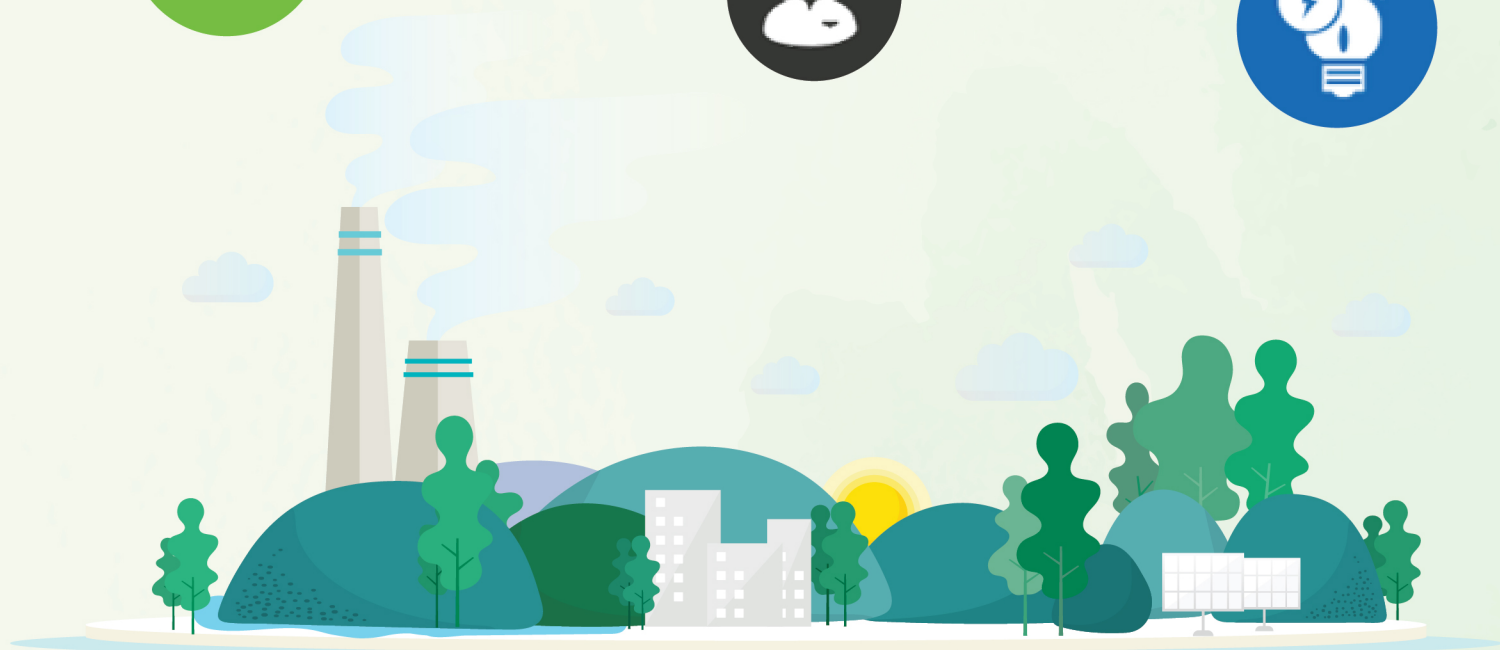
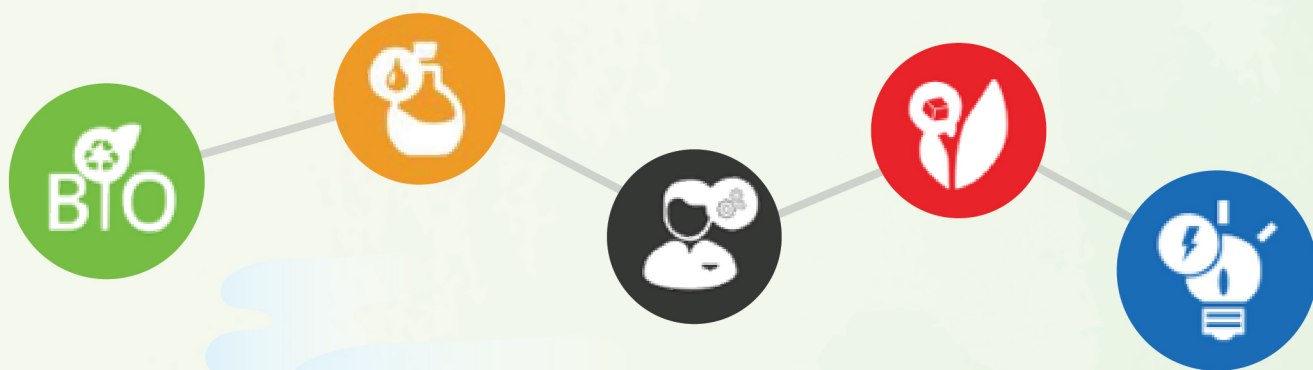




Khon Kaen Sugar Industry Public Company Limited



ANNUAL REPORT 2021

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**VISION**

We are Natural Energy Innovation for all

**MISSION**

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



## The Leading Producer of Environment-Friendly Renewable Energy



### SUGAR

Energy of Human



### BIO-FERTILIZER

Energy for Plants



### CREATING

Natural energy for all



### ELECTRICITY

Energy for Equipment and Machinery



### ETHANOL

Energy of Automobiles

## Message from the Board of Directors

During the past two years, the sugar business in Thailand has faced challenges from the ongoing drought, such drought crisis has resulted the decrease of sugar cane and sugar production in Thailand, in other words, the sugar canes for the period of year 2020/2021 are 66.7 million metric tons, which is the lowest volume in the last one decade in Thailand. Nevertheless, Khon Kaen Sugar Industry Group has adapted to handle the drought crisis since year 2020, for the period of year 2020/2021, we ranked as the third largest producer of sugar, our sugar production was approximately 7.15 % of the sugar is produced in Thailand. In addition, the operating profit of group of companies for year 2021 increased from the previous year.

Overall operating results for year 2021, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries had a total operating profit in amount of THB 616 million, provided that the profit before finance costs, income taxes and consolidated depreciation and amortization (EBITDA) is the amount of THB 2,223 million, the operating profit increased by THB 811 million (57%) from the previous year. For this year, the performance of the sugar business is considered better, although the business is still in a drought situation from the previous year. Although the sugar sales volume declined by 27%, the average sugar price increased by 23%. The Company focuses on selling in distribution channels with good margins and an opportunity to expand the customers base in the future, in other words, expanding the customer base who has a demand for high quality syrup to meet the changing needs of customers in the industry including management and cost control and financial costs. In addition, the sugar business in Savannakhet in Laos also showed better performance from adjustments in production and distribution strategies coupled with rising sugar prices. Another core business that contributed to the Group's overall performance was better than the previous year. It is the profit from the associated company or BBGI Group Public Company Limited that has continuously expanded the biofuels and bio-products business, it started selling new high-value bioproducts during the year. In addition, we are successful to bring Ubon Bio Ethanol Public Company Limited, which is the Company of our company group to be listed on the Stock Exchange of Thailand during the year 2021.

For the outlook of the sugar cane and sugar industry in the upcoming season for year 2021/2022, the Company and the sugar industry group estimate that it is in a good direction, both in terms of sugar cane and sugar production including the trend of world sugar prices, it is estimated that the quantity of sugar cane crushed will increase by more than 25%, increasing from 66.7 million tons in year of 2020/2021 to 85-90 million tons in the year of 2021/2022 and in addition, the world raw sugar prices (New York Sugar Market No. 11) is expected to be priced between 18-20 cents/pound, which will increase the average export price of sugar by at least 15%. In addition, the increase of sugar cane has beneficial effects on the performance of the electric power business and other related businesses as well.

KSL's group has completed the 76 years of its businesses, adhering the target of being one of the leaders in sugar manufacturing and by-product businesses, emphasizing value added products, and targeting a leading position in term of cost management and production efficiency. The technology was continuously integrated to use with the production system and management process along with business expansion. Consequently, the Company has gradually invested in its business along the way. Power and biofuel businesses have expanded their business lines and production capacity of BBGI PCL's group. These made BBGI the largest producer and distributor of biofuel products in Thailand. Furthermore, there are ongoing projects in the pipeline, such as ethanol plant project, biofuel project and related utility system.

In addition, the Company started to expand white sugar and refined sugar distribution to end customers through modern trade channel beginning from Makro store and other hypermarkets in the future. This expansion will support marketing plan in premium sugar products, provided that the Company has been certified Bonsucro standard for the third consecutive year and the Company has also expanded the sugar cane area as certified by Bonsucro for farmers as well. In the future, the Company has prepared other products such as natural brown sugar, organic sugar, low GI (low glycemic index) sugar, and other special packaged sugar.

The Company continuously promote innovation through the KSL Lean Management 2021 project, which is a project that will help to develop and improve the efficiency of production processes. Many employees are interest in this project and submit their work to the contest. The work of "KW Signal Electrical Export and Installation of Virtual Power Control System" (VAR Control) and the work of "Automatic Truck Scales" won the first prize in each category.

For the sustainability activities, the Company ensures that the Company complies with all corporate governance policies and codes of conduct in business operations, the company has continuously complied with the social responsibility policy that has been announced. In addition, the Company focus on development and sustainability together with the communities surrounding the factory through activities in accordance with the sufficiency economy principle. The Company focuses on the environment through energy management, emission control, environmental impact and industrial waste management and cost-effective recycling of water and materials. For year 2021, the Company received Sustainability Disclosure Recognition Award from Thaipat Institute, in recognition of the company's excellent public disclosure of sustainability information to all stakeholders and respond to the Sustainability Development Goals (SDGs). This award is one of the cornerstones of KSL Group's drive to drive and strive towards a sustainable organization.

There was a severe effect from Corona Virus 2019 (Covid 19) all over the world in 2020. The company realized the problems from basic fundamental both internal and external. To be able to handle the revolution that might

happen, the Company needed to adapt itself to be well prepared for this epidemic situation to keep business smooth. The Company has provided all employees vaccines, covid test kits, various protective equipment and covid insurance in order to be able to operate the business continuously and considering the safety of employees as a priority.

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



Mr. Manu Leopaibote  
Chairman of the Board of Directors



Mr. Chamroon Chinthammit  
Chief Executive Officer

## Income Statement Highlight

Income Statement Highlight (Million THB)	2021	2020	% Change	2019
Sales and Services	10,470	11,853	-12%	17,855
Cost of Sales and Service	(9,230)	(10,082)	-8%	(14,230)
Gross Profit	1,240	1,771	-30%	3,625
Other Incomes	286	248	15%	750
Selling Expense	(294)	(451)	-35%	(944)
Administration Expense	(730)	(914)	-20%	(832)
Proceeds to Fund	-	-	0%	(1,262)
Profits before other gain (loss) and other expenses	502	654	-23%	1,337
Other gain (loss) and other expense - net	119	(644)	-118%	251
Share of profit of associated companies	511	323	58%	101
Profits before financial cost and tax	1,132	333	240%	1,689
Financial cost	(425)	(497)	-14%	(710)
Corporate Income Tax	(92)	66	-239%	(149)
Minority interest	1	15	-93%	(8)
Net Profit (loss)	616	(83)	-842%	822
Earnings (loss) per Share (EPS)	0.14	(0.02)	-800%	0.19
Gross Profit Margin	11.8%	14.9%		20.3%
Net Profit Margin	5.9%	-0.7%		4.6%

<b>Statement of Financial Position Highlight (Million THB)</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>	<b>2019</b>
Cash and cash equivalents	224	138	62%	2,430
Trade and other current receivables	1,064	1,203	-12%	1,287
Short-term loans	588	786	-25%	926
Inventories	2,707	2,049	32%	2,774
Other current financial assets	91	-	100%	-
Other current assets	105	98	7%	97
Investments in associates	4,650	4,273	9%	3,965
Other non-current financial assets	173	-	100%	-
Other long-term investments	-	157	-100%	245
Finance lease receivable - net of current portion	361	361	0%	-
Receivables from the Office of the Cane and Sugar Fund - net of current portion	-	-	0%	541
Long-term loans	137	144	-5%	146
Investment property	6,112	5,775	6%	5,637
Property, plant and equipment	25,007	25,891	-3%	25,868
Other non-current assets	302	247	22%	205
<b>Total Asset</b>	<b>41,521</b>	<b>41,122</b>	<b>1%</b>	<b>44,121</b>
Current Liabilities	12,012	11,388	5%	11,818
Non-Current Liabilities	9,398	10,188	-8%	13,282
<b>Total Liabilities</b>	<b>21,410</b>	<b>21,576</b>	<b>-1%</b>	<b>25,100</b>
<b>Total Shareholder's Equity</b>	<b>20,111</b>	<b>19,546</b>	<b>3%</b>	<b>19,021</b>
<b>Total Equity Attributable to Owners of the Parent</b>	<b>19,581</b>	<b>19,027</b>		<b>18,606</b>
D/E Ratio	1.06	1.10		1.32
IBD/E Ratio	0.92	0.96		1.16

<b>Cash Flow Highlight (Million THB)</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>	<b>2019</b>
Net Profit + Depreciation + Non Cash	1,572	1,028	53%	2,546
Change in Working Capital	(1,177)	507	-332%	76
<b>Cash flow from Operating Activities</b>	<b>395</b>	<b>1,535</b>	<b>-74%</b>	<b>2,622</b>
Invest in PP&E	(191)	(435)	-56%	(414)
<b>Cash flow from Investing Activities</b>	<b>31</b>	<b>(228)</b>	<b>-114%</b>	<b>117</b>
<b>Cash flow from Financing Activities</b>	<b>(339)</b>	<b>(3,591)</b>	<b>-91%</b>	<b>(457)</b>
Change in Cash Flow	86	(2,292)		2,301
Beginning Cash	138	2,430		129
<b>Ending Cash</b>	<b>224</b>	<b>138</b>		<b>2,430</b>
EBIT	1,132	333	240%	1,689
Depreciation and Amortization	1,092	1,080	1%	1,205
<b>EBITDA</b>	<b>2,224</b>	<b>1,413</b>	<b>57%</b>	<b>2,894</b>

## Business Operation and Operating Results

## **1. Overview of Business Operation and Policy**

Organizational structure and operation of the group of companies

### **1.1 Policy and business overview**

#### **Overview of the vision**

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

#### **Vision**

We are natural energy innovation for all.

#### **Mission**

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

#### **Quality Policy**

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

Long-term goal of the Company is to be one of the leaders in sugar, by-products, and value added productions which can be shown in company's sugar policy: "production of high quality sugar with high efficiency, prompt delivery, winning customers' trust, consumption safety". This policy has encouraged company's 5 sugar factories to be widely accepted as one of the highest efficiency and highest quality sugar production groups in Thailand. In addition, with the goal of being one of leading companies in by-product and value added production and with the vision on the potential growth in related – sugar businesses, such as ethanol business and power business. The Company has continuously made direct and indirect investments in these sectors via subsidiaries and associated companies.

The Company's short term goal is to be one of the leaders in the industry who excels in cost management and productivity. The goal can be achieved by applying modern technology to the corporate production and management systems. Furthermore, the Company is aware that its primary risk is the amount of cane it is able to procure for crushing. The sugar factories and other integrated businesses cannot sustain without adequate cane



crushed. The Company, hence, aims to reduce the farmers' cane cultivation cost as well as to improve their productivity yields and efficiency. Its objective is to help the farmers sustain their living and receive higher return on their investment as well as to remain productive farmers to our businesses.

### **1.1.2 Material changes and developments**

#### **Sugar business**

The company has developed in machinery to be more efficient including continuous investment in the growth of sugar production to meet the needs of industrial customers and exports. In the past 2-3 years, the company has invested in machinery for liquid sugar production. The target group of liquid sugar is both domestic and oversea foods and beverage industrial customers and other distribution channels are planned to be expanded for liquid sugar and other high quality sugar in the future.

In addition, since the year 2020, the Company has made branding well known to retail customers and through modern trade channel starting at Marko Department store in order to introduce and sale products to retail customers for distribution of white sugar, refined sugar and natural sugar including refined sugar in other special packages to support the marketing plan of special products or others distribution in the future.

#### **Related Business**

BBGI Public Company Limited ("BBGI"), an affiliated of the Company, the business objective of BBGI is to invest in bio-based products manufacturing and trading business as a holding company. As a result of BBGI group's business and capacity expansion, BBGI is consider as the largest biofuel business and distribution in Thailand. As present, BBGI is the second largest ethanol producer in Thailand including being a biodiesel producer with market share ranked third in Thailand.

In addition, BBGI was established in 2017, is considered a potential associate in the future which an establishment of the amalgamation between a subsidiary of Bangchak Corporation Public Company Limited ("BCP") and the Company. The shareholding percentage is 60% and 40%, respectively. As a result, a complete supply chain in terms of procurement of raw materials production to distribution. BBGI currently has a plan to be listed on the Stock Exchange of Thailand (SET) in 2022 and after registration, KSL will maintain its corporate status.

In the past 2-3 years, BBGI group's business had significant business expansion as follows:

- BBGI Group has 3 ethanol production plants with the current capacity of 600,000 liters per day by investing in the expansion of production capacity at the subsidiary's factory in Nam Pong District, Khon Kaen Province by 200,000 liters per day. It's expected to launch some commercial products within 2022 and be able to produce at full capacity in the first quarter of 2023. This will increase the total production capacity to 800,000 liters per day. Moreover, BBGI

Group has the construction projects of biogas and facilities systems at 2 locations, Nam Pong in Khon Kaen province and Bo-Ploy factory in Kanchanaburi province are continued to be completed in a similar timeframe.

- BBGI Group is also a leading producer and trader of biodiesel in Thailand with the current capacity of 1,000,000 liters per day.

- In 2020, investment in a biotechnology business, Manus Bio Inc., incorporated in United States in order to expand new bio-based product business in the future.

- In 2021, BBGI Group brings new products to the market as High Value Bio-Based Products or HVP such as Dietary supplements containing astaxanthin (Astra-Immu) under the brand “BNaturePlus” and pharmaceutical standard hand cleaning products according to production standards from GMP HACCP by marketing both ways through Business-to-Business (B2B) and Business-to-Consumer (B2C).

- At the end of September 2021, Ubon Bio Ethanol Public Company Limited (UBE), which was previously an affiliated of BBGI, was registered to be listed on the Stock Exchange of Thailand (IPO) to raise funds for future business expansion. As a result, BBGI has shareholding percentage in UBE decreased from 21.28% to 12.39%. Therefore, the status changed from an associated company to an investment in other financial assets.

#### **Company's Business Overview**

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries, under KSL, are the fourth largest sugar producer group in Thailand. The group consists of 5 sugar factories located in three different regions, as follows:

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

In addition, the Company has an operated factory located in Savannakhet Province, Lao.

The core product which the Company produces is sugar which can be categorized to be 6 types: (a) raw sugar, (b) high pol sugar, (c) white sugar, (d) refined sugar, (e) brown sugar and (f) liquid sugar. The Company also has other products related to sugar production process, such as molasses, bagasses and filter cake. According to these kinds of products, the Company has a plan to invest in value added projects, as followings: (shown on Figure 1.1)

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

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

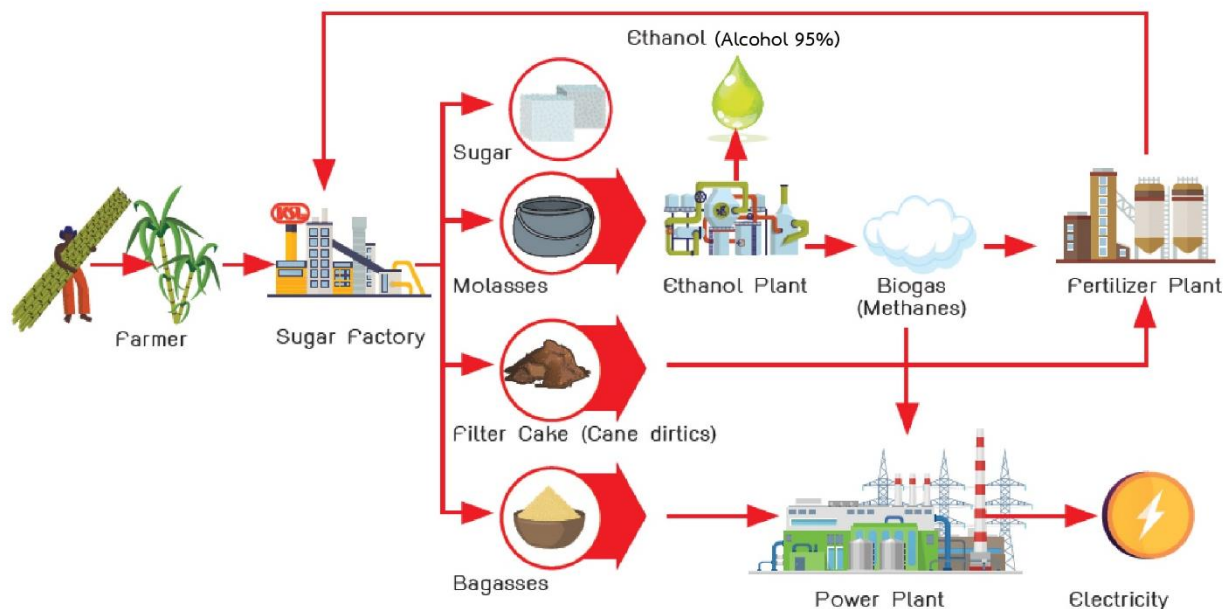


Figure 1 : The Relationship between KSL's existing Sugar Production and KSL's Value Added Project

**1.1.3 Specify whether or not The Company**

N/A

**1.1.4 Clarify the obligations to which The Company has committed**

N/A

**1.1.5 General Information**

Company Name	:	Khon Kaen Sugar Industry Public Company Limited
Type of business	:	Manufacturer of Sugar & Sugar-related products
Registered & Head Office	:	503 KSL TOWER 9 <sup>th</sup> Floor, Sriyudhya Road, Rajathevi, Bangkok, 10400 Thailand
Company Registration Number	:	PCL 0107547000214
Registration Phone number		
Telephone	:	+662-642-6230
Facsimile	:	+662-642-6228
Website	:	<a href="http://www.kslgroup.com">http://www.kslgroup.com</a>

## 1.2 Nature of Business

## 1.2.1) Income structure

Company	% of Shareholding in 2021	2021		2020		2019	
		Revenue (Million THB)	%	Revenue (Million THB)	%	Revenue (Million THB)	%
1. Khon Kaen Sugar Industry PCL.	Parent Company	5,345	34%	6,267	35%	11,224	43%
2. Tamaka Sugar Industry Co., Ltd.	90.21%	1,598	10%	1,664	9%	2,395	9%
3. New Krung Thai Sugar Factory Co., Ltd.	95.78%	2,504	16%	3,029	17%	3,298	13%
4. New Kwang Soon Lee Sugar Factory Co., Ltd.	98.61%	464	3%	492	3%	571	2%
5. K.S.L. Export Trading Co., Ltd.	79.55%	8	0%	16	0%	19	0%
6. Khon Kaen Sugar Power Plant Co., Ltd.	100.00%	2,082	13%	2,579	15%	3,588	14%
7. KSL Material Supplies Co., Ltd.	100.00%	186	1%	149	1%	360	1%
8. KSL Real Estate Co., Ltd.	91.02%	136	1%	164	1%	190	1%
9. KSL. Agro and Trading Co., Ltd.	100.00%	2,847	18%	2,901	16%	3,822	15%
10. Koh Kong Plantation Co., Ltd.*	80.00%	-	0%	-	0%	12	0%
11. Koh Kong Sugar Industry Co., Ltd.	88.02%	-	0%	1	0%	45	0%
12. Savannakhet Sugar Corporation	98.00%	452	3%	498	3%	309	1%
13. Wynn In Trading Co., Ltd.	100.00%	-	0%	-	0%	-	0%
14. WSP Logistics Co., Ltd.	100.00%	-	0%	-	0%	-	0%
15. KHUN CHUAN Company Limited	99.97%	-	0%	-	0%	-	0%
<b>Total</b>		15,622	100%	17,760	100%	25,833	100%
<b>Minus Interrelated items</b>		-5,152		-5,907		-7,978	
<b>Total Revenues</b>		10,470		11,853		17,855	

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

(Description of the income shifts and business operations results, please refer to financial status and operation results.)

### 1.2.2 Product information

#### Major Product: Sugar

##### **Sugar: Product Characteristic**

The Company is a group of sugar manufacturers whose quality management system is certified by SQF 2000, ISO 9001: 2000, and Hazardous Analysis and Critical Control Point (HACCP) accreditations. KSL's has variety of sugar produced which can be divided into six categories of sugar according to its type and level of purity as follows:

Raw sugar – Raw sugar has a color index higher than 1,500 ICUMSA. It is dark brown with a high impurity index and a low purity index. The shipment is usually loose-loaded in bulk. Raw Sugar cannot be direct consumption. It is required to refine to white sugar or refined sugar.

Raw Sugar with High-Polarization – Hi-pol Raw sugar contains color between 1,000 - 1,500 ICUMSA. It is not fit for direct human consumption. Normally, the sugar is transported loose-loaded in Bulk to the vessel. The price is usually lower than that of white sugar and refined sugar.

Brown Sugar – Brown Sugar is in the same grade as white sugar; however, it has a light brown color and also contains lower moisture than raw sugar.

White sugar – White sugar contains its color between 46 - 200 ICUMSA with minimum polarization 99.50. It is fit for direct human consumption. It is being used for home used and/or raw material/ main ingredient in food industries.

Refined sugar – Refined sugar contains its color not more than 45 ICUMSA. The sugar is being used for home used and some industries which required the better quality and higher in purity, such as pharmaceutical sector, beverage sector, and energy drink.

Liquid sugar – liquid sugar contains its color below 35 ICUMSA with 66.5-67.5% brix. This product has higher in purity and preferably be used in the industries whereas required to melt the sugar crystal into liquid form, therefore this product is the most suitable for beverage and energy drink sectors as it can generate the saving for its process of sugar crystal melting.

After sugar manufacturing process, there is a residue called “Molasses” that its sugar content is so low that any further sugar extracting is uneconomical. Molasses is a valuable by-products obtained from sugar production. It contains 20% water, 30% sucrose, 32% invert sugar, 12% non-sugar organic substance, and 6% ash. From one ton of sugarcane, the corporate sugar factories can generate their capacity to extract between 45-50 kilograms of molasses. The molass production has annually positive correlation with the quantity of sugarcane crushed. Molasses can widely be used in various industries such as biochemistry alcohol and distilling, yeast, monosodium glutamate, animal feed (where molasses is being mixed with cassavas and bagasse), vinegar, and soy sauce and seasoning sauce brewing.

The last element from cane crushing process are bagasse and filter cake. Bagasse is the last fibrous material after the juice extraction process from sugarcane. Currently, the companies use their bagasse as their main source of energy for electricity and steam generation in sugar manufacturing process. Part of the electricity that the sugar factories generated is sold to the EGAT. Filter cake is a residue from vacuum filtration process. It appears to be used as main

element to be general-purpose fertilizer. Over the years, the companies have given away their filter cake to their contracted cane farmers to promote sugarcane plantation within the companies' s nearby cane growing areas. Since The Company's subsidiaries have started to operated their alcohol and chemical production, the waste water from the alcohol factories mixed with filter cake and bio-decomposed are used to produce organic fertilizer which consider to be the best fertilizer for sugarcane plantation. This supply chain has efficiently completed the corporate value-added product with zero waste.

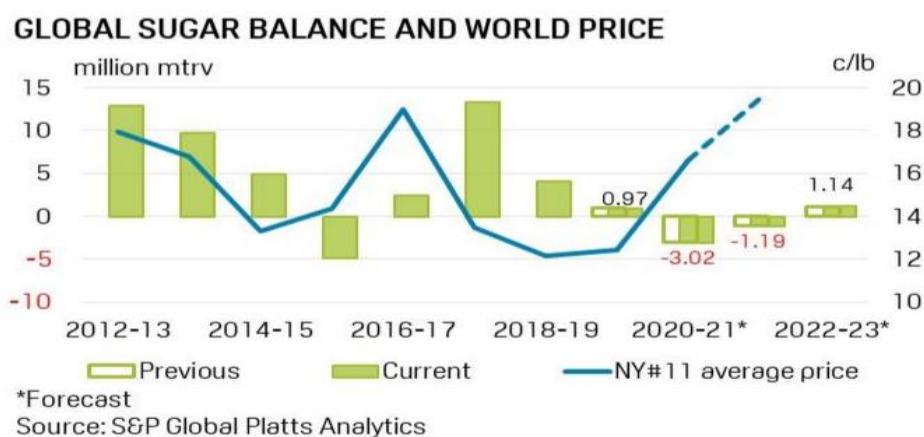
## 2. Marketing and Competition Status

### Sugar: Market and Competition

#### International Market Overview

Regarding the overview of the global sugar market, its global production from the production season of 2020/21 is about 183.43 million tons (raw sugar content.) This number is a decrease of almost 5 million tons or 2.78 percent when compared to the production season of 2019/20. Dually, the total global consumption demand was 184.27 million tons, which is an increase of 1.74 percent compared to the production season of 2019/20. The remaining sugar at the end of the year slightly decreased from 73.32 million tons in the production season of 2019/20, which is 2.35 percent of the consumer needs. Figures from the F.O. Licht forecasted a small deficit output on a global scale. Anywise, the demand for sugar consumption in 2021 will keep on decelerating as 2020 due to the COVID-19 pandemic. Consumption would also consequently abate because of the pandemic that causes lockdowns, less dining outside of homes, some countries that still have quite a high stock of sugar. assembling with the fact that one of the world's largest producers as Brazil has faced severe drought. These factors will cause the year 2021 to have perpetual improvements in sugar global price.

Figure 2.1: Global Sugar Balance (1,000 tons, centrifugal sugar, raw value, OCT/SEP)



**Notice:** Numbers in 2020/21 and 2021/22 are projections

Source: Platts as of December 15, 2021

Based on Platts Analysis's projection as of December 15, 2021, the production output of 2021/22 is expected to meet a slight deficit. The estimation of the deficit is at 1.14 million tons of sugar which is due to drought in major producing countries such as Brazil, Thailand, India, where sugarcane is a water-requiring crop that needs to have a sufficient amount of water to retain decent yields. Therefore, water deficiency will affect the growth of sugarcanes and would decrease their sweetness which later reduces sugar production.

Thailand is considered to have the production potential; the country that produces and exports sugar. In 2021, Thailand has 10.86 million rai of sugarcane cultivation area, which was lessened from the 2019/2020 production year by 1.09 million rai due to the continuous drop in sugarcane prices that drove farmers to cultivate other crops that were more valuable. There were 57 granulated sugar mills in the 2020/21 production year, with 112 days for sugar crushing. 66.65 million tons of sugarcane were crushed nationwide into 8.24 million tons of sugar with an average sweetness of 12.91 ccs, 49.08 million tons of fresh sugarcane, or 74% average of total sugarcane, 17.6 million tons of burnt sugarcane, or 26% average sugar production of 113.57 kilograms per cane. Anywise, it is likely that the 2021/22 crushing season will increase the amount of sugarcane to more than 80 million tons due to the global sugar prices that are still high when compared to the previous year.

Thai sugar production is considered as high quality derived from sugarcane which is a plant that can be used for a variety of beneficial purposes. In addition to sugar production, sugarcane can also be an important source of renewable energy like ethanol. Its byproducts can also produce other products such as packaging from bagasse or can be used in the production of organic fertilizers. It was due to the production with higher production costs and lower yield per area compared to competing countries such as Brazil, Australia, and India. Furthermore, Thai sugarcane farmers are only minor farmers who consider the usages of sugarcane harvesting vehicles as unprofitable because they are expensive. This results in harvesting burnt sugarcane which affects the quality of sugarcane that enters the sugar factory and in turn affects their income. However, in the past 2021, the government has a significant policy to promote fresh sugarcane cutting, resulting in a higher proportion of cane cutting this year.

In 2021, which was previously predicted that products from Thailand and India will decline due to drought. Brazil is also affected by the weather which caused their production to decrease by as much as 8-9 million tons of sugar. Moreover, the price segment has continued to trade higher, from a price level of 15 cents per pound at the beginning of the year rose to a maximum of 20-21 cents per pound. During the second and third quarters of 2021, the price level was slightly lower but remained at 18-19 cents per pound which was a trend that continued until the end of 2021. Sugar prices are considered to be at a good level throughout 2021, mainly due to the dry weather in major producing countries, funds, and speculators, which have gradually declared the actively buying status throughout the year.

The foreign exchange rate affects the sugar price, which in turn affects the final sugar cane price and the final production yield, as well as affecting the stability of the entire Thai cane and sugar industry. Social trends that favor health have caused consumers to tend to reduce their sugar consumption from sugarcane or use a sweetener substitute from alternative products that are not sugarcane.



It can be seen that the price of sugar in the past 2-3 years has been quite fluctuating due to volatile climate like a flood, drought, or the extremely cold weather that affect the amount of sugar in the market and their prices. In addition, global sugar stocks must also be considered whether it is currently at a reasonable level or not. Production and use of ethanol, the amount of speculation of the fund, and domestic government policies of key producers and consumers, will affect the global sugar price as well.

Figure 2.2: Display of Global Sugar Prices (NYBOT#11) for the Past 10 Years.



**In terms of foreign sales channels, there are sales as follow:**

- (1) Sales through traders such as a foreign trade company. Traders will offer Thai sugar to buyers in overseas destination countries. In dealing with traders, it is considered risk management on the part of the counterparty concerning incapability of collecting money and simplifying the management of sea carriage to the destination country. The terms of exporting sales will be free on board at Bangkok or Laem Chabang Ports. Sugar mills in Thailand will be responsible for the transportation to the exporting port in Thailand only.
- (2) Exports through borders to neighboring countries such as Cambodia, Laos, Myanmar by selling to border sugar traders for delivery to neighboring countries with adjacent borders.
- (3) Sales to manufacturers for exportations in the country that use sugar as raw materials, due to the price of domestic sugar price that is higher than foreign sugar. This prevents the competition between manufacturers that use sugar as a raw material to produce their products for exporting and other competitors in the global market. Therefore, in order to promote investment in the food industry and increase competitiveness, the government has therefore given the opportunity for producers of export products to obtain permission to purchase sugar at the world sugar price. under the government's policy.

### Overview of Marketing and Industrial Conditions in the Domestic Market

The demand for sugar in the country is 2.2 million tons, which is a decline, and the novel cause is the spread of COVID-19. The sales volume of Thai sugar in the country is approximately sorted into the direct demand of consumers which takes up 58% and 42% of the remaining is the continuous industry (indirect) demand. For example, beverages are the major users, followed by food and dairy products. The sugar sales proportion of the Khon Kaen Sugar's conglomerate emphasizes mainly sales to continuous industries. Also, in the recent year of 2021, the company has distributed to Makro in the channel of modern trade with white sugar and refined white sugar in packs of 1 kilogram as an alternative selection for consumers as well.

