donation, not for any dishonest use.

Practices

1. Any charitable donations to any organization, whose objectives are for the benefit of society, must be a reliable organization and must be done on behalf of the Company with transparency through the procedures according to Company's regulations and laws, as well as follow-up and check to ensure that the donations are used for the public benefit and/or for the true purpose of the donations.

2. Financial supports to any organization or activity must be intended to promote the business and/or the good image of the Company and must include the name and/or logo of the Khonburi Sugar Group clearly, and must be operated with transparency through the procedures according to the Company's regulations and laws.

3. The Company determines the authority to carry out donations and financial supports that clearly specify the amount and hierarchy for approval and to keep evidence of approval, recorded by the accounting department, including an audit by the Internal Audit Department and an independent external auditor to ensure that donations and financial supports are honest and transparent.

Political Advocacy and Contribution Policy and Practices

Company has a policy of being politically neutral, not supporting or doing any act in favor of any political party, political group or politician directly and indirectly in Thailand or abroad. However, the Company supports any activity in accordance with the regime in that country, as well as encouraging the Company's personnel to exercise their political rights in accordance with the law and under democracy.

Practices

1. The Company is a politically neutral organization without a policy to provide political assistance or act in favor of any political party, political group or any politician directly or indirectly and does not allow any political parties to use the Company's resources and facilities in political activities.
2. The Company's personnel have duties, rights and liberties in accordance with the Constitution and other relevant laws.
3. The Company's personnel may participate in political activities on their own behalf but it must not affect the time and performance of the Company's duties, without any comment or means which creates an understanding that the Company is involved in or supports any political party, political group or politician.
4. The Company's personnel must not use the Company's assets or provide services on behalf of the Company to provide political assistance or take any action which leads to the understanding that the Company is involved or supports any political party, political group or politician.
5. The Company's personnel must not use their powers and duties to persuade, pressure or coerce their colleagues or subordinates to support any political activity, whether directly or indirectly.
6. The Company does not encourage lobbying that is based on principles and reasonable justifications, such as lobbying with a use of personal relationships or offering benefits.
7. Any personnel assigned to work or participate in politics on behalf of the organization must act neutrally according to the Company's code of conduct.

Anti-Money Laundering Policy and Practices

The Company is committed to preventing becoming a tool in money laundering processes that will affect its reputation and cause unlawful operations of business that seriously damage and affect the Company's reputation.

Practices

1. The Company adheres to doing business with reliable customers and trading partners who conduct business under the law and caution when transacting with those suspected of committing an offense under the law.
2. The Company does not provide any assistance or avoid any action to conceal or disguise the origin of money or property related to wrongdoing and not do any transactions which may cause money or property related to the offense to be transformed or converted into lawfully acquired property, including supportive behavior in the above cases as well.
3. The Company's personnel are willing to cooperate unconditionally with relevant agencies to prevent money laundering in the business system, as well as strictly comply with the law on anti-money laundering. As for any doubt, they can seek advice from the Legal Department or the Company's legal counsel

Policy and Practices on Company's Asset Responsibility

The Company provides necessary tools, appliances, equipment and assets to facilitate operations of personnel. The Company's personnel must use these assets properly and effectively to bring about full benefits and must take care of the property not to be damaged, lost or used for personal benefits or others.

Practices

1. The Company's personnel must maintain the Company's assets in functional condition and protect the Company's assets from damage or loss.
2. In the event that the Company's assets under responsibility of any employee or person are damaged or lost, that person shall be jointly liable with the Company as stipulated in the Company's rules, regulations or policies.
3. The Company's personnel must use the Company's assets to perform their duties economically and with appreciation for maximum benefit, taking into account conservation of the environment and conserving energy as well.
4. The Company's personnel must not wrongfully use any assets of the Company for their own or others' gain directly and indirectly or use them in an illegal way.

5. Upon termination of status of the Company's personnel, they must return the assets used in operation, including information used in performance, works and inventions to the Company, regardless what form they are stored, and must not save, copy or duplicate such information to be published or seeking benefits without permission from the Company.

Intellectual Property Policy

Intellectual property is one of the Company's most valuable assets and important to maintain competitive advantage in business, including brand identity, the Company's name, logo, copyright, patent, trademark trade secret, work procedures, innovations, content and legitimate rights. It is extremely important for the Company to protect these assets and honor the property of others as well by not infringing or misusing the intellectual property rights and conducting business in accordance with the laws and regulations in every country, where the Company invests. The Company's personnel must respect copyright of the intellectual property owners and not participate in activities that infringe on property rights. This includes misuse of possession, counterfeiting and copyright infringement.

Practices

1. The Company operates its business and encourages its personnel to work under the laws or regulations related to intellectual property rights, including trademark, patent, copyright, trade secret and other intellectual property as required by law.
2. The Company promotes and encourages its personnel to create their work independently. The Company's personnel can conduct research studies, write and publish their writings in various print media, create computer programs and prepare presentations using computer programs to disseminate information, comment and for use in studies. The rewards from those works and copyrights shall belong to the personnel. As for any work assigned by the Company, which is the work from using the Company's information or the work from learning from the Company, the Company shall own the copyright and returns from that work.
3. The Company encourages its personnel to realize the importance of respecting intellectual property rights directly related to their performance and daily life. To apply the outcomes or information in working, those involved must ensure that it is not infringing the intellectual property of others.

Human Rights Respect Policy

The Company adheres to universal human rights principles as a common practice with regard to human dignity, freedom and equality. The Company will not take any action as and not encourage violation of universal human rights by regularly monitoring the Company's business operations not to be involved in human rights violations.

Practices

1. The Company supports and respects protection of human rights, and ensures that the Company's business is not involved in human rights violations, such as not supporting forced labor against child labor.
2. The Company's personnel must respect and treat all stakeholders with fairness based on human dignity, without discrimination and distinction of origin, race, sex, age, skin color, religion, thought expression, physical condition, status and family.
3. The Company encourages surveillance of compliance with human rights requirements within the Company and encourages its subsidiaries, joint venture, partners, and all stakeholders to comply with the principles of human rights in accordance with international standards.
4. The Company protects the rights of stakeholders who are damaged by violation of rights arising from the Company's business operations by considering compensation for damages not lower than the rate prescribed by law.