Table 1: Sales Volume and Ratio of Domestic Sugar Sales in the Past 3 Years

Sale Volume & Price	2021			2020			2019		
	Quantity (Ton)	Avg. Price (THB/ton)	Amount (Million THB)	Quantity (Ton)	Avg. Price (THB/ton)	Amount (Million THB)	Quantity (Ton)	Avg. Price (THB/ton)	Amount (Million THB)
<b>Total Sugar Sale</b>	505,188	15,553	7,857	693,830	12,717	8,823	1,255,593	11,084	13,917
<b>Domestic sale</b>	172,044	17,630	3,033	164,067	17,535	2,877	230,145	16,431	3,781
<b>Export sale</b>	333,144	14,481	4,824	529,762	11,225	5,946	1,025,448	9,884	10,135
<b>% Domestic Sale/Total Sale</b>	34%			24%			18%		

### Electricity and Steam : Market and Competition

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

Table 2: Sales Volume and Average Selling Price of Electricity in the Past 3 Years

	2021	2020	2019
<b>Sale volume (MW-hour)</b>	<b>315,225</b>	<b>330,882</b>	<b>372,481</b>
<b>Avg. selling price (THB/MW-hour)</b>	<b>3,202</b>	<b>3,191</b>	<b>2,952</b>

### 3. Product and Service Provision

#### 3.1) Sugar: Product and Service Provision

##### Raw Material Provision Policy

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

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

##### Production policy

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

##### Marketing policy

The Company emphasizes direct sale to industries with product quality and on-time delivery promises including other facilities to meet the needs of customers. Most customers are in business of beverage and confectionary industries.

The Company, moreover, emphasizes the sale of its sugar products to food product re-exporters, as a result that it is generated higher profit than regular exporters due to lower transportation costs.

**Environmental effects**

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

**Sugar: Works Not Submitted**

- None -

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

Raw material procurement is crucial in operating the electricity generating business. The corporate power plant is mainly fueled by bagasse. Costs of electricity and steam depend on the amount of crushed sugarcane and other alternative biomass fuels' cost (in case of insufficient bagasse volume). In each year, Khon Kaen Sugar Power Plant has prepared purchasing biomass fuel source, such as purchases of bagasse from nearby plants, wood chips or sugarcane leaves or coconut shells or other biomass fuels etc.

**Production policies****(1) Cost Management**

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

**(2) Improving and Developing of Production Effectiveness**

The quality of fuel is effectively controlled, as The Company uses its own bagasse. Fuel efficiency is ensured by management of dehumidification of raw material using such methods as bagasse dryer system and construction of rain shield roofs including development or modification of machineries used for sugarcane leaves or other biomass, etc.

**Marketing policy**

The long-term agreement between The Company and EGAT allows the electricity produced to be priced based on fixed formula of calculation. The sale unit price increases at the time when EGAT's demand for electricity is high. Electricity sold to the companies in the KSL Group is priced at equivalent rate as that sold to EGAT.

### Environmental effects

Extensive Environmental Impact Assessment (EIA) has been carried out. The facilities in Khon Kaen province has been registered with CDM Executive Board as a CDM (Clean Development Mechanism project under the Kyoto Protocol) which helps carbon reduction.

### Electricity & Steam: Works Not Submitted

- None -

## 4. Operating Assets

### 4.1) Core Operating Fixed Assets

As of October 31, 2021, the company and its subsidiaries have core operating assets as follows:

Items	Approximate Area	Ownership	Net Book Value (Million THB)	Encumbrance
1. Land & Land Development (Rai)				
Land for factory location				
- Khon Kaen Sugar Industry	1,408.10	Owner	940.19	
- Tamaka Sugar Industry	244.76	Owner	722.05	
- New Krung Thai Sugar Factory	1,139.90	Owner	306.17	
- New Kwang Soon Lee Sugar	251.53	Owner	104.55	
- KSL Agro & Trading Co., Ltd.	90.86	Owner	58.16	
- Khon Kaen Sugar Power Plant Co., Ltd.	420.15	Owner	194.75	
- KSL Material Supplies Co., Ltd.	226.52	Owner	26.60	
Cane Plantation Area	9,635.07	Owner	1,625.95	
Office Area	376.88	Owner	206.10	
Other Lands	105,738.86	Owner	1,717.33	
Total Land & Land Development	119,532.63		5,901.85	
2. Factory Building and Construction		Owner	4,848.92	
3. Machinery and Equipment		Owner	13,665.25	
4. Motor Vehicle and Labors-saving device		Owner	386.83	
5. Furniture and Office Equipment		Owner	23.27	
6. Assets under Construction		Owner	169.11	
Grand total			24,995.23	

The Company has listed the land with the revalued amount (fair value). Revaluation is carried out by independent appraisers, which the Company has a policy to have independent appraisers appraise the said land every 3 - 5 years in order to the book value at the statement of financial position date shall not differ materially from the fair value. The company's latest appraisal of the land's fair value was conducted in year 2020. In addition, the above assets are owned by the Company and are free from collateral.

## 4.2 Significant Intangible Assets

### Trademarks

Key trademarks of Khon Kaen Sugar Industry Public Company and subsidiaries are registered with the Department of Intellectual Property, as follows:



### Privileges of Benefits from Promoted Investment

A domestic subsidiary received 3 investment promotion certificates from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520. The benefits include the exemption from income tax for profit for the year derived from operations of promoted businesses for the period of 8 years, commencing from the date of first receiving operation revenue of promoted businesses. The details are as follows:

<u>Certificate No.</u>	<u>Sections Privilege</u>	<u>Date</u>	<u>Promoted activity types</u>	<u>Commenced date of revenues generated</u>	<u>Expire date</u>
1432(2)/2552	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2) and 35(3)	June 24, 2009	- Production of electricity, power steams and water for manufacture	November 30, 2010	November 29, 2018
1349(2)/2556	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2) and 35(3)	Mach 15, 2013	- Production of electricity, power steams and water for manufacture	January 21, 2014	January 20, 2022
61-0170-1-00- 1-0	25, 26, 28, 31(1), 31(2), 31(3), 31(4) and 34	February 12, 2018	- Production of electricity, power steams and water for manufacture	Income not yet derived	

Furthermore, in accordance with the Promotion Certificate No. 1432(2)/2552 and 1349(2)/2556, the subsidiary receives the privilege in 50% income tax reduction of the regular rate for the period of 5 years commencing from the expiration date of income tax exemption and under all Promotion Certificates, the subsidiary is granted privilege for exemption of import duties for approved machinery and exemption from income tax on dividend on profit from promoted businesses during the period in which The Company is granted exemption from corporate income tax.

#### 4.3 Investment and Management Policy for subsidiaries and affiliates

As of October 31, 2020, The Company invests in both direct and indirect 13 subsidiaries and 2 affiliate companies, as followings:

##### Subsidiaries (The Company holds the shares directly)

- 1) Tamaka Sugar Industry Co., Ltd
- 2) New Krung Thai Sugar Factory Co., Ltd
- 3) New Kwang Soon Lee Sugar Factory Co., Ltd
- 4) KSL Real Estate Co., Ltd
- 5) K.S.L. Export Trading Co., Ltd
- 6) Khon Kaen Sugar Power Plant Co., Ltd
- 7) KSL Material Supplies Co., Ltd.
- 8) KSL. Agro and Trading Co., Ltd.
- 9) Savannakhet Sugar Co., Ltd
- 10) Koh Kong Sugar Industry Co., Ltd
- 11) Wynn In Trading Co., Ltd
- 12) WSP Logistics Co., Ltd.
- 13) Khun Chuan Company Limited

##### Subsidiaries (The Company holds the shares indirectly through Wynn In Trading Co., Ltd.)

- 14) Koh Kong Plantation Co., Ltd.

##### Affiliated Companies

- 1) Thai Sugar Terminal PCL
- 2) BBGI PCL

For the subsidiaries that The Company holds its shares directly, The Company has controlling power through both of direct and indirect holding more than 50 % of registered shares.

The Company has the investment and management policy to invest in the business related to sugar business, sweetener business or other business that gives the benefit and reasonable return to the core business. The criteria

for the investment will be based on competitive advantage, reasonable rate of return and the investing amount of each business type. In addition, considering the proportionate of investment will be depended on various factors, especially The Company's expertise. If the business requires special experiences significantly and The Company has no or less experience, The Company will let other strategic partners holding the share in higher proportion. However; if The Company has the investment in high proportion, The Company will assign its own representatives to participate in a position of company directors or a position of top management. In addition, all of company investments must be approved by the board of director and there should not be the conflict of interest with the parent company in the future.

#### Non-financial performance indicators, such as Market share, Customer satisfaction

KSL Group companies and its subsidiaries have been certified ISO 9001:2000, which required the companies' survey Customer satisfaction, both domestic and international selling channel, covering variety of Quality, Services and others to assess and improve satisfaction. The Company has set their target to achieve the score at least 94 out of 100. The results in the last 3 years are as follows:

Satisfaction Survey	Year 2021	Year 2020	Year 2019
Domestic	98.74	97.77	96.65
International	98.20	96.55	95.54

Sugar production and market share of the group companies for the last 3 years are as follows:

Production/Market share	Year 2021	Year 2020	Year 2019
Production (Metric Ton)	0.534 Million	0.585 Million	1.151 Million
Market Share (%)	7.51%	7.02%	7.85%



### 1.3 Shareholding Structure

#### 1.3.1 Shareholding structure of the group of companies

Business and shareholding structure of KSL Group as at October 31, 2021 shown on the following chart:



The business details of Khon Kaen Sugar Industry Public Company Limited, subsidiaries and affiliate are classified by business type as follows

## Summary of Subsidiaries and Associated Companies as at October 31, 2021

### 1. Tamaka Sugar Industry Co., Ltd.

Office location: 503 KSL TOWER 21st Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6229-39 Facsimile: +662-642-6228

Business type: Manufacture and distribution of sugar and molasses

Registered Capital (Million Baht): 600,000,000 (six hundred million baht)

Stock Type: common stock

Number of shares held (%): 90.21

Total number of shares: 60,000,000 (sixty million shares)

### 2. New Krung Thai Sugar Factory Co., Ltd.

Office location: 503 KSL TOWER 21st Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6229-39 Facsimile: +662-642-6228

Business type: Manufacture and distribution of sugar and molasses

Registered Capital (Million Baht): 1,000,000,000 (one billion baht)

Stock Type: common stock

Number of shares held (%): 95.78

Total number of shares: 100,000,000 (one hundred million shares)

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

Office location: 503 KSL TOWER 21st Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6229-39 Facsimile: +662-642-6228

Business type: Manufacture and distribution of sugar and molasses

Registered Capital (Million Baht): 500,000,000 (five hundred million baht)

Stock Type: common stock

Number of shares held (%): 98.61

Total number of shares: 50,000,000 (fifty million shares)

**4. KSL Real Estate Co., Ltd.**

Office location: 503 KSL TOWER 21st Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6229-39 Facsimile: +662-642-6228

Business type: Development and investment in real estate for rent and as a training  
center for the group

Registered Capital (Million Baht): 840,000,000 (eight hundred and forty million baht)

Stock Type: common stock

Number of shares held (%): 91.02

Total number of shares: 8,400,000 (eight million four hundred thousand shares)

**5. K.S.L. Export Trading Co., Ltd.**

Office location: 503 KSL TOWER 16th Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6203-6 Facsimile: +662-642-6207

Business type: Certified company as export agent of sugar export

Registered Capital (Million Baht): 20,000,000 (twenty million baht)

Stock Type: common stock

Number of shares held (%): 79.55

Total number of shares: 200,000 (two hundred thousand shares)

**6. Khon Kaen Sugar Power Plant Co., Ltd.**

Office location: 503 KSL TOWER 17th Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6230-9 Facsimile: +662-642-6294

Business type: Production and distribution of electricity

Registered Capital (Million Baht): 800,000,000 (eight hundred million baht)

Stock Type: common stock

Number of shares held (%): 100

Total number of shares: 80,000,000 (eighty million shares)

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

Office location: 503 KSL TOWER 9th Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6191-9 Facsimile: +662-642-6294

Business type: Procurement and distribution of raw materials for cultivation

Registered Capital (Million Baht): 480,000,000 (four hundred and eighty million baht)

Stock Type: common stock

Number of shares held (%): 100

Total number of shares: 48,000,000 (forty-eight million shares)

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

Office location: 503 KSL TOWER 9th Floor, Sriyudhya Road, Thanon Phayathai,  
Rajathevi District, Bangkok, 10400  
Telephone: +662-642-6191-9 Facsimile: +662-642-6097

Business type: Trading domestic sugar and operating agricultural businesses

Registered Capital (Million Baht): 300,000,000 (three hundred million baht)

Stock Type: common stock

Number of shares held (%): 100

Total number of shares: 30,000,000 (thirty million shares)

**9. Savannakhet Sugar Corporation**

Office location: Road No. 9, KM. 81 Lianxay Village Atsapangthong District  
Savannakhet Province, Lao P.D.R  
Telephone: +856-41-666-002-3 Facsimile: +856-41-666-001

Business type: Sugar cane plantation and manufacture and distribution of sugar and  
molasses, in Laos

Registered Capital (Million Baht): 687.73

Stock Type: common stock

Number of shares held (%): 98

Total number of shares: 20,000,000 (twenty million shares)

#### 10. Koh Kong Sugar Industry Co., Ltd.

Office location:	Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Telephone: +(855)-35-399-888
Business type:	Manufacture and distribution of sugar and molasses, in Cambodia
Registered Capital (Million Baht):	1,946.69
Stock Type:	common stock
Number of shares held (%):	88.02
Total number of shares:	167 (one hundred and sixty-seven shares)

#### 11. Wynn In Trading Co. Ltd.

Office location:	10th Floor, Raffles Tower, 19 Cyber City, Ebene, Republic of Mauritius
Business type:	International trading and consulting service
Registered Capital (Million Baht):	487.50
Stock Type:	common stock
Number of shares held (%):	100
Total number of shares:	16,000,000 (sixteen million shares)

#### 12. WSP Logistics Co., Ltd.

Office location:	No. 88 Moo 2, Huai Haeng Subdistrict, Kaeng Khoi District, Saraburi Province, 18110 Telephone: +6636-358-309 Facsimile: +6636-358-307
Business type:	Service transport and shipping goods
Registered Capital (Million Baht):	1,000,000 (one million baht only)
Stock Type:	common stock
Number of shares held (%):	100
Total number of shares:	100,000 (one hundred thousand shares) call up 25%

### 13. KHUN CHUAN Co., Ltd.

Office location:	503 KSL TOWER 16th Floor, Sriyudhya Road, Thanon Phayathai, Rajathevi District, Bangkok, 10400 Telephone: +662-642-6230-9 Facsimile: +662-642-6294
Business type:	Social enterprise
Registered Capital (Million Baht):	1,000,000 (one million baht only)
Stock Type:	common stock
Number of shares held (%):	99.97
Total number of shares:	100,000 (one hundred thousand shares)

### 14. Koh Kong Plantation Co., Ltd.\*

Office location:	Tropaing Kandorl Village, Chikholeu Commune, Sre Ambel District, Koh Kong Province, Cambodia Telephone: +(855)-35-399-333 Facsimile: +(66)-39-588-333
Business type:	Agricultural operation in Cambodia
Registered Capital (Million Baht):	468.49
Stock Type:	common stock
Number of shares held (%):	80
Total number of shares:	100 (one hundred shares)

\* The Company holds the shares indirectly through Wynn In Trading Co., Ltd.

### 15. Thai Sugar Terminal Public Company Limited

Office location:	90 Moo 1, Soi Siam Silo, Poochaosamingprai Road, Samrong Klang, Phra Pradaeng District, Samut Prakarn, 10130 Telephone: +662-183-4567 Facsimile: +662-183-4561, +662-183-4562
Business type:	Warehousing and loading of goods, property rental, produce and distribute wheat flour and palm oil and polypropylene bag
Registered Capital (Million Baht):	191,663,805 (one hundred ninety-one million six hundred sixty-six hundred three thousand eight hundred and five million baht)
Stock Type:	common stock
Number of shares held (%):	23.82
Total number of shares:	383,327,181 (three hundred eighty-three million three hundred twenty- seven thousand one hundred and eighty-one shares)

**16. BBGI Public Company Limited**

Office location:	No. 2098, M Tower, 5th Floor, Sukhumvit Road, Phra Khanong Tai, Phra Khanong District, Bangkok 10260 Telephone: +662-335-8899 Facsimile: +662-335-8800
Business type:	The holding company which invests in the business of manufacturing and distributing biofuel product and relating products
Registered Capital (Million Baht):	3,615,000,000 (three thousand six hundred and fifteen million baht)
Stock Type:	common stock
Number of shares held (%):	40
Total number of shares:	506,400,000 (five hundred six million, four hundred thousand shares)

**Sugar Business****Khon Kaen Sugar Industry Public Company Limited**

The nature of business is to produce and distribute sugar and other by-products. The first branch is located in Nampong district of Khon Kaen province with the maximum crushing capacity of 40,000 tons of cane per day and the second branch is located in Wangsapung district of Loei province with the maximum crushing capacity of 36,000 tons of cane per day. Both branches have the capability to produce raw sugar, high pol sugar, white sugar, refined sugar and liquid sugar.

**Tamaka Sugar Industry Co., Ltd**

The nature of business is to produce and distribute sugar and other by-products. The factory is located in Tamaka district of Kanchanaburi province with the maximum crushing capacity of 20,000 tons of cane per day and capable to produce raw sugar, white sugar and refined sugar.

**New Krung Thai Sugar Factory Co.,Ltd**

The nature of business is to produce and distribute sugar and other by-products. The factory is located in Bo-Ploy district of Kanchanaburi province, (originally located in Tamaka district, Kanchanaburi province) with the maximum crushing capacity of 32,000 tons of cane per day. The factory is capable to produce raw sugar, white sugar, and refined sugar.

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

The nature of business is to produce and distribute sugar and other by-products. The factory located in Panusnikom district of Chonburi province, has the maximum crushing capacity of 3,500 tons of cane per day. The factory is capable of producing raw sugar, high pol sugar.

**Savannakhet Sugar Corporation**

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

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

As at October 31, 2020, The Company received sugarcane plantation concession that covers approximately 18,097 hectares (112,856 rai) from the Cambodian government. Sugarcane cultivation is undertaken by The Company itself. The sugar factory in Koh Kong has the maximum crushing capacity of 6,000 tons of cane per day. The factory is capable of producing raw sugar and white sugar.

**Energy and Biofuel Business****BBGI Public Company Limited**

BBGI Public Company Limited (“BBGI”) was established in October 2017 and consequence of merger between bio-based product business of Khon Kaen Sugar Industry Public Company Limited and bio-based product business of Bangchak Corporation Public Company Limited. This company invests in following entities;

- KSL Green Innovation Public Company Limited: Producing and distributing molasses-based ethanol with 450,000 liters per day, in which BBGI Company Limited holds 99.99% shares.
- Bangchak Bio Ethanol (Chachoengsao) Company Limited: Producing and distributing cassava-based ethanol with 150,000 liters per day, in which BBGI Company Limited holds 85% shares.
- Bangchak Bio Fuel Company Limited: Producing and distributing bio-diesel with 1,000,000 liters per day, in which BBGI Company Limited holds 70% shares.
- Ubon Bio Ethanol Public Company Limited : Producing and distributing cassava-based ethanol with 400,000 liters per day, in which BBGI Company Limited holds 21.28% shares.
- BBGI Utility and Power Company Limited: Producing and distributing biogas steam and electricity, in which BBGI Company Limited holds 100% shares.
- Win Ingredients Company Limited: Producing, selling, importing and exporting biological products and chemicals in various categories, in which BBGI Company Limited holds 51% shares.

As a result, BBGI will be a shareholder of the group of companies which are considered Thailand’s largest manufacturer and distributor of biofuel with the total production capacity of 2,000,000 liters per day which consists of 1,000,000 liters per day of ethanol and 1,000,000 liters/day of bio-diesel. Furthermore, The Company entered into Preferred Shares Purchase Agreement from Manus Bio Inc., which is incorporated in the United States of America and its business is



biotechnology, amounting to USD 25 million. This company will operate as a flagship company for bio-based product business in the future.

**Khon Kaen Sugar Power Plant Co.,Ltd.**

The Company was established in late 2003 and has operated renewable power plants that can produce electricity and steam by using bagasses as raw material. The power produced at the plants can supply the factories within the group and sold to EGAT and PEA (Grid). Currently, The Company operates 3 power plants all located nearby its sugar factories. The first branch is closed to Khon Kaen Sugar Factory in Nampong district of Khon Kaen province. The second branch is closed to New Krung Thai Factory in Kanchanaburi province (part of the Bo-Ploy Renewable Energy Project). The third branch is located next to Khon Kaen Sugar Factory in Wangsapung district of Loei province (The Loei Project). Currently, the total capacity of all three branches can produce up to 190 MW of electricity.

**Supporting Business**

**Thai Sugar Terminal Public Company Limited (TSTE)**

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

**KSL Export Trading Co., Ltd**

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

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

Established in 2006, The Company trades sugar and related products for domestic customers. It also grows sugar cane on The Company's land.

*KSL Material Supply Co., Ltd*

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

*WSP Logistics Co., Ltd.*

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

*Wynn In Trading Co., Ltd*

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

**Other Businesses***KSL Real Estate Co., Ltd.*

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

*KHUN CHUAN Company Limited*

The Company was established in 2021 to be KSL Sustainability Enterprise in the future. Business operations is run by supporting products from various community enterprises, from groups with disabilities and from the unemployed elderly. The Company’s major customers would be KSL’s affiliates and other local customers. All profits from business operations are 100% returned to the entire society in various forms such as donations and contributions to communities or schools.

**Membership of associations**

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

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

### **1.3.2 In the case where a person with a potential conflict of interest**

Thai Sugar Terminal Public Company Limited (TSTE) The individuals having potential conflict of interest own 16.65% of the TSTE's shares. The Company owns 23.82% of the TSTE's shares and has no policy to increase its capital proportion. Moreover, the shareholders and directors have no intention to transfer their benefits to one of these two companies. In addition, Thai Sugar Terminal Public Company Limited has many directors from other sugar companies; thus, power balancing in TSTE is reasonable for both companies. To conclude, the related transactions between the Company and TSTE are in line with the characteristics of normal trading in the market which will maximize highest value to both companies.

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

### **1.3.3 Relationship with major shareholders' business**

N/A

### 1.3.4 Shareholders

On October 31, 2021, the top 10 major shareholders of The Company are as follows:

As of 31 October 2021			
Rank	Name	No.of Share	% of total
1	KSL Sugar Holding Co., Ltd.	1,468,242,728	33.29
2	Thai NVDR Co., Ltd.	128,214,629	2.91
3	Mr.Chanachai Chutimavoraphand	115,355,499	2.62
4	Mr.Chamroon Chinthammit	113,075,331	2.56
5	Mr.Kamondanai Chinthammit	100,298,048	2.27
6	Ms.Duangdao Chinthammit	99,799,954	2.26
7	Ms.Duangkae Chinthammit	99,733,643	2.26
8	Mr.Somchai Chinthammit	96,475,726	2.19
9	Mr.Piripon Chinthammit	94,386,024	2.14
10	CREDIT SUISSE AG, SINGAPORE BRANCH	89,698,136	2.03
	Total for top ten major shareholders	2,405,279,718	54.54
11	Other shareholders	1,118,855,563	25.37
	<b>Total</b>	<b>3,524,135,281</b>	<b>79.91</b>

**Note:**

A major shareholder of KSL Sugar Holding Co., Ltd. is the Chinthammit family which holds 33 % of shares. However, proportion of shareholding does not indicate that members of the Chinthammit family are voting in the same way. The registered capital and paid up capital of KSL Sugar Holding Company Limited consists of 100 million shares at par value of THB 10 per share or THB 1,000 million.

*(2) Information of subsidiary shareholders of the central company (only in case of companies that operate by holding shares in other companies)*

On October 31, 2021, the top 10 major shareholders of KSL Sugar Holding Co., Ltd. are as follows:

As of 31 October 2021			
Rank	Name	No.of Share	% of total
1	Ms.Nareerat Chinthammit	12,105,268	12.11
2	Ms.Duangdao Chinthammit	7,847,944	7.85
3	Ms.Duangkae Chinthammit	7,764,650	7.76
4	Mr.Chanachai Chutimavoraphand	6,971,788	6.97
5	Mr.Chamroon Chinthammit	5,370,580	5.37
6	Mr.Somchai Chinthammit	5,169,890	5.17
7	Mr.Sarun Chinthammit	4,246,828	4.25
8	Mr.Kamondanai Chinthammit	2,906,000	2.91
9	Mr.Piripon Chinthammit	2,906,000	2.91
10	Ms.Yaovanuth Dejvitak	2,900,000	2.90
	Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90
	Total for top ten major shareholders	61,088,948	61.09
11	Other shareholders	38,911,052	38.91
	<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>

Note:

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

### 3. Shareholders' Agreement

-NONE-

#### 1.4 Amounts of registered capital and paid-up capital

##### 1.4.1 Securities

As of October 31, 2020, The Company's registered capital is THB 2,205,121,824 and the paid-up capital is THB 2,205,116,309.50. It is comprised of 4,410,243,648 ordinary shares and 4,410,232,619 paid-up shares, at par value of THB 0.50 per share.

### 1.4.2 Supplementary Shares

-None-

**3.4.1** As of 31 October 2019, Thai VNDR Company Limited holds 128,214,629 of the Company's common stocks or 90.2 (%) of total shares that were traded. Investors that carry VNDR shares will receive the financial benefit as if they invested in the shares of The Company, whether as dividends, the privilege to subscribe and increase share values, or warrant to purchase ordinary shares but they will be not granted the power to vote in the shareholders' meetings. However, Thai VNDR Company Limited will not intervene with such meetings with the voting power, unless it concerns delisting estates out of the Stock Exchange of Thailand.

## 1.5 Issuance of other securities

### Debentures

As of October 31, 2020, the non-subordinated and unsecured debentures are detailed as follows:

Name	Tenor	Expiry Date	Total Value (million THB)
KSL228A	3 years	19-Aug-22	3,000
KSL27DA	10 years	7-Dec-27	2,000
KSL285A	10 years	3-May-28	650
<b>Total Long Term Debentures</b>			<b>5,650</b>

### 1.5.1 Convertible Securities

-NONE-

### 1.5.2 Other Debt Securities

-NONE-

## 1.6 Dividend policy

### Dividend Payment Policy

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

Year	2018	2019	2020
Net profit (loss) per share	0.19	0.19	(0.02)
Dividend per share	0.05	0.05	-
Dividend payout	26.00%	26.84%	-

### Dividend payment in the past 3 years

## RISK MANAGEMENT



## 2. RISK MANAGEMENT

### 2.1 Policy and Plan for Risk Management

The company has followed the international standard risk management protocol (COSO Enterprise Risk Management Framework: COSO ERM Framework) and applied it to the entire company to defend and decrease impacts from risks that might obstruct our planned objectives. Additionally, to increase trust towards stakeholders that our company can timely operate under the abruptly changing environment. The board of directors, executives, and employees of all levels participate in this implementation of a standardized risk management system, in conjunction with the strategic planning process and developing sustainable business that focuses on benefiting the Environment, Social, and Governance (ESG). As well as setting up a tracking system and monitoring the results according to the risk management plan. We prepare for newer risks that could occur in the future and minimize the potential losses of the organization.

#### **Risks Management Culture of KSL Group**

We are committed to create a culture of risk management in all aspects of operations to create profound understanding of their roles and responsibilities that could contribute to overall management of risk in the Company. The Company implemented these cultural values through consistent activities as follow:

1. Review the risk management principles and communicate to all employees.
2. Establish a risk management framework and utilize it to adapt to different fields within the Company to build a learning environment with the realization of possible uncertainty and encourage risk management to be part of their planning steps.
3. Mark the acceptable risk appetite of the Company and communicate to all employees.
4. Organize training about risk management in an organization for management, risk-holder teams, and all employees to learn, understand, and able to evaluate the risk that could affect their objectives or planned strategies in working.
5. Determine Key Risk Indicators (KRI) to be a precautionary variable and warn of the risk events that could occur.
6. Set up a risk management process and constantly monitor the progress of risk management measures.

### 2.2 Risk Factors for the Company's Business Operations

#### 2.2.1 Risks towards Operations of the Company Businesses, Groups, and the Emerging Risks

##### **(1) Risks from Ingredients Sourcing (Sugar Cane)**

Khon Kaen Sugar Industry Public Company Limited is an industry that manufactures granulated sugar by using sugar cane as its main ingredient. Furthermore, the Company invests in other additional projects on top that use by-products and waste from the process of sugar production, for raw materials that could create added value. Therefore, the Company's profits have risks concerning the amount of sugar cane that we could find in the manufacturing process.

The causing factors include (1) The sugar cane plantation area (in Rai) that changes and many cause farmers to shift their cultivation plan to plant other crops with higher yields, including government promotion policies. (2) Yield of sugarcane per planting area (Trunks of sugarcane per Rai) that alter according to the changing environmental factors such as drought and flood from global warming.

Therefore, to minimize the impact of the given risks, the Company helps sugarcane farmers whether in the issue of loans for cultivation investment, supporting raw materials for cultivation, improving irrigation system, using agricultural machinery with new technologies to help increase the productivity and efficiency, and reducing the role of the sugar cane middlemen.

## **(2) Risks from Fluctuations of Sugarcane Price in the Global Market**

The sugarcane industry is regarded as one of Thailand's most significant industries in agricultural processing. Granulated sugar was processed from sugarcane to serve the needs of the producers within the country. The remaining proportion of granulated sugar can then be exported up to 70 to 80 percent from the entire production quantity. With the main market in Asia, which is a region with continuous deficit. Thailand has ascendancy in production cost because we are the producers residing in the region. Consequently, Thailand has the status of net sugar exporter that can create major income for the sugar factories and sugarcane farmers.

So, the price of New York raw sugar became an important variable that affects the Thai sugarcane industry apart from supply and demand of producers, consumers, exporters, importers, climate, supporting campaigns, the intervention of the government in nations of the producers and consumers, price of energy used are main factors that affect the pricing trends of sugarcane in the global market. Moreover, it is also up to the status of market speculators in the commodities market that invests widely. Our company has established a panel that determines the price of sugar in the global market to prevent risk in sugar pricing that would be announced. They calculate according to the pricing level of the global sugar, along with the exchange rate between Thai baht and US dollars. If the Thai baht value increases, the calculation of the sugarcane price would decrease. The purpose of this board is to prevent the risk of the differences between pricing in the global market and sugarcane, which is the main ingredient in sugar factories.

In the producing season of 2020/2021, production of sugar in Thailand by the Office of the Sugar Cane and Granulated Sugar Board reported the total amount of coffer crushed sugarcane was 66.67 million tons, which decreased from 2019/2020 by 10 percent due to the serious drought phenomenon in Asia which decreased the production and damaged growth of some sugarcanes. There were also shifts in cultivations, to other crops, in some areas.

For raw granulated sugar, the New York market in recent 2021 shows a perpetual increase in raw granulated sugar prices throughout the year. In the first quarter, New York raw sugar was priced around 14 – 16 cents per pound, with an average trading price of 15.50 cents per pound. In the 2nd quarter, it rose up to 17 percent per pound. The key factors are from the production of the main producers which is Brazil. In the production season of 2021/2022, production in the south-central of Brazil will decrease from 600 tons to 510 tons of sugarcane or 15 percent. The causing factor would be from the heavy drought and the sugarcane production decreases from 38 million sugar tons

to 30 – 31 sugar tons. Ethanol products from 30 billion liters to 26 billion liters in the production year of Brazil in 2021/2022.

For the price of crude oil, the price also increases continuously, from 70 US dollars trading price in the first months of the year to 80 US dollars, which is a supporting factor for sugar price although values of Brazilian real tend to be in the weak area when compared to US dollars. The weakest is 5.97 reals per US dollar, but the price of the raw granulated sugar in the New York market continues to rise from funds and speculators who actively open a buying position for sugar throughout 2021. The main producer like Brazil then remains the sugar production to ethanol at 46:54 percent in the central and southern parts of Brazil, not differing from the past year.

In the third and fourth quarters, the price of sugar in the global market continues to increase, with the highest price point at 20.61 cents per pound around October 2021. In summary, the pricing trend of New York raw sugar in 2021 is progressing in a better direction with an average annual price of 18 – 21 cents per pound from 14 – 16 cents per pound in 2020. The pandemic crisis of COVID-19 in Thailand is beginning to improve, with the majority of the vaccinated population that is ready to open the country on 1 November 2021, with mild quarantine measures.

Our company predicts that 2021 will give us a suitable climate to increase production of sugarcanes and granulated sugar which would directly affect growth towards the Thai sugar industry to improve and recover along with the economy. Sugar consumption of people in the country will also increase from opening the country and rebooting of other industries like food, beverages, dairy products, and henceforth.

### **(3) Risks from Governmental Policies**

Sugarcane is an industrial crop with unique characteristics from other kinds of crops due to the clear set of rules that must be followed by those involved in the industry, regulated by agencies of the government. Especially in the Cane and Sugar Act of 1984, which is a law governing the sugarcane and sugar industry system from the management of the sugarcane plantations, production in the sugar factories, exporting measures, all the way to sharing benefits between sugarcane farmers and sugar mills. Since 1984, Cane and Sugar Act is active now and ongoing. The result of this act roots in reasons and reconciliation in order to solve issues concerning the sugarcane industry to remain in good economical balance and create an equilibrium of benefits according to sharing for fairness to all parties within the sugar industries.

Since 2020, the governmental sector has bestowed a policy for the Office of the Cane and Sugar Board to accelerate the amendment of the Cane and Sugar Act of 1987 to be completed in order to utilize sugarcanes to produce other products other than just granulated sugar. This was to expand the source of income for the industrial system of sugarcane and sugar, which is a significant mechanic in developing the industry with a new future goal that has the potential to drive the nation's economy (New S-Curve). It will create added value for Thai economic crops like sugarcane to become the precursor of various bio-based products such as bioplastic, biochemical, and biopharmaceuticals, corresponding to development measures of Thailand's bio-industry planned for 2018 – 2027.

Allocation of revenue sharing between sugar mills and sugarcane farmers under the benefit-sharing system 70:30 remains the same according to the Cane and Sugar Act of 1987 which includes provision 11, chapter 87, a section to control the entry into the business of new entrepreneurs. This year, there is a consideration of the draft amendment for the Cane and Sugar Act about bringing bagasse and sludge filter into the benefits sharing system. However, 3 Associations of Sugar Mills disapproves of the draft amendment to edit the Cane and Sugar Act of 1984. In Article 4, the draft amendment proposes that bagasse and filtered sludge are by-products of sugar production to be calculated in the benefit-sharing system. The 3 Sugar Factory Associations emphasized that the draft must be revised for the fairness of all parties.

Regarding the domestic sales policy of sugar by the Office of the Cane and Sugar Board, they still announce trading price within the kingdom in the production season of 2021/2022, which excludes VAT as usual as follow:

1. White Sugar has the price of 17.25 baht per kilogram
2. Refined Sugar has the price of 18.25 baht per kilogram

To provide support in production for sugarcane farmers in an appropriate manner and under World Trade Organization's (WTO) obligations. To obtain a current database of sugarcane that could be used to analyze and determine the policies of cane and sugar industries in the future. It can be seen that the policy rules issued by the Cane and Sugar Board all affect the production cost and operating results of the Company.

For measures to solve the issue of a cane fire to reduce the amount of small particulate matter (PM<sub>2.5</sub>) during the sugarcane crushing season of 2021/2022. The essence of the policy in the upcoming year encourages sugar mills to sponsor sugarcane farmers that could send in good-quality sugarcanes. The purpose is to decrease to 20% fire cane and 80% raw cane. This creates new challenges for both cane farmers and sugar mills because their old ways of harvesting sugarcane had to change to suit the new policy of reducing small particulate matter under 2.5 microns (PM 2.5) by the government.

Regardless, our company constantly and closely monitors this risk from the government in order to set guidelines for operations of the relevant sectors. So that all could perform their tasks according to the policies correctly and appropriately in the next steps.

#### **(4) Risks from Bad Debt (NPL) from Agricultural Credit System of Sugarcane Farmers**

In the sugar factory business, loans or other supports will be issued to farmers to be used as working capital to circulate the sugarcane cultivation process also known as, "Sugarcane Maintenance Fund". This support is equivalent to reserving sugarcane to be crushed in the mill after the cane was grown to be harvested, which will be at the same time that sugar mills start opening up the cane crushing process. Sugarcane farmers will harvest and send canes to the mills and receive their pay with loan deductions or other contribution prices. The risk from the sugarcane maintenance process is if farmers cannot deliver sugarcanes or pay maintenance funds in time due to natural disasters, bad climates like drought, or external damages caused by the pandemic that decreases sugarcane yield.

Consequently, the debt from maintenance funding became uncollectible, so the Company had to prepare some reserve funding for these doubtful accounts.

Anywise, our company has taken such risk factors into account, so we developed a more effective system by utilizing a satellite system (Geographic Information System: GIS) to examine and explore sugarcane farming areas which helps minimize issues of claiming ownership of sugarcane fields and can be used for planning of cane sourcing. Moreover, our company has developed a program on a tablet to efficiently monitor the sugarcane and debts of each farmer. We also improved the database of farmers in different categories such as their ability to cultivate, type of debt made, collateral information, ability to pay debts, all to help analyze their credit limit that is suitable to their ability to pay off debts and value of the collateral.

#### **(5) Risks from Exchange Rates**

The disruptive rates of foreign currency exchange still affect the Company's operation significantly. This is because the Company has approximately 70 – 80 percent profit from exporting sugar, including importing machines, tools, and doing business abroad. Anywise, our conglomerate has managed the risk by following the trend of currency exchange rates and considered creating a derivative contract for foreign currency hedging like forwarding contract and options contract, for example. This also includes managing currency in the natural hedge by bringing sales profit of sugar products that are in foreign currency to pay for expenses of that foreign country under the same currency.

Setting up the price of sugarcane through the value-sharing system of 70: 30 makes the Company's capital cost of sugarcane price, which is the most capital and income of The Company, follow the same direction of the exchange rate. Moreover, we monitor changes in exchange rates very strictly to ensure that the Company could function timely under altered situations.

Apart from that, in 2021, our company has contracted both short-term and long-term loans in a foreign currency (USD) with a floating rate. So, we followed it with a policy to create a hedging contract by contracting all cross-currency swaps with an equal duration with a loan contract for payment of principal and interest. The net payment will be equivalent to the Thai baht received from the loan and use a fixed interest rate. Therefore, the Company is clear of risks from changes of foreign currency exchange and interest of the loan and interest on the loan of the given contract.

#### **(6) Risks from Investing in Laos and Cambodia**

Projects in these two countries are ones that pioneered our company's sugar business internationally. We received concession areas from the government for sugarcane cultivation and permission to build sugar mills. Our company has managed significant risks as follow:

- 1) Insufficient amount of sugarcane for production due to climate change, natural disaster, pest infestation, and deteriorated condition of the soil received by the concession. These factors cause fluctuation in the amount of sugarcane available for crushing each year, causing deficiency in yield per area which is not enough to cover the production expenses.

2) Issues in management such as a lack of technology to cultivate sugarcane in a large area, lack of standard infrastructures including roads, transportation systems, as well as a shortage of cultivation laborers and skilled personnel. Solving these issues has taken more time to develop than we have initially planned.

3) Regulations of the government agencies, especially investment projects in Cambodia that encountered issues in the policy of the concession area. There were ambiguities of the concession area and the working locals, tax policy, and also unclear rules and regulations from the officials of each country that constantly changes. These factors could lead to disputes with the community. However, the aforementioned issue is still a matter of the Company. We prioritize such matters as important and are always ready to manage or make corrections properly and appropriately.

The Company has seen and solved various problems continuously. Throughout the past period that the Company has invested in these countries, we have hired a consultant to develop cultivation technology and management. However, the COVID-19 pandemic that also affects Asia, has caused a major economic downturn, globally. It caused our international investment to encounter continuous loss. Still, our company has begun to explore the concession area again to learn of the remaining concession area for cultivation that the Company has. Then, we will create a master plan and annual project to suit the explored concession area. This process illustrates the direction of our company that intends to still build returns and profits from international investments.

#### **(7) Risks from Recruiting and Retaining Personnel to Support Sustainable Growth**

The operating business of the conglomerate requires to rely mainly on personnel, which also need to be both sufficient in numbers and efficient in quality to push and support the Company's strategies to success. We recognize the need to constantly improve the process of developing employees' potential to keep up with the changes. Another crucial point is to also prioritize the Occupational Health and Safety of the employees that must be clear from COVID-19.

In 2021, the Company still has to face the crisis after COVID-19 which stands as a great challenge. So, we have allocated our budget and prepared various supporting measures such as "Providing Welfare for Employees' Health during the COVID-19 Crisis" with group insurance that provides coverage for COVID-19 medical expenses to ensure that employees receive proper medical care and care as well as encouraging all employees to get vaccinated fast, according to the standards. The Company has also announced "Measures and Plans in Times of Crisis" to enable employees to work from home and prepared workplaces to minimize the risks of getting infected by COVID-19 virus. Furthermore, we still maintain the knowledge developmental standard for the personnel to cope with the disrupting situations and to improve the state of living under the new normal by increasing more classes in online platforms, both in self-developed means and services from outsources apart from in-class training. We have categorized the contents to select independently, whether they want to gain professional knowledge (Hard skill) or management knowledge (Soft Skill). The Company has begun to consider the information about generation gap in designing developmental plans and welfare for the employees. We also encourage the management of internal knowledge management through sharing & cross functional training to make rise to applying knowledge to continuously improve the operation methods.

All to way to creating an environment that is open for discussions and exchanging opinions on the standard of the Company's main value. Along with the development of "E-Performance Management System" in order to have a relationship with the wage and benefits management system that motivates them to be at a competitive level in the same industry. We improve the quality of life and ensure long-term security for employees which will reduce the risk that the organization would recruit qualified personnel externally, and able to maintain quality personnel to meet the needs of the business continuously and sustainably.

#### **(8) Risks from the Spread of Coronavirus**

Currently, the pandemic situation of COVID-19 has caused damage and affected people globally. Thailand also needs to deal with the reports of the infected cases continuously, especially the large-scale infection during July – September 2021, despite several measures issued by the government to lockdown premises, suspend economic activities that may pose a risk of transmission, and also encourage citizens to work from home.

Anywise, most of the Company's business are sugar business that inevitably received impact from such situation. In order to manage risks effectively and reduce possible impacts, the Company has prepared guidelines as follow:

- Set up a working group and formulate the Business Continuity Plan: BCP to analyze the risk and acquire measures to timely deal with possible emergencies
- Supplied tools and equipment for screening as well as establishing measures to control outbreaks and take adequate care of the employees.
- Prepare to take care of employees or infected people in the workplace (Community Isolation) and practice the said plan regularly.
- Encourage and ensure that all employees are fully vaccinated.
- Review the budget and allocate the additional budget to deal with the situation.

#### **(9) Risks from Cybersecurity**

In the current days, cyber threats and crimes can rapidly damage both agency and individual databases. Preventing or dealing with cyber threats requires quick coordination with all relevant departments and continual maintenance of cybersecurity. The information technology system is the infrastructure that increases the efficiency of business operations, production efficiency control, and operational cost Management. Therefore, information technology plays an increasingly important role in business operations, especially according to The Personal Data Protection Act B.E. 2562, which will come into effect on June 1, 2022. Hence, the Company has taken various actions to activate protection and deal with risks promptly by assigning KSL IT Center, a subsidiary of KSL To prepare plans and implement protection against cyber threats as follows.

1. Control security in terms of accessing user resources. and promulgated the information security policy of KSL Group
2. Carry out maintenance of equipment (Hardware) and programs (Software) regularly, which are sorted into:

- a. Maintenance of equipment according to the annual maintenance plan.
- b. Organize program testing and evaluate patches/updates to study the impact before deploying to different parts involved in the system.
3. Install an Anti-Virus system at the End-Point level to detect cyber threats and be Real-Time Protection and activate a Firewall to prevent external attacks, including a Network Access Control (NAC) system to control or monitor various types of cyber-attacks by creating decoys as a damage limiter and attack defender.
4. Prepare backup data for the critical working system under the D/R operation that can recover the system from the second site within 3 hours and backup up to 30 cycles to restore each system.

### 2.2.2 Risks from Shareholders' Investments

#### **Risks that may arise in shareholders' meetings, from disapproval of the proposed agenda.**

Chinthammit family and companies of Chinthammit family hold up and more than 60 percent of the total paid-up capital. Such proportion enabled the Chinthammit family to control the voting agenda that require a majority of the shareholders' votes, Except for matters required by law or the Company's Articles of Association requiring three-fourths of the vote of the shareholders' meeting. Therefore, the Company can manage the risk from the shareholders' meeting disapproval of the agenda proposed by the Board of Directors for consideration as appropriate. Therefore, the Company can now manage risks when shareholders' meeting would disapprove agenda of the Board of Directors, by considering appropriateness.

For such circumstances, the Company appointed directors to treat shareholders equally and show transparency of the systematic and verifiable management. It consists of 6 independent directors who are fully qualified under the law and 4 members of the Audit Committee who perform their duties as required by law and the Audit Committee's charter. The Company also has an internal audit department that operates independently and appropriately. They report directly to the Audit Committee, which is primarily responsible for overseeing the internal control system and internal auditing.

### 2.2.3 Risk of investing in Foreign Estates

- None -



## Business Sustainability Development

### 3. Business Sustainability Development

#### 3.1 Policies and Goals of Sustainability Management

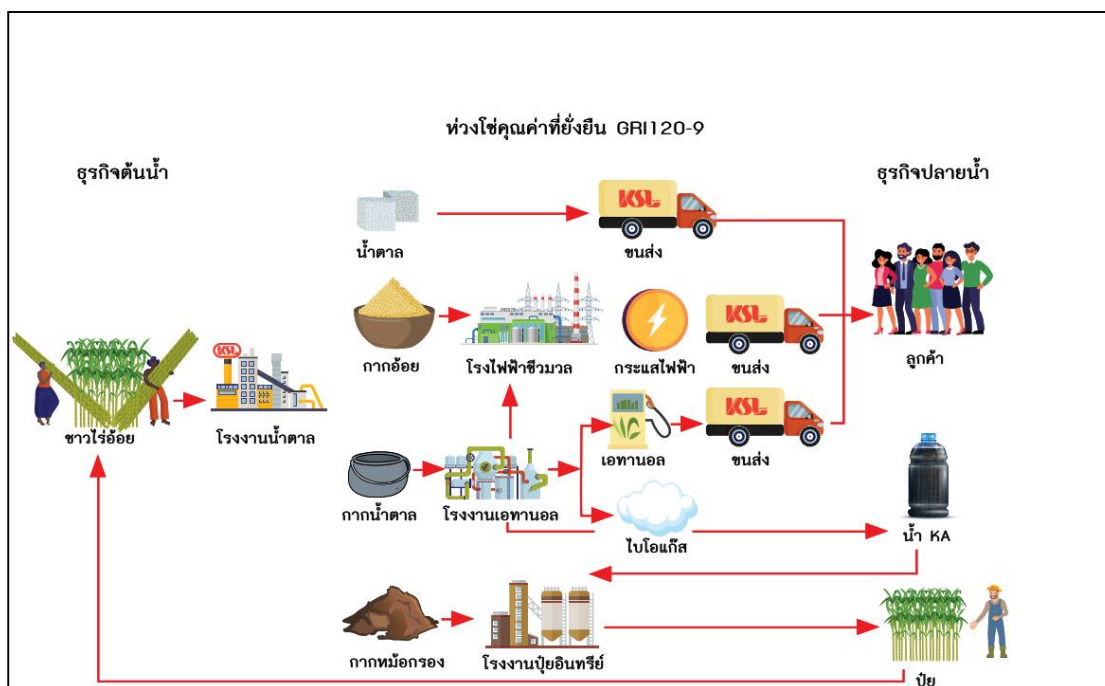
Khon Kaen Sugar Industry Public Company Limited has been in business since the year 1945 with registered capital of 2,205 million baht with the status of being a public company listed on the Stock Exchange of Thailand. From March 7, 2005, using the symbol "KSL."

Throughout the years, the Company is determined to be a good role model for sugar factories in Thailand by creating credibility for investors and stakeholders in the business, adding value, and promoting sustainable growth of the organization. This also includes managing with good principles that are internationally accepted while also being beneficial to Thai society. This is to achieve goals and maintain excellence in morality, which are fundamental values of leading organizations.

In 2021, Khun Chuan Company Limited was established under the supervision of Khun Chuan Company Limited. It is considered a non-profit organization established to help support communities and society to generate income and bring the local wisdom to develop for maximum benefits.

Furthermore, the Company has also studied sustainability issues that are important to stakeholders. so that the Company's business operations can have true positive impacts on the economy, society, and environment.

#### 3.2 Managing Impact of Stakeholders in the Business Value Chain



### 3.2.1 Business Chain

The chain management figure illustrates that the primary source of the business is sugarcane which is the main ingredient that our company recognizes its importance. Therefore, we need efficient management for high-quality raw materials which will also increase the quality of the products, respectively.

### 3.2.2 Analysis of Stakeholders in Business Value Chain

The conglomerate has identified the group of stakeholders by beginning by defining key sustainability issues (between the company's financial year which was 1 November 2019 – 31 October 2020) with both internal and external stakeholders. This process is essential in helping create confidence and stability for the Company. The Company has a process to assess important issues, collecting and processing data of stakeholders, participating in social operations, safety, and environment to ensure accurate, complete information, and ultimately for equal and appropriate treatment for each group.

Significant Groups of Internal and External Stakeholders are as follow:

1. Sugarcane Farmers	
Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. To receive more support, including technology and management of working capital</li> <li>2. To encourage and support innovations related to agricultural tools and devices</li> <li>3. Reasonable sugarcane price</li> <li>4. Rightful return and income</li> <li>5. Environment and pollution around the factories</li> </ol>
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. Develop a suitable modern technology for agriculture</li> <li>2. Support farmers with high-quality agricultural tools and devices</li> <li>3. The increasing price of sugar in the global market affects the initial and final price of sugarcanes</li> <li>4. Sort out farmers that meet the criteria and could pay compensation up to their ability to cultivate quality sugarcanes</li> <li>5. Supervise the environment around the factories to prevent pollution</li> </ol>
2. Shareholders	
Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. Equal and rightful treatment for every shareholder</li> <li>2. Disclosure of accurate and timely data through different means that are easily accessible</li> </ol>

	3. Possesses growing operating results that could generate profits for shareholders
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. Comply with the guidelines and rules of the Stock Exchange of Thailand, and the Securities and Exchange Commission</li> <li>2. Various means to disclose information and communicate with shareholders and investors</li> <li>3. Possesses investments for growth</li> </ol>

### 3. Partnerships/Contractors

Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. Rightful and transparent procurement</li> <li>2. On-time payment of goods and wages</li> <li>3. Reasonable price</li> </ol>
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. Compliance with the written procurement policy that is intelligible and under the same standard</li> <li>2. Rightful and transparent work inspection process and payment of goods or wages in a timely manner</li> <li>3. Qualifications of partners who are eligible to bid are determined and publicly announced that information and procurement conditions are accurate and complete to partners who are eligible to bid openly and equitably.</li> </ol>

### 4. Employees

Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. Receive appropriate pay and welfare both in short and long terms</li> <li>2. Development of essential skills required for profession and career advancement</li> <li>3. Have a rightful and effective performance assessment system</li> </ol>
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. Convey the Company's performance to employees of all levels</li> <li>2. Promote career advancement for employees by developing effective performance assessment</li> <li>3. Promote the development of potential, skills, knowledge for employees by having learning channels that are suitable for the behavior of employees with a wide variety of learning topics</li> </ol>

## 5. Customers

Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. Products meet the quality and standards and on-time delivery</li> <li>2. Development of service through various channels continuously to be efficient, fast, and meet the problems and needs to be efficient, fast, and meet the issues and needs.</li> <li>3. The security measures of the customer's personal data are in place and there shall be no infringement of the customer's personal information</li> </ol>
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. Develop the production of products, containers, and deliveries that meet the needs of customers</li> <li>2. Continuously develop and improve systems and service channels for customers for effective service that can promptly respond to their issues by using the satisfaction data and suggestions from the customers.</li> <li>3. Compliance to corporation's policies concerning protection of customers' personal data strictly by implementing cautious attention and rightful according to set protocol for operations that require involvement with personal information of customers. Such processing of personal data is limited to necessary professional and operational purposes only.</li> </ol>

## 6. Creditors

Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. Pay off debts on time</li> <li>2. Work plan for debt settlement</li> </ol>
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. To strictly comply with the agreement and conditions as agreed by both parties.</li> </ol>

## 7. Community/Social and Environment

Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. Participation and support to help alleviate the situation of the COVID-19 virus epidemic</li> <li>2. Reducing conditions and impacts from factory production</li> <li>3. Participation and support activities in the economic and social development of the community</li> </ol>
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. Participation and support activities in the economic and social development of the surrounding community</li> </ol>

2. Assess the impact of business operations affecting the environment
3. Continue to build relationships and networks with external agencies perpetually to open opportunities for the community to participate in different projects of the Company

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## 8. Government Sectors

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Expectations of the Stakeholders	<ol style="list-style-type: none"> <li>1. Operate rightfully and according to the law</li> <li>2. Participate in activities or support activities held by the government agencies</li> </ol>
Responding to Expectations of Stakeholders	<ol style="list-style-type: none"> <li>1. Cooperate with government agencies in local development as deemed fit</li> <li>2. Strengthen relationships and maintain relationships at all levels equally and transparently to support the work in various fields of the government to be more efficient</li> </ol>

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### 3.3 Sustainability Management in Environmental Dimensions

#### 3.3.1 Policy and Practice Regarding Environment

The Company has a corporate governance policy and guidelines regarding the environment. Encouraging executives and employees to use natural resources and energy economically. The Company supports the reuse of materials and also prioritizes great importance to making the most of raw materials and waste by recirculating them in various production processes. Anywise, additional information can be found in the Company's sustainability report on the website.

From assessing environmental risk, the Company has identified issues that may have a negative impact on the environment caused by the company's business operations. Namely, utilizing energy efficiently in order to reduce climate change, managing water usage, and managing industrial residue and general waste, up until management for reducing greenhouse gas emissions.

#### 3.3.2 Environmental Performance

##### Utilizing Energy Efficiently

The conglomerate also prioritizes utmost importance in managing energy and climate change to prevent harming the community and environment. In the process, it helps to reduce the expenses of energy. Stakeholders also focus on the issue of climate change and global warming caused by greenhouse gas emissions.

### Utilizing Water Efficiently

The process of pumping water from raw water sources for utilizing sugar production is divided into two main parts. The first is for water used in the production process and the second is for the water used in the office. Most of the sugar production effluent is from the cooling system used for temperature exchange. Sewerage will be sent to the treatment system by sedimentation and decreasing temperature to be similar to the natural condition before releasing out of the factory. This process ensures that water quality released to the reservoir meets the specified standards, which includes irrigation standards and Ministry of Industry standards, for example, to prevent impacts on biodiversity of reservoirs. As for the water used in the office that has been treated until it reaches the standard, it will be used in the watering system, to agricultural demonstration plots, and further wetlands.

### Management of Industrial Residues

In order to minimize the amount of debris from production and disposal maintenance of the Company, the conglomerate, therefore, prioritizes the effective control of raw materials usage, equipment for maintenance, and the selection of waste disposal methods to create the least negative impacts towards the environment. Every factory places importance on the selection of disposal recipients and methods of disposal that must be carried out strictly and in accordance with the law. In addition, the disposal of the disposal recipient is also monitored to ensure that the unused materials from the group will be handled properly, appropriately, and meet the standards of the Ministry of Industry.

In the sugar production process, there will be filtered pot residue, which is a mixture of sandy soil and organic matter from sugar cane. Sugar mills will use the waste from the filter pots to produce fertilizers and soil conditioners or put them in the sugar cane fields to improve the quality of the farmlands.

Types of Waste	Elimination Method
Hazardous Waste	Eliminate 100 percent
Non-Hazardous Waste	Recycle 100 percent

## Greenhouse Gas Management

The conglomerate has implemented measures to reduce direct and indirect greenhouse gas emissions. That is by reducing energy consumption in the production process and in the office to promote lesser energy consumption in the community, along with supporting the increase of greenhouse sources by building more green space in the factory such as reforestation and promotion of community forest activities throughout the country. This is also a way to cooperate with both the government and various organizations as well.

Anywise, New Krung Thai Sugar Factory Company Limited, a subsidiary of the Company is in the process of requesting registration for a new carbon footprint certification. because the original contract has reached the expiring date of certification.



Over the past 7 decades, the conglomerate remains committed to implementing sustainable development in the environmental dimension, by integrating goals to reduce the use of natural resources, reduce greenhouse gas emissions, reduce environmental impact, and promote a circular economy throughout the value chain of product and service development to enhance the quality of life and environment for all.

## 3.4 Sustainability Management in Social Dimensions

### 3.4.1 Policy and Practice Regarding Society

The conglomerate emphasizes committing to creating values in operating business and benefits for all stakeholders in all sectors of society. We aim to create sustainability according to goals and sustainable development issues, whether it is to cope with climate change, circulating economy, health, or safety. Anywise, more information can be found in the Company's Sustainable Development Report.



### 3.4.2 Social operating results

#### Human Rights

The conglomerate respects human rights and rightfully complies with the law. Therefore, the rights of stakeholders have been determined under the corporate governance policy of KSL Group. This covers both the treatment of shareholders and other stakeholders, including employees, customers, business partners, creditors, and up until the society.

The Company has guidelines on the rights of employees and business ethics was determined in accordance with fundamental rights related to health care, including occupational health and safety standards. Moreover, employees can send suggestions or additional comments to the management sector, or report complaints or clues to the commission of an offense to the chairman of the audit committee, or the internal audit office. Employees who disclose any information to the Company will be protected from penalties and kept anonymous to provide adequate assurance that employees will not be harassed by the abuse of power.

#### Staff and Labor

Employees are considered an essential resource for the Company and also the business operation. Improving the quality of the labor skills will affect both employees and the Company in the way to develop to success together. Therefore, the Company has always treated our employees with fairness in accordance with the principles of rightful governance and managing with total transparency.

#### Respect and Rightful Treatment towards Workers

##### This significant principal covers up to:

1. Respect the privacy of the employees and will not disclose personal information to outsiders or unrelated parties unless it is information that must be disclosed in accordance with the provisions of the law.
2. Equal treatment towards all and refrain from discriminating against other people to lose any rights or benefits despite being selfsame or different in any way that does not affect work performance, whether it is physical or mental condition, race, nationality, religion, gender, age, education, status, and henceforth.
3. People should honor and respect each other's dignity, status, or opinions

The conglomerate has internal and external recruiting channels, through testing and interviewing in order to obtain qualified personnel for the position join the organization mainly on the basis of competence and suitable qualifications and do not discriminate on the basis of race, nationality, race, color, religion, social status, gender and gender, age, disability, political views, and marital status. Additionally, we also encourage the employment of disabled individuals which opens opportunities for people with disabilities to have a job. All new employees must be jointly informed with the agency in writing regarding the details, goals, main indicators of the work performed by the

Company's system. We promote and support the employees of the organization who have the knowledge and abilities to have career advancement and become the main force for the organization's further development.

**Regarding care of employees and labor, the Company has important operations as follow:**

**(1) Safety, Occupational Health, and Work Environment**

In 2021, the Company focuses on working from home with an emphasis on online work and surveyed feedback from employees to promote a good quality of life along the way.

**(2) Employees training**

The Company has developed online learning materials for KSL employees under the name "KSL Knowledge Hub" by combining interesting courses and good knowledge from leading trusted websites to be integrated into the KSL Knowledge Hub, as well as the development of new employee orientation materials that suit the smaller groups through online websites that the resource developer team has developed for better convenience to be accessed via computer and smartphones under the name "KSL FRESHY GUIDE." In addition, the human resource development team has cooperated in creating the "KSL Explorers" project, which is an online studying project with SEAC Training Institute on the YourNextU website platform. The selected 30 interested participants have joined virtual-class/ online-class for 3 months which is considered as the significant first step towards shifting into a new way of learning.

**(3) Taking Care of Employees during the Spread of COVID-19**

Apart from focusing on working from home for employees to promote the social distancing measure, the Company also cares for employees in several ways as follow:

1. Provide additional COVID-19 health insurance for all employees, both full-time and contract employees.
2. Procure external agencies to perform SWAB checks
3. Contact and coordinate with departments to prepare vaccines for directors, executives, and all employees.

**Customers**

Customers are considered as a group of stakeholders that are very important to The Company, specifically serving them with satisfaction. All opinions, satisfaction, problems, needs, and behavior of customers, are all key ingredients in determining the direction of the Company's management.

The Company uses international quality management systems such as ISO 9001:2015, FSSC 22000, GMP, HACCP, HALAL, KOSHER Bonsucro environmental governance, and henceforth. In order to create the highest satisfaction for customers, the Company focuses and prioritizes the quality and standards of the products, on time delivery, world-class services, as well as strictly maintain the confidentiality of customers from getting disclosed or misused without permission. Also, we provide contact channels for customers to suggest feedback or report a complaint. Averagely, the

Company receives about 40-50 complaints or suggestions per year for the operation of 5 sugar factories to ensure that standards are met without conflict when doing business with the Company. The Company has hired external agencies to assess its operations and certify that the labor standards is also in accordance with the customer's standards.

### **Community and Society**

The Company uses international quality management systems such as ISO 9001:2015, FSSC 22000, GMP, HACCP, HALAL, KOSHER Bonsucro environmental governance, and henceforth. To create the highest satisfaction for customers, the Company focuses and prioritizes the quality and standards of the products, on-time delivery, world-class services, as well as strictly maintaining the confidentiality of customers from getting disclosed or misused without permission. Also, we provide contact channels for customers to suggest feedback or report a complaint. Averagely, the Company receives about 40-50 complaints or suggestions per year for the operation of 5 sugar factories to ensure that standards are met without conflict when doing business with the Company. The Company has hired external agencies to assess its operations and certify that the labor standards are also under the customer's standards.

# Management Discussion and Analysis (MD&A)

#### **4. Management Discussion and Analysis (MD&A)**

##### **4.1 Operation, financial condition and material changes**

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries (“KSL” or “the company”) would like to report our financial performance for the fiscal year 2021 (from November 1, 2020 to October 31, 2021). The company had a net profit attributed to owners of the parent of THB 616 million which increased in the amount of THB 699 million in comparison with the net loss for the fiscal year 2020 of THB 83 million.

The company’s earnings before finance costs, taxes, depreciation and amortization (EBITDA) for FY2021 of THB 2,223 million was increased in the amount of THB 811 million from the previous year (FY2020: THB 1,413 million).

The operating performance and major changes are summarized as follows:

##### **Overview of sugar business and significant business information**

In overview of sugar business in Thailand, it had been affected from Thailand drought during the past two consecutive production years, which caused significant decrease in sugar cane output by more than 40% in the crop year 2019/2020 comparison with the output in the crop year 2018/2019. The sugar cane output in Thailand decreased from 131 million tons in the crop year 2018/2019 to 75 million tons in the crop year 2019/2020 and continued declining to 67 million tons in the production year 2020/2021. The decrease in sugar cane volume had affected to not only decrease in sales revenue amount, but also consequently impact to higher production cost of sugar and costs of related businesses, especially the cost of electricity. The electricity cost also increased from higher raw material price. However, the group of Thailand sugar business mutually foresees that sugar business will be recovered in the year 2022 and the growth of sugar cane output should be approximate 20% - 30 % compared with the previous year’s output due to favorable weather conditions for cultivation and the rising of world sugar price since the middle of the year 2021. As a result, farmers would expand cultivation area.

For the crop year 2020/2021, the company was the third-largest market share in Thailand in term of sugar production with 7.15% of sugar production volume proportion. The sugar output of 0.53 million tons in FY2021 was declined by approximate 9% comparison with the sugar output of 0.58 million tons in FY2020 that affected decrease in revenues from sugar sale in the amount of THB 1,323 million or 13% decrease. The decrease in revenue was mainly from lower sugar sale volume of 180,860 tons or 27% decrease that caused from declining in volume of sugarcane output in the production year 2020/2021 and lower volume of sugar stock carried from the previous year that had been affected from Thailand drought during the past two consecutive production years. Whereas the average sugar sale price for the current year increased by 23% due to inclining of world sugar price compared with the previous year’s price.

**The Operating Performance and Significant Changes**

For the year 2021, the company had a profit on operation of THB 616 million against loss on operation for the year 2020 of THB 83 million. The operating performance and significant changes are detailed as follows:

**Summary of financial results****Revenues from Sales and Rendering of Services**

For the year 2021, the company's total revenues from sale and service of THB 10,470 was decreased in the amount of THB 1,383 or 12% decrease and summarized as follows:

(Unit : Million THB)

Structure of Revenues	FY2021	FY2020	Increase (decrease)
<b>Revenues from sales</b>	<b>10,326</b>	<b>11,672</b>	<b>(1,346)</b>
Sugar and molasses	8,720	10,043	(1,323)
Electricity	1,178	1,253	(75)
Fertilizer, fuels and others (supporting business)	428	376	52
<b>Revenues from services</b>	<b>144</b>	<b>181</b>	<b>(37)</b>
<b>Total revenues from sales and services</b>	<b>10,470</b>	<b>11,853</b>	<b>(1,383)</b>

(1) For FY2021, total revenues from sugar sale decreased in the amount of THB 1,323 million or dropped by 13% was mainly due to lower sugar sale volume in the number of 180,860 tons or 27% decrease compared with the previous year's. It was resulted from declining in volume of sugarcane output in the production year 2020/2021 and lower volume of sugar stock carried from the previous year that had been affected from Thailand drought during the past two consecutive production years. Whereas the average sugar sale price for the current year increased by 23% due to inclining of world sugar price compared with the previous year's price.

(2) Revenue from sale of electricity was decreased in the amount of THB 75 million or 6% decrease due to decrease in electricity volume.

(3) Increase in revenues from other sugar-related businesses of THB 52 million or 14% increase was mainly due to enhancing farmer activities to support sugar cane output improvement in the upcoming crop harvests.

### **Gross Profit**

For the year 2021, the company had a gross profit decreased from THB 1,771 million to THB 1,240 million, 30% decrease, was mainly due to a drop in sugar sale volume.

The average selling prices of sugar and molasses were increased by 23% and 41%, respectively, whereas average cost of sugar increased by approximate 22% as resulted from a rise in material costs from driven from low sugarcane supplies (sugar cane price for 10 ccs in FY2021 was in the range of THB 975.43 - THB 1,019.62 per ton, while FY2020 price range was THB 813.85 - THB 825.93 per ton). Gross profit margin per the financial statements dropped from 15% in FY2020 to 12% in FY2021 was mainly from change in Thai Financial Reporting Standards that required change in measurement and classification of financial instruments in FY2021 but restatement was not required for FY2020 financial statements. For the current year, the realized loss from commodity (sugar) hedge and realized loss from foreign currency hedge in the total amount of THB 215 million is classified as part of revenue from sugar sale, whereas those types of expenditures were classified as part of administrative expense in FY2020. If such difference practice is diluted, the gross profit margin of both years were similar due to that increase in sugar and molasses sale prices was compensated with higher sugar costs.

Gross profit margin of electricity business decreased from 31% to 13% was mainly from higher raw material cost caused from insufficient of bagasse and other alternative bio-fuels with higher cost were replaced.

### **Other Incomes**

Gains from fair value adjustments of investment property was increased by THB 86 million.

### **Distribution Costs**

Decrease in distribution costs in the amount of THB 157 million or 35% decrease was resulted from decrease in total sale volume, especially decrease in export sale volume, that caused a significant reduction of transportation costs, sugar storage and other related shipping costs.

## Administrative expense and other expenses

Significant changes in administrative expenses and other expenses are as follows:

- Employee and director costs decreased by THB 93 million or 21%.
- The contributions to the Cane and Sugar Fund was decreased in the amount of THB 292 million since the contribution to the Fund of THB 330 million recognized as one-time transaction in FY2020 financial statement that charged for the previous production year 2018/2019 and year 2019/2020 according to the Royal Gazette dated in May 2020. While a stabilization cost paid to the Fund in the amount of THB 38 million that charged for the production year 2019/2020 was recognized in FY2021 financial statements. The contribution to the Fund for production year 2019/2020 and 2020/2021 and stabilization cost for the production year 2020/2021 had been recognized as part of production costs in appropriate production years.
- Net foreign exchange losses was THB 15 million in FY2021, whereas gain on foreign exchange rate of THB 29 million was recognized in FY2020.
- Hedging loss for commodity (sugar) hedge of THB 394 million was wholly decreased since the loss from sugar hedging for FY2021 of THB 128 million was classified as part of revenue from sugar sale according to Thai Financial Reporting Standards that required change in measurement and classification of financial instruments in FY2021.
- Bad debts and provision for bad debts increased in the amount of THB 127 million was partly from change in Thai Financial Reporting Standards that requires estimate of provision for doubtful debts using the expected credit loss model.
- Impairment of asset was decreased by THB 96 million.
- Loss from sugar sale contract cancellation was wholly decreased in the amount of THB 171 million (FY2021: Nil).