Policies and Practices towards Stakeholders

The Company attaches importance to treating stakeholders equally. All stakeholders should therefore be treated by the Company in accordance with their legal rights or agreements with the Company. The Company and its personnel will treat stakeholders with honesty, equality and fairness.

1. Policies and practices towards shareholders

The Company has a policy to conduct business with ethics by adhering to the principles of equitable treatment of all shareholders, determining measures to take care of shareholders to be treated and protect their fundamental rights equally and fairly, as well as preventing conflicts of interest or the use of inside information to seek benefits for personal gain and others inappropriately, including disclosure of transparent and reliable information to shareholders

Practices

1. The Company's personnel must perform their duties by applying their knowledge, experience, expertise and management skills to the best of their ability and with honesty.
2. Decide on any action with transparency, carefulness and prudence, taking into account the best interests of the Company and its major and minor shareholders.
3. Manage the Company's business to have progress, stability and sustainable growth in order for shareholders to receive returns from efficient operations and good performance of the Company.
4. Report financial positions, operating results and material information, including the future trend of the Company to the shareholders regularly, accurately, completely, timely and truthfully.
5. Ensure and protect all shareholders to receive their fundamental rights equally.
6. Strictly comply with the resolutions of the shareholders' meeting.
7. Do not seek benefits for personal gain and related persons by using any information of the Company.
8. Do not disclose the company's Confidential information to others.
9. Do not take action in a manner that may cause a conflict of interest with the Company or any action which fall into the scope of corruption.

2. Policies and Practices towards Customers and Consumers

The Company takes into account the highest satisfaction of customers, who buy goods and use services from the Company, including consumers who use goods and services produced by the Company with fair prices, quality and responsibility to the customers and consumers.

Practices

1. The Company is committed to developing complete products and full services with speed and quality to meet the needs of customers and consumers continuously. The Company's personnel must be dedicated to fully satisfying the needs of customers and consumers and create satisfaction for customers and consumers with quality products and services under safety to health, life and property with reasonable prices and fair conditions.
2. The Company's personnel must comply with contracts or agreements to customers fairly. In the event that it is not possible to do so, negotiate with customers in advance to jointly find solutions and prevent damage.
3. The Company's personnel must not commit any deceptive actions or falsely cause customers or consumers to believe in the quality of products and services of the Company. It has to have survey results or research results to support detailed advertising and promote knowledge and understanding of products and services to customers and consumers in general.
4. The Company's personnel must treat all customers equally and equitably without discrimination.
5. The Company is committed to improving the safety in using the Company's products and services because consumer safety is the most important. The Company must have a warning sign or product documentation, ensure safety in the workplace, strictly campaign and train personnel on safety for consumers continuously. The Company accepts responsibility for accidents to customers or consumers from using the Company's products and services if used correctly.
6. The Company must not use images or content that cause a bad attitude, social discrimination or inappropriate values, especially gender and morality, in promotional activities of the Company.

3. Policies and Practices on Procurement and Treatment of Partners

The Company places importance on procurement, which is an important process to determine cost and product quality and services that the Company will use to operate its business. Therefore, procedures are needed to ensure transparency, accountability and maximum benefits. The Company also values its partners who are important people who help and support each other's business operations. The Company must treat business partners equally on the basis of fair competition and respect each other.

Practices

1. The Company's personnel who intend to procure goods and services must take into account the need, cost-effectiveness, price and quality. Procurement must be transparent with information provided to traders equally, accurately, without bias and discrimination against trading partners, create fair competition between partners. Procurement method must be based on academic principles, concise and consistent with the situations. Partners should have a trial on and test products and services as much as they can.
2. To contact partners, the Company's personnel shall keep documentary evidence of negotiating, drafting contracts, entering into contracts, and performance of contracts for the specified period.
3. The Company supports equitable treatment of its business partners, both treatment between the partners and treatment between the partners and the Company. The Company's personnel who wish to purchase goods and services should not carry out procurement with too short period of time. The partners should be given enough time to prepare. The contract should not be too exploitative and should have a lawyer as a consultant in the contract.
4. Negotiation must be transparent, where management is able to verify that the Company's personnel do not claim benefits from procurement. The Company's personnel must remain neutral and not be close to their business partners, causing them to have too much influence on their decision-making and strictly abide by the Code of Conduct regarding stake and conflict of interest.
5. The Company's personnel must comply with contracts or agreements strictly towards partners. In the event that it is not possible to do so, it must urgently negotiate with partners in advance to jointly find solutions and prevent damage.

4. Policy on Treatment of Creditors

The Company has a policy to treat creditors with equality, fairness and transparency by adhering to compliance with various conditions and contracts strictly.

Practices

1. The Company's personnel must comply with contracts or agreements strictly with creditors. In the event that it is not possible, it must hurry to negotiate with the creditors in advance to jointly find solutions and prevent damage.
2. The Company is determined to manage its operations to ensure creditors are confident in the Company's financial position and ability to pay debts.
3. The Company must manage the loan in accordance with the purpose of using the money without using the money in a way that may cause damage to the Company.
4. The Company must disclose information to creditors in a complete, accurate and timely manner.

5. Policy and Practices on Trade Competition and Treatment of Competitors

Competitors are outsiders, with whom the Company must compete in the way of liberal capitalism in business. Competition must be conducted fairly without misrepresenting, deceiving, or using any method that is not in accordance with good competition. Sometimes the Company needs to cooperate with its competitors and such cooperation must be transparent without concealment of unlawful agreements.

Practices

1. The Company operates business based on free competition. Its business operations must be considered and performed within the framework of fair competition without seeking confidential information of competitors by dishonest means, without discrediting competitors by making false claims or by improper means.

2. The Company should support cooperation with trade competitors for benefit of consumers. The cooperation between the Company and its competitors must not be for monopoly on revenue allocation and market share, deterioration in quality of goods and services and pricing of goods and services, which will cause a negative effect on consumers as a whole.