## Financial Costs

Financial costs decreased from THB 497 million to THB 425 million, 14% decrease, was mainly due to repayment of long-term loans and debenture, and declining in average interest rate of short term loans.



## Share of gains of associates

Share of gains of associates increased from THB 323 million to THB 511 million, 58% increase, was mainly from profit in bio fuel and other bio-product businesses through operation of BBGI Plc.

For the year 2021 financial status overview, the company had total assets of THB 41,521 million, total liabilities of THB 21,410 million and total shareholders' equity of THB 20,111 million. Interest bearing debt to equity ratio (IBD/E ratio) as at October 31, 2021 represented at 0.92.

## 4.2 Give a forward looking description of potential

The major factors that affect the sugar business are the volume of sugar cane output and world sugar price. For the crop year 2021/2022, sugar business group in Thailand forecasts increase in the domestic sugarcane supply in approximate 20% to 30% compared with the previous year's. The sugarcane is forecasted to increase from 66.7 million tons in 2020/2021 to the range of 80 - 90 million tons in the crop year 2021/2022 due to favorable weather conditions for cultivation and the rising world sugar prices since the middle of 2021. As a result, farmers would expand cultivation area. The company expected that the revenue and performance of sugar business and related businesses (electricity business and fertilizer and other agricultural raw materials business) will be improved from the previous year, if the target of sugar cane crushing is reached as well as the market share can be maintained. Other factors related to exports are still positive sentiment such as inclining of world sugar prices and strength trend of US dollar against Thai Baht currency. Those are positive factors for export business.

## 4.3 Disclose information from the financial statements and significant

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

### Report of Independent Auditor

#### 1) Auditor

Year 2019	Ms. Juntira Juntrachaichoat, Certified Public Accountant, Registration No. 6326, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Year 2020	Ms. Juntira Juntrachaichoat, Certified Public Accountant, Registration No. 6326, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Year 2021	Ms. Wimolporn Boonyusthian, Certified Public Accountant, Registration No. 4067, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

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

Year 2019	The Auditor audited corporate financial statements and issued unqualified opinions.
Year 2020	The Auditor audited corporate financial statements and issued unqualified opinions.
Year 2021	The Auditor audited corporate financial statements and issued unqualified opinions.

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

The financial statements for the fiscal year of 2019 - 2021 include a total of 14 subsidiaries. The shareholding percentage as of October 31 is as follows:

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

	<u>Percentage of Shareholding</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tamaka Sugar Industry Company Limited	90.21	90.21	90.21
New Krung Thai Sugar Factory Company Limited	95.78	95.78	95.78
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	98.61
KSL Real Estate Company Limited*	91.02	91.02	91.02
K.S.L. Export Trading Company Limited**	79.55	79.55	79.55
KSL Material Supplies Company Limited	100.00	100.00	100.00
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	100.00
KSL. Agro and Trading Company Limited	100.00	100.00	100.00
WSP Logistic Company Limited	100.00	100.00	100.00
KHUN CHUAN Company Limited	99.97	-	-
Savannakhet Sugar Corporation	98.00	98.00	98.49
Koh Kong Plantation Company Limited***	80.00	80.00	80.00
Koh Kong Sugar Industry Company Limited	88.02	88.02	80.00
Wynn In Trading Company Limited	100.00	100.00	100.00

**NOTE:**

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

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

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

## Consolidated Profit and Loss Statement

### Revenue from sale and services

In FY2021, the Company's operating revenue in the total amount of THB 10,470 million was decreased from the previous year by THB 1,383 million or approximate 12% as detailed below:

(Unit : Million THB)

Structure of Revenues	2021	2020	Increase (decrease)
Revenues from sales	10,326	11,672	(1,346)
Sugar and molasses	8,720	10,043	(1,323)
Electricity	1,178	1,253	(75)
Fertilizer, fuels and others (supporting business)	428	376	52
Revenues from services	144	181	(37)
Total revenues from sales and services	10,470	11,853	(1,383)

For FY2021, (1) the decrease in revenues from sugar business was resulted from lower sugar sale volume of 180,860 tons or 27% decrease compared with the previous year's. It was resulted from declining in volume of sugarcane output in the production year 2020/2021 and lower volume of sugar stock carried from the previous year that had been affected from Thailand drought during the past two consecutive production years. The decrease in revenue from sugar sale was THB 1,323 million or 13% decrease. Whereas the average sugar sale price for the current year increased by 23% due to inclining of world sugar price during the year 2021, (2) revenue from electricity sale was decreased in the amount of THB 75 million or 6% decrease due to decrease in electricity volume and (3) increase in revenues from other sugar-related businesses of THB 52 million or 14% increase was mainly due to enhancing farmer activities to support sugar cane output improvement in the upcoming crop harvests. As a result, the overall operating revenue was dropped comparison with previous year's.

The company's costs of goods sold and service in the total amount of THB 9,230 million that was decreased from the previous year in the amount of THB 852 million or 8%, mainly due to a rise in material costs driven from lower volume of sugarcane supplies (sugar cane prices for 10 c.c.s. in FY2021 was in the range of THB 975.43 - THB 1,019.62 per ton, whereas FY2020 price range was THB 813.85 - THB 825.93 per ton). The significant drop of sugar cane supply volume also caused an increase in production cost per unit (i.e. depreciation and other fixed costs) as well as consequently affected to higher electricity production costs since other alternative fuels with higher costs were used in replacement of bagasse.

Selling and administrative expenses

Selling and administrative expenses in the total amount of THB 1,024 million was decreased by 25% with the following major reasons:

- (1) Distribution costs in the amount of THB 294 million was decreased by 35% in line with the decrease in sale volume, especially decrease in export sale, that caused a significant reduction of transportation costs, sugar storage and other related shipping costs.
- (2) Employee and director costs decreased by 21% or in the amount of THB 93 million.
- (3) Decrease in whole amount of expenses from cancellation of sugar sale contracts in the amount of THB 171 million. (2021: nil)

**Other incomes and other losses consisted of:**

Unit: Million THB

Type of income/expenses	2021	2020
(1) Other incomes consist of:		
(1.1) Other incomes	191	159
(1.2) Finance income	95	89
Total other incomes	286	248
(2) Other gain (loss) and other expense-net consist of:		
(2.1) Gain (loss) from exchange rate	(16)	29
(2.2) Loss from investment in derivatives **	-	(394)
(2.3) Loss on fair value adjustments of biological asset	(5)	(36)
(2.4) Gain on fair value adjustments of investment property	209	123
(2.5) Gain (loss) on sales and disposal of assets	(14)	77
(2.6) Loss on impairment of property, plant and equipment	(17)	(113)
(2.7) The contributions to the Cane and Sugar Fund *	(38)	(330)
Total other gain (loss) and other expense-net	119	(644)

Note: \* The contributions to the Cane and Sugar Fund of the previous years (the years 2018/2019 and the years 2019/2020) in the total amount of THB 330 million was recognized as one-time expense transaction in the year 2020 according to the Cabinet Resolution announcement of the Royal Gazette in May 2020. While a stabilization cost paid to the Fund in the amount of THB 38 million that charged for the production year 2019/2020 was recognized in FY2021 financial statements.

\*\* Loss from investment in derivatives for the year 2021 was classified as part of revenue from sugar sale according to Thai Financial Reporting Standards that required change in measurement and classification of financial instruments in FY2021

**Share of gain on investment in associated companies**

Share of gains on investment in associates in the total amount of THB 511 million was increased by 58% (FY2020: THB 323 million) as a result of business growth and higher profitability of BBGI Group, an associate operated in bio-fuel and bio-products business. The partial incomes of BBGI group in the amount of THB 245 million was derived from registration as listed company in the Stock Exchange of Thailand (IPO) of Ubon Bio Ethanol Public Company Limited, the former associate of BBGI, at the end of September 2021.

As a result, the company's earnings before interest and income tax (EBIT) was THB 1,131 million that was increased by 241% comparison with the previous year (FY2020: THB 332 million).

**Finance cost and income tax expenses**

In FY2021, the company's financial cost of THB 425 million was decreased by 14% due to loans repayment during the year and decrease in the average interest rate of short-term loans and the corporate income tax of THB 92 million.

As a result, the company had a net profit in the amount of THB 614 million for FY2021 (FY2020: net loss of THB 98 million) which consisted of loss of minority interest amounted to THB 1 million and net profit of the owner of the parent amounted to THB 616 million

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

Income Statement Highlight (Million THB)	2021	2020	% Change	2019
Sales and Services	10,470	11,853	-12%	17,855
Cost of Sales and Service	(9,230)	(10,082)	-8%	(14,230)
Gross Profit	1,240	1,771	-30%	3,625
Other Incomes	286	248	15%	750
Selling Expense	(294)	(451)	-35%	(944)
Administration Expense	(730)	(914)	-20%	(832)
Proceeds to Fund	-	-	0%	(1,262)
Profits before other gain (loss) and other expenses	502	654	-23%	1,337
Other gain (loss) and other expense - net	119	(644)	-118%	251
Share of profit of associated companies	511	323	58%	101
Profits before financial cost and tax	1,132	333	240%	1,689
Financial cost	(425)	(497)	-14%	(710)
Corporate Income Tax	(92)	66	-239%	(149)
Minority interest	1	15	-93%	(8)
Net Profit (loss)	616	(83)	-842%	822
Earnings (loss) per Share (EPS)	0.14	(0.02)	-800%	0.19
Gross Profit Margin	11.8%	14.9%		20.3%
Net Profit Margin	5.9%	-0.7%		4.6%

Based on the company's operating revenue structure for FY2021, the total revenue was THB 10,470 million consisted of (1) revenues from sales of sugar and molasses in the total amount of THB 8,720 million, representing 83.3% of the total operating revenue, (2) revenue from electricity and steam sales in the total amount of THB 1,178 million, representing 11.3% of the total operating revenue and (3) revenues from other services amounted to THB 144 million and revenues from trading business amounted to THB 419 million. The rest was other incomes amounted to THB 9 million.

Table 3 : Consolidated Revenue Structure in the past 3 years

Revenue Structure (Million THB)	2021		2020		% Change	2019	
Sales and Services							
Sugar and Molasses Sales	8,720	83.3%	10,043	84.7%	-13%	15,413	86.3%
Electric and Steam Sales	1,178	11.3%	1,253	10.6%	-6%	1,326	7.4%
Services	144	1.4%	181	1.5%	-20%	365	2.0%
Others	9	0.1%	23	0.2%	-61%	86	0.5%
Total	10,051	96.0%	11,500	97.0%	-13%	17,190	96.3%
Trading Activities							
Sales of fuels	151	1.4%	182	1.5%	-17%	362	2.0%
Sales of fertilizer	240	2.3%	155	1.3%	55%	242	1.4%
Sales of Supplies	28	0.3%	16	0.1%	75%	61	0.3%
Total	419	4.0%	353	3.0%	19%	665	3.7%
<b>Total Sales and Services</b>	<b>10,470</b>	<b>100.0%</b>	<b>11,853</b>	<b>100.0%</b>	<b>-12%</b>	<b>17,855</b>	<b>100.0%</b>

## Consolidated Statement of Financial Position

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

Statement of Financial Position Highlight (Million THB)	2021	2020	% Change	2019
Cash and cash equivalents	224	138	62%	2,430
Trade and other current receivables	1,064	1,203	-12%	1,287
Short-term loans	588	786	-25%	926
Inventories	2,707	2,049	32%	2,774
Other current financial assets	91	-	100%	-
Other current assets	105	98	7%	97
Investments in associates	4,650	4,273	9%	3,965
Other non-current financial assets	173	-	100%	-
Other long-term investments	-	157	-100%	245
Finance lease receivable - net of current portion	361	361	0%	-
Receivables from the Office of the Cane and Sugar Fund - net of current portion	-	-	0%	541
Long-term loans	137	144	-5%	146
Investment property	6,112	5,775	6%	5,637
Property, plant and equipment	25,007	25,891	-3%	25,868
Other non-current assets	302	247	22%	205
Total Asset	41,521	41,122	1%	44,121
Current Liabilities	12,012	11,388	5%	11,818
Non-Current Liabilities	9,398	10,188	-8%	13,282
Total Liabilities	21,410	21,576	-1%	25,100
Total Shareholder's Equity	20,111	19,546	3%	19,021
Total Equity Attributable to Owners of the Parent	19,581	19,027		18,606
D/E Ratio	1.06	1.10		1.32
IBD/E Ratio	0.92	0.96		1.16

At the end of FY2021, the company had the total assets of THB 41,521 million, 1% increase, and the shareholders' equity of THB 20,111 million was from 3% increase. Whereas the total liabilities of THB 21,410 million, 1% decrease. As a result, debt to equity ratio reduced from 1.10 to 1.06 and interest-bearing debt to equity ratio also reduced from 0.96 to 0.92 due to a large amount of repayment of long-term borrowings from financial institutions.

The significant changes in statement of financial position are as follows;

- An increase in inventories of THB 658 million or 32% from higher sugar stock volume, compared with the amount of previous year.
- Investment in associates increased by THB 377 million or 9% was mainly due to BBGI group's profits.
- Increase in investment property of THB 337 million or 6% from additional land and the appraisal in higher value of the asset.
- Property, plant and equipment decreased THB 884 million or 3% was mainly from depreciation expenses for the year and net increase in asset under construction for the year.
- Net decrease in interest-bearing debts in the amount of THB 225 million mainly consisted of net decrease in short-term borrowings in the amount of Baht 931 million, repayment of debenture in the amount of THB 1,350 million and repayments of long-term borrowings from financial institutions in total approximate amount of THB 1,946 million during the year 2021. Whereas the company had additional long-term borrowings from financial institutions in the total amount of THB 2,400 million. and USD 48 million (in total amount of THB 1,500 million). The long-term borrowing denominated in USD currency is hedged its foreign currency risk by entering into cross currency swap contract at the fixed exchange rate of 31.20 Baht/USD throughout the period of loan agreement.

## Consolidated Statement of Cash Flow

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

Cash Flow Highlight (Million THB)	2021	2020	% Change	2019
Net Profit + Depreciation + Non Cash	1,572	1,028	53%	2,546
Change in Working Capital	(1,177)	507	-332%	76
<b>Cash flow from Operating Activities</b>	<b>395</b>	<b>1,535</b>	<b>-74%</b>	<b>2,622</b>
Invest in PP&E	(191)	(435)	-56%	(414)
<b>Cash flow from Investing Activities</b>	<b>31</b>	<b>(228)</b>	<b>-114%</b>	<b>117</b>
<b>Cash flow from Financing Activities</b>	<b>(339)</b>	<b>(3,591)</b>	<b>-91%</b>	<b>(457)</b>
Change in Cash Flow	86	(2,292)		2,301
Beginning Cash	138	2,430		129
Ending Cash	224	138		2,430
EBIT	1,132	333	240%	1,689
Depreciation and Amortization	1,092	1,080	1%	1,205
EBITDA	2,224	1,413	57%	2,894

In overall of the year 2021, the Company received net cash inflows from operations of THB 395 million, 74% decreased from FY2020, that mainly from improvement of operating profit.



Regarding the cash flows from investing activities, the company had net cash inflows from investing activities in the total amount of THB 31 million. The net cash outflow was mainly from net investment in fixed assets of THB 191 million, whereas net cash inflows was derived from cash received from dividend and interest incomes in the total amount of THB 115 million and cash collection from short-term loans and long-term loans in the total amount of THB 99 million.

Regarding financing activities, the company had net cash outflows in the amount of THB 339 million. It was mainly from repayment of debenture of THB 1,350 million and net decrease in short-term borrowings from financial institutions in the amount of THB 930 million and repayment of long-term borrowings in the total amount of THB 1,946 million. Whereas cash received from long-term borrowing from financial institutions of THB 3,900 million.

### Financial Ratios

*Table 6 : Financial Ratios in the past 3 years*

Financial Ratios	2021	2020	2019
Short-term liquidity ratios			
Current Ratio	0.40	0.38	0.64
Acid Test Ratio	0.16	0.19	0.39
Collection period - trade receivables (days)	18	16	21
Days of inventory	94	88	88
Capital Structure and Solvency ratios			
D/E Ratio	1.06	1.10	1.32
IBD/E Ratio	0.92	0.96	1.16
LTD to equity	0.39	0.44	0.62
Return on Investment ratios			
ROA	1%	0%	2%
ROE	3.1%	-0.4%	4.3%
Operating performance ratios			
Gross Profit Margin	12%	15%	20%
Operating Profits Margin	5%	0%	9%
Pre-tax Profit Margin	7%	-1%	5%
Net Profit Margin	6%	-1%	5%
Market Measures			
Book Value per Share	4.56	4.43	4.31
Earning Per Share	0.14	(0.02)	0.19

According to the year 2021 financial ratios above, all related return on investment ratios and operating performance ratios were increased from previous year's due to operating profit in the amount of THB 616 million that improved from loss of THB 83 million in the year 2020. Decrease in gross profit ratio is mainly from change in Thai Financial Reporting Standards that required change in measurement and classification of financial instruments in FY2021 but restatement was not required for FY2020 financial statements. For the current year, the realized loss from commodity (sugar) hedge and realized loss from foreign currency hedge in the total amount of THB 215 million is classified as part of revenue from sugar sale, whereas those types of expenditures were classified as part of administrative expense in FY2020. If such difference practice is diluted, the gross profit margin of both years were similar due to that increase in sugar and molasses sale prices was compensated with higher sugar costs.

The capital structure and solvency ratios such as D/E ratio and IBD/E ratios was slightly decreased or improved from previous year's due to improvement of operating performance and repayments of interest-bearing loans during the year.

The liquidity ratios represented current ratio and acid-test ratio were similar to previous year's. The acid-test ratio was slightly decreased due to higher sugar stock level at the end of FY2021 since the partial amount of sugar stocks remained for export in following quarter. As a result, the liquid assets declined at the end of the year.

## 5. General information and other material facts

### 5.1 General information

Company Name : Khon Kaen Sugar Industry Public Company Limited  
Type of business : Manufacturer of Sugar & Sugar-related products  
Registered & Head Office : 503 KSL TOWER 9<sup>th</sup> Floor, Sriyudhya Road, Rajathevi,  
Bangkok, 10400 Thailand  
Company Registration Number : PCL 0107547000214  
Registration Phone number  
Telephone : +662-642-6230  
Facsimile : +662-642-6228  
Website : <http://www.kslgroup.com>

### 5.2 Other material facts

-NONE-

#### 5.2.1 Specify other information that may

-NONE-

### 5.3 Legal disputes

As of 31 October 2020, the Company had no dispute which might have a potential negative impact in excess of 5% of the shareholders' equity per its consolidated financial statements.

### 5.4 Secondary market

-NONE-

### 5.5 Financial institution with regular contact

-NONE-

## Corporate Governance Policy

## Part 2 Corporate Governance Policy

### 6. Corporate Governance Policy

#### 6.1 Overview of the Policy and Guidelines

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

In the year 2021, the Company has carried out various activities as follows:

1. The Company held the 2020 Annual General Meeting of Shareholders, No. 1/2021, on February 23, 2021, through Electronic Annual General Meeting (E-AGM), using the system of Conovance Ltd. The system has been prepared to access meeting of the provider that it is under the Announcement of the Ministry of Information and Communication Technology under the rules and regulations in the epidemic situation of COVID-19 that is related to be used with shareholders meeting, including registration of shareholders, vote counting, and displaying results. For conferences to be conducted quickly, accurately, and adhere to the principles of virtuous corporate governance.

Since 2021, KSL has started holding paperless meetings, from the meeting of the Board of Directors and sub-committees to internal meetings with the use of information technology to be cover all dimensions beneficially, including the presentation of the meeting documents, voting, and note-taking of the participants, and henceforth.

2. The Board of Directors has complied with the principles of virtuous corporate governance of the Securities and Exchange Commission (CG Code), the Thai Institute of Directors Association (IOD), corporate governance policy, code of conduct, as well as international standards to comply with various criteria of the ASEAN CG Scorecard, and et cetera. In this regard, the Company received an assessment from the Corporate Governance Report of Thai Listed Companies (CGR) to be 'Excellent' as of 2020 by the Thai Institute of Directors Association (IOD), which is the third consecutive year.

3. Received 100 full scores in the quality assessment of shareholders' Annual General Meeting (AGM Checklist) from the Thai Investors Association.

4. Publicized the Corporate Governance Policy Code of Conduct Anti-Corruption Measures Manual on the Company's website and internal website (Intranet) for the Company's directors, executives, and employees of all groups to be informed and take it as an operation guideline.

5. Revised the Code of Business Conduct and the Anti-Corruption Manual.

The Corporate Governance Policy consists of 7 Chapters as follows: 1) Rights of shareholders 2) Equitable treatment of shareholders 3) Role of stakeholders 4) Disclosure and transparency 5) Role and Responsibilities of the Board of Directors 6) Anti-Corruption and 7) Reporting Information on Misconduct and Fraudulent Activities.

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

## Chapter 1: Rights of Shareholders

1. Shareholders may propose a meeting agenda and put forward their questions concerning the Annual General Meeting of Shareholders in advance during 1<sup>st</sup> October to 30<sup>th</sup> November for the Annual General Meeting in the following February. The company notifies such process such to the shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps were clearly posted on the website of the Company at [www.ksigroup.com](http://www.ksigroup.com) at the menu “Information for Investors”.

2. Inform the method to vote for questioning or sharing opinions during the meetings for all participants to acknowledge before beginning.

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

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

5. The Company’s website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is [www.ksigroup.com](http://www.ksigroup.com). Inquiries and requests for further information may be e-mailed to [ir@ksigroup.com](mailto:ir@ksigroup.com) and [secretary@ksigroup.com](mailto:secretary@ksigroup.com)

6. The Company facilitates and encourages its shareholders to exercise their rights and votes. There is a record date for a right to a meeting and a record date for a right to receive the shareholders to choose whether they will hold the stocks for the dividends or not. Shareholders meetings are organized at convenient venues which is easily accessible by public transportation.

7. Agenda of the 2020 Annual Shareholders’ Meeting No.1/2021 notice covered statement of financial position, profit and loss statement, dividend payment, election of replacement directors whose terms have ended, consideration of remuneration for directors, and appoint of auditor and audit fee.

8. In 2020 Annual Shareholders’ Meeting, No.1/2021, the Company informed its shareholders about rules and procedure of attending the shareholders’ meeting. Shareholders were given opportunities to directly inquire the corporate directors and committees. The meeting was recorded by video recorder. The Company does not deprive its shareholders of access to corporate information. All important information is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings.

9. Minutes of the AGM 2020, No. 1/ 2021 is precise and accurate. Names of all the directors physically present/absent were shown. Summaries of clarifications, questions, answers, opinions, the voting procedure, and the vote count procedure were provided. The minutes were posted on the Company’s website within 14 days after the AGM date

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

## Chapter 2: Equitable Treatments of Shareholders

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

2. Shareholders are entitled to nominate a person of their choice for appointment as a director in advance as from 1<sup>st</sup> October until 30<sup>th</sup> November, by notifying such to the shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps are clearly posted on the website of the Company at [www.ksigroup.com](http://www.ksigroup.com) at the menu “Information for Investors” After that, the Board of Directors shall hold a meeting to proceed with the screening process. However, in the past there has been no nomination by the shareholders.

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

4. The Company sets a guideline about the use of inside information in the CG Policy and disseminates to directors, executives and employees who access to significant information which would affect the price of securities to refrain from trading the securities for one month prior to the disclosure of operating result or the disclosure of such information to public (Chapter 2: Equitable treatment of shareholders). Besides, the Company by Company Secretary regularly warns the directors and executives in writing in advance of each disclosure of financial reports to refrain from the disposal of the Company’s securities as from and until the specific dates and, for transparency, informs the Meeting of Executive Board and the Board of Directors regarding the changes of the Company’s securities of each director or executive (if any) as well as informs the directors and executives of any illegal act regarding using inside information so that the directors and executives shall exercise good care in respect of the use or alleged use of any inside information before disclosure to public.

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

6. The Company requires that a director shall not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the Company’s direct and indirect competition, unless the information about their position(s) is disclosed to the shareholders’ meeting before the appointment. Directors shall inform the Company immediately about their direct and indirect conflicts of interest arising in any corporate contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the Company or its subsidiaries between fiscal years.

The Company encourages its directors, Management and those related to the Board to disclose information about their interests as part of the Board’s meeting agendas. Directors who have interests in any issues being considered are not allowed to vote on those particular issues.

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

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

### **Chapter 3: Role of Stakeholders**

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

#### **Rights of Shareholders**

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

#### **Rights of Employees**

The Company commits to the importance of employees at all levels without discrimination on race, religion and gender. All employees are equal and are treated equally. The Company provides fair hiring conditions for the employees and undertakes appropriate policy and guidelines in respect of remuneration and welfare. Employees receive short term and long term remuneration such as salary and bonus pursuant to the employee's performance evaluation and the Company's operational result. The Company establishes a provident fund for employees' living stability. Besides, the Company supports the development of knowledge and potential so as to make them ready for their work and organizational development and discloses average training hours, accident statistics, work stoppage time and sickness from work information (Details in the Sustainability Report).

#### **Rights of Customers**

The Company applies international quality control system, e.g., ISO 9001:2015, FSSC 22000, GMP, HACCP, HALAL, KOSHER, Bonsucro and good governance in environment etc. so as to create the utmost satisfaction to the customers in terms of quality and product standard, timely delivery and international standard service and strict confidentiality keeping. Besides, the Company provides customers with channels for complaints and recommendations as deemed appropriate by the customers. By average, the Company receives approximately 40-50 complaints and recommendations per year regarding the operation of 5 sugar factories.



### **Rights of Suppliers**

The Suppliers hereby include, apart from contracting parties in sales and service of work, joint investors in some specific business. The Company acknowledges the legal rights and contractual rights pursuant to the joint investment by adhering to principles of honesty, equality and right to return of investment. The Company has the Corporate Governance Policy and guidelines regarding customers in the Chapter on Roles of Stakeholders saying that it supports fair and free competition, equality in doing business and mutual benefits, transparent and fair procurement. The Company prescribes the qualifications of the customers who are entitled to offer bidding as well as announces openly and equally to the rightful bidders of the complete information and conditions regarding the procurement. The Company keeps confidential the bidding prices from the suppliers and does not disclose to other bidders. The Company shall not demand any benefit from the suppliers in exchange of executing contracts with the Company as well as prescribes in the Business Ethics of such practices. As for the service of work in the Company's sites, the Company provides safe working conditions for the contractors and emphasizes that the contractors must strictly abide by the Company's rules of safety. Upon completion of the work, the Company has a process of transparent and fair acceptance of work and shall pay the contractors in due time. The Company through the procurement department communicates with the suppliers through various channels of important matters and provides channels for the suppliers to send their complaints or information. In 2019, sent letters to suppliers by informing them of the CG policies together with Anti-corruption policy. The central procurement unit requested all factories to extend anti-corruption policy to local suppliers so that acknowledgement of the information shall be as much as possible.

### **Rights of Creditors**

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

### **Right of Competitors**

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

## **Rights of Community and Society**

The Company adheres to sustainable development under the framework of the Global Reporting Initiative (GRI) and keeps complying with relevant laws and regulations. The Company encourages the stakeholders to attend activities or participate in community and social development and supports activities that develop quality of life and benefits of communities where the Company operates its business as well as builds up the employees' conscience for community and social benefits. The Company also creates opportunities for communities and stakeholders to participate in the Company's projects or events, including the sharing of opinions and suggestions or even complaints regarding the Company's operation.

## **Human Rights**

The Company has the policy not to involve in human right violation by providing in the Corporate Governance Policy. The Company promotes and respects human rights as well as operates its business in line with the principles and intent of the United Nations Declaration on Human rights and other international agreements that Thailand is a party and shall not participate in any act that is against the human right principles. Each site of the Company's group has express clear intent that the Company shall not use child labour and forced labour and shall make announcement through various channels to the communities.

## **Environment**

The Company has the Corporate Governance Policy and guidelines regarding environment in the Chapter on Roles of Stakeholders saying that the Company uses natural resources and energy as necessary and supports the reuse and recycling of raw materials and waste in production process. The factory uses modern dust collector to prevent emission. The water treatment system is developed to ensure that the used water shall be clean enough for reuse or for discharge to natural source. The Company has made a prototype of the so-call Submerged Aerated Fixed Film (SAF) to treat condensate water from ethanol production process at Boploy district, Kanchanaburi province. The policy and guidelines regarding safety and occupational health in workplace and policy regarding business operation under environmental standards are made know to the employees. The Company encourages the employees to utilize resource in an efficient and worthwhile manner and to always work with good care of safety and environment. The relevant employees undertake training in respect of environment. (Details described in the Sustainability Report).

## **Intellectual Property**

The Company shall respect intellectual property rights and exercise due care not to cause accusation of risk of being accused of infringing intellectual property rights. Unfamiliarity of the relevant laws is a legal risk; therefore, the Company sets more details in the Business Ethics that the personnel have to respect intellectual property rights of others by not using any work or intellectual property of others without permission. In case of doubt of infringement, a unit must consult the legal department. If it appears that there might be an infringement, a

concerned party should consult the legal department. The Business Ethics define the meaning of intellectual property in a broad sense including copyright, patent, trademark, supplier information, customer information, formulae or any matter which is regarded trade secret. So far, there were in-house consultancy that could prevent several unintentional infringements.

#### **Local administration / government agencies**

The Company abides by the laws which regulate the business and other relevant laws as enforced by local administration and central government agencies and cooperates with government units to develop the locality. The group of companies coordinates with the local government agencies to ensure that the companies correctly comply with the laws and regulations, e.g., coordination with municipality, provincial industry office, natural resources and environment office, underground water office, water resource office, irrigation office, regional revenue office, welfare and labour protection office, social security office, skill labour development office, etc. The group of companies regards as highly important the cooperation with local administration /government units that ask for support to help develop community around the operating areas of the companies, e.g. municipality, sub-district administration, hospital, district public health, school, police, etc. as shown in the topic “Activities on Corporate Social Responsibilities”.

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

#### **Chapter 4: Disclosure of Information and Transparency**

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

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

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

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

2. Annual Statement (Form 56-1) is disclosed within 3 months after accounting period end and Annual Report (Form 56-2) is disclosed within 4 months after accounting period end through the SET channels and corporate website, [www.kslgroup.com](http://www.kslgroup.com). There are also updates related to the Company and the industry posted on the website to facilitate decision-making of those involved.

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

4. The Company disclosed additional information including duties of the Board of Directors and committees, the director and executive remuneration policy, summarized corporate governance policy, environmental and social policies, the Company's compliance with established policies, summarized business ethics, and directors' training background were disclosed in Form 56-1 and 56-2. Directors' training archives have been recorded in the annual registration statement (Form 56-1, One Report).

5. A Report on the Board of Directors' Responsibilities for Financial Statements is provided along with the auditor's report in annual report. The contents include the certification that the Company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations, and the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Chairman and CEO/ President.

6. Contents of the Company's website consist of directors and executives' information consisting of name, age, gender, position, education, shareholding, experience, picture organizational information, shareholding structure, the Board structure, vision/missions, businesses and products, corporate governance policies and compliance results, business ethics, information for investors, environmental and social policies, annual reports, financial statements, news and updates in both Thai and English.

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

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

- |                             |   |
|-----------------------------|---|
| 1. Ms. Nopparat Buraprakhon | Telephone: 02-642-6230<br>Email: <a href="mailto:nopparat@kslgroup.com">nopparat@kslgroup.com</a> |
| 2. Ms. Supap Chantavit      | Telephone: 02-642-6230<br>Email: <a href="mailto:supap@kslgroup.com">supap@kslgroup.com</a>       |

To promote better understanding of the Company's businesses and facilitates the distribution of the information to interested investors, the Company has produced an annual investor relations plan; held quarterly analyst meetings at corporate conference room.

In 2021 the Company has activities as follows:

Activities 2021	Times / Year
1. Analyst Meeting	4 times
2. Disclosure of Business performance through SET	4 times
3. Opportunity Day	1 time (Q 3/2564)
4. Disclosure of Information and answer queries by Investor relations.	25 times
5. ESG Questionnaire Responses.	2 times

## Chapter 5: Responsibilities of the Board of Directors

The Board of Directors emphasizes utmost importance in the responsibility of the Board of Directors to maintain the interests of shareholders and stakeholders.

1. The structure of the Board of Directors consists of 21 directors, 7 of which are independent directors who are not attached to the business or other relationships. This status may influence independent discretion.

*The company is in the process of considering appointing a qualified replacement for one vacant independent director.*

2. The Chairman of the Board of Directors is an independent director who is not the same person as the Managing Director.

### 2.1 Board Diversity Policy

The Company has a policy of acquiring diversified directors and would consider the persons who have knowledge and experience that are essential for the Company, including professionalism and specialization without discrimination of gender, age or education of the would-be directors so that the Board of Directors shall be more efficient and supportive to the Company's strategies. Also, there is at least one non-executive director who has good experience in the major business or industry of the Company. (Details of biography, knowledge, experience and shareholding are shown in the topic "Details regarding directors, executives, controlling persons and company secretary)

### 2.2 Directors' Term of Service

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

### 2.3 Consecutive Terms of an Independent Director

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

### 2.4 Limitation of the Number of Listed Companies in Which a Director May Hold Directorship

The Charter of the Board of Directors stipulates that a director must not be director in not more than five other listed companies so that a director shall have enough time to perform the directorship and being a director

in other companies must not hinder the performance of duties as a director in the Company. At the moment, apparently, there is no director who is a director in more than five listed companies at the same time.

#### 2.5 Separation of the Roles of the Board of Directors and the Management

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

#### 2.6 Directorship in other companies by Managing Director and Executives

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

3. The Articles of Association provides that one-third (1/3) or close to one-third of corporate directors shall be rotated out each year. Each director's term is three years. In case that the Board serves until the end of its term and the new Board has not yet been appointed, the former Board still continues to work until the new Board has been appointed. The Company has not determined the total terms the Board can consecutively serve. The Nomination and Remuneration Committee is considering this matter in relation to feasibility of selecting personnel with experience specific to the Company's business to serve in the Board.

4. The Board of Directors has established the following committees:

4.1 The Executive Board

4.2 The Audit Committee

4.3 The Nomination and Remuneration Committee

4.4 The Risk Management Committee

4.5 The Corporate Governance Committee, as well as defined their functions and responsibilities.

In this regard, the Company has assigned the Risk Management Office to assess and monitor the risks of corruption under the self-assessment criteria previously assessed by coordinating with the practitioners of all departments and the Internal Audit Office. This also includes carrying out various activities to communicate and create an understanding of the implementation of the policy and virtuous practices against corruption, continuously. The company has a result-expansion guidelines for stakeholders, for them to respectively join the practice of Thai private sector in anti-corruption.

As for the implementation of related systems, the company assigns the Risk Management Office to assess the risk of corruption using the COSO-ERM criteria and prepare a fraud risk management manual. To provide clear guidelines on supervision, control, prevention and monitoring of corruption risks. Moreover, to ensure that the

Company's employees have complied with the anti-corruption policies and guidelines effectively, the company therefore assigned the Risk Management Office to regularly track and summarize the results of the follow-up assignments. The Internal Audit Office is responsible for reviewing the effectiveness and efficiency of the internal control system and additional control measures specified in the Internal Audit Office's annual review plan.

In 2021, the Company has carried out important anti-corruption activities as follows:

1. Organize activities to educate and promote understandings of the anti-corruption policy through KSL CG & Anti-Corruption Week 2021 under the theme "KSL, a new era, sustainable with CG" in an online format.
2. Provided PR announcement signs regarding anti-corruption to every factory of the Company to convey the anti-corruption policy to visitors.
3. Organized training for new employees at all levels through the course "KSL Basic Knowledge 2021" which teaches work ethics and anti-corruption measures to promote knowledge and understanding of new employees.
4. Organized the corruption risk assessment for operators to analyze their risks and use the results of the assessment to plan to improve the performance to be more efficient.
5. Publicized the Anti-Corruption Policy and Anti-Corruption Measures Manual on the company's website and an internal website (Intranet) for the directors, executives, and employees at all levels to acknowledge and take it as a guideline for work.

## **Chapter 6 : Giving Information of Wrongdoing and Dishonest Act**

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

### **Channels for Giving Information**

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

2.1 Manager, Internal Audit Office, Tel. 02-642-6092, Ext. 127,  
or email: [ia@kslgroup.com](mailto:ia@kslgroup.com) or [chartchai@kslgroup.com](mailto:chartchai@kslgroup.com).

2.2 Manager, Human Resources Department, Tel. 02-642-6092, Ext. 969,  
or email: [ampaporn@kslgroup.com](mailto:ampaporn@kslgroup.com).

2.3 Send email to [ia@kslgroup.com](mailto:ia@kslgroup.com) on the intranet of the Company.

2.4 The Chairman of the Audit Committee or the Board of Directors of the Company,  
at the following address: Khon Kaen Sugar Industry PCL. 503 KSL Tower, 22<sup>nd</sup>  
Floor, Sri Ayudhya Road, Thanon Phayathai Sub-District,  
Rajathevi District, Bangkok 10400,  
or email: [sitti@kslgroup.com](mailto:sitti@kslgroup.com)

3. When the persons or above departments have been notified of a commission of wrongdoing or dishonest act, they must report such to the Internal Audit Office at once.

4. The Internal Audit Office shall have the duty to prepare a register of complaints and shall prepare a report summarizing the receipt of information of wrongdoing to the Audit Committee at its next meeting.

5. The Internal Audit Office shall consider initially that at which department the act of wrongdoing occurred, and shall then send the complaint to the said department for investigation, and shall also monitor the proceeding of said department from time to time.

6. The fact-finding, the investigation, the disciplinary action, and the legal action shall be in accordance with the regulations governing such.

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

#### **Protection of Informant**

1. The Company shall not terminate employment, suspend, inflict disciplinary action, or threaten to take any action against any staff who provided information of wrongdoing. Whoever violates this clause shall be subjected to disciplinary action.

2. The Company shall protect the informant including the person rendering cooperation or assistance in the investigation in good faith from any threat and harassment.

3. The Company shall provide protection additionally and specially according to suitability, by taking into consideration the degree of severity and the importance of complaint. In the event the informant is threatened or harassed, he/she shall report such to the Managing Director for ordering the Human Resources Department to provide protecting measures for the informant suitable to the circumstances.

4. In the event a staff has reported a complaint or has provided information of wrongdoing in good faith, even though the Company finds no wrongdoing as lodged, the Company shall not inflict any punishment on the said informant. Nevertheless, if the result of investigation finds that the complaint is baseless and it was done with ill intention or an intent to yield damage to other person, or it was a giving of false statement, the Company shall consider inflicting disciplinary action to the staff who gave the information according to the work regulations, and shall also consider taking legal action against the said person.



## 6.2 Business code of conduct

The Board of Directors established a Code of Conduct that applies to directors, executives, employees of the company, and other personnel acting on behalf of the company. The Code has been in effect since 2014, is constantly updated to be in line with the corporate governance policy, the assessment of the corporate governance survey of listed companies, and righteous corporate governance principles for listed companies in 2017. It covers subjects such as privacy, human rights, labor, health, sanitation, safety, security, environment, conflict of interest, utilization of internal data, internal governance, information disclosure, corrupting, and others that are under international standards.

*Policy and practice guidelines for corporate governance and business ethics appear in Attachment 5 of the Annual Registration Statement (Form 56-1, One Report).*

## 6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year.

The Company has reviewed Corporate Governance Policy by referring to the CG Code of 2017 introduced by the Securities and Exchange Commission. The Corporate Governance Committee finds that the Company has applied most of the principles and guidelines of the CG Code to the Company's CG Policy and informed of such application to the Board of directors in the Meeting No. 7/2020-2021 as of 10 September 2021. However, there are a few practices that the Company deems not practical at the moment which are considered by the Board and recorded for annual review.

In 2021, there were unimplemented topics and appropriate substituting policies as follow:

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

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

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

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

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

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

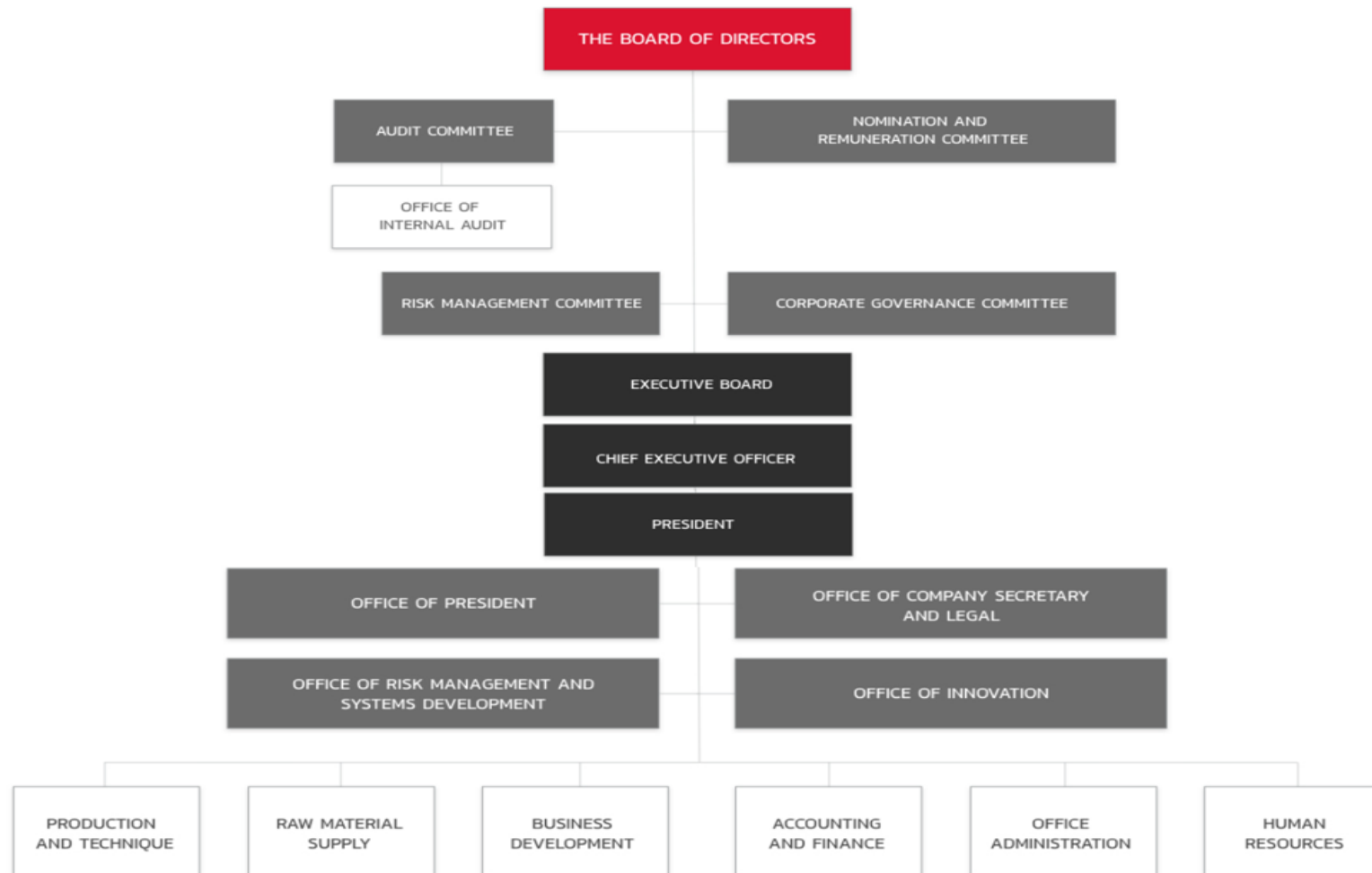
Corporate Governance Structure and  
Important Information about  
the Board, Sub-Committees,  
Executives, Employees and Others

## 7. Corporate governance structure

and significant information related to the Board of Directors, subcommittees, executives, employees and others

### 7.1 Corporate Governance Structure

As of October 31, 2021, the corporate governance structure is as follow



## Board of Directors

As of October 31, 2021, the Company's Board of Directors comprises the following 20 members:

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

**Notice:** The company is in the process of considering appointing a qualified replacement for one vacant independent director. The 20 members of the Board of Directors do not have any prohibited qualifications as follows.

1. No record in criminal conviction
2. No conflicts of interest with the Company last year.

## 7.2 Information on the Board of Directors

### 7.2.1 The composition of the Board of Directors and the total number of directors

At present, the Board of Directors of the Company consists of 20 directors, comprising 10 non-executive directors (47.62 percent), 6 of which are independent directors (28.60 percent) and 2 are females. The Board of Directors is responsible for managing and supervising the Company's business under the laws, rules and regulations of the Stock Exchange of Thailand, Securities and Exchange Commission and Capital Market Supervisory Board, all across to the Company's objectives and regulations. Hence, they perform their duties with responsibility, honesty, and sensibility.

The Board of Directors consists of individuals who have knowledge, abilities, expertise in specific fields, and function as a central role in formulating company policies and goals. Together with senior managers, they plan both short-term and long-term operations, as well as playing an essential role in oversight to resemble with the plan and follow up on the performance set in each quarter.

The Chairman and Chief Executive Officer have separate responsibilities and are not the same person. The Chairman of the Board is elected by the Company's directors and acts as the chairman of the meeting by controlling the meeting of the Board of Directors under the meeting agenda and encourage all directors to participate in the meeting, like setting up questions or remarks, advise the management and support the company's business operations. However, they will not interfere in the management of the company's affairs. The Chief Executive Officer is responsible for managing the Company's business and supervising the Company's operations following the Articles of Association and resolutions of the shareholders' meeting, resolutions of the Board of Directors, Company's policies and business plans, and related laws.

#### 7.2.2 The information on each director and controlling person.

Name - Surname		Position
1. Mr. Manu	Leopairote	Chairman and Independent Director
2. Mr. Chamroon	Chinthammit	Director
3. Mr. Pornsin	Thaemsirichai	Director
4. Mr. Sukhum	Tokaranyaset	Director
5. Mr. Thawatchai	Rojanachotikul	Director
6. Ms. Intira	Sukhanindr	Director
7. Ms. Duangdao	Chinthammit	Director / Nomination and Remuneration Committee
8. Mr. Chalush	Chinthammit	Director / Risk Management Committee
9. Mr. Somchai	Chinthammit	Director
10. Ms. Duangkae	Chinthammit	Director
11. Mr. Chanachai	Chutimavoraphand	Director
12. Mr. Chatri	Chinthammit	Director
13. Mr. Somchat	Chinthammit	Director / Corporate Governance Committee
14. Mr. Tachpong	Pakornsiriwongse	Director
15. Mr. Trakarn	Chunharojrit	Director
16. Pol. Gen. Boonpen	Bumpenboon	Independent Director / Chairman Nomination and Remuneration Committee / Corporate Governance Committee
17. Mr. Sitti	Leelakasamelek	Independent Director /Chairman Audit Committee / Risk Management Committee

Name - Surname	Position
18. Mr. Warapatr Todhanakasem	Independent Director / Chairman Corporate Governance Committee / Audit Committee
19. Ms. Nongluck Phinainitisart	Independent Director / Chairman Risk Management Committee / Audit Committee / Nomination and Remuneration Committee
20. Ms. Anchalee Pipatanasern	Independent Director / Corporate Governance Committee / Audit Committee

#### Authorized Directors

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

#### 7.2.3 Information related to the roles and duties of the Board of Directors

The Board of Directors is appointed by the shareholders, whereby the Board of Directors appoints a company secretary to advise and assist the Board of Directors in compliance with the law and related regulations. Additionally, they are responsible for meetings of the Board of Directors and shareholders' meetings, as well as supporting corporate governance under the righteous corporate governance.

#### Authorization of the Board of Directors

The Board of Directors has the authority to approve various matters of the company under the scope of duties stipulated by the Law, the Company's Articles of Association, the Board of Directors' charter, manual, authority, and resolutions of the shareholders' meeting. This also includes formulating a policy to review the vision, mission, strategy, and action plan of the company. As well as important subjects such as approval of financial statements, transactions that are required by law that require approval from the Board of Directors, financial policies, investments, annual budgets, appointment of executive directors and the President, and henceforth.

## Proportion and Structure of Directors

No.	Name		Category of Director			
			Shareholder Representative	Non-Executive	Independent Director	Executive
1	Mr. Manu	Leopairote		/	/	
2	Mr. Chamroon	Chinhammit	/			/
3	Mr. Pornsin	Thaemsirichai	/			/
4	Mr. Sukhum	Tokaranyaset	/			/
5	Mr. Thawatchai	Rojanachotikul	/			/
6	Mrs. Intira	Sukhanindr	/			/
7	Ms. Duangdao	Chinhammit	/			/
8	Mr. Chalush	Chinhammit	/			/
9	Mr. Somchai	Chinhammit	/			/
10	Ms. Duangkae	Chinhammit	/			/
11	Mr. Chanachai	Chutimavoraphand	/	/		
12	Mr. Chatri	Chinhammit	/	/		
13	Mr. Somchat	Chinhammit	/	/		
14	Mr. Tachpong	Pakornsiriwongse	/	/		
15	Mr. Trakarn	Chunharojrit	/	/		
16	Pol.Gen. Boonpen	Bumpenboon		/	/	
17	Mr. Sitti	Leelakasamelerk		/	/	
18	Mr. Warapatr	Todhanakasem		/	/	
19	Ms. Nongluck	Phinainitisart**		/	/	
20	Mrs. Anchalee	Pipatanasern**		/	/	
	<b>Total</b>		<b>14</b>	<b>11</b>	<b>6*</b>	<b>9</b>
	<b>%</b>		<b>70%</b>	<b>55%</b>	<b>30%</b>	<b>45%</b>

\*2 Female independent directors



## Report of Changes in Estate Holdings of Directors and Executives for the Year 2021

Estate Holdings of Directors and Senior managers at the beginning of the year, at the end of the year, and those traded during 2021

No	Name - Surname		Nature of Interest	As at November 31,2020	As at November 31,2021	Increase/ (decrease) during financial year	% of Voting shares
1	Mr.Manu	Leopairote	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
2	Mr.Chamroon	Chinthammit	Direct	113,012,431	113,075,331	62,900	2.56
	M.L.Charuvadhana	Chinthammit	Indirect (Spouse)	52,775,901	52,775,901	-	1.20
3	Mr.Pomsin	Thaemsirichai	Direct	29,390,196	29,390,196	-	0.67
	Mrs.Montanut	Thaemsirichai	Indirect (Spouse)	30,688,231	30,688,231	-	0.70
4	Mr.Sukhum	Tokaranyaset	Direct	4,320,000	350,000	-3,970,000	0.01
5	Mr.Thawatchai	Rojanachotikul	Direct	55,937,112	55,937,112	-	1.27
	Mrs.Korakoj	Rojanachotikul	Indirect (Spouse)	3,166,748	3,166,748	-	0.07
6	Mrs.Intira	Sukhanindr	Direct	25,471,699	25,471,699	-	0.58
7	Ms.Duangdao	Chinthammit	Direct	99,799,954	99,799,954	-	2.26
8	Mr.Chalush	Chinthammit	Direct	43,279,926	43,279,926	-	0.98
	Ms.Chollapim	Chinthammit	Indirect (Minor child)	374,000	374,000	-	0.01
9	Mr.Somchai	Chinthammit	Direct	96,475,726	96,475,726	-	2.19
	Mrs.Somjit	Somsukcharoen	Indirect (Spouse)	279,206	279,206	-	0.01
10	Ms.Duangkae	Chinthammit	Direct	99,733,643	99,733,643	-	2.26
11	Mr.Chanachai	Chutimavoraphand	Direct	115,355,499	115,355,499	-	2.62
12	Mr.Chatri	Chinthammit	Direct	57,467,546	57,467,546	-	1.30
13	Mr.Somchat	Chinthammit	Direct	22,907,921	22,907,921	-	0.52
	Ms.Darunee	Lertdamronglak	Indirect (Spouse)	2,194,852	2,194,852	-	0.05
14	Mr.Tachpong	Pakornsiriwongse	Direct	158,162	158,162	-	0.00
15	Mr.Trakam	Chunharojrit	Direct	13,621,766	13,621,766	-	0.31
	Mrs. Rattana	Chunharojrit	Indirect (Spouse)	3,544,720	744,720	-2,800,000	0.02
16	Pol.Gen Boonpen	Bumpenboon	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
17	Mr.Sitti	Leelakasamelek	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
18	Mr.Warapatr	Todhanakasem	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
19	Ms.Nongluck	Phinainitisart	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
20	Mrs.Anchalee	Pipatanasern	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
21	Mr.Theera	Sanguandeekul	Direct	1,650,000	1,650,000	-	0.04
22	Mr.Dhajjai	Subhapholsiri	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
23	Mr.Piripon	Chinthammit	Direct	94,586,024	94,386,024	-200,000	2.14
	Mrs.Wikanda	Chinthammit	Indirect (Spouse)	64,900	64,900	-	0.00
24	Mr.Sommanus	Potitat	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
25	Ms. Supap	Chantavit	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share

### **The Board of Executive Directors**

As of October 31, 2021, the Company's Board of Executive Directors consists of:

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

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

### **Scope of Duties and Responsibilities**

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

Any power mentioned above given to the Board of Directors shall be under the law and the Company's regulations. Any activities that benefit/may benefit or affect interests of any executive director or individual, or that may lead to conflicts of interest (according to the SEC Notification), are required to be presented by the Board of Executive Directors to the Board of Directors for consideration. The particular executive director and the interested individual shall not be allowed to vote in the meeting concerning the matter.

In 2020, the committee held twelve meetings, and reports on their work were regularly presented to the Board of Directors. Meeting Attendance of the Executive Board is disclosed in (Report of Meeting Attendance of Directors in 2020)

### **Scope of Duties and Responsibilities of CEO and President**

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

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

## **7.3 Information on subcommittees**

### **7.3.1 Information on each appointed subcommittee**

The Board of Directors appoints sub-committees determined by qualifications, duties, responsibilities, and duration of office in the charter or the announcement of the appointment of each sub-committee which includes the Audit Committee, Nomination and Remuneration committee, Risk Management Committee, and Corporate Governance Committee.

In 2021, the sub-committees have performed the duties as follows:

#### **1. Audit Committee**

The Audit Committee consists of not less than three directors, of which the chairman and all directors must be independent directors. At least one member of this committee must have knowledge and experience in reviewing financial statements. The audit committee must have the qualifications prescribed by the Stock Exchange of Thailand and the Capital Market Supervisory Board. The Audit Committee has a term of office of three years and can be reappointed as an audit committee but not more than three consecutive terms unless the Board of Directors deems it appropriate to hold the position. The Audit Committee has three years per term of office and can be reappointed as an Audit Committee member. However, the maximum duration is three consecutive terms unless the Board of Directors deems it appropriate to continue holding the position. The Audit Committee has the scope of powers and duties as stipulated in writing of the Audit Committee Charter.

### Scope of Duties and Responsibilities

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

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

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

The Charter of the Audit Committee requires at least four meetings per year. In 2019, the Committee holds five meetings, and reported their work to the Board of Directors on quarterly basis. (Please see Report of the Audit Committee). Meeting Attendance of the Audit Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

*The duties and responsibilities of the Audit Committee appear in the Audit Committee Charter Attachment 5 of this Annual Information Disclosure Form (Form 56-1, One Report).*

## **2. Nomination and Remuneration Committee**

The Company has designated the Remuneration Committee and the Nomination Committee to be the same committee consisting of not less than three directors. The chairman of the board and other directors, together with more than half of the board, are independent directors. The Nomination and Remuneration Committee has three years per term of office and can be reappointed as the Nomination and Remuneration Committee. However, the maximum duration is three consecutive terms unless the Board of Directors deems it appropriate to continue holding the position. The Nomination and Remuneration Committee has the scope, powers, and duties as stipulated in writing of the Nomination and Remuneration Committee Charter.

Anywise, the Nomination and Remuneration Committee has not appointed any person to be an advisor to the Nomination and Remuneration Committee since the Board consists of independent directors who can express their opinions independently under relevant rules. Their outlooks bring knowledge, experience, and expertise to provide valuable suggestions in business operations.

### **Scope of Duties and Responsibilities**

#### **1. Nomination**

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

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

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

## 2. Remuneration

(1) consider or review pattern, criteria and procedures to consider remuneration so as to suit the duties and responsibilities of the Board of Directors and other sub-Committees and submit for approval from the Board of Directors and the Shareholders' meeting respectively provided ;

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

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

*The duties and responsibilities of the Nomination and Remuneration Committee appear in the Nomination and Remuneration Committee Charter Attachment 5 of this Annual Registration Statement (Form 56-1, One Report).*

## 3. Risk Management Committee

The Risk Management Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Risk Management Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Risk Management Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

The Charter of the said Committee requires at least four meetings per year. In 2020, the Risk Management Committee holds four meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Risk Management Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

### Scope of Duties and Responsibilities

1. Develop policies to be considered by the Board of Directors regarding the overall corporate risk management that covers the Company's major risks, such as market risk, liquidity risk, management risk, investment risk, and reputation risk.

2. Design strategies in line with risk management policies to monitor and evaluate the corporate risk amount, as well as maintain the appropriate risk level.

3. Review the adequacy of risk management policies and system, as well as effectiveness of the system and policies practiced.

4. Provide recommendations in line with policies and strategies determined by the Board of Directors and present those recommendations to the Board.

*The duties and responsibilities of the Risk Management Committee appear in the Risk Management Committee Charter Attachment 5 of this Annual Registration Statement (Form 56-1, One Report).*

#### **4. Corporate Governance Committee**

The Corporate Governance Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Corporate Governance Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Corporate Governance Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

The Charter of the said Committee requires at least three meetings a year. In 2020, the Corporate Governance Committee holds three meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Corporate Governance Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

##### **Scope of Duties and Responsibilities**

1. Consider and propose corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
2. Consider and propose practices of the Company, Board of Directors, executives, personnel and other relevant parties which are consistent with the corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
3. Monitor and supervise as well as create understanding to the Board of Directors and management for the sake of performance pursuant to the governance policy, business ethics and governance practices;
4. Review the corporate governance policy and practices at least once a year by comparison with international standard or other appropriate standards;
5. Appoint a Secretary to the Corporate Governance Committee, sub-committees or working groups with suitable duties and responsibilities;
6. Perform other duties as assigned by the Board of Directors.

*The duties and responsibilities of the Risk Management Committee appear in the Risk Management Committee Charter Attachment 5 of this Annual Registration Statement (Form 56-1, One Report).*

#### **7.3.2 Names of each subcommittee and the names**

##### **1. Audit Committee**

As of October 31, 2021, the Audit Committee comprises of:

- |                  |                 |                                |
|------------------|-----------------|--------------------------------|
| 1.) Mr. Sitti    | Leelakasamelerk | Chairman/ Independent Director |
| 2.) Mr. Warapatr | Todhanakasem    | Independent Director           |
| 3.) Ms. Nongluck | Phinainitisart  | Independent Director           |
| 4.) Ms. Anchalee | Pipatanasern    | Independent Director           |

Qualifications of the Audit Committee are in line with relevant SET requirements, Capital Market Board, Corporate Governance Policy and Charter of the Audit Committee. The Audit Committee comprises four independent directors, namely, Chairman and other three members who are knowledgeable in finance, internal control, internal audit whose autography and qualifications are detailed in the Appendix. Mr. Sitti Leelakasamelek, Chairman of the Audit Committee and Ms. Anchalee Pipatanasern possesses sound knowledge, understanding, professional experience in accounting and finance.

The Chairman of the Audit Committee appoints Secretary of the Audit Committee (currently, Mr. Chartchai Poowong, Manager of Internal Audit Office).

## **2. Nomination and Remuneration Committee**

As of October 31, 2021, the Nomination and Remuneration Committee consists of:

- |    |                              |                      |
|----|------------------------------|----------------------|
| 1) | Pol. Gen. Boonpen Bumpenboon | Independent Director |
| 2) | Ms. Nongluck Phinainitisart  | Independent Director |
| 3) | Ms. Duangdao Chinthammit     | Director             |

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

## **3. Risk Management Committee**

As of October 31, 2021, the Risk Management Committee consists of:

- |    |                             |                                |
|----|-----------------------------|--------------------------------|
| 1) | Ms. Nongluck Phinainitisart | Chairman/ Independent Director |
| 2) | Mr. Sitti Leelakasamelek    | Independent Director           |
| 3) | Mr. Chalush Chinthammit     | Director                       |

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

## **4. Corporate Governance Committee**

As of October 31, 2021, the Corporate Governance Committee comprises of:

- |    |                              |                                |
|----|------------------------------|--------------------------------|
| 1) | Mr. Warapatr Todhanakasem    | Chairman/ Independent Director |
| 2) | Pol. Gen. Boonpen Bumpenboon | Independent Director           |
| 3) | Ms. Anchalee Pipatanasern    | Independent Director           |
| 4) | Mr. Somchat Chinthammit      | Director                       |

The Corporate Governance Committee appoints Secretary of the Corporate Governance Committee. (Currently, Mrs. Kanyarat Sumitra, Vice President of Company Secretary and Legal Office)



## 7.4 Information on executives

### 7.4.1 Names and positions of the highest ranking

As of 31 October 2021, the corporate top executives include:

- |                 |                          |   |
|-----------------|--------------------------|---|
| 1. Mr. Chamroon | Chinthammit <sup>1</sup> | Chief Executive Officer                                   |
| 2. Mr. Chalush  | Chinthammit <sup>2</sup> | Managing Director   |
| 3. Mr. Pornsin  | Thaemsirichai            | Executive Vice President, Office of Innovation            |
| 4. Mrs. Intira  | Sukhanindr               | Executive Vice President, Business Development            |
| 7. Ms. Duangdao | Chinthammit              | Executive Vice President, Human Resources                 |
| 6. Mr. Teera    | Sanguandikuk             | Executive Vice President, Sugar Business Production Group |
| 7. Mr. Piripol  | Chinthammit              | Executive Vice President, Raw Material Procurement        |
| 8. Mr. Sommanat | Phothisa                 | Executive Vice President, Office of the President         |
| 9. Ms. Supap    | Chanthawit               | Assistant Managing Director, Accounting and Finance (CFO) |

**Notice:** In 2021 there were some alterations in the organizational structure that affects the change of management position as follows:

(1) Mr. Chamroon Chinthammit in the position of Chief Executive Officer is equivalent to the position of Manager (CEO), effective since January 15, 2021.

(2) Mr. Chalush Chinthammit was appointed to take the position of Managing Director, effective since 15 January 2021.

### 7.4.2 Remuneration policy for executive directors and executives

#### Directors' and Executives' remuneration

##### Policy in respect of Remuneration for the Board of Directors and Committees

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

In 2021, the total remuneration of the Company's directors shall not exceed THB 9,900,000. The directors' remuneration consists of

#### 1. Directors' Remuneration

Remunerations are divided into 3 parts:

- 1) Regular remuneration (Fixed Fee) is paid monthly to directors.
- 2) Meeting remuneration (Attendance Fee) is paid to Committee members who attend a meeting.
- 3) Directors' Bonus is a special remuneration paid once a year in accordance with the corporate annual operating results.

The Company prescribed the directors' remuneration which is approved by the shareholder's meeting on February 23, 2021, as follows:

	Not exceeding the amount of THB per year
1. Remuneration for Chairman of Board of Directors	THB 810,000
2. Remuneration for Chairman of Audit Committee	THB 540,000
3. Remuneration for 19 directors (THB 25,000 / person / month + bonus)	THB 8,550,000
4. Meeting allowance for members of Committee, i.e, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee who attend the meeting.	
Chairman of Committee who attends the meeting	THB 7,200/ meeting.
Each member of Committee who attends the meeting	THB 6,000/ meeting.
5. Meeting allowance for Chairman of Executive Board	THB 1,200/ meeting,
Executive director	THB 1,000 / meeting
6. Other Benefits : -No-	
No other remunerations than the above-mentioned are paid to directors.	

No.	Name of Directors		Khon Kaen Sugar Industry PCL.							
			Remuneration	Meeting Allowance					Bonus	Total (THB)
				Executive Board	AC	NRC	CGC	RMC		
1	Mr.Manu	Leopairote	495,000.00	-	-	-	-	-	-	495,000.00
2	Mr.Chamroon	Chinhammit	300,000.00	14,400.00	-	-	-	-	-	314,400.00
3	Mr.Pornsri	Thaemsirichai	300,000.00	12,000.00	-	-	-	-	-	312,000.00
4	Mr.Sukhum	Tokaranyaset	300,000.00	12,000.00	-	-	-	-	-	312,000.00
5	Mr.Thawatchai	Rojanachotikul	300,000.00	12,000.00	-	-	-	-	-	312,000.00
6	Mrs.Intira	Sukhanindr	300,000.00	12,000.00	-	-	-	-	-	312,000.00
7	Ms.Duangdao	Chinhammit	300,000.00	12,000.00	-	24,000.00	-	-	-	336,000.00
8	Mr.Chalush	Chinhammit	300,000.00	12,000.00	-	-	-	18,000.00	-	330,000.00
9	Mr.Somchai	Chinhammit	300,000.00	12,000.00	-	-	-	-	-	312,000.00
10	Ms.Duangkae	Chinhammit	300,000.00	12,000.00	-	-	-	-	-	312,000.00
11	Mr.Chanachai	Chutimavoraphand	300,000.00	12,000.00	-	-	-	-	-	312,000.00
12	Mr.Chatri	Chinhammit	300,000.00	-	-	-	-	-	-	300,000.00
13	Mr.Somchat	Chinhammit	300,000.00	-	-	-	18,000.00	-	-	318,000.00
14	Mr.Tachpong	Pakornsiwongse	300,000.00	12,000.00	-	-	-	-	-	312,000.00
15	Mr.Trakam	Chunharojit	300,000.00	10,000.00	-	-	-	-	-	310,000.00
16	Pol.Gen.Boonpen	Bumpenboon	300,000.00	-	-	28,800.00	18,000.00	-	-	346,800.00
17	Mr.Sitti	Leelakasemlerk	360,000.00	-	36,000.00	-	-	24,000.00	-	420,000.00
18	Mr.Warapatr	Todhanakasem	300,000.00	-	30,000.00	-	21,600.00	-	-	351,600.00
19	Ms.Nongluck	Phinainitsart	300,000.00	-	30,000.00	24,000.00	-	28,800.00	-	382,800.00
20	Mrs.Anchalee	Pipatanasern	300,000.00	-	30,000.00	-	18,000.00	-	-	348,000.00
Total			6,255,000.00	144,400.00	126,000.00	76,800.00	75,600.00	70,800.00	0.00	6,748,600.00

## 2. Managing Director's Remuneration

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

## 3. Remuneration for Top Executives

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

### 7.4.3 Total Remuneration of Executive Directors and Executives

#### 2. Executive compensation in the past year

Compensation for executives totaling 9 people (according to the list of high-ranking executives) has compensation such as salary and bonuses, comprising in the total of THB 35,659,183 million.

#### 3. Other Compensations

The company has regulations to stipulate other benefits for senior management in supplementary ways such as fixed cars, fuel expenses, maintenance expenses, provident funds, and other welfares in the company's employee status.

### 7.5 Information About Employees

As of October 31, 2021, the information about the Company's personnel is as follows:

	Consolidate Financial statement		Separate financial statement	
	2564	2563	2564	2563
Average number of employees.				
Growing season	5,032	5,791	1,604	1,972
Regular season	3,925	4,268	1,280	1,506
Employee costs (Million / Bath)	1,067.97	1,266.15	399.55	520.41

In 2021, the total compensation of employees, comprising the salary and bonus money, is THB 399,550,290 The total amount of contributions to the provident fund is THB 9,355,060.63.

As of 31 October 2020, The Company had no labor dispute that could have a potential negative impact on the Company

#### Personnel Development Policy

The Company always sets high value for its human resources. Policies on continuous training and human resource management have been established. The aims are to help employees reach their potential, ensure effectiveness at work, and allow them to advance in their fields. All employees are required to receive training that is in line with the Company's direction and strategies. Training is well planned and always financially supported by the Company which are held in the Company and outside by other institutions. Also, the Company encourages the communication to transfer and share knowledge between employees in the organization (Knowledge Management) by gathering and developing internal knowledge systematically in order that each employee can access those knowledge through Intranet and utilize them for personal development.

### To provide the appropriate welfare to the employees and other supports

The group of companies provide welfare and service in addition to those required by law to all levels of employees to promote quality of life and to stabilize their future such as provident fund, life insurance and accident insurance, *Happy Home by Government Housing Bank providing home loan with special interest rate for KSL employees; Happy Home Phase 2 with home loan for day employees; UOB Workplace Banking*, the collaboration between KSL and UOB to provide welfares to KSL employees in the form of fixed deposit and home loan and monetary assistance including the promotion the employees' work-life balance by providing period for leave according to the years of work.