3. The Company's personnel must study and abide by the relevant domestic and international trade competition laws without action that cause unfair competition, such as bid rigging, monopoly, unfair pricing to customers, etc., as well as being cautious in dealing with competitors and personnel of competitors in all cases, not disclosing or neglecting the Company's secrets in the hands of competitors. If in doubt, consult the Company's Legal Department.

6. Policy and Guidelines on Treatment of Employees

All of the Company's personnel are a key of the Company's business operation. The Company will give importance to all employees, regardless of which department they are working in, without discrimination. The Company encourages its personnel to unite and trust each other, without discrimination, treat each other politely and respect for human dignity. The Company creates a good and safe working environment, pays reasonable compensation, provides appropriate welfare for employees and provide innovations and new technologies to support the work, reward all personnel of the Company who operate for the best interest of the Company, work to the best of their ability with speed, prudence, diligence, enthusiasm, consciousness, reasoning based on knowledge, not emotion, and eagerness to learn.

Practices

1. The Company provides fair employment conditions to allow its employees to earn appropriate compensation based on their knowledge, abilities, potential and performance with transparency and fairness in accordance with the Company's performance and comparable to other companies in the same business group.

2. The Company treats all its personnel equally without discrimination of origin, race, sex, age, color, religion, disability, status, ancestry, educational institution or any other status not directly related to work performance.

3. The Company provides a process for recruitment, appointment, transfer, benefits, reward, termination and punishment of employees that are transparent and accountable with integrity and fairness.

4. The Company gives the opportunity to all its personnel to show their abilities to the fullest by providing reasonable compensation and incentives in the form of salary, bonuses and operating expenses appropriate according to the Company's regulations.

5. The Company manages and develops personnel to have appropriate knowledge, skills, experience and motivation and encourage employees to develop and exchange knowledge and abilities thoroughly and regularly.

6. The Company is determined to ensure that working environment is safe for health, life and property of employees.

7. The Company encourages discussions and cooperation between the Company and its employees or employee representatives in providing information to decision-makers of the Company on improving the quality of life at work for mutual development.

8. The Company respects the right to express opinions of employees at all levels equally without interference, including establishing an appropriate and fair process for hearing opinions and complaints.

9. The Company promotes the use of the rights of employees according to the law, not doing any act that obstructs the activities of the Welfare Committee in the workplace unless such activity is severely against the law or business ethics or causing serious damage to the Company.

10. The Company promotes and organizes activities to support employees to have balance in life on work, education, relaxation and family care, etc.

7. Social, Community and Environmental Policy and Practices

The Company is committed to conducting business with ethics, aims to understand and communicate with society the status and facts of the Company's operations, including the Company's responsibility to communities, society and the environment without concealing facts that may be disclosed. In addition, it is committed to participating in development of the community in where the business operates and the society as a whole in terms of economy, society, community and environment.

Social and Community Practices

1. The Company continuously cultivates awareness of social, community and environmental responsibility in its personnel at all levels, encourages its personnel to volunteer and be responsible to society and the community without expecting anything in return.

2. The Company must return part of the profit to promote activities that create sustainable benefits to society, community and environment within the framework of the following guidelines:

- It is an activity that is consistent with the Company's business operations.
- It is an activity that can be carried out continuously with clear and visible results.
- It is an activity that truly brings benefits to society, community and environment in the long run.
- It is an activity that promotes continuous development of education and learning.

3. The Company promote job creation, labor skills development, as well as preserving the arts and culture of the community where the Company's business is located.

4. The Company supports joining the community network, social monitoring and participation, technology exchange and transfer, as well as alleviating suffering from various disasters.

Practices on conservation of environment, energy and natural resources

1. The Company must comply with laws, regulations, environmental management standards and other requirements related to the environment, energy and natural resources in the Company's business operations.

2. The Company is committed to conducting business taking into account environment in terms of managing ecosystems and biodiversity and climate and environment.

3. The Company is determined to manage its operations with the goal of preventing and controlling environmental impacts and activities that may be at risk of wasting energy and natural resources.

4. The company is committed to continually review and develop environmental management in terms of energy saving, use of renewable energy, resource conservation, reuse of materials and proper disposal of waste or hazardous materials.

5. The Company continuously assesses and monitors its operating results or impacts on the environment, energy and natural resources.

6. The Company is committed to creating accurate knowledge and understanding to various stakeholders about conservation of environment, energy and natural resources, as well as promoting and cooperating in disseminating various activities related to the agencies of government, society and the general public

7. The Company is committed to developing knowledge on conservation of environmental, energy and natural resources to create innovations beneficial to the Company's business operations.

Policy and Practices on Quality, Safety and Occupational Health

The Company cares about safety and the hygiene of the Company's personnel and surrounding communities, aim to promote and instill awareness of quality, safety and occupational health in daily life of the Company's personnel for the benefit of all, including the community and society as a whole.

Practices

1. The Company must comply with laws, regulations and other requirements related to quality, safety and occupational health in the Company's business operations.
2. The Company promotes safety as an important agenda by providing requirements, measures, rules and regulations and an action plan for quality, safety and occupational health at work that are sufficient and efficient and in accordance with international standards.
3. The Company's personnel must study and strictly comply with the laws, policies, requirements and standards of safety quality and related occupational health.
4. The Company takes every effort to control and prevent various types of risks and losses due to accident, fire, injury or illness from work, lost or damaged property, security breach, inappropriate operations and errors that occur as well as maintaining a safe working environment for the Company's personnel. The safety plan is rehearsed regularly. It is the responsibility of the management and employees to report accidents and incidence by following established procedures.
5. The Company provides emergency control and prevention plans in all operating areas. There is an organization's emergency and crisis management plan to prepare for response to potential emergencies, such as fire, spillage of leakage of chemicals or waste and being prepared for other crises that may cause business discontinuation and damage reputation and image of the organization.
6. The Company provides public relations and communication to create knowledge and understanding and disseminate information to the Company's personnel, employees of the contractor, as well as related stakeholders to know and understand the policies, rules, procedures and precautions on quality, safety and occupational health, as well as adhering to the correct practice without causing harm to health, property and environment.
7. The Company is determined to take part in social responsibility in terms of quality, safety, occupational health and environment seriously and continuously, use of natural resources for maximum benefit by realizing the importance of the environment and safety of the stakeholders involved, as well as promoting social activities to preserve the environment and improve the quality of life of people in the community according to the principles of sustainable development.
8. If any operation is found to be unsafe or unable to comply with the requirements and standards of quality, safety and occupational health or have a serious environmental impact, the Company's personnel shall temporarily cease working as far as they can to inform the co-workers, superiors and the responsible agency to take corrective action or plan for further corrections.
9. The Company provides continuous and consistent assessment and follow-up on safety and occupational health performance related to the Company's business operations.