### Fair Remuneration

Employees of all levels are important to the companies no matter of race, religion, or gender. All employees are treated equally. They are entitled to welfare without discrimination. The promotion is done by a committee which consists of executives from different units to ensure transparency and fairness. Besides, the Company encourages the acquisition of knowledge through internal and external trainings so as to cope the future growth. The Company establishes a provident fund for employees.

### Right and liberty

The group of companies communicates to employees through intranet so that the employees shall get useful information and updated operation of the companies thoroughly and rapidly. The employees are encouraged to express their opinion or to negotiate various matters and take into account their opinions and suggestions which are useful for the employees and the companies

## 7.6 Other significant information

### 7.6.1 List of Personnel Directly Responsible for Accounting Supervision / Company Secretary / Internal Audit Supervisor

The person assigned to be directly responsible for accounting supervision	Mrs. Wanna Areeprayoonkit
Company Secretary	The Board of Directors has appointed Mrs. Kanyarat Sumitra to be the Company Secretary with the powers and duties as stipulated in the Securities and Exchange Act.
Head of Internal Audit	Mr. Chatchai Phuwong

*Information of given individuals appears in attachments 1 and 3 of this annual registration statement (Form 56-1, One Report).*

### 7.6.2 List of Head of Investor Relations and Contact Information

The Company acknowledges the importance of disclosing information for investors to receive accurate, complete, clear, and transparent data. The Company has established a dedicated unit to communicate and provide information to shareholders, institutional investors, and analysts. They are available to contact via email [ir@kslgroup.com](mailto:ir@kslgroup.com) or through:

- |                            |  |
|----------------------------|--|
| 1. Ms. Supap Chantavit     | Telephone no. 02-642-6230<br>Email: supap@kslgroup.com   |
| 2. Mr. Chalush Chinthammit | Telephone no. 02-642-6230<br>Email: chalush@kslgroup.com |

### 7.6.3 Auditor's Remuneration

In the 2020 Annual General Meeting of Shareholders No. 1/2021, held on February 23, 2021, the Company's shareholders' meeting resolved to appoint auditors with the names as follows:

<u>List</u>	<u>Certified Public Accountant No.</u>
1. Ms. Wimonporn Bunyattien	4067
2. Ms. Sophaphan Sapthipayarattana	6523
3. Ms. Duangrudee Choochart	4315
4. Mr. Chupong Surachutikarn	4325

The Company's auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. is the Company's auditor for the fiscal year ended November 1, 2020 – October 31, 2021 and approved the auditor's remuneration for the year 202 which is THB 3,290,100 (three million, two hundred, ninety thousand and one hundred baht only). The aforementioned compensation is as follows:

<b>(Unit:Baht)</b>	<b>Year 2021</b>
Annual financial statement audit fee	1,555,000.-
Fee for reviewing 3 quarter financial statements	1,275,000.-
Non-Audit Fee	460,100.-
<b>Total</b>	<b>3,290,100.-</b>

*\* Other service charges are inspection fee related to Expected Credit Loss (ECL) in accordance with financial reporting standards related to financial instruments (TFRS 9).*

### 7.6.4 Personnel Assigned to Represent Thailand (In case of a foreign company)

N/A

Report  
on Key Performance  
in Corporate Governance

## 8. Report on key operating results on corporate governance

### 8.1 Performance Summary of the Board of Directors in the Past Year

The Company plans the Board of Directors' meetings throughout the year, generally with more than six meetings per year to consider the main agendas regulated each year. However, if there is an important agenda, the Chairman of the Board of Directors will call a meeting for that important agenda which will be notified in advance, not less than the period specified by law. In 2021, the Board of Directors held a total of 7 meetings.

The powers, duties, and responsibilities of the Board of Directors are defined by reference to the Public Limited Companies Act, the Securities and Exchange Company Act, the regulations of the Stock Exchange of Thailand, and the Company's Articles of Association.

#### Scopes, Powers, and Duties of the Board

Previously, the powers and duties of the Board of Directors were stipulated in the Corporate Governance Policy Section 5. Subsequently, the Board of Directors at the meeting No. 7/2016-2017 dated 29 September 2017 agreed upon and approved the Board Charter which shall come into force from 1 October 2017. This Charter defines the duties of the Board of Directors to be reviewed under the Virtuous Corporate Governance Principles for Listed Companies 2017 as follows:

(1) Manage the business by creating sustainable value for the Company, that is, for the Company to have satisfying performance, operate the business with ethics and responsibility to stakeholders, eliminating or reducing the negative impact on society and the environment, and adapt to various changing factors

(2) Establish business objectives and goals of the entity on the basis of creating a sustainable business while taking into account, the impact on society and the environment, direct the implementation of the objectives, goals, strategies, and annual plans to success of arranged goals.

(3) Ensure that the business has a Board of Directors with composition and qualifications consistent with the principles of virtuous corporate governance through transparent and efficient recruitments. Have developments of skills and knowledge for performing duties responsibly. Establish a framework and mechanism for overseeing policies and operations of subsidiaries and businesses in which the company invests. Appoint necessary and appropriate sub-committees.

(4) Ensure that the Company has the President and senior executives suitable for the implementation of the Company's goals. Set up development of senior management as well as a systematic succession.

(5) Promote innovations that create value for businesses and conduct business with social awareness and environmental responsibility.

(6) Ensure that there is a standard in risk management and internal control system that responds to the achievement of long-term objectives and goals of the Company, including the prevention of unofficial disclosure of sensitive information that may occur through information technology. Provide policies and guidelines for managing conflicts of interest and related transactions, anti-corruption, channels for complaints, and evidence concerning fraud and corruption.

(7) Ensure that financial creditworthiness is maintained and the preparation of financial reports and information disclosure is transparent and under the law.



(8) Support the participation of shareholders in crucial matters and maintain the right to receive information from shareholders through appropriate and timely channels.

The above eight roles and duties can categorize as guidelines and several other guidelines referred to the “Principles of Good Corporate Governance: Code of Conduct for the Listed Board of Directors” developed by the Securities and Exchange Commission.

### **Roles and Duties of the Chairman**

The Chairman acts as the leader of the Board of Directors and has the following duties:

(1) Supervise, monitor, and ensure that the Board's performance of duties is efficient and achieves the organization's key objectives and goals.

(2) Ensure that all directors are involved in fostering an ethical corporate culture and virtuous corporate governance.

(3) Set agendas for board meetings in consultation with the President and have procedures to ensure the inclusion of significant matters in the meeting schedule.

(4) Allocate sufficient time for the management team to present matters and for directors to discuss significant issues conscientiously. Encourage directors to exercise prudent discretion, paying attention to all topics brought up at the meeting, including corporate governance issues.

(5) Strengthen positive relationships between the Board of Directors and the Management Team.

### **8.1.1 Recruitment, Development, and Evaluation of the Board of Directors**

#### **Nomination and Appointment of Directors and Top Executives**

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

#### **Qualifications of Independent Directors**

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

#### **The Company's CG Policy prescribes qualifications of an independent director as follows.**

(1) Holding shares not more than zero point five (0.5 %) of the total number of shares with voting rights of the Company, subsidiary company, affiliated company, major shareholders, or persons with powers to control the Company, however, including the shareholding of related persons of such independent director as well.

(2) Not being or used to be a director who has or had a part in the management, an employee, a staff, an adviser receiving regular salaries, or a person with control power, of the Company, subsidiary company, affiliated

company, major shareholder, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(3) Not being a person who is related by blood or by registration under the law in the description of a father, a mother, a spouse, a brother/sister, and a child, including a spouse of a child of an executive, a major shareholder, a person with controlling power, or a person who is to be nominated as an executive or a person with controlling power of the Company or a subsidiary company.

(4) Not having or used to have a business relations with the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, in a description that may be impediment to the exercise of discretion freely, and not being or used to be an important shareholder, or a person with controlling power of a person having business relations with the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(5) Not being or used to be an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power, or a partner of an accounting firm having employed an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, except the period thereof has lapsed for not less than two years from the date of appointment as an independent director.

(6) Not being or used to be a professional service provider, including the providing of legal consultancy service or financial consultancy service, who receives a service fee exceeding Baht two million per year from the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power or a partner of the said professional service provider, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(7) Not being a director who is appointed to act as an agent of a director of the Company, a major shareholder, or a shareholder who is related to the major shareholder.

(8) Not operating a business of the same nature as, and which is a competition to, the business of the Company or of a subsidiary company, or not being an important shareholder in a partnership, or a director who has a part in the management, an employee, a staff, an adviser receiving regular salaries or holding shares more than one percent of the total number of shares with voting rights of other company operating the same kind of business which is a competition to the business of the Company or a subsidiary company.

(9) Not having any other descriptions which obstruct free expression of opinions concerning the operations of the Company.

#### **Nomination Process for Directors**

The Nomination and Remuneration Committee shall consider the persons who have qualifications in accordance with the Charter of the Board of Directors and with the diversified specialization as prescribed in the Board Skill Matrix. The source of names is from the roster of professional directors provided by Thai Institute of Directors (IOD) together with the nomination by each director. The Committee shall then examine the qualifications

of the nominated persons in accordance with the Corporate Governance Policy, Charter of the Board of Directors and the Company's Articles of Associations as well as specific talents needed at the time; provided that the qualifications well respond to the Company's vision, mission and strategies

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

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

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

#### **Election and Appointment of Directors**

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

The election of directors by the shareholder meeting is in line with the majority of votes, and the following regulations and procedure:

- (a) One vote per share is allowed for a shareholder.
- (b) Shareholders vote for each individual nominated as a director. The number of vote(a) received by each nominee does not exceed the number of share(s) held by the particular voter, as specified in
- (c). The shareholder cannot allot any of their share(s) to any other individual. Directors are those individuals receiving the highest votes. Should the individuals receive the same number of votes where only one place for a director remaining, the chairperson shall exercise the casting vote.

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

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

### **Selection and Succession Plan for top executives**

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

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

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

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

### **Governance for subsidiaries and associates performance**

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

According to the policy on good corporate governance, the Company continuously supports directors and management team to attend training and develop their knowledge, especially, training in various courses as organized by external organizations such as The Stock Exchange of Thailand and Thai Institute of Directors, such trainings help the Company's directors to perform their duties and supervise the business of the company effectively.

The Company support directors to attend training in various courses as organized by many organizations such as Director Accreditation Program (DAP), Director Certification Program (DCP) of Thai Institute of Directors (IOD), Fundamental course for Audit Committee, including courses held by The Stock Exchange of Thailand and other professional institute.

In the year 2021, the company has arranged for all Board of Directors to participate in "online seminar on the subject

- "Food and beverage business trends and the adjustment of the Thai cane and sugar industry in the next 3 years" by Mr. Visit Limluecha, Vice President, The Thai Chamber of Commerce.

- "The world and Thailand in a new context after COVID: impact on various industries including the Thai cane and sugar industry" by Dr. Somkiat Tangkitvanich, President, Thailand Development Research Institute (TDRI)

and Kirida Bhaopichitr, Research Director for International Economics and Development Policy, Director for TDRI Economic Intelligence Service (TDRI EIS).

- Using the program “Performance Management System” (E-PMS)

#### **Orientation of Newly Appointed Company Directors**

The Board of Directors stipulates an orientation for all new company directors who assume a position in the Company to create knowledge and understanding of the Company's business and operations. The secretary will act as a coordinator to convey essential information of the Company such as the Articles of Association which specifies the scope of powers and responsibilities of the Board of Directors, including information on legal, regulatory, and conditions. In addition, if the newly appointed company director has not received any training course on the operation of the director, that new company director will attend the requisite training course for performing the duties of the company director, executives, and employees. The Company has organized training courses for both internal and external executives and employees to improve skills, knowledge, ability to work successfully and create an atmosphere of learning, stimulate new initiatives and development of team collaboration, as well as organize knowledge to pass on to new executives and employees. In recent 2021, the company aims to implement more digital systems in the work operation. Therefore, the development trend of executives and employees is connected to online working skills and new work systems.

#### **Performance Assessment**

The Board of Director stipulates the conduct of self-assessment by applying the pattern developed by the Securities Exchange as follows:

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

#### **Self-Assessment Procedures-The Whole Board of Directors**

To evaluate the performance of the directors in 6 main items under SET guideline as follows :

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

#### **The Criteria of Self-Assessment-The Whole Board of Directors**

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified

2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

#### **Self-Assessment Procedures-Each Director**

To evaluate the performance of the directors in 3 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting

#### **The Criteria of Self-Assessment- Each Director**

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified
2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

#### **Self-assessment of the Committee**

To evaluate the performance of the directors in 3 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting

#### **Including with the Self-Assessment Criteria - the Entire Sub-committees**

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified
2. The Company Secretary and Legal Office will summarize the results and present the assessment results to the Board of Directors for consideration.

Assessment results for 2021 indicate performance scores of the entire Board of Directors and the performance of the sub-committees as well as the performance of individual directors at an excellent level. In this regard, the Board of Directors at the meeting no. 1/2021-2022 on December 22, 2021, has considered and discussed the observations and recommendations regarding the results of this assessment for further improvement.

#### **Performance Assessment of the Chief Executive Officer (CEO) and/or the President (PSD)**

The Board of Directors and the Nomination and Remuneration Committee have set goals and methods for evaluating the performance of the Chief Executive Officer and the President (CEO) based on the Balance Score Card (BSC) criteria that should consider the overall operation results of 4 views/aspects.

1. Financial Performance
2. Learning & Growth

3. Market & Customer

4. Internal Business Process And The Board of Directors consider every year.

#### **8.1.2 Meeting attendance and remuneration payment to each Board member**

Board meetings are held at least every quarter by setting the meeting date in advance throughout the year and informing each committee by making an annual meeting schedule. In the meeting of the Board of Directors, Chairman of the Board, Chief Executive Officer and/or President, and Company Secretary Jointly consider the topics on the board's agenda by ensuring that crucial matters are included, and that each director is independent to suggest beneficial matters on the agenda. During the meeting, the Board's Chairman allocates sufficient time for the management team to present matters and directors to discuss significant issues generally. In addition, the chairman of the board encourages directors to use discretion in making decisions, paying attention to every agenda brought to the meeting, including corporate governance matters. Moreover, the Board of Directors meeting invites senior executives from each department to attend the meeting to present information, issues, and clarify details for decision-making, which creates a relationship between directors and senior management.

Furthermore, it is the access to add necessary information through inquiries of senior management. In some issues that there is insufficient information, the Company's directors can contact for additional information through the Company's secretary. In crucial cases, they will provide subsidiary independent opinions from consultants or external professionals.

The report of the Board of Directors' meeting shall consist of the date starting and ending time, a list of directors present and absent from the meeting, a summary of the main points of the proposed matter, a summary of discussion points and observations, board resolutions and opinions of directors who disagree. The Company stores the reports of the Board of Directors' meetings in a paper-book form and in PDF format which can be easily searched but cannot be edited. The meeting attendance of the Board of Directors is recorded in numbers. They are disclosed as the Board of Directors' because the meeting is held every quarter. However, the Executive Committee meeting which is related to the Company's performance will be held every month, so the Executive Committee meeting report is also presented to the Board of Directors for acknowledgment.

#### **Quorum of the Board of Directors**

At a meeting of the Board of Directors, not less than one-half of the total number of members must be present to constitute a quorum. In this regard, the Board of Directors has established a policy regarding the minimum quorum at the time of the directors' resolution at the Board of Directors meeting that there must be not less than two-thirds of the total number of directors.

In 2021, the Company provided meeting facilities in the form of electronic media so that directors can attend the Board of Directors meeting and give valuable opinions or suggestions to executives or the Company's operations, under the Emergency Decree on Conferencing via Electronic Media, B.E. 2020, and related regulations.

In 2021, the Company held a total of 7 Board of Directors' meetings, and the attendance rate of directors accounted for approximately 80%, with details of each director's attendance as follows:

### The Attendance of Directors in 2021

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

#### Remarks:

1. Independent director: 7 directors: No. 1, 16 – 21
2. Audit Committee: 4 directors: No. 17-20
3. Nomination and Remuneration Committee: 4 directors: No. 7, 16, 19
4. Risk Management Committee: 4 directors: No. 8, 17, 19, 21
5. Corporate Governance Committee: 4 directors: No. 13, 16, 18, 20
6. Annual General Meeting of Shareholders year 2010, No. 1/2021 on 23 February 2021

### **8.1.3 Supervision of Subsidiaries and Associated Companies**

#### Governance for subsidiaries and associates performance

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



#### 8.1.4 Monitor to Ensure Compliance with Corporate Governance Policies and Practices

##### 1. Prevention of Conflicts of Interest

The Board of Directors specifies criteria for the Company's directors and senior executives to report their interests and related persons under Section 89/14 of the Securities and Exchange Act B.E. 2535. A report review must be ready within October of each year and/or every time there is an alteration in information. Company Secretary Department must receive the report within 7 working days.

##### 2. Supervision of the Usage of Internal Data for Seeking Benefits

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

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

1. The Company informs executives about their obligation to disclose shareholdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to article 59 and article 275 of the Securities and Exchange Act B.E. 2535.

2. Circular notices are sent to directors and executives advising that those who receive important inside information that affects prices of securities shall not trade corporate securities within that one month and not disclose the important inside information before the corporate financial statements or the particular information is publicized.

3. Should there be any changes of share holdings, the Company's directors and executives shall report to the Office of Company Secretary and Legal in order to report to SEC or SET within the prescribed period. The Office of Company Secretary and Legal shall report any changes of share holdings of directors to the Board of Directors quarterly and to the Board of Executive Directors monthly.

4. Important inside information and confidential documents which kept as hard copies or soft files are protected and limited accessible to top executives only when necessary. If any inside information needs to be disclosed to employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses corporate confidential information will be penalized.

5. To monitor irregularity in corporate operating results, random examination is done to security trade, the Company's information system and outside information.

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

### (3) Anti Corruption

The Company emphasizes anti-corruption by establishing policies and measures against corruption. These policies approved by the Corporate Governance Committee stand as a guideline for business operations for KSL enterprises. The suitability of the said policy is reviewed annually. Moreover, the policy is shared with employees at all levels of the organization, including outsiders, to increase acknowledgment and understanding to be part of the organization in concretely combating corruption. Details of the anti-corruption policy can be found on [www.kslgroup.com/การกำกับดูแลกิจการ](http://www.kslgroup.com/การกำกับดูแลกิจการ)

to ensure that the Company has truly implemented to the anti-corruption policy and committed to maintain this corruption-free state. Therefore, the Company has set up an Anti-Corruption Working Group and assigned the Office of Risk Management to be the central unit in carrying out various activities and adhere to the principles of self-assessment of members of the Thai Private Sector in the Collective Action Coalition Against Corruption (CAC). As a result, Khon Kaen Sugar Industry Public Company Limited passed the CAC certification on 9 March 2017 and passed the second term of certification on 4 November 2019



In addition, the Company has emphasized that employees are aware of actions that may cause corruption risks. Identification and assessment concerning corruption are held annually. Methods of risk reduction, control, and review have been established for employees to use as guidelines for preventing corruption.

In 2021, the Company continues conducting communication activities and enhance knowledge and understanding for directors, executives, and employees at all levels regarding anti-corruption policies continuously by carrying out the following significant activities:

- 1) Provided knowledge on corporate governance and anti-corruption online, where employees can study information via the website that contains 3 parts: 1. Corporate Governance 2. Definition of Corruption and 3. Anti-Corruption Policy of the Company.
- 2) Emphasized and instill awareness among employees of actions that cause corruption. The executives communicated to employees through video clips and messages.
- 3) Tested the knowledge of corporate governance and anti-corruption through online games and public relations banners at the factory.



2. Provided PR announcement signs regarding anti-corruption to every factory of the Company to convey the anti-corruption policy to visitors.



3.Organized training for new employees at all levels through the course “KSL Basic Knowledge 2021” which teaches work ethics and anti-corruption measures to promote knowledge and understanding of new employees.



4.Organized the corruption risk assessment for operators to analyze their risks and use the results of the assessment to plan to improve the performance to be more efficient.

5. Publicized the Anti-Corruption Policy and Anti-Corruption Measures Manual on the company's website and an internal website (Intranet) for the directors, executives, and employees at all levels to acknowledge and take it as a guideline for work.

#### (Whistleblowing)

The Company has provided channels for complaints and whistleblowing to allow employees and stakeholders to report information or give clues about wrongdoings or corruption. Also, the Company provides measures to protect the rights of whistleblowers who have been complained and focus on data collection. Whistleblowers' data is kept confidential and only known by an exclusive group of assigned individuals to reassure confidentiality. Whistle-blowing procedures, investigations, penalties for false information, and penalties for corrupt personnel are outlined in the Anti-Corruption Measures Manual. which has been revised in 2021 as follows:

1. Internal channels for employees to select from, to notify with identity or anonymously as follows:

Contact		Recipient
Email	E-mail: IA@kslgroup.com	Internal Audit Office Manager
	E-mail: HR@kslgroup.com	Human Resources Manager
Telephone	Tel no. 02-642-6191-9 ext. 127	Internal Audit Office Manager
	Tel no. 02-642-6191-9 ext. 969	Human Resources Manager
Post Office	Chairman of the Audit Committee or the Board of Directors of the Company at the following address: Khon Kaen Sugar Industry Public Company Limited 503 K.S.L. Tower, 22nd Floor, Sri Ayutthaya Road, Thanon Phayathai, Ratchathewi, Bangkok 10400	Chairman of the Audit Committee Board of Directors

2. For third parties, they can inform through the company's website [www.kslgroup.com/contact](http://www.kslgroup.com/contact) which is an identified complaint.

In 2021, the Company had no complaints related to non-compliance with rules and regulations that constitute a breach of business ethics and anti-corruption policy.

## 8.2 Performance Report of the Audit Committee in the Past Year

### Report of the Audit Committee and of Other Subcommittees

#### Report of the Audit Committee

Dear Shareholders,

The Audit Committee was created from the resolution of the Board of Directors. It comprises of 4 independent members. In 2021, 5 Audit Committee's meetings were held. The meeting attendance of each committee member is as following.

<u>Name-Surname</u>	<u>Position</u>	<u>Meeting Attended</u>
1. Mr. Sitthi Leelakasemreug	President of Audit Committee	5/5
2. Prof. Dr. Worapath Totanakasem	Committee Member	5/5
3. Dr. Nongluck Pinainitisat	Committee Member	5/5
4. Assist. Prof. Anchalee Pipatanasern	Committee Member	5/5

*Nomination and Remuneration Committee Report appears in Attachment 6 of this Annual Registration Statement (Form 56-1, One Report).*

## 8.3 Performance Summary of Other Committees

### Nomination and Remuneration Committee

The Remuneration Committee and the Nomination Committee are the same committees, comprising not less than three directors, with the Chairman and more than half of the total committee members being independent directors, members of the Nomination and Remuneration Committee.

In 2021, the Nomination and Remuneration Committee held 4 meetings with regular reports on the performance of its duties to the Board of Directors, including reporting on the performance of the previous year.

Member List	Position	Meeting Attended
Police Lieutenant General Boonphen Bampenboon	Chairman of the Nomination and Remuneration Committee/Independent Director	4/4
Miss Nongluck Pinainitisart	Member of the Nomination and Remuneration Committee/Independent Director	4/4
Ms. Duangdao Chinthammit	Nomination and Remuneration Committee/Director	4/4

*Nomination and Remuneration Committee Report appears in Attachment 6 of this Annual Registration Statement (Form 56-1, One Report).*

#### **Risk Management Committee**

The Risk Management Committee comprises no fewer than three directors, with the Chairman and more than half of the Board members being independent directors.

In 2021, the Risk Management Committee organized 4 meetings with regular reports on the performance of its duties

Member List	Position	Meeting Attended
Miss Nongluck Pinainitisart	Chairman of the Risk Management Committee/Independent Director	4/4
Mr. Sitthi Leelakasemreuk	Risk Management Committee / Independent director	4/4
Mr. Chalush Chinthammit	Risk Management Committee / Independent Director	4/4

*The report of the Risk Management Committee appears in Attachment 6 of this Annual Registration Statement (Form 56-1, One Report).*

#### **Corporate Governance Committee**

The Corporate Governance Committee comprises no fewer than three directors, with the Chairman and more than half of the Board members being independent directors.

In 2021, the Corporate Governance Committee organized 3 meetings with regular reports on the performance of its duties.

Member List	Position	Meeting Attended
Mr. Woraphat	Chairman of the Corporate Governance	3/3
Tothanakasem	Committee/ Independent Director	
Police Lieutenant General	Member of the Corporate Governance	3/3
Boonphen Bampenboon	Committee / Independent Director	
Mrs. Anchalee	Member of the Corporate Governance	3/3
Pipatanasern	Committee / Independent Director	
Mr.Somchat Chinthammit	Committee / Director	3/3

*The report of the Risk Management Committee appears in Attachment 6 of this Annual Registration Statement (Form 56-1, One Report).*

## Internal control and related transactions



## 9. Internal control and related party transactions

### 9.1 Internal control

#### 9.1.1 The Adequacy and Suitability of the Internal Control System

The company sets focus on internal control covering finance, operation and compliance with relevant laws and regulations as well as appropriate risk management that is efficient enough to prevent or mitigate risks which may cause damage to assets or reputation. The Company evaluates the operation of work in accordance with good corporate governance.

The Company is certified a membership of the Private Sector Collective Action Coalition against Corruption (CAC) **which is the Company's 2nd renewal of the certificated**. The Board of Directors clearly defines roles and duties of each committee and the management and monitors the performance pursuant to the roles and duties and the organization structure and line of command designed to create balance of power and internal control. Goals and key performance indicators are established to evaluate efficiency and to monitor the work result in comparison to the corporate objectives regularly.

The Board of Directors annually evaluates the sufficiency of internal control system in accordance with the guidelines provided by the Securities Exchange Commission and the framework set by the Stock Exchange of Thailand with reference to the 5 elements and 17 principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Board of Directors and the Audit Committee consider that the Company has sufficient and appropriate internal control system suitable to the business characteristics.

#### 1. Internal Control

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

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

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

#### 2. Risk Evaluation

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

### **3. Operational Control**

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

### **4. Information technology and communications**

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

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

### **5. Monitoring system**

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

### **Risk Management**

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

During 2021, the Risk Management Committee and the Risk Management Office have established the implementation of the Risk Management Activity Development Plan as follows:

1. The Committee revised Charter of the Risk Management Committee, objectives, scope of authority and responsibility, manual on risk management and operational manual of the risk management office year.

2. The Committee specify causes of organizational risk and the responsible persons in each division for each risk for the year 2020/2021 as approved by the Risk Management Committee.

3. The Committee provided plans to support analysis and evaluation of new risks in 2021/2022 and make preliminary guidelines with measures to respond the risks.

4. The Committee held preparatory meeting for the risk management office to work on various sites pursuant to the supporting plans.

5 The Committee supported the making of report stating risk status by the responsible person of each division in 7 sites with head office.

6. The Committee reported the risk status to the Board of Directors showing information as to risks that are stable, decreasing and increasing together with causes so that the management can use for planning and operation on quarterly basis respectively.

7. Pushing for measures to prevent and deal with emergency situations in case of severe COVID-19 epidemic during April - September 2021

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

1. Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, which is the Company's auditor, has reviewed and assessed the accounting controls of the Company and its subsidiaries, which found no significant deficiencies that may affect the Significantly the auditor's opinion on the financial statements of the Company and its subsidiaries ending October 31, 2021

2. The Audit Committee of the Company agrees with the auditor's viewpoint, that the Company's internal control system is sufficient and suitable for the Company's business operations. It can prevent misuse of the Company's assets and protect them from being used without the management authority. The Audit Committee has reported on the adequacy of the Company's internal control system in the Board of Directors' meeting.

3. The Company has appointed Mr. Chatchai Phuwong as the Manager of the Internal Audit Office - the Chief Executive of the Internal Audit Office to act as the secretary of the Audit Committee to support the Audit Committee to achieve their goals effectively. The Audit Committee believes that the person who is holding the position of Chief of Internal Audit has adequate qualifications for performing duties.

4. The appointment, transfer, or termination of the Chief Audit Officer and any other unit under the Internal Audit Department must be approved by the Audit Committee.

## 9.2 Related party transactions

### 9.2.1 Identify the group of persons who may have a conflict of interest

Intercom disclosed in this section is related party transactions during 2021, 2020, and 2019 ending on October 31 of each year, consisting of transactions between the Company and its subsidiaries, associated companies, and persons who may have conflicts of interest as follows:

#### Subsidiaries

Company name	Relationship
Tamaka Sugar Industry Co., Ltd. Manufacture and distribution of sugar and molasses	Tamaka Sugar Industry Co., Ltd. is controlled by the company which owns 90.21% of the subsidiary's shares. Individuals that relate to directors of the company own 9.79% of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Krung Thai Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Krung Thai Sugar Factory Co., Ltd. is controlled by the company which owns 95.78% of the subsidiary's shares. Individuals that relate to directors of the company own 4.22 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Kwang Soon Lee Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Kwang Soon Lee Sugar Factory Co., Ltd. is controlled by the company which owns 98.61% of the subsidiary's shares. Individuals that relate to directors of the company own 1.39 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
KSL Real Estate Co., Ltd. Housing and land for agriculture estate including holiday resort for training, seminar center and Office building for rent	KSL Real Estate Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd. which owns 40.77% and 50.25% of the subsidiary's shares, respectively. Individuals that relate to directors of the company own 8.98 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.

Company name	Relationship
Savannakhet Sugar Corporation  Agricultural Operation, Manufacture and distribution of sugar and molasses	Savannakhet Sugar Corporation is controlled by the company which owns 98.00% of the subsidiary's shares. None of major shareholders and directors of the company own the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Sugar Industry Co., Ltd.  Manufacture and distribution of sugar and molasses	Koh Kong Sugar Industry Co., Ltd. is controlled by the company which owns 88.02% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Plantation Co., Ltd.  Agricultural Operation	The Company holds shares indirectly through Wynn In Trading Co., Ltd. which owns 80.00% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.

#### Associates

Company name	Relationship
Thai Sugar Terminal Public Company Limited  Locating, silo warehouse and property rental	Thai Sugar Terminal Public Company Limited is an associate of and controlled by the company which owns 23.82% of the associate's shares. Major shareholders and directors of the company own 16.65% of the subsidiary's shares. The company also has common directors namely Mr. Kamondanai Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.

Company name	Relationship
BBGI Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	BBGI Company Limited is an associate of and controlled by the company which owns 40.00% of the associate's shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.

#### Related Companies

Company name	Relationship
K.S.L. IT Center Co., Ltd. Provide computerized and database services to parent company and related parties	K.S.L. IT Center Co., Ltd. is controlled by Raja Ceramics Co., Ltd., and Thai Fermentation Industry Co., Ltd., whose stakes individually equal to 50% of K.S.L. IT Center Co., Ltd.'s shares. The company also has common directors namely Mr. Chatri Chinthammit.
On Nuj Construction Co., Ltd. Hotel and real estate agent	On Nuj Construction Co., Ltd. is controlled by the same shareholder group of the company who owns 78.57% of On Nuj Construction Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit, Ms. Duangdao Chinthammit and Mr. Chanachai Chutimavoraphand.
Raja Ceramics Co., Ltd. Manufacture and distribution of ceramic products	Raja Ceramics Co., Ltd. is controlled by the same shareholder group of the company who owns 48.27% of Raja Ceramics Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul and Mr. Chalush Chinthammit.

Company name	Relationship
KSL Green Innovation Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	The company also has common directors namely Mr. Chalush Chinthammit.
Bangchak Bioethanol (Chachoengsao) Co., Ltd. Manufacture and distribution of ethanol alcohol and biogas	The company also has common directors namely Mr. Chalush Chinthammit.

## 1. Details of related transactions.

Purchase goods and services lists in ordinary business, including all outstanding amounts at the end of the year. (as at October 31, 2021, 2020 and 2019)

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
Thai Fermentation Industry Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	- Sale of sugars	-	-	28	The Company and its subsidiaries sold sugar to Thai Fermentation Industry as welfare for employees. The transactions arose in ordinary course of business which carried out at market price on normal terms.
	New Krung Thai Sugar Factory Co., Ltd.	- Sale of sugars	-	-	28	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Purchase of chemical	63	279	1,331	The Company purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The price charged between each other is the market price which has conditions according to the general normal trade.
		- Other accounts payable	1	18	28	
Tamaka Sugar Industry Co., Ltd.		- Purchase of chemical	137	11	6	
		- Other accounts payable	2	-	-	



Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
New Krung Thai Sugar Factory Co., Ltd.	Thai Fermentation Industry Co., Ltd.	- Purchase of chemical	3,156	13	5	The Company purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The price charged between each other is the market price which has conditions according to the general normal trade.
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Purchase of chemical	186	20	3	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
KSL Green Innovation Public Company Limited	Khon Kaen Sugar Industry Public Company Limited	<ul style="list-style-type: none"> <li>- Sale of molasses</li> <li>- Trade accounts receivable</li> <li>- Advances received for sales of goods</li> </ul>	466,751 35,242 -	498,741 321 -	1,013,327 1,821 14,593	The Company and its subsidiaries sold molasses to KSL Green Innovation Public Company Limited as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms.
KSL Green Innovation Public Company Limited	Tamaka Sugar Industry Co., Ltd.	<ul style="list-style-type: none"> <li>- Sale of molasses</li> <li>- Trade accounts receivable</li> <li>- Advances received for sales of goods</li> </ul>	214,134 17,468 -	199,862 - -	224,589 45,220 15,344	
Tamaka Sugar Industry Co., Ltd.	New Krung Thai Sugar Factory Co., Ltd.	<ul style="list-style-type: none"> <li>- Sale of molasses</li> <li>- Trade accounts receivable</li> <li>- Advances received for sales of goods</li> </ul>	254,275 29,329 6,488	384,845 40,751 -	164,689 1,760 49,451	
	New Kwang Soon Lee Sugar Factory Co., Ltd	<ul style="list-style-type: none"> <li>- Sale of raw sugars</li> </ul>	23,701	-	-	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	New Kwang Soon Lee Sugar Factory Co., Ltd.	<ul style="list-style-type: none"> <li>- Sale of raw sugars</li> <li>- Trade accounts receivable</li> <li>- Advances received for sales of goods</li> </ul>	-	-	146,781	The subsidiaries sold raw sugar to Bangchak Bioethanol (Chachoengsao) Co., Ltd. as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms.
			-	-	13,951	
			-	-	18	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	4,371	7,944	5,006	Sugar exporting has to be made by only company that authorized by Cane and Sugar Board in the Royal Gazette according to the sugar cane and sugar act. The Company's group and Prachaup Industry Co., Ltd. therefore established K.S.L. Export Trading Co., Ltd. to only be export agent and documental support. K.S.L. Export Trading Co., Ltd. will charge service fees at cost plus administrative expenses according to volume of goods.
Tamaka Sugar Industry Co., Ltd.		- Service fees of goods exporting	639	728	1,742	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of goods exporting	1,764	3,719	2,125	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of goods exporting	386	544	385	
Savannakhet Sugar Corporation		- Service fees of goods exporting	-	580	400	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
Khon Kaen Sugar Industry Public Company Limited	Thai Sugar Terminal Public Company Limited and its subsidiaries	- Service fees for goods custody and transfer	4,782	6,100	4,951	The Company needs to use wharf and transfer services for group of sugar factory. Thai Sugar Terminal Public Company Limited priced service fees of goods custody and goods exporting were charge according to volume of goods and custody time, which are general rates in the market.
		- Other income (i.e. discount)	36	352	-	
		- Other accounts payable	1,616	-	480	
Tamaka Sugar Industry Co., Ltd.		- Service fees for goods custody and transfer	2,409	5,823	21,572	
		- Other income (i.e. discount)	10	499	-	
		- Other accounts payable	500	243	1,815	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	1,855	11,102	32,944	
		- Other revenue (i.e. discount)	16	1,657	-	
		- Other accounts payable	41	63	7,780	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	149	98	-	The Company needs to use wharf and transfer services for group of sugar factory. Thai Sugar Terminal Public Company Limited priced service fees of goods custody and goods exporting were charge according to volume of goods and custody time, which are general rates in the market.
		- Other revenue (i.e. discount)	4	-	-	
		- Other accounts payable	-	14	-	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-21	31-Oct-20	31-Oct-19	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	6,538	6,413	7,132	K.S.L. IT Center Co., Ltd. was established as computer service center in serving the group companies. The service fee pricing is calculated based on its investment cost and related operating costs and allocated to charge each company based on the actual data usage volume.
		- Prepaid expenses	453	499	437	
Tamaka Sugar Industry Co., Ltd.		- Service fees of computerized activities	1,915	2,046	2,070	
		- Prepaid expenses	105	104	102	

New Krung Thai Sugar Factory Co., Ltd.	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	2,535	3,073	3,308	K. S. L. IT Center Co., Ltd. was established as computer service center in serving the group companies. The service fee pricing is calculated based on its investment cost and related operating costs and allocated to charge each company based on the actual data usage volume.
		- Prepaid expenses	173	193	188	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of computerized activities	1,481	1,638	1,626	
		- Prepaid expenses	68	68	73	
KSL Real Estate Co., Ltd.		- Service fees of computerized activities	175	130	135	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	229	187	200	
Savannakhet Sugar Corporation		- Service fees of computerized activities	782	733	602	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	150	166	266	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	-	18	101	

## Rental fee (for the year ended October 31, 2021, 2020 and 2019)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness of Connected Transaction
			31-Oct-21	31-Oct-20	31-Oct-19	
Khon Kaen Sugar Industry Public Company Limited	On Nuj Construction Co., Ltd.	Office rental area of 196.69 square meter and car park at the monthly rate of Baht 300 per square meter allowed to be renewed every 3 years (01/11/18 - 31/10/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	236	708	708	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
	Thai Fermentation Industry Co., Ltd.	Warehouse rental area of 200 square meter at the monthly rate of Baht 100 per square meter allowed to be renewed annually (01/08/21 - 31/07/22). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	320	236	240	

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness of Connected Transaction
			31-Oct-21	31-Oct-20	31-Oct-19	
Khon Kaen Sugar Industry Public Company Limited	Raja Ceramics Co., Ltd.	Office rental area of 495.54 square meter and car park at the monthly rate of Baht 300. It is allowed to be renewed annually (01/01/21 - 31/12/21).  In the 2020, there was a temporary rental space of 202.84 square meter at the monthly rate of Baht 200 per month (01/11/17 - 31/12/17). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	1,739	1,695	1,784	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade at agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
	K.S.L. IT Center Co., Ltd.	Office rental area of 432.62 square meter and car park at the monthly rate of Baht 300 per square meter and are allowed to be renewed every 3 years (01/08/18 - 31/07/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	1,518	1,480	1,557	
	K.S.L. Export Trading Co., Ltd.	Office rental area of 33.48 square meter at the monthly rate of Baht 300 per square meter allowed to be renewed every 3 years (01/10/20 - 30/09/23). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	118	115	121	



Borrowings from/ Loans to related parties (as at October 31, 2021, 2020 and 2019)

Unit : Thousand Baht

For the year ended 31 October 2021							
Borrower	Lender	As at Nov 1, 2020	Loan addition during the period	Repayment during the period	As at Oct 31, 2021	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L Tower Juristic Person office	4,100	-	-	4,100	43	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 0.80-1.22% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2020							
Borrower	Lender	As at Nov 1, 2019	Loan addition during the period	Repayment during the period	As at Oct 31, 2020	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L Tower Juristic Person office	3,400	1,000	(300)	4,100	56	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.22%-1.24% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2019							
Borrower	Lender	As at Nov 1, 2018	Loan addition during the period	Repayment during the period	As at Oct 31, 2019	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L Tower Juristic Person office	3,800	-	(400)	3,400	66	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.80-1.95% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2021							
Borrower	Lender	As at Nov 1, 2020	Loan addition during the period	Repayment during the period	As at Oct 31, 2021	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L IT Center Co., Ltd.	3,000	-	-	3,000	32	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 0.80%-1.22% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2020							
Borrower	Lender	As at Nov 1, 2019	Loan addition during the period	Repayment during the period	As at Oct 31, 2020	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L IT Center Co., Ltd.	-	3,000	-	3,000	9	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.20%-1.22% per annum and the interest is payable at the end of each month.

### 9.2.3 Policy on future related party transactions

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

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

#### Policy on future related party transactions

##### 1. Normal Business Transactions

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

##### 2. Rental Service Transactions

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

##### 3. Sales and Purchases of Assets and Investments

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

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

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

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

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

Regarding the potential related party's transactions incurred in the future, the Board of Directors of the Company ensures compliance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand, including compliance with regulations on the disclosure of information on connected transactions and the acquisition or disposal of important assets of the Company or its subsidiaries; In addition, the Company will disclose related transactions in notes to financial statements in

compliance with Thai Financial Reporting Standards as audited by the certified public accountant and further disclose those information in the Annual Registration Statements (Form 56-1) in future years.

#### **9.2.4 Capital structure of individuals having potential conflict of interest over 10%**

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

Thai Sugar Terminal Public Company Limited (TSTE) The individuals having potential conflict of interest own 16.65% of the TSTE's shares. The Company owns 23.82% of the TSTE's shares and has no policy to increase its capital proportion. Moreover, the shareholders and directors have no intention to transfer their benefits to one of these two companies. In addition, Thai Sugar Terminal Public Company Limited has many directors from other sugar companies; thus, power balancing in TSTE is reasonable for both companies. To conclude, the related transactions between the Company and TSTE are in line with the characteristics of normal trading in the market which will maximize highest value to both companies.

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

## Financial Statements



### Report on the Board of Directors' Responsibilities for Financial Statements

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

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

The Board is of the opinion that the Company's internal control system and the internal audit can reasonably assure the creditability of the separated financial statement and consolidated financial statement of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries for the year ended October 31, 2021, the statement of financial position, the operating results, and cash flows accurately according to generally accepted accounting principles.



(Mr. Manu Leopaibote)  
Chairman



(Mr. Chamroon Chinthammit)  
Chief Executive Officer & President

## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED**Opinion**

We have audited the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at October 31, 2021, and the related consolidated and separate statements of profit or loss, comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and of Khon Kaen Sugar Industry Public Company Limited as at October 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

**Basis for Opinion**

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

**Key Audit Matters**

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

Key Audit Matter	Audit Responses
<b>Allowance for Expected Credit Losses of Farmer Receivables and Loans for Cane Plantation Development</b>  As at October 31, 2021, the Group has allowance for expected credit losses of farmer receivables and loans for cane plantation development, which are significant to the financial statements. Such farmer receivables and loans	Significant audit procedures include the following:  <input type="checkbox"/> Gaining an understanding of the basis applied in determining allowance for expected credit losses of farmer receivables and loan for cane plantation development in general and specific cases, and reviewing the consistency of the application of that basis.

Key Audit Matter	Audit Responses
<p>for cane plantation development are of different nature and characteristics.</p> <p>We focused on such allowance for expected losses because the allowance for expected credit losses of farmer receivables and loans for cane plantation development are considered to be significant accounting estimates which the management is required to exercise considerable judgement in determining the reasonableness of assumptions used in estimating allowance for expected credit losses. Therefore, we considered the appropriateness of the assumptions used in determining allowance for expected credit losses of farmer receivables and loans for cane plantation development is a key audit matter.</p> <p>The accounting policies and disclosure of allowance for expected credit losses of farmer receivables and loans for cane plantation development are in Notes 4.3, 4.15, 5, 18 and 19 to the financial statements.</p>	<p>□ Inquiring management the appropriateness of process for identification and judgement of expected loss allowance required, including assessment the reasonableness of the probability of default, loss given default and exposure at default by considering the management's reasons used to assess the adequacy of the loss allowance based on the assessment of credit risk and expected to incur of accounts receivables.</p> <p>□ Involvement of our internal specialists to assess the appropriateness of model design, assumptions, inputs and formulas used. We tested the data used in the ECL calculation and recalculating the allowance for expected credit loss for a sample of models.</p> <p>□ Evaluating whether the disclosure in the notes to the financial statements is sufficient and appropriate in accordance with the financial reporting standards.</p>

### Other Information

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

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

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

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

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

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

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

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

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

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

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

- ☐ Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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



Wimolporn Boonyusthian  
Certified Public Accountant (Thailand)

Registration No. 4067

BANGKOK

December 22, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

AS AT OCTOBER 31, 2021

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		as at	as at	as at	as at
		October 31,	October 31,	October 31,	October 31,
		2021	2020	2021	2020
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6.3	224,064,164	137,729,493	7,093,086	11,686,005
Temporary investments		-	263,973	-	-
Trade and other current receivables	8	1,064,093,678	1,202,630,557	930,706,618	747,434,385
Finance lease current receivables	9	19,336,762	19,999,475	-	-
Short-term loans	10	588,434,890	785,834,362	1,322,175,395	2,491,131,273
Inventories	11	2,707,437,417	2,049,298,360	1,269,883,150	1,120,819,020
Current biological assets	12	46,380,239	41,680,290	-	4,684,418
Other current financial assets	13 and 28	91,232,880	-	90,966,450	-
Other current assets		39,628,287	36,208,298	9,477,738	13,227,831
Total Current Assets		4,780,608,317	4,273,644,808	3,630,302,437	4,388,982,932
<b>NON-CURRENT ASSETS</b>					
Investments held as available for sale	14	-	149,565,340	-	149,565,340
Other non-current financial assets	13	172,883,030	-	165,636,010	-
Investments in associates	15	4,649,914,827	4,273,201,242	3,380,458,786	3,380,458,786
Investments in subsidiaries	16	-	-	4,613,845,717	4,572,347,333
Other long-term investments	17	-	7,551,354	-	326,950
Trade and other non-current receivables	18	147,364,523	116,926,448	64,024,710	17,127,614
Finance lease non-current receivables	9	361,250,792	360,600,838	-	-
Long-term loans	19	136,623,772	144,347,254	2,469,520,961	2,059,172,684
Investment properties	20	6,111,603,918	5,774,844,664	2,009,268,162	1,811,801,873
Property, plant and equipment	21	25,006,759,320	25,890,581,776	9,007,137,280	9,474,701,899
Right-of-use assets	22	42,748,819	-	298,824,344	-
Other intangible assets		29,710,527	37,358,296	23,292,211	29,309,577
Deferred tax assets	30.2	1,131,195	1,014,109	-	373,560
Other non-current assets		80,825,441	91,919,271	54,700,404	64,388,117
Total Non-current Assets		36,740,816,164	36,847,910,592	22,086,708,585	21,559,573,733
<b>TOTAL ASSETS</b>		<b>41,521,424,481</b>	<b>41,121,555,400</b>	<b>25,717,011,022</b>	<b>25,948,556,665</b>

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

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT OCTOBER 31, 2021

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		as at	as at	as at	as at
		October 31,	October 31,	October 31,	October 31,
		2021	2020	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from financial institutions	23	5,981,934,281	6,912,515,000	3,755,159,281	4,901,000,000
Trade and other current payables	24	1,064,170,817	1,191,331,175	638,609,737	784,475,002
Current portion of long-term debentures	25	2,999,157,552	1,349,772,503	2,999,157,552	1,349,772,503
Current portion of long-term borrowings	26	1,739,240,000	1,867,000,000	1,682,000,000	1,867,000,000
Current portion of lease liabilities	27	9,987,752	-	39,138,288	-
Short-term borrowings	7.1	7,100,000	7,100,000	409,100,000	545,500,000
Current income tax payable		-	8,230,797	-	-
Other current financial liabilities	28	147,457,735	-	147,457,735	-
Other current liabilities		63,264,812	51,944,785	19,160,732	18,318,881
Total Current Liabilities		12,012,312,949	11,387,894,260	9,689,783,325	9,466,066,386
<b>NON-CURRENT LIABILITIES</b>					
Long-term debentures	25	2,648,442,958	5,646,224,969	2,648,442,958	5,646,224,969
Long-term borrowings	26	5,167,208,590	2,985,000,000	4,853,068,590	2,985,000,000
Lease liabilities	27	18,577,268	-	267,014,278	-
Deferred tax liabilities	30.3	1,279,840,551	1,210,254,060	55,156,926	-
Non-current provision for employee benefits	31	210,312,887	260,620,383	87,247,880	109,262,766
Other non-current liabilities		73,068,930	85,669,525	24,474,186	28,647,965
Total Non-current Liabilities		9,397,451,184	10,187,768,937	7,935,404,818	8,769,135,700
<b>TOTAL LIABILITIES</b>		<b>21,409,764,133</b>	<b>21,575,663,197</b>	<b>17,625,188,143</b>	<b>18,235,202,086</b>

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT OCTOBER 31, 2021

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		as at	as at	as at	as at
		October 31,	October 31,	October 31,	October 31,
		2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
4,410,243,648 ordinary shares of Baht 0.50 each		2,205,121,824	2,205,121,824	2,205,121,824	2,205,121,824
Issued and paid-up share capital					
4,410,232,619 ordinary shares of Baht 0.50 each,					
fully paid		2,205,116,310	2,205,116,310	2,205,116,310	2,205,116,310
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199
RETAINED EARNINGS					
Appropriated					
Legal reserve		220,512,200	220,512,200	220,512,200	220,512,200
Unappropriated		12,113,767,259	11,456,284,012	2,121,592,608	1,629,706,647
OTHER COMPONENTS OF EQUITY		2,094,967,350	2,198,503,415	598,162,562	711,580,223
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS</b>					
<b>OF THE PARENT</b>		19,580,802,318	19,026,855,136	8,091,822,879	7,713,354,579
NON-CONTROLLING INTERESTS		530,858,030	519,037,067	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		20,111,660,348	19,545,892,203	8,091,822,879	7,713,354,579
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		41,521,424,481	41,121,555,400	25,717,011,022	25,948,556,665

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



## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED OCTOBER 31, 2021

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2021	2020	2021	2020
Revenues from sales and rendering of services					
Revenues from sales		10,326,121,745	11,671,563,731	5,311,366,785	6,125,491,449
Revenues from rendering of services		143,594,747	180,943,628	33,535,680	141,216,499
		10,469,716,492	11,852,507,359	5,344,902,465	6,266,707,948
Costs of sales of goods and rendering of services					
Costs of sales of goods		(9,189,442,384)	(10,026,198,070)	(4,872,487,173)	(5,810,826,110)
Costs of rendering of services		(40,463,066)	(55,336,524)	(25,453,164)	(101,628,237)
		(9,229,905,450)	(10,081,534,594)	(4,897,940,337)	(5,912,454,347)
Gross profit		1,239,811,042	1,770,972,765	446,962,128	354,253,601
Other incomes		190,568,205	159,286,241	640,107,053	574,176,976
Contribution to the Cane and Sugar Fund	8.3 and 29	(37,671,647)	(329,899,051)	(19,052,757)	(190,928,037)
Distribution costs		(293,985,338)	(451,138,856)	(185,471,232)	(243,629,799)
Administrative expenses		(730,221,974)	(914,027,250)	(220,452,310)	(368,259,632)
Net foreign exchange (loss) gain		(15,394,211)	28,997,459	48,575,097	56,794,191
(Loss) gain on fair value adjustments of biological assets		(5,394,092)	(35,858,963)	189,543	2,165,151
Gain on fair value adjustments of investment property		208,726,648	122,974,698	78,671,648	39,625,695
Reversal (loss) on impairment of investments in subsidiaries	16	-	-	40,498,684	(338,064,694)
(Loss) gain on sales and disposal of assets		(14,054,907)	77,218,098	(12,302,799)	321,016
Loss on impairment of property, plant and equipment		(17,323,711)	(113,049,862)	-	(5,212,297)
Profit (loss) from operating activities		525,060,015	315,475,279	817,725,055	(118,757,829)
Finance income		95,398,934	88,546,950	126,098,477	161,040,875
Finance costs		(425,120,268)	(496,535,061)	(406,855,146)	(461,734,423)
Share of gain on investment in associates		510,741,126	322,652,848	-	-
Hedging loss for hedge of group of items with offsetting risk positions - net	39	-	(394,331,954)	-	(242,457,991)
Profit (loss) before income tax (expense) income		706,079,807	(164,191,938)	536,968,386	(661,909,368)
Income tax (expense) income	30.1	(91,623,438)	66,560,762	(76,124,406)	232,161,938
<b>PROFIT (LOSS) FOR THE YEARS</b>		<b>614,456,369</b>	<b>(97,631,176)</b>	<b>460,843,980</b>	<b>(429,747,430)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO :</b>					
Owners of the parent		615,789,324	(82,743,112)	460,843,980	(429,747,430)
Non-controlling interests		(1,332,955)	(14,888,064)	-	-
		614,456,369	(97,631,176)	460,843,980	(429,747,430)
<b>EARNINGS (LOSS) PER SHARE</b>	36				
Basic earnings (loss) per share	<b>BAHT</b>	0.140	(0.019)	0.104	(0.097)
Basic number of ordinary shares	<b>SHARES</b>	4,410,232,619	4,410,232,619	4,410,232,619	4,410,232,619

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

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED OCTOBER 31, 2021**

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2021	2020	2021	2020
<b>Profit (loss) for the years</b>		614,456,369	(97,631,176)	460,843,980	(429,747,430)
<b>Other comprehensive income (expense):</b>					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statements - net of tax		98,707,758	46,198,388	-	-
Loss on cash flow hedges - net of tax		(91,118,884)	-	(92,575,263)	-
Total items that will be reclassified subsequently to profit or loss		7,588,874	46,198,388	(92,575,263)	-
Items that will be not reclassified subsequently to profit or loss:					
Gain on revaluation of assets - net of tax		-	876,791,441	-	92,494,668
Unrealized actuarial gain (loss) adjustment - net of tax		11,352,608	(28,512,252)	(175,379)	(12,138,816)
Gain (loss) on measuring financial assets - net of tax		12,594,976	(54,158,397)	12,594,976	(54,158,397)
Share of other comprehensive gain (loss) of associates - net of tax		(77,483,172)	-	-	-
Total items that will be not reclassified subsequently to profit or loss		(53,535,588)	794,120,792	12,419,597	26,197,455
Other comprehensive income (expense) for the years - net of tax		(45,946,714)	840,319,180	(80,155,666)	26,197,455
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEARS</b>		<b>568,509,655</b>	<b>742,688,004</b>	<b>380,688,314</b>	<b>(403,549,975)</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO</b>					
Owners of the parent		556,167,196	736,387,570	380,688,314	(403,549,975)
Non-controlling interests		12,342,459	6,300,434	-	-
		<b>568,509,655</b>	<b>742,688,004</b>	<b>380,688,314</b>	<b>(403,549,975)</b>

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED OCTOBER 31, 2021

UNIT : BAHT																
Notes	Owners of the parent												Non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of shareholders' equity					Total owners of the parent						
			Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense)				Losses on internal restructure of entities under common control		Losses on change in shareholding ratio in subsidiaries	Total other components of shareholders' equity				
					Exchange differences on translating financial statements	Loss on cash flow hedges	Gain (loss) on measuring financial assets	Gain (loss) on asset revaluation							Share of other comprehensive loss of associates using the equity method	
<b>For the year ended October 31, 2020</b>																
Beginning balance as at November 1, 2019	2,205,116,310	2,946,439,199	220,512,200	11,785,941,395	(169,685,672)	-	(106,189,331)	2,098,376,552	-	(263,275,867)	(111,493,844)	1,447,731,838	18,605,740,942	415,525,681	19,021,266,623	
Changes in shareholders' equity during the year																
- Dividends paid	32	-	-	(220,510,728)	-	-	-	-	-	-	-	-	(220,510,728)	(521,496)	(221,032,224)	
- Transfer gain on asset revaluation		-	-	1,538,080	-	-	-	849,717,032	-	-	-	849,717,032	851,255,112	25,536,329	876,791,441	
- Difference from change in shareholding ratio in subsidiaries		-	-	-	-	-	-	-	-	-	(94,762,648)	(94,762,648)	(94,762,648)	97,732,448	2,969,800	
- Unrealized actuarial loss adjustment - net of tax		-	-	(27,941,623)	-	-	-	-	-	-	-	-	(27,941,623)	(570,629)	(28,512,252)	
- Comprehensive income (expense) for the year		-	-	(82,743,112)	49,975,590	-	(54,158,397)	-	-	-	-	(4,182,807)	(86,925,919)	(18,665,266)	(105,591,185)	
<b>Ending balance as at October 31, 2020</b>		<b>2,205,116,310</b>	<b>2,946,439,199</b>	<b>220,512,200</b>	<b>11,456,284,012</b>	<b>(119,710,082)</b>	<b>-</b>	<b>(160,347,728)</b>	<b>2,948,093,584</b>	<b>-</b>	<b>(263,275,867)</b>	<b>(206,256,492)</b>	<b>2,198,503,415</b>	<b>19,026,855,136</b>	<b>519,037,067</b>	<b>19,545,892,203</b>
<b>For the year ended October 31, 2021</b>																
Beginning balance as at November 1, 2020																
- before adjustment	2,205,116,310	2,946,439,199	220,512,200	11,456,284,012	(119,710,082)	-	(160,347,728)	2,948,093,584	-	(263,275,867)	(206,256,492)	2,198,503,415	19,026,855,136	519,037,067	19,545,892,203	
Effect of initial application for new TFRS	2.3.1, 3.1	-	-	-	-	(2,220,014)	-	-	-	-	-	(2,220,014)	(2,220,014)	-	(2,220,014)	
Beginning balance as at November 1, 2020 - after effect of application for new TFRS	2,205,116,310	2,946,439,199	220,512,200	11,456,284,012	(119,710,082)	(2,220,014)	(160,347,728)	2,948,093,584	-	(263,275,867)	(206,256,492)	2,196,283,401	19,024,635,122	519,037,067	19,543,672,189	
Changes in shareholders' equity during the year																
- Dividends paid		-	-	-	-	-	-	-	-	-	-	-	-	(521,496)	(521,496)	
- Transfer gain (loss) on asset revaluation		-	-	31,217,360	-	-	-	(31,217,360)	-	-	-	(31,217,360)	-	-	-	
- Unrealized actuarial loss adjustment - net of tax		-	-	10,476,563	-	-	-	-	-	-	-	-	10,476,563	876,045	11,352,608	
- Comprehensive income (expense) for the year		-	-	615,789,324	85,908,389	(91,118,884)	12,594,976	-	(77,483,172)	-	-	(70,098,691)	545,690,633	11,466,414	557,157,047	
<b>Ending balance as at October 31, 2021</b>		<b>2,205,116,310</b>	<b>2,946,439,199</b>	<b>220,512,200</b>	<b>12,113,767,259</b>	<b>(33,801,693)</b>	<b>(93,338,898)</b>	<b>(147,752,752)</b>	<b>2,916,876,224</b>	<b>(77,483,172)</b>	<b>(263,275,867)</b>	<b>(206,256,492)</b>	<b>2,094,967,350</b>	<b>19,580,802,318</b>	<b>530,858,030</b>	<b>20,111,660,348</b>

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

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE YEAR ENDED OCTOBER 31, 2021

UNIT : BAHT

	Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
				Appropriated	Unappropriated	Other comprehensive income (expense)		Total other	
				Legal reserve		Loss	Gain (loss) on measuring	Gain on	
						on cash flow hedges	financial assets	asset revaluation	
								of shareholders' equity	
<b>For the year ended October 31, 2020</b>									
Beginning balance as at November 1, 2019		2,205,116,310	2,946,439,199	220,512,200	2,292,103,621	-	(106,189,331)	779,433,283	8,337,415,282
Changes in shareholders' equity during the year									
- Dividends paid	32	-	-	-	(220,510,728)	-	-	-	(220,510,728)
- Unrealized actuarial loss adjustment		-	-	-	(12,138,816)	-	-	-	(12,138,816)
- Comprehensive income (expense) for the year		-	-	-	(429,747,430)	-	(54,158,397)	92,494,668	(391,411,159)
<b>Ending balance as at October 31, 2020</b>		<u>2,205,116,310</u>	<u>2,946,439,199</u>	<u>220,512,200</u>	<u>1,629,706,647</u>	<u>-</u>	<u>(160,347,728)</u>	<u>871,927,951</u>	<u>7,713,354,579</u>
<b>For the year ended October 31, 2021</b>									
Beginning balance as at November 1, 2020 - before adjustment		2,205,116,310	2,946,439,199	220,512,200	1,629,706,647	-	(160,347,728)	871,927,951	7,713,354,579
Effect of initial application for new TFRS	2.3.1, 3.1	-	-	-	-	(2,220,014)	-	-	(2,220,014)
Beginning balance as at November 1, 2020 - after effect									
of application for new TFRS		2,205,116,310	2,946,439,199	220,512,200	1,629,706,647	(2,220,014)	(160,347,728)	871,927,951	7,711,134,565
Changes in shareholders' equity during the year									
- Transfer gain (loss) on asset revaluation		-	-	-	31,217,360	-	-	(31,217,360)	-
- Unrealized actuarial gain adjustment		-	-	-	(175,379)	-	-	-	(175,379)
- Comprehensive income (expense) for the year		-	-	-	460,843,980	(92,575,263)	12,594,976	(79,980,287)	380,863,693
<b>Ending balance as at October 31, 2021</b>		<u>2,205,116,310</u>	<u>2,946,439,199</u>	<u>220,512,200</u>	<u>2,121,592,608</u>	<u>(94,795,277)</u>	<u>(147,752,752)</u>	<u>840,710,591</u>	<u>8,091,822,879</u>

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

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED OCTOBER 31, 2021

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (loss) before income tax (expense) income		706,079,807	(164,191,938)	536,968,386	(661,909,368)
Adjustments for:					
Dividend income		-	(5,265,679)	(437,549,414)	(501,025,878)
Expected credit losses/Doubtful accounts (reversal)		201,049,243	55,497,044	(4,345,396)	4,038,343
Share of gain of investment in associates		(510,741,126)	(322,652,848)	-	-
Loss on sales of other long-term investments		-	1,818,600	-	1,818,600
Amortization (increase) of premium on bonds		(22,616)	(24,985)	-	-
Employee benefit expenses		16,349,413	14,137,129	6,424,797	5,954,575
Loss (gain) arising from changes in fair values of biological assets		5,413,858	37,058,989	(189,543)	(2,165,151)
Loss of diminution in value and obsolescence of inventories (reversal)		(56,740,441)	7,891,919	(60,119,015)	(8,363,659)
Loss on impairment of biological assets		108,314	2,071,618	108,314	1,069,194
Gain on land transfered land under contract		(44,251,469)	-	(44,251,469)	-
Depreciation and amortization		1,092,052,178	1,080,164,495	451,543,126	374,286,850
Loss (gain) on sales and disposal of assets		13,666,765	(77,013,371)	12,024,287	(321,016)
Loss on impairment of assets		18,652,036	113,540,223	-	5,212,297
Loss on impairment of investments in subsidiaries (reversal)		-	-	(40,498,684)	338,064,694
Gain arising from changes in fair values of investment properties		(208,726,648)	(122,974,698)	(78,671,648)	(39,625,695)
Unrealized loss (gain) on exchange rate		9,036,019	22,891	(46,674,084)	(33,107,491)
Interest income		(95,398,934)	(88,546,950)	(126,098,477)	(161,040,875)
Interest expenses		425,120,268	496,535,061	406,855,146	461,734,423
		1,571,646,667	1,028,067,500	575,526,326	(215,380,157)
Operating assets (increase) decrease					
Trade and other current receivables		(110,603,761)	267,497,302	(291,503,169)	1,932,432,424
Inventories		(601,398,616)	717,191,192	(88,945,116)	400,716,306
Current biological assets		(10,222,121)	(28,156,085)	4,765,647	(1,051,777)
Other current assets		1,110,037	27,300,490	(291,697)	22,247,808
Trade and other non-current receivables		(113,380,551)	312,001,780	(34,505,944)	98,779,656
Other non-current assets		18,658,029	(10,195,177)	18,404,524	(18,313,655)
Operating liabilities increase (decrease)					
Trade and other current payables		101,587,536	(41,243,319)	(41,903,912)	(300,383,925)
Current financial liabilities		39,045,532	-	37,225,060	-
Other current liabilities		11,320,027	(66,178,722)	841,852	(34,047,919)
Non-current provision for employee benefit		(52,664,848)	(84,373,442)	(28,658,907)	(37,382,792)
Other non-current liabilities		(12,600,595)	(8,750,086)	(4,173,780)	(6,299,331)
Cash received from operating activities		842,497,336	2,113,161,433	146,780,884	1,841,316,638
Interest paid		(409,420,285)	(526,859,694)	(368,637,784)	(492,688,519)
Income tax expense paid		(38,325,637)	(51,483,304)	(4,675,019)	(8,716,810)
Net cash provided by (used in) operating activities		394,751,414	1,534,818,435	(226,531,919)	1,339,911,309

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS (CONTINUED)

## FOR THE YEAR ENDED OCTOBER 31, 2021

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash payments for the purchases of other current financial assets/ temporary investments		(2,457)	(3,561)	-	-
Cash received from sales of other long-term investments		-	18,181,400	-	18,181,400
Cash received from short-term loans		134,019,856	52,423,546	698,575,363	1,104,869,947
Investment in a subsidiary		-	-	(999,700)	-
Decrease (increase) in loans for cane plantation development		20,942,481	49,433,385	(6,125,034)	5,689,742
(Increase) decrease in long-term loans		(55,963,792)	1,333,333	114,202,875	124,083,333
Cash received from interest income		58,522,409	57,365,915	101,944,310	151,242,138
Cash received from dividends of subsidiaries and others		56,544,369	23,678,471	437,549,414	504,677,921
Cash received from finance lease receivable		19,350,000	20,000,000	-	-
Cash payments for purchases of property, plant and equipment		(209,088,453)	(461,628,097)	(23,531,718)	(179,821,016)
Cash received from sales of property, plant and equipment		17,854,756	26,598,244	11,866,731	1,549,043
Cash payments for purchase of investment property		(9,906,206)	(16,847,953)	(668,241)	(2,944,305)
Cash received from sales of investment property		-	2,311,145	-	-
Cash payments for purchases of right-of-use assets		(916,685)	-	-	-
Cash payments of purchase of intangible assets		(270,005)	(1,303,935)	(215,000)	(1,150,000)
Cash received from sales of intangible assets		-	99,858	-	-
Cash received from sales of unused assets		398,827	-	-	-
Net cash provided by (used in) investing activities		31,485,100	(228,358,249)	1,332,599,000	1,726,378,203
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Increase (decrease) in short-term borrowings from financial institutions	6.2	(929,740,000)	2,023,369,500	(1,145,000,000)	2,426,000,000
(Decrease) increase in short-term borrowings	6.2	-	3,700,000	(136,400,000)	102,900,000
Cash repayment for long-term debentures	6.2	(1,350,000,000)	(3,500,000,000)	(1,350,000,000)	(3,500,000,000)
Cash received for long-term borrowings	6.2	3,900,000,000	-	3,500,000,000	-
Cash repayment from long-term borrowings	6.2	(1,945,620,000)	(1,897,000,000)	(1,917,000,000)	(1,897,000,000)
Cash repayment for lease liabilities	6.2	(13,064,609)	-	(62,260,000)	-
Cash payments for dividends to shareholders of the parent		-	(220,510,728)	-	(220,510,728)
Cash payments for non-controlling interests		(521,496)	(521,496)	-	-
Net cash used in financing activities		(338,946,105)	(3,590,962,724)	(1,110,660,000)	(3,088,610,728)
Exchange differences on translation of cash of foreign subsidiaries		(955,738)	(8,155,263)	-	-
Net increase (decrease) in cash and cash equivalents		86,334,671	(2,292,657,801)	(4,592,919)	(22,321,216)
Cash and cash equivalents at the beginning of the year		137,729,493	2,430,387,294	11,686,005	34,007,221
Cash and cash equivalents at the end of the year	6.3	224,064,164	137,729,493	7,093,086	11,686,005

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

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED OCTOBER 31, 2021**

**1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY**

Khon Kaen Sugar Industry Public Company Limited (the “Company”) was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 32 No. 0107547000214 and was listed with the Stock Exchange of Thailand on March 7, 2005. Its registered headquarter is located at No. 503 K.S.L. Tower, 9<sup>th</sup> Floor, Sriyudahya Road, Thanon Phaya Thai Sub-District, Ratchathewi District, Bangkok, and the locations of its 5 factories (branches) are as follows :

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

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

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

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

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

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

The Company’s major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 33.29% of issued and paid-up shares capital.

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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

The Company and its subsidiaries in Thailand maintain their accounting records in Thai Baht and prepare their statutory financial statements in Thai language in conformity with Thai Financial

Reporting Standards issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

The financial statements of the foreign subsidiaries are translated into Thai Baht for preparation of the consolidated financial statements (see Note 4.23).

- 2.1 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", and the Regulations of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding "The Preparation and Submission of Financial Statements and Reports for the Financial Position and Results of Operations of the Listed Companies B.E. 2560" and the Notification of the Department of Business Development dated December 26, 2019 regarding "The Brief Particulars in the Financial Statement (No. 3) B.E. 2562", which was effective for financial periods beginning on or after January 1, 2019 onwards.