Policy on Public Relations and Marketing Communications

Marketing communication plays an important role in building the Company's good values towards society by introducing the Company's products to consumers. Public relations and marketing communications must be truthful without distorted information and take into account fairness to all related parties and stakeholders.

Practices

1. Marketing communications must be truthful and fair to all related parties and stakeholders.
2. The Company should refrain from providing misleading or incomplete information and false or misleading advertising.
3. The Company should refrain from advertising or giving news to the media that misrepresents the truth or is against the good moral, culture or slandering competitors directly or indirectly

Policy and Practices on Use of Information Technology, Communication and Information Security

The Board of Directors has established a framework for governance and management of information technology at the organizational level in accordance with the needs of the business, as well as ensuring that information technology is used to increase business opportunities and develop operations risk management to enable the entity to achieve its main objectives and goals.

Practices

1. The use of the Company's information system must be for the Company's business only. The information system is the property of the Company, which the users cannot expect privacy and must avoid using the information system that is not related to the Company's work.

2. The Company's personnel must strictly comply with the Information Security Policy and the Information Security Standard, as well as the relevant laws, rules, regulations, and other policies.

3. The Company encourages its personnel to use internet for the benefit of their work. The Company's personnel must use the internet and computer systems as necessary and useful for their work, not conduct any act in a way that will cause damage to the Company's computer and internet systems, not conduct any act that interferes with the use of computer and internet systems of others in the office, not use the Company's computer system to disseminate information that is unethical, improper to traditions and customs or against the law, such as damage to reputation and property, presence of pornography, forwarding mail that is disturbing and creating a nuisance or advertising of business products and services other than the Company's products and services, and sending spam mails, etc.

4. The owner of the information must determine the level of information confidentiality to be appropriate for the information referenced in the Information Security Standard, taking into account the need for business protection of such information and impacts if it is leaked or amended, regulations and laws, and contractual obligations. The level of confidentiality may be changed depending on the decision of the owner of the information.

5. The Company's personnel, who encounter an emergency that may affect business operation and stability of the information system or find a vulnerability of the system on technical and operational issues, or anything that may create a risk to the Company, must inform the responsible department as soon as possible.

6. The Company's personnel must use only computer programs that are properly licensed. If additional computer programs need to be installed, contact the IT Department of the Company. Installation and use of unlicensed computer programs in the office are strictly prohibited.

7. The Company's personnel must keep confidentially for logging in systems and computer programs of the Company to prevent others from accessing the Company's information.

8. In the event that the Company allows temporary employees, apprentice as well as agencies, companies, vendors, trade partners, contract parties, its customer's advisors who are not an employee of the Company to access the Company's information system, the superior in the line of work must control the use of information system of such person in accordance with the rules, regulations, and policies of the Company and be responsible for any damage that may occur to the Company from the use of that information system.

9. The Company's personnel must cooperate in audit, control and any actions for security of using the Company's information system.

Privacy and Personal Data Protection Policy and Practices

The Company respects and values the privacy and protection of personal information of its personnel, customers, partners and business partners. The Company will protect personal data from misuse and keep such data safe in accordance with laws and international standards.

Practices

1. Collection of personal data

- Inform the data subject of the purpose of collection and use of the data and obtain the consent of the personal data subject before collecting the personal data.
- Do not collect personal data about race, ethnicity, color, political opinions, religion, belief, or information that causes unfair discrimination or inequality to any person.

2. Retention of personal data

- Provide security measures for personal data storage according to laws and international standards to prevent destruction, modification and unauthorized access to the data
- Keep the personal data for the purposes stated to the personal data subject and in accordance with the law.
- In case the Company employs an outsource company to process personal data, it must select a company with a standard data protection system and make an agreement related to the retention of personal data in accordance with the policy as well.

3. Exercise of the right to access personal data

- Personal data subjects have the right to request a copy of their data.
- In case of incorrect data, the personal data subject has the right to notify so that the personal data can be corrected, changed or deleted. The Company will prepare any record of objection to collection, any correctness or actions relating to personal data as evidence.

4. Use or Disclosure of Personal Data

- The Company will not use or disclose personal data other than the intended purpose and not disclose it to outsiders unless done by law.
- The personal data subject has the right to refuse the use or disclosure of the personal data other than the purposes stated.
- The Company may disclose personal information to its affiliates or outsiders in the following cases:
 - 1) Business service provider to the Company or contractors who will use the personal data to provide services in accordance with the agreement and must comply with personal data protection laws.
 - 2) Business partners/trade partners and agencies that can access and use the personal data to jointly organize marketing programs.
 - 3) Agents who use the personal data in accordance with legal proceedings for the purpose of court investigations or judgments.
 - 4) Those acquiring the Company or merger has access to the personal data.
- The Company will prevent its personnel and third parties from misusing the personal data by requiring its personnel, including outsiders, to comply with the policy and personal data protection laws.

5. Destruction of personal data

- In the event that the personal data collected is not related to or beyond the necessity for the purposes of the Company, the Company shall destroy and delete the data from the storage system in a safe and non-leaked manner.
- The Company will destroy and delete the personal data from the storage system after the period of use for the purposes of the Company, except in the case where the data is required to be kept by law.

5

Anti-Corruption Policy

Directors, executives and employees
will not do or accept corruption
in all forms

Anti-Corruption Policy

Anti-Corruption Policy

Khonburi Sugar Public Company Limited and its affiliates have an ideology in conducting business with honesty, transparency and ethics by adhering to social responsibility and responsibility to all stakeholders in accordance with the principles of good corporate governance.

To demonstrate the intention and commitment against all forms of corruption and to ensure that the Company has a policy in place to define responsibilities, guidelines and requirements for proper conduct to prevent corruption in all business activities and in order to ensure that business decisions and actions that may be subject to corruption risks are carefully and appropriately considered and implemented, the Company has prepared “Anti-Corruption Policy” in writing to be a clear guideline for conducting business and developing into a sustainable organization. The Anti-Corruption Policy has been reviewed and approved by the Board of Directors and has been reviewed and monitored regularly to cover the changing business context of the Company and in accordance with changes in business law.

Definition

“Corruption” means the fraudulent use of power or duty for the benefit of oneself or others. This includes bribery, extortion, fraud, deception, conspiracy, collusion, embezzlement, money laundering and other similar actions.

“Bribery” means any form of bribery which is an offer, promise, grant, demand, acceptance of demand for benefit in the form of money or other benefits either directly or indirectly with other persons/juristic persons, government official, government service agency or any stakeholders to persuade such persons to perform or ignore performance for the benefit of oneself or others or to acquire a business or to maintain or recommend business to the Company or to secure any other unlawful or undue interest.

“Bribes” refer to incentives or benefits in the form of rewards, gifts, services, cash, inside information, special assistance, hospitality or entertainment, job offers, compensation or reimbursement for travel expenses, charitable contributions or contributions to society, etc.

Anti-Corruption Policy

The Company does not support any form of corruption by the Company's personnel conducting or accepting corruption in any case and in all forms. In addition, the Company also focuses on its personnel to have a common attitude in combating, correcting and taking responsibility for corruption problems by encouraging directors, executives and all employees to have corresponding knowledge and understanding and perform various tasks in good faith and in accordance with the Company's policy on corporate governance and business ethics.

In addition, the Company will cooperate and support external agencies in prevention and suppression of corruption through promoting participation of employees in monitoring, auditing, developing audit systems and mechanisms to cover all business areas and departments, control and balance the use of power to be appropriate, clear and efficient, including complying with anti-corruption laws in the area where the Company operates.

Policy Scope

This policy shall apply to the Company and all its affiliates, including all directors, executives and employees. In this regard, the Managing Director shall consider and announce the application. In addition, this applies to business partners, agents, business associates and any person involved in the business operations of the Company as far as possible as appropriate.

Duties and Responsibilities

1. The Board of Directors has a duty and responsibility to formulate a policy and supervise a system that supports effective anti-corruption to ensure that the management recognizes and gives priority to anti-corruption and it is instilled into the corporate culture.

2. The Audit Committee has duties and responsibilities for reviewing financial and accounting reporting systems, internal control system, internal audit system and risk management system to ensure that they meet international standards, are concise, appropriate, updated and efficient.

3. The managing director and executives have duties and responsibilities in setting up a system and to promote and support the anti-corruption policy to communicate to all employees and related parties, including reviewing appropriateness of the system and various measures to comply with changes in business, rules, regulations and legal requirements.

4. The Internal Audit Department has duties and responsibilities to inspect and review the operation to ensure that it is correct and in accordance with the policy, practices, operational authority, regulations and laws, regulatory requirements to ensure that there is a control system appropriate and adequate to the risk of fraud and corruption that may occur and report to the Audit Committee.

5. The employees have duties and responsibilities to comply with this policy, including the rules and regulations in working of the Company and relevant legal requirements.

Practices

1. All directors, executives and employees of the Company and its affiliates must comply with the anti-corruption policy and business ethics of the Company

2. Directors, executives and employees of the Company are prohibited from demanding, conducting or accepting all forms of corruption either directly or indirectly for the benefit of oneself or any person in every country and every government agency and the private sector that the Company's business is involved in.

3. Directors, executives and employees of the Company must jointly promote values of honesty and responsibility as a corporate culture.

4. The Company's personnel should not neglect or ignore when seeing any action considered fraudulent and corruption related to the Company. They must notify their superior or person in charge and cooperate in investigating for facts. If you have any questions or inquiries, consult with your superior. or a person assigned to be responsible for monitoring compliance with the Company's Code of Conduct through various channels specified by the Company.

5. The Company will provide fairness and protect the employees who deny corruption or report corruption related to the Company using measures to protect complainants or those who cooperate in reporting corruption as specified by the Company in the Whistleblower Policy.

6. Those who commit corruption or neglect or ignore when witnessing an action considered fraud and corruption shall be regarded as violation of the Company's ethics and must be subject to disciplinary action according to the regulations set by the Company. In addition, they may be punished according to the law if the act is an illegal.

Implementation Requirements

1. The anti-corruption policy shall cover the Company's operations in the following processes:

- Personnel management process from the recruitment or selection of personnel, promotion, training, performance appraisal and compensation
- Process of keeping records of financial and accounting data.
- Other processes related to operations of the Company.

Superiors at all levels are required to communicate with employees for use in business activities under their responsibilities and supervise the practice to be efficient.

2. The Company has arranged the following actions to prevent corruption in business operations:

- Evaluate the Company's corruption risk and develop measures in line with that risk and in accordance with the internal control system which is reviewed annually.
- Establish practical procedures with sufficient details to ensure compliance with this policy and efficiently prevent corruption in business operations.
- Provide orientation and training for personnel to provide knowledge and understanding on policies, measures and procedures in anti-corruption.
- Provide an internal control system suitable for the Company's business operations to ensure the efficiency and effectiveness of the anti-corruption policy.
- Provide reporting, monitoring and review of compliance with the Anti-Corruption Policy with appropriate procedures to ensure that the policy is complete, adequate and timely.
- Provide a secure communication channel for the Company's personnel and all stakeholders to ask for advice, report clues, give suggestions, or make complaints on corruption with measures to protect the rights of such persons.
- Communicate the anti-corruption policy both inside and outside the Company to achieve widespread compliance. This includes notifying subsidiaries, associates, other companies over which the Company has a control power, and business agents, to implement the Company's anti-corruption policy.
- Promote exchange of knowledge, experiences and good practices among companies in the same industry as the Company, including all stakeholders to be a coalition and participate in anti-corruption activities organized by other companies, associations, chamber of commerce or regulatory body.
- Committed to building and maintaining corporate culture, which firmly believes that corruption is unacceptable in transactions with the public and private sectors.

3. To take any actions according to the anti-corruption policy, the guidelines set forth in the Handbook of Principles of Corporate Governance and Code of Ethics, policies and guidelines for treatment of stakeholders, including regulations and operating manuals of related companies, shall be applied, as well as any other guidelines that the Company will establish in the future.

4. For clarity in conducting matters with high risk of corruption, the Company's directors, executives and all employees must exercise caution in the following matters:

- Giving or receiving gifts, hospitality, receptions and other benefits:

Giving or accepting gifts, hospitality, receptions and other benefits must be in accordance with the policies and guidelines set forth in the Company's Code of Conduct.

- Charitable donations or support:

Giving or accepting donations or funding must be transparent and legal. It must ensure that donations or financial supports are not being used as an excuse for bribery. Taking actions must be in accordance with the policies and guidelines set forth in the Company's Code of Conduct.

- Political involvement:

The Company's personnel must not use the Company's property or provide services on behalf of the Company in support of political activities or take any action which leads to understanding that the Company is involved or supports any political party or group.

- Business relationship and procurement with the government sector:

It is forbidden to give or accept bribes in all kinds of business operations. The Company's operations and working with the government must be transparent, honest and in accordance with the relevant laws.

Anti-Corruption Certification

I, (Mr./Mrs./Miss)....., Position:.....
 , Department/ Section:....., affiliated with.....,
 have read and understood the Anti-Corruption Policy of Khonburi Sugar Public Company Limited (the "Company"),
 which I agree to strictly follow. I hereby represent that as of the date I have filled in this form,

☐ I did not have any action or take part or see behaviors that are inconsistent with anti-corruption practices.

☐ I have participated in activities and have seen behaviors that may not be inconsistent with anti-corruption practices as follows:

Non-Conforming Activities	Details of activities	Benefits Earned

Note: If there is any additional information, please fill out additional information on a blank piece of paper and attach to this form.

I hereby confirm that the above information is true in all respects. If it later turns out that the aforementioned statement is false, I agree that the Company will take disciplinary action in accordance with the regulations that the Company will consider appropriate.

If there is any event to make this statement invalid or inconsistent with the situation that may change in the future, I will report to the Company as soon as possible and immediately proceed with the new certification.

Yours Faithfully,

(Signed).....

(.....)

Date:.....

6 Appendix

Definition

Company means Khonburi Sugar Public Company Limited and its affiliates.

Company's personnel mean directors, executives and employees of Khonburi Sugar Public Company Limited and its affiliates.

Director means a director of Khonburi Sugar Public Company Limited and its affiliates.

Independent director means a director who is independent from management control, major shareholder and must not be involved or have conflicts of interest with the decisions made by the executives. In this regard, the independent qualifications of directors must be in accordance with the requirements specified by the Company and in line with announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Executive director means a director who holds an executive position, director who is responsible as an executive and authorized director unless it can be shown that it is a binding signature according to the resolution which the Board of Directors has already approved.

Non-executive director means a director who does not hold any executive position in the company in which he holds the position of director. The non-executive director may represent shareholders.

Executive means an executive of the Company from the level of director up. In the case of considering transactions related to governance rules of the Stock Exchange of Thailand or the Office of the Securities and Exchange Commission, such as holding company securities or making connected transactions, it shall include those holding top management position in finance and accounting.

Employee means an employee at the level descending from the management as permanent employee and temporary employee of the Company.

Stakeholders mean shareholders, customers, suppliers, creditors, employees, competitors, government sector, society, community, environment, as well as organizations and other people involved in the society.

Business partners mean suppliers of goods and services to the Company, designers, consultants, contractors, sub-contractors.

Customer means a natural person, legal entity or entity with legal agreement who has business relationship with the Group, may not have an ongoing relationship and wishes to build relationships or enter into transactions from time to time.

Good Corporate Governance refers to the organizational structuring and management mechanisms to connect relationships between shareholders, Board of Directors, executives and employees with the important objective of creating appropriate benefits, taking into account the stakeholders as a whole which leads to the utmost benefit to the shareholders and all groups of stakeholders

Conflict of interest means any activity that may include personal needs or those of related persons, whether by blood or any other way, to influence decision-making or may obstruct or hinder the best interests of the Company.

Connected transactions mean transactions between the Company or its subsidiaries and connected persons of the Company. The connected transactions can be divided into 5 categories as follows:

1) Normal business transactions. They are commercial transactions relating to assets/services, which are a normal business operation of the Company and in accordance with general trading conditions such as procurement of raw materials, etc.

2) Supporting transactions. They are commercial transactions that the Company or its subsidiaries carry out to support normal business operations of the Company to run smoothly, such as procurement, insurance, management hiring, hiring consultants or experts, etc.

3) Short-term rent of immovable properties. They are transactions of renting or renting out immovable properties, which are unable to be shown that they are in accordance with general trading conditions, and with a term of not more than 3 years.

4) Asset or service-related transactions. They are transactions on acquisition or disposition of assets and/or rights to acquire or dispose of assets, renting/renting out of assets and providing/receiving services.

5) Financial assistance transactions. They are transactions that the Company or its subsidiaries receive or provide financial assistance to connected persons. These include loans, guarantees, and pledging of assets as collateral of liabilities and other similar circumstances

General trading conditions refer to trading conditions with fair prices and conditions, without causing benefit transfer, as a commercial agreement that a prudent would enter into with the other party in general in the same situation, with bargaining power free from any influence of acting as a director, executive or related person, as the case may be, including those with the following prices and conditions:

- Prices and conditions that the Company or its subsidiaries receive or give to the general public.
- Prices and conditions that the connected person offer to the general public
- Prices and conditions that the Company can show that they are those the similar business operators offer to general public.

Connected persons mean directors, executives, major shareholders, controlling persons or those who will be nominated as a director or executive or a controlling person of the Company or its subsidiaries, including related persons and close relatives of such persons. And this shall include any juristic person that those persons are a major shareholder or a controlling person.

Major shareholder means a shareholder who directly or indirectly holds shares in any juristic person in excess of 10% of total number of shares with voting rights, including shares held by related persons.

Related person means a person who has a relationship in any of the following manners:

(1) A person who has a control power over business of the Company. And in case of a juristic person, it shall include directors of that juristic person as well.

(2) Spouse, minor child or adopted child of a director, executive or persons under (1).

(3) A juristic person, over whom the person under (1) or (2) has a control power

(4) Any other person with characteristics as described in the notification of the Capital Market Supervisory Board.

Close relative means a person who is related by blood or legal registration as follows:

(1) Parents

(2) Brothers and sisters

(3) Child/ adopted child including spouse of the child/ adopted child

(4) Spouse

Inside information means facts which are material to changes in the price of securities and have not been disclosed to the public. Examples of inside information include:

- Joint ventures, mergers or acquisition of significant business and/or assets.
- Announcement of payment or non-payment of dividends or announcement of profit or loss.
- Change in par value or stock dividend payment.
- Acquisition or loss of significant commercial contracts and/or business licenses.
- Major new product launches, major developments in technologies, products, services and markets or significant discoveries about new products, services, and technologies which led to a patent
- Changes in control or significant changes in the Board of Directors and management
- Redemption of securities
- Borrowing in amounts that are significant to the financial position and operating results.
- Issuance of shares to increase capital in a significant amount by offering to the public or any person.
- Major legal disputes
- Buying or selling important assets.
- Major changes in investment projects.
- Changes in company objectives.
- Major disputes on labor, subcontractors or vendors of the Company
- Making a tender offer for securities of other companies
- Significant changes in accounting policies.
- Delisting of the Company's securities from the Stock Exchange of Thailand.

Risk means the likelihood of a potential event which will affect the Company's business operations and make the Company unable to achieve its objectives as set.

Level of confidentiality of information means 4 levels of confidentiality of information set by the Company as follows:

a) Level 0: Public information. It is the information disclosed without damage or low damage or as public relations information accessible to outsiders

b) Level 1: Internal information. It is for internal use only by the Company employees or other contractually controlled individuals or entities. This group of information is generally required for transactions. Access to the information must be controlled and open to access on a need-to-know or use basis only, such as the meeting summary form, internal policies and procedures.

c) Level 2: Confidential information. It shall be only disclosed or accessed by a limited group, such as departments, working groups. Disclosure of information at this level may leak sensitive information of the Company and damage the business, finances or image of the Company, such as confidential data in a contract with high fines, employee profile, etc.

d) Level 3: Strictly confidential information: It is the upmost confidential information disclosed or accessible only to designated individuals and the data subject wants to know to whom the said data has been passed on. The leakage of this layer of information can cause enormous potential, image or financial damage to the business, such as confidential data that, if leaked, would be considered a violation of the law, salary, passwords, etc.

Securities means (common and preferred) stocks, debentures, stock options, derivatives (such as futures and options), stock or debenture warrants and other financial instruments that can be traded, transferred, received and/or exchanged in the financial market.

Charitable donations mean donations of money, items, or other things that can be calculated in cash to charitable organization without expecting anything in return.

Financial support means money paid or received, things given or received or other rewards given or received which may be calculated in cash from customers, partners, business partners for the purpose of business, branding or reputation of the group of companies and helping build business relationships and providing appropriate opportunities.

Political support means giving support to politicians or political parties, in cash or in kind, including lending or donating equipment, providing any service without charge or encouraging employees to participate in political activities on behalf of the Company in order to obtain business advantages.

Money laundering means the use of money or property obtained from an offense or illegally acquired to transform into money or property legitimately obtained.

Intellectual property means legal rights granted to the owner of the right or the "right-holder" existing over things arising from intellectual creativity such as patents, trademarks, copyrights, trade secrets or other information proprietary of the Company.

Copyright refers to a form of protection given to the author of the original work (including literature, drama, music, fine arts and other creative works), which the copyright owner has the exclusive right to reproduce, adapt (form, translation or replication) depending on the nature of the work or to disseminate and display or perform to the public.

Patent means a property right granted to the inventor for a limited period of time to prevent others from making, using, offering for sale, selling or importing the patented inventions. The patent is protected only in the country/region where the patent is registered.

Trademark means a message, name, symbol, slogan or logo used in trade, goods or services, which indicates the origin and distinguishes the goods or services.

Trade secret means references to information such as formulas, forms, compilations, programs, tools, methods, techniques, processes, financial information or customer list, which are information not known to others and must be kept confidential.

Proprietary information means information that is not generally disclosed, such as information that is not generally known to or used by the public and secret.

Human rights mean fundamental rights that all human beings are equal, regardless of physical differences, race, gender, nationality, language, religion or any other status, where everyone has equal rights and is protected from violation by others.

Corruption means the dishonest use of power or duty for the benefit of oneself or others. This includes bribery, extortion, fraud, deception, conspiracy, collusion, embezzlement, money laundering and other similar acts.

Bribery means any form of bribery which is an offer, promise, grant, demand, acceptance of demand for benefit in the form of money or other benefits either directly or indirectly with other persons/juristic persons, government official, government service agency or any stakeholders to persuade such persons to perform or ignore performance for the benefit of oneself or others or to acquire a business or to maintain or recommend business to the Company or to secure any other unlawful or undue interest.

Bribes refer to incentives or benefits in the form of rewards, gifts, services, cash, inside information, special assistance, hospitality or entertainment, job offers, compensation or reimbursement for travel expenses, charitable contributions or contributions to society, etc.

References

- **Organic Act on Prevention and Suppression of Corruption B.E. 2542 (Amended (No. 3) B.E. 2558), Section 123/5.**
- **Securities and Exchange Act (No. 6) B.E. 2562.**
- **Public Company Limited Act B.E. 2535 (and its amendments).**
- **Personal Data Protection Act B.E. 2562**
- **Principles of the Organization for Economic Co-operation and Development (OECD).**
- **Principles of Corporate Governance Code (CG) for Listed Companies 2017.**

Khonburi Sugar Public Company Limited

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Form for Acknowledgment and Compliance with the Handbook of Principles of Corporate Governance and Code of Ethics of Directors

Khonburi Sugar Public Company Limited

I am aware of the role of directors as a leader and person with highest responsibility of the organization. In this regard, I have read and studied the Handbook of Principles of Corporate Governance and Code of Ethics of Khonburi Sugar Public Company Limited, including understanding and accepting the handbook by being ready to adopt the policy on corporate governance and business ethics, anti-corruption policy, as well as policies and practices existing now and to exist in the future in the future as a guideline for strictly performing duties.

Signed.....

(.....)

Director

Date.....

Note: If you need further clarifications and any explanations in the contents appearing in this book, please

contact: Company secretary

Phone: (66) 0-2725-4888 Ext. 4811, 4814

Fax: (66) 0-2318-1096

Handbook of Principles of Corporate Governance and Code of Ethics of Executives and Employees

Khonburi Sugar Public Company Limited

1. I have received the Handbook of Principles of Corporate Governance and Code of Ethics.
2. I have studied, understood and will strictly adhere to the policy on corporate governance and business ethics, anti-corruption policy and good practices existing and to exist in the future as a principle of practice.

Signed.....

(.....)

Director

Date.....

Note: If you need further clarifications and any explanations in the contents appearing in this book, please

contact: Human Resources

Phone: (66) 0-2725-4888 (Head Office)

(66) 044-448-338, 044-448-650-1 (Khonburi Sugar Factory)

Fax: (66) 0-2725-4877 (Head Office)

(66) 044-448-500 (Khonburi Sugar Factory)

Attachment 5

Report of the Audit Committee

To Shareholders of Khonburi Sugar Public Company Limited

The Board of Directors has appointed an Audit Committee which consists of 3 independent directors as follows:

1. Ms. Suvimol Krittayakiern Chairman of the Audit Committee
2. Mr. Vinit Samritpricha Audit Committee Member
3. Mr. Sukda Punkla Audit Committee Member

All 3 directors have good knowledge and expertise and experience in accounting, finance, economics, law and business. In this regard, Ms. Suvimol Krittayakiern, Chairman of the Audit Committee, is a person with knowledge and experience in financial accounting and possess the appropriate qualifications to be able to review reliability of financial statements in accordance with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In the year 2023, the Audit Committee held a total of 4 meetings and 1 meeting with the auditor without the presence of executives in order to independently discuss important issues in preparing financial statements and disclosing information useful to users of financial statements, including acknowledging the results of auditing, observations as well as problems and obstacles during the performance of the audit.

The Audit Committee performed its duties as assigned by the Board of Directors, which is specified in the Charter of the Audit Committee which is completely in line with the requirements of the SEC and the SET, including reviewing financial statements and reviewing internal control systems. The review results of the audit committee can be summarized as follows:

Review of financial statements. The Audit Committee has reviewed the quarterly financial statements and the 2023 financial statements ended 31 December 2023 to present to the Board of Directors for approval, with a meeting to discuss and exchange opinions with the internal audit office, auditors and the management to ensure that the Company's financial reports are accurate, complete and reliable, and are prepared in accordance with generally accepted accounting standards, including disclosing information in the financial report in a sufficient and timely manner for the benefit of investors and users of consolidated financial statements. including the disclosure of material information, observations and suggestions of the auditor to be considered and used to improve for the benefit of the Company appropriately.

related party transactions. The Audit Committee has reviewed the disclosure of related party transactions of the Company and its subsidiaries and associated companies which may have a conflict of interest in accordance with the announcement of the SEC and the SET. According to the review, the Company has proceeded according to normal business conditions, fairly and reasonably, without causing a transfer of benefits, including complete and adequate disclosure of information by adhering to the corporate governance policy and the announcement of the Stock Exchange of Thailand.

Good corporate governance. The Board of Directors and executives place importance on management in accordance with the corporate governance code for the confidence of shareholders and all related parties.

Review of the internal control system. The Audit Committee has reviewed the sufficiency of the Company's internal control system in 2023 to support the Company to achieve its goals and objectives. The Company has followed up to make improvements according to the recommendations in the audit report and the opinions of the Audit Committee continuously, Including improving the internal control system to be in line with the situation.

Supervision of internal audit work. The Audit Committee has considered the audit report of the Internal Audit Office, including monitoring performance of the Company and its subsidiaries according to the observations and recommendations of the Internal Audit Office and the auditor and approved the audit plan for the year 2024 of the Internal Audit Office which was prepared by considering potential risk factors. The Audit Committee could effectively perform its duties according to the charter of the audit committee, as well as approving the performance evaluation of the Internal Audit Office.

Review compliance with laws on securities and exchange, requirements of the Stock Exchange of Thailand and laws related to the Company. The Audit Committee has reviewed and supervised to strictly comply with the laws on securities and exchange, the regulations of the SEC and the SET, and other laws related to the Company's business operations.

Appointment of auditors for the year 2024. The Audit Committee has considered selecting auditors, considering the independence of the auditor, and determined appropriate compensation and made recommendations to the Board of Directors for proposing to the 2024 Annual General Meeting of Shareholders for approval to appoint Mr. Chayapol Suppasertanon as the auditor, CPA No. 3972, or Ms. Pimjai Manitkajohnkit, CPA No. 4521, or Ms. Sumana Punpongsanon, CPA No. 5872, or Ms. Kirdsiri Kanjanaprakasit, CPA No. 6014, or Ms. Naraya Srisukh, CPA No. 9188, under the EY Office Company Limited, as a certified public accountant of the Company.

Ms. Suvimol Krittayakiern
Chairman of the Audit Committee



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Khonburi Sugar Public Company Limited

No. 5, Soi Sukhumvit 57, Khlong Tan Nuea
Subdistrict, Wattana District, Bangkok 10110

Tel. (662) 725 4888

Tel. (6644) 448 338

WWW.KBS.CO.TH