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

- 2.2 These consolidated financial statements included the accounts of the Company and its subsidiaries (the "Group"). Significant transactions and balances between the Company and its subsidiaries have been eliminated for the preparation of the consolidated financial statements as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at October 31, 2021	As at October 31, 2020		
	%	%		
Subsidiaries in which the Company holds shares directly				
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Material Supplies Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of fertilizer and trading supply of agricultural
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
KSL Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
WSP Logistic Company Limited	100.00	100.00	Thailand	Service transport and shipping goods
KHUN CHUAN Company Limited (see Note 16)	99.97	-	Thailand	Social enterprise
Savannakhet Sugar Corporation	98.00	98.00	Laos	Agricultural operations, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.***	88.02	88.02	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services
Subsidiaries in which the Company holds shares indirectly				
K.S.L. Export Trading Co., Ltd.*	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Real Estate Company Limited**	91.02	91.02	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental



Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at	As at		
	October 31, 2021	October 31, 2020		
	%	%		
Subsidiary in which the Company holds the shares indirectly through Wynn In Trading Co., Ltd.				
Koh Kong Plantation Company Limited***	80.00	80.00	Cambodia	Agricultural operation

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

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

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

The accounting period of subsidiaries ended the same date as the Company (accounting period ended on October 31) except WSP Logistic Company Limited and KHUN CHUAN Company Limited whose accounting period ended December 31.

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

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

## 2.3 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period's financial statements

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. Most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The new Thai Financial Reporting standards which become effective for this fiscal year with changes to key principles are summarized below:

### 2.3.1 Groups of Financial Instruments Standards

#### **Thai Accounting Standards ("TAS")**

TAS 32 Financial Instruments: Presentation

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

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

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

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments:

- Classification and measurement of investments in equity instruments of listed companies which presented as investment available for sales. The Group classifies these investments at fair value and classifies them as financial assets at fair value through other comprehensive income.
- Classification and measurement of investments in equity instruments of non-listed companies. The Group measures these investments at fair value and classifies them as financial assets at fair value through profit or loss.
- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost.
- Recognition of expected credit losses. The Group recognizes an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables, other receivables and loans and the general approach to consider impairment of farmer receivables and loans for cane plantation development.
- Recognition of derivatives. The Group initially recognizes derivatives at their fair values on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognized in profit or loss. However, the Group applies hedge accounting for effective equity derivatives.
- Hedge accounting. The Group considers hedging relationships for derivatives which are designated as cash flow hedge. Changes in the fair values of these derivatives are recognized in other comprehensive income.

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

TFRS 16 supersedes TAS 17 "Leases" together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognized the cumulative effect of the adoption of this financial reporting standard as an adjustment to the retained earnings as at November 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3.

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

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are announced in the Royal Gazette and effective for fiscal years beginning on or after January 1, 2021 onwards. 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 Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group's in the period of initial application.

##### **The fiscal years begin on or after January 1, 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. 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 for some standards provide practical reliefs or temporary exemptions for users of the standards.

The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group's in the period of initial application.

### 3. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.3, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognized as an adjustment to retained earnings as of November 1, 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at November 1, 2020 due to the adoption of these standards are presented as follows:

	Consolidated financial statements			Unit: Thousand Baht
	The impacts of			
	As at October 31, 2020	Financial reporting standards related to financial instruments	TFRS 16	As at November 1, 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Temporary investments	264	(264)	-	-
Other current financial assets	-	264	-	264
<b>Non-current assets</b>				
Investments held as available for sale	149,565	(149,565)	-	-
Other non-current financial assets	-	157,116	-	157,116
Other long-term investments	7,551	(7,551)	-	-
Right-of-use assets	-	-	42,188	42,188
Other non-current assets	91,919	-	(12,758)	79,161
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	9,720	9,720
Other current financial liabilities	-	2,775	-	2,775
<b>Non-current liabilities</b>				
Lease liabilities	-	-	19,710	19,710
Deferred tax liabilities	1,210,254	(555)	-	1,209,699
<b>Shareholders' equity</b>				
Other components of equity	2,198,504	(2,220)	-	2,196,284

	Unit: Thousand Baht			
	Separate financial statements			
		The impacts of		
	As at October 31, 2020	Financial reporting standards related to financial instruments	TFRS 16	As at November 1, 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Investments held as available for sale	149,565	(149,565)	-	-
Other non-current financial assets	-	149,892	-	149,892
Other long-term investments	327	(327)	-	-
Right-of-use assets	-	-	15,133	15,133
Deferred tax assets	374	555	-	929
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	4,061	4,061
Other current financial liabilities	-	2,775	-	2,775
<b>Non-current liabilities</b>				
Lease liabilities	-	-	11,072	11,072
<b>Shareholders' equity</b>				
Other components of equity	711,580	(2,220)	-	709,360

### 3.1 Financial instruments

Details of the impact on other components of equity as at November 1, 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	Unit: Thousand Baht
	Consolidated/Separate financial statements
Recognition of derivatives under cash flow hedge - net of income tax	(2,220)
Impacts on other components of equity due to the adoption of financial reporting standards related to financial instruments	(2,220)

The Group classifies and measures the carrying value of financial assets in accordance with TFRS9, using amortized cost except the following cases:

- Derivative assets for which hedge accounting is applied are measured at fair value through other comprehensive income.
- Equity instruments are measured at fair value through other comprehensive income.

In addition, the Group has not designated any financial liabilities to be measured at fair value through profit or loss, except the derivative liabilities with fair values of Baht 2.78 million in consolidated and separate financial statements

### 3.2 Leases

Upon initial application of TFRS 16, the Group recognized lease liabilities which had previously been classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The lessees's weight average incremental borrowing rate applied to the lease liabilities recognized in the statement of financial position as at November 1, 2020 is 4.49% - 5.26% per annum.

The following table shows the operating lease commitments disclosed applying TAS 17 at November 1, 2020, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

*Impacts as at November 1, 2020 are as follows:*

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments at October 31, 2020	34,929	17,114
Short-term leases and leases of low-value assets	(2,834)	(443)
Effect of discounting the above amounts	(2,665)	(1,538)
Lease liabilities recognized as at November 1, 2020	<u>29,430</u>	<u>15,133</u>

	Unit : Thousand Baht	
	Consolidated financial statements	Separate financial statements
Right-of-use assets recognized as at October 31, 2020	29,430	15,133
Reclassified to right-of-use assets:		
Prepaid rental expenses	12,758	-
Right-of-use assets as at November 1, 2020	<u>42,188</u>	<u>15,133</u>

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Cash and cash equivalents

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

### 4.2 Temporary investments

#### a) Policies applicable prior to November 1, 2020

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

b) Policies applicable from November 1, 2020

Temporary investments designated as financial assets, disclosed in Note 4.15.

#### 4.3 Trade receivables, farmer receivables, and other receivables

a) Policies applicable prior to November 1, 2020

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

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

b) Policies applicable from November 1, 2020

Trade receivables, farmer receivables, and other receivables presentation at the net realizable value. The receivables net of allowance for expected credit losses (see in Note 4.15).

#### 4.4 Inventories

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

- Goods in process and finished goods of sugar and molasses are calculated by the average production cost in each production year using the first-in, first-out method.
- Finished goods of organic fertilizer are calculated by actual cost using the first-in, first-out method.
- Goods in process of organic fertilizer are calculated by actual cost using the specific method.
- Real estate development is calculated by using the specific method which consist of land cost, fulling cost, construction cost, utility system development cost and direct cost to acquire the products and set them to be ready for sale.
- Factory supplies are calculated using the weighted average method.

- Bagasse, direct raw materials and trading finished goods are calculated using the first-in, first-out method.
- Machine maintenance supplies are calculated using the weighted average method.

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

#### 4.5 Biological assets

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

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

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

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

#### 4.6 Investments in subsidiaries and associates

Investments in subsidiaries and associates are presented under the cost method net by the allowance for impairment for the separate financial statements. Investments in associates are presented by the equity method for the consolidated financial statements. The allowance for impairment is recognized in the statement of profit or loss.

#### 4.7 Investments

##### a) Policies applicable prior to November 1, 2020

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



value in the other comprehensive income. When these investments are sold or impaired in value, the recognition will be made through the statement of profit or loss.

- 4.7.2 Investments in debt instruments, which are held to maturity, will be classified as short-term or long-term investments according to the remaining maturity period. They are stated at amortized cost and deducted by the allowance for impairment (if any). Premium/discount over value of debt instruments is amortized by effective interest rates method and the amortization amount will be presented in the statement of profit or loss.
- 4.7.3 General investments that are non-marketable equity instruments are stated at cost less allowance for impairment (if any). Change in value of general investments is recognized in the statement of profit or loss when they are sold or impaired.

b) Policies applicable from November 1, 2020

Investments designated as financial assets, disclosed in Note 4.15.

4.8 Investment property

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

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

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

4.9 Property, plant and equipment

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

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

and decrease from cost will be recorded as loss from decrease in revaluation of assets in the statement of profit or loss.

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

Land improvement	3 - 60	years
Buildings and construction	2 - 76	years
Machineries and equipment	2 - 50	years
Motor vehicles and labor saving tools	3 - 28	years
Furniture and office equipment	2 - 37	years
Bearer plant	2	years

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

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

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

#### 4.10 Intangible assets

Intangible assets are computer software and land concession which are stated at cost less accumulated amortization and the allowance for impairment (if any).

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

Amortization of land concession is calculated by the straight-line method within 50 - 60 years.

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

#### 4.11 Impairment of assets

Impairment of assets is assessed at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount will be estimated. When the carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognized in the

statements of profit or loss (an asset's recoverable amount is the higher of net selling price or value in use of the assets).

#### 4.12 Debentures

##### a) Policies applicable prior to November 1, 2020

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

##### b) Policies applicable from November 1, 2020

Debentures designated as financial liabilities, disclosed in Note 4.15.

#### 4.13 Provisions

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

#### 4.14 Employee benefits

##### **Short-term employee benefits**

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

##### **Post-employment benefits and other long-term employee benefits**

###### *Defined contribution plans*

The Group and its 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 contributions of the Group is recognized as expenses when incurred.

*Defined benefit plans and other long-term employee benefits*

The Group has obligations in respect of the severance payments to its employees upon retirement under labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Group's creditors and cannot be returned to the Group, except the portion which reference to the provident fund's rules. The Group measures the fair value of plan assets by using market price.

Defined benefit liability or asset is the present value of the defined benefit obligation less the fair value of plan assets which is available to pay the employee benefits obligation directly.

Actuarial gains or losses arising from defined benefit plans are recognized immediately in other comprehensive income.

Actuarial gains or losses arising from other long-term benefit are recognized immediately in profit or loss.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment or the date that the Group recognizes restructuring-related cost.

#### 4.15 Financial instruments

a) Policies applicable prior to November 1, 2020

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

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

b) Policies applicable from November 1, 2020

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party under the contractual provisions of the instrument.

Financial assets

*Classification and measured of financial assets*

All recognized financial assets are measured subsequently at either amortized cost or fair value, depending on the classification of the financial assets.

Assets are measured at fair value through other comprehensive income and financial assets are measured at fair value through profit or loss ("FVTPL"). The Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

(1) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period.

Interest income is recognized in profit or loss and included in the "Finance income" line item.

(2) Equity instruments designated as at FVTOCI

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

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

The equity instrument designated at FVTOCI are not subject to impairment assessment.

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL;

- ☐ Investments in equity instruments held for trading are classified as at FVTPL (that is neither held for trading).
- ☐ Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss.

*Impairment of financial assets*

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(1) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. The exposure at default, for financial assets is represented by the asset's gross carrying amount as at the reporting date. The Group tries to understand of the specific future financing needs of the debtors, and other relevant forward-looking information.

### *Derecognition of financial assets*

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On the date of derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

### Financial liabilities

The Group's financial liabilities are initially recognized at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortized cost, except for derivative liabilities as described in Note 39 "Financial Instrument". In determining amortized costs, the Group takes into account any related fees or costs that are integral part of the effective interest rate (EIR). The EIR amortization is included in finance cost in profit or loss.

### Derivative financial instruments

The Group enters into derivative financial instruments which are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument in the event that the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months, and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### Hedge accounting

The Group designates certain derivatives as hedging instruments in related respect of foreign currency risk and interest rate risk including sugar price risk (commodity) through the main financial derivatives, namely forward exchange contracts, cross currency rate swap contracts, sugar futures contract and sugar future option contract.

#### Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognized in other comprehensive income.

#### Cash flow hedges

At the beginning of the hedging relationship, the Group prepares documentation of hedging relationship between the hedging instrument and the hedged item, and the risk management objectives and strategies for hedging-related items. The Group has documentation that hedging instruments are effectiveness in offsetting changes in the fair value or cash flows of hedged items related to hedged risks. When the hedging relationship is met, the hedge effectiveness is met.

The Group recognizes any gain or loss on the hedge instrument that is effectiveness for cash flow hedges in other comprehensive income. They are transferred to profit or loss when the hedged cash flows affect profit or loss or when they are no longer expected to occur. However, the accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the “other gains and losses” line item.

#### 4.16 Share premium account on ordinary shares

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

#### 4.17 Other components of shareholders' equity

- 4.17.1 Losses on internal restructure of entities under common control is the difference between net carrying value of investment received and acquisition cost of investment occurred from internal restructure of entities under common control. This investment was a merger of entities with the same former shareholders and management and the said difference is shown as a separate item in the statement of financial position under shareholders' equity and will be written off when the investment is disposed.
- 4.17.2 Losses on change in shareholding ratio in subsidiaries is the difference between the investment for changed proportion in subsidiaries and book value of the subsidiaries resulted from change in proportion of investment in such subsidiaries. This difference is shown as a separate item in the statement of financial position under the shareholders' equity and will be written off when the investment is disposed.



#### 4.18 Non-controlling interests

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

#### 4.19 Revenue recognition

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

##### 4.19.1 Revenue from sale of goods

Revenue from sale of goods is recognized 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.

##### 4.19.2 Rental income and its related services from an investment property

Rental income and its related services from an investment property are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

##### 4.19.3 Revenue from rendering of services

Revenue from rendering of services is recognized overtime when service have been rendered.

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

##### 4.19.5 Interest income and discount receivable from discounting notes receivable are recognized according to the related period.

##### 4.19.6 Dividend income is recognized when entitled to receive such dividend.

##### 4.19.7 Other incomes are recognized on an accrual basis.

#### 4.20 Expense recognition

Other expenses are recognized on an accrual basis.

#### 4.21 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive income using the effective interest method.

#### 4.22 Leases

The Group has applied TFRS 16 using the cumulative catch-up approach. Therefore, comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 as follows:

a) Policies applicable from November 1, 2020

*The Group as lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. The Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- ☐ Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- ☐ Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- ☐ The amount expected to be payable by the lessee under residual value guarantees;
- ☐ The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- ☐ Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented in a separate line in the consolidated and separate statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- ☐ The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- ☐ The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- ☐ A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the year presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs of dismantling and removing a leased asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use assets is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in a separate line in the consolidated and separate statements of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group does not used this practical expedient.

b) Policies applicable prior to November 1, 2020

Operating leases

Long-term leases for assets which a significant portion of the risks and rewards of ownership is still retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as expenses to the statement of profit or loss on a straight-line basis over the periods of the leases.

When operating leases are terminated before the lease periods expire, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

Finance leases

Leases in which substantially all the risks and rewards of ownership, except legal title, are accounted for as finance leases. The Group capitalized the assets and recorded the liabilities in the statements of financial position of the lessee in the amount at the lower of the estimated present value of the underlying lease payments or at the fair value of the leased asset at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is calculated by the effective interest rate method over the terms of the contracts. Financial charge and depreciation are recognized as expenses in statement of profit and loss.

4.23 Foreign currency transactions

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on that date. Exchange gains or losses either realized or unrealized are included as incomes or expenses in the statement of profit or loss for the year.

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

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

- c. Revenues and expenses are translated to Thai Baht at average foreign exchange rates for the year.

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

#### 4.24 Related parties

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

#### 4.25 Income tax expenses

Income tax expense represent the sum of the current tax and deferred tax.

##### 4.25.1 Current tax

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

##### 4.25.2 Deferred tax

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

The Company and its subsidiaries measure deferred tax assets and deferred tax liabilities at the tax rates that are expected to apply to the period when the asset is realized or the

liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

#### 4.26 Earnings (loss) per share

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

#### 4.27 Sectorial business operations

Sectorial business operations are disclosed under the separate business segments of the Group. By the business segment that sources products or provides services which have different risks and return from the risks and return of the products or services provided by other business segments.

#### 4.28 Fair value measurement

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

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

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

## 5. USE OF MANAGEMENT JUDGEMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

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

The significant accounting estimate which requires the Company's and its subsidiaries' management to exercise the significant judgements.

- Allowance for expected credit losses of farmer receivables and loans for cane plantation development (financial assets)

In determining allowance for expected credit losses of farmer receivables and loans for cane plantation development, the management needs to use judgement and estimates based upon, among other things, past collection history, the aging profile of outstanding debts and forecasts of economic condition for groupings of various farmer segments with similar credit risks. The Group's historical credit loss experience and forecasts of economic conditions used by the Group may not reflect whether a farmer will actually default in the future.

- Estimated allowance for impairment of investments in foreign subsidiaries and allowance for impairment of buildings and equipment of foreign subsidiaries

In the event that subsidiaries in a foreign country continues to operate the business, the Company considers the allowance for impairment from the value in use. It uses management's judgement about the underlying assumptions in projecting expected future cash flows which is the market condition of the business and other relevant factors according to the strategy or business plan. In the event that the subsidiary is in the process of suspending operations, the Company estimates the amount to be recovered of the higher of the asset's value in use as described above and fair value less costs to sell.

However fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management.

- Estimate allowance for investment in associates

The Company estimates recoverable amount of investment in associates for impairment consideration. The management estimated the future cash flows 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.



- Fair value of investment property and lands

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

Information about valuation techniques and inputs used in determining the fair value of investment property and lands are disclosed in Notes 20 and 21.

- Unrecognized deferred tax assets

The Group recognizes deferred tax assets for temporary difference arising between the tax bases of assets or liabilities and their carrying amounts for financial reporting purposes at the statement of financial position date. Management judgement is used in assessing the Group's ability to generate its future profit. The Group recognizes deferred tax assets at end of reporting period only for amount being utilized considering that it is highly probable that the sufficient future taxable profit will be generated to utilize such amount (see Note 30).

## 6. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

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

Type of Transactions	Consolidated		Unit : Thousand Baht	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2021	2020	2021	2020
Purchases of property, plant and equipment which have not yet been paid	21,868	13,597	7,412	1,429
Transfer of property, plant and equipment to investment property	(73,875)	-	(73,875)	-
Transfer unused assets to property, plant and equipment	-	234	-	-
Transfer other current assets to other non-current assets	20,957	-	8,717	-
Transfer equipment to intangible assets	450	-	450	-
Transfer of advance payment for shares to investments in subsidiaries	-	-	-	775,320
Transfer of short-term loans to investments in subsidiaries	-	-	-	3,707



6.2 Changing in liabilities arising from financing activities for the years ended October 31, are as follows:

2021

Unit : Thousand Baht

	Consolidated Financial Statements			
	Balance as at November 1, 2020	Financing cash flows	Non-cash changes	Balance as at October 31, 2021
Short-term borrowings from financial institutions	6,912,515	(929,740)	(841)	5,981,934
Short-term borrowings from related parties and others	7,100	-	-	7,100
Long-term borrowings from financial institutions	4,852,000	1,954,380	100,068	6,906,448
Long-term debentures	6,995,997	(1,350,000)	1,604	5,647,601
Lease liabilities	-	(13,065)	41,630	28,565
Total	18,767,612	(338,425)	142,461	18,571,648

Unit : Thousand Baht

	Separate Financial Statements			
	Balance as at November 1, 2020	Financing cash flows	Non-cash changes	Balance as at October 31, 2021
Short-term borrowings from financial institutions	4,901,000	(1,145,000)	(841)	3,755,159
Short-term borrowings from related parties and others	545,500	(136,400)	-	409,100
Long-term borrowings from financial institutions	4,852,000	1,583,000	100,068	6,535,068
Long-term debentures	6,995,997	(1,350,000)	1,604	5,647,601
Lease liabilities	-	(62,260)	368,413	306,153
Total	17,294,497	(1,110,660)	469,244	16,653,081

2020

Unit : Thousand Baht

	Consolidated Financial Statements			
	Balance as at November 1, 2019	Financing cash flows	Non-cash changes	Balance as at October 31, 2020
Short-term borrowings from financial institutions	4,880,138	2,023,370	9,007	6,912,515
Short-term borrowings from related parties and others	3,400	3,700	-	7,100
Long-term borrowings from financial institutions	6,749,000	(1,897,000)	-	4,852,000
Long-term debentures	10,493,600	(3,500,000)	2,397	6,995,997
Total	22,126,138	(3,369,930)	11,404	18,767,612

Unit : Thousand Baht

	Separate Financial Statements			Balance as at October 31, 2020
	Balance as at November 1, 2019	Financing cash flows	Non-cash changes	
Short-term borrowings from financial institutions	2,465,992	2,426,000	9,008	4,901,000
Short-term borrowings from related parties and others	442,600	102,900	-	545,500
Long-term borrowings from financial institutions	6,749,000	(1,897,000)	-	4,852,000
Long-term debentures	10,493,600	(3,500,000)	2,397	6,995,997
Total	<u>20,151,192</u>	<u>(2,868,100)</u>	<u>11,405</u>	<u>17,294,497</u>

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

Type of Transactions	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash	961	2,998	182	1,418
Deposits at banks - Current accounts	16,336	3,339	1,068	(3,174)
Deposit at banks - Savings accounts	46,248	131,392	5,843	13,442
Deposits in transit	160,519	-	-	-
Total	<u>224,064</u>	<u>137,729</u>	<u>7,093</u>	<u>11,686</u>

## 7. TRANSACTIONS WITH RELATED PARTIES

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

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

Type of Balances	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2021	2020	2021	2020
Trade and other current receivables				
Subsidiaries	-	-	224.72	208.37
Associates	0.48	1.59	0.48	1.19
Related parties	91.90	48.41	35.49	0.34
Total	<u>92.38</u>	<u>50.00</u>	<u>260.69</u>	<u>209.90</u>
Current portion of finance lease receivables (see Note 9)				
Related parties	<u>19.34</u>	<u>20.00</u>	<u>-</u>	<u>-</u>
Short-term loans (Included current portion of long-term loans) (see Note 10)				
Subsidiaries	-	-	1,034.42	2,161.87

Type of Balances	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	Financial Statements
Other current assets				
Subsidiaries	-	-	105.01	37.61
Associates	5.50	5.50	5.50	5.50
Related parties	0.80	0.91	0.45	0.50
Total	6.30	6.41	110.96	43.61
Finance lease receivables - net of current portion				
Related parties	361.25	360.60	-	-
Long-term loans				
(Excluded current portion of long-term loans with presented in short-term loans)				
Subsidiaries	-	-	2,358.00	1,979.50
Other non-current assets				
Subsidiaries	-	-	3.27	3.29
Related parties	0.02	0.02	-	-
Total	0.02	0.02	3.27	3.29
Trade and other current payables				
Subsidiaries	-	-	70.39	130.52
Associates	2.16	0.32	1.62	-
Related parties	20.15	46.35	-	7.07
Total	22.31	46.67	72.01	137.59
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	0.03	0.15
Current portion of lease liabilities				
Subsidiaries	-	-	34.72	-
Short-term borrowings				
Subsidiaries	-	-	402.00	538.40
Related parties	7.10	7.10	7.10	7.10
Total	7.10	7.10	409.10	545.50

Type of Balances	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	Financial Statements
	2021	2020	2021	2020
Other current liabilities				
Subsidiaries	-	-	0.04	0.04
Related parties	0.02	0.02	-	-
Total	0.02	0.02	0.04	0.04
Lease liabilities				
Subsidiaries	-	-	256.23	-
Other non-current liabilities				
Subsidiaries	-	-	0.47	0.47
Related parties	1.04	1.19	1.04	1.19
Total	1.04	1.19	1.51	1.66

As at October 31, 2021 and 2020, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 1.19% - 2.90% per annum and 1.40% - 3.97% per annum, respectively.

As at October 31, 2021 and 2020, long-term loans to subsidiaries represented loans with maturity date within 2022 - 2027 carrying the interest rates at 2.03% - 3.90% per annum and 2.03% - 3.97% per annum, respectively.

As at October 31, 2021 and 2020, short-term borrowings from subsidiaries and related parties represented promissory notes payable on demand, carrying the interest rates at 0.80% per annum and 1.22% - 1.30% per annum, respectively.

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

Type of Transactions	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2021	2020	2021	2020
Revenues from sales and rendering of services				
Subsidiaries	-	-	1,605.14	2,160.00
Associates	0.13	-	-	-
Related parties	1,170.57	1,335.66	478.23	525.75
Total	1,170.70	1,335.66	2,083.37	2,685.75
				5
Cost of sales and rendering of services				
Subsidiaries	-	-	836.67	1,590.34
Related parties	19.65	19.06	-	-
Total	19.65	19.06	836.67	1,590.34
Interest income from finance leases				
Related parties	19.34	20.00	-	-
Other incomes				
Subsidiaries	-	-	163.80	139.81
Associates	66.64	30.54	61.93	28.39
Related parties	8.59	15.09	5.09	8.48
Total	75.23	45.63	230.82	176.68
Distribution costs				
Subsidiaries	-	-	25.81	8.35
Associates	9.19	23.12	4.78	6.10
Total	9.19	23.12	30.59	14.45

Type of Transactions	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2021	2020	2021	2020
Administrative expenses				
Subsidiaries	-	-	0.18	3.07
Related parties	16.32	15.87	6.62	6.73
Related juristic person	16.78	10.92	15.30	9.85
Total	<u>33.10</u>	<u>26.79</u>	<u>22.10</u>	<u>19.65</u>
Financial costs				
Subsidiaries	-	-	26.74	7.54
Related parties	0.03	-	0.03	-
Related juristic person	0.04	0.07	0.04	0.07
Total	<u>0.07</u>	<u>0.07</u>	<u>26.81</u>	<u>7.61</u>
Management compensation				
Short-term employee benefits	90.17	142.00	42.46	58.69
Post-employment benefits	3.15	0.40	1.32	0.19
Total	<u>93.32</u>	<u>142.40</u>	<u>43.78</u>	<u>58.88</u>

#### POLICIES OF INTER-PRICE SETTING

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

- Fees for goods custody are charged according to the volume of the goods and the custody period at general market rates.
- Expenses paid on behalf of each other are charged at actual.

7.3 Relationship of related parties other than subsidiaries and associates consisted of:

Company Names	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related party	Same group of shareholder and mutual directors
On Nuj Construction Co., Ltd.	Related party	Same group of shareholder and mutual directors
Raja Ceramics Co., Ltd.	Related party	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related party	Same group of shareholders
P M T Precious Group Co., Ltd.	Related party	Same common mutual directors
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building
KSL Green Innovation Public Company Limited	Related party	Same common shareholder and mutual directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Related party	Same common mutual directors

All of the aforementioned related entities are incorporated in Thailand.

Prachuap Industry Co., Ltd. holds no part in management of the Company, but is a related party, where certain directors of Prachuap Industry Co., Ltd. are also directors of K.S.L. Export Trading Co., Ltd., which is subsidiary of Khon Kaen Sugar Industry Public Company Limited.

## 8. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Trade receivables	549,612	306,535	303,530	216,455
Current farmer receivables	248,747	248,503	215,300	141,423
Receivables from the Office of the Cane and Sugar Fund	132,794	446,728	64,113	246,617
Other receivables	15,621	9,897	188,740	62,873
Prepaid expenses	30,989	23,684	22,040	18,124
Advance payments	9,538	1,178	301	394
Accrued income	76,793	166,106	136,683	61,548
Total trade and other current receivables	<u>1,064,094</u>	<u>1,202,631</u>	<u>930,707</u>	<u>747,434</u>

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Related parties	90,988	48,077	74,890	149,351
Others	458,624	258,458	228,640	67,104
Total trade receivables	549,612	306,535	303,530	216,455

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

## 8.1.1 Trade receivables - related parties

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Domestic trade receivables				
Not yet due	90,988	48,077	74,890	136,924
Overdue not over 3 months	-	-	-	12,427
Total trade receivables - related parties	90,988	48,077	74,890	149,351

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

## 8.1.2 Trade receivables - others

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	140,083	118,065	53,097	26,721
Overdue not over 3 months	54,653	45,346	16,745	7,657
Total	194,736	163,411	69,842	34,378
Foreign trade receivables				
Not yet due	161,747	32,726	158,798	32,726
Overdue not over 3 months	200	-	-	-
Total	161,947	32,726	158,798	32,726
Total of business are to manufacture and distribute sugar and molasses	356,683	196,137	228,640	67,104
Manufacture and distribution of electricity				
Domestic trade receivables				
Not yet due	61,295	21,576	-	-
Overdue not over 3 months	35,323	28,651	-	-
Total of business of manufacturing and distributing of electricity	96,618	50,227	-	-

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Other business				
Domestic trade receivables				
Not yet due	1,650	1,436	-	-
Overdue not over 3 months	2,267	5,312	-	-
Overdue over 3 months and not over 6 months	880	2,014	-	-
Overdue over 6 months and not over 12 months	465	3,068	-	-
Overdue over 12 months	61	264	-	-
Total other business	5,323	12,094	-	-
Total trade receivables - others	458,624	258,458	228,640	67,104

The normal credit terms granted by the customers of the Company and subsidiaries range from 7 days to 30 days.

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Cane receivables				
Season 2020/2021	35,353	-	22,190	-
Season 2019/2020	42,915	60,021	5,036	9,479
Season 2018/2019	58,513	67,002	10,471	11,066
Season 2017/2018	13,619	15,872	5,758	5,890
Season 2016/2017	19,785	22,225	6,559	7,897
Before Season 2016/2017	158,402	164,731	35,766	37,955
Total cane receivables	328,587	329,851	85,780	72,287
Advance payment for purchases of cane				
Season 2021/2022	248,747	-	215,300	-
Season 2020/2021	-	136,853	-	116,248
Total advance payment for purchases of cane	248,747	136,853	215,300	116,248
Receivables from fuel oil, fertilizer and other services	18,016	19,061	16,128	17,014
Total	595,350	485,765	317,208	205,549
<u>Less</u> Allowance for expected credit loss /				
Allowance for doubtful accounts	(207,676)	(126,339)	(37,883)	(48,246)
Total farmer receivables	387,674	359,426	279,325	157,303
<u>Less</u> Non-current portion	(138,927)	(110,923)	(64,025)	(15,880)
Total current farmer receivables	248,747	248,503	215,300	141,423

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



## 8.3 Receivables from the Office of the Cane and Sugar Fund as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Receivables from sugar cane prices	1,245,584	1,272,902	726,439	753,500
Receivables from compensation for production and distribution of sugar	533,822	533,074	311,331	310,700
Total receivables from the Office of the Cane and Sugar Fund	1,779,406	1,805,976	1,037,770	1,064,200
<u>Less</u> Compensation for production and distribution of sugar	(44,628)	-	(33,107)	-
<u>Offset</u> Short-term loans and interest expense from the Office of Cane and Sugar Fund	(1,031,438)	(1,029,349)	(627,916)	(626,655)
Contribution to the Cane and Sugar Fund	(570,546)	(329,899)	(312,634)	(190,928)
Total current receivables from the Office of the Cane and Sugar Fund	132,794	446,728	64,113	246,617

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

As at October 31, 2020, the Company and its subsidiaries offset the contribution payable to the Cane and Sugar Fund with the receivables from the Office of the Cane and Sugar Fund in accordance with the resolution agreed by the Cabinet's meeting on October 28, 2020. The management of the Company and its subsidiaries expect the Cane and Sugar Fund to finalise the calculation and pay compensation for the sugar cane price and the compensation for the production and distribution of sugar in the next fiscal year; therefore classified the compensation to be received in the next fiscal year as "Current portion of amounts due from the Office of the Cane and Sugar Fund".

On February 4, 2021, the Board of the Office of the Cane and Sugar Fund passed a resolution to approve the compensation for sugar cane prices and production and distribution for the 2017/2018 harvesting years to the Company and its subsidiaries, bringing the short-term loans and interest expense of the Office of the Cane and Sugar Fund under a loan scheme to increase the liquidity of sugar cane mills to offset with the compensation. There was the remaining amount after being offset which the Company and its subsidiaries already received the full payment on February 15, 2021.

On May 6, 2021, the Board of the Office of the Cane and Sugar Fund passed a resolution to approve the compensation for sugar cane prices and production and distribution for the 2018/2019 harvesting years to the Company and its subsidiaries, offset with Section 57 of the Cane and Sugar Act, B.E. 2527 for the production season of 2019/2020 in the amount of Baht 19.05 million in the separate financial statements and in the amount of Baht 37.67 million in the consolidated financial statements.

On May 13, 2021, the Board of the Office of the Cane and Sugar Fund passed a resolution to charge for the Cane and Sugar Fund as to support the objectives of the Cane and Sugar Fund B.E. 2563 for the production season 2020/2021 at the rate of Baht 20 per ton cane by offsetting the debts to the Company and its subsidiaries until the Office of Cane and Sugar Fund has no the balance owed by the Company and its subsidiaries.

## 9. FINANCE LEASE CURRENT RECEIVABLE

On November 1, 2019, a subsidiary had entered into the financial lease agreement with the related party for land, including structure and machines, includes other assets as stipulated in the agreement. The related party will be able to purchase these assets within 5 years after the agreement date. As at October 31, finance lease current receivable is as follows:

		Unit : Thousand Baht	
		Consolidated	
		Financial Statements	
		2021	2020
Within 1 year		19,350	19,350
Over 1 year - 5 years		427,990	447,340
		447,340	466,690
<u>Less</u> Unearned interest income		(66,752)	(86,090)
		380,588	380,600
<u>Less</u> Current portion (see Note 7.1)		(19,337)	(19,999)
Total		361,251	360,601

## 10. SHORT-TERM LOANS

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

		Unit : Thousand Baht	
		Consolidated	
		Financial Statements	
		2021	2020
Short-term loans to subsidiaries and related parties (see Note 7.1)		-	-
Short-term loans to farmers		468,385	585,617
Current portion of long-term loans to subsidiaries (see Note 7.1)		-	-
Current portion of long-term loans to others		13,297	1,333
Current portion of loans for cane plantation development		106,753	198,884
Total short-term loans		588,435	785,834

As at October 31, 2021 and 2020, short-term loans to farmers in the consolidated financial statement of Baht 401.01 million and Baht 526.19 million, respectively, and in the separate financial statements of Baht 232.66 million and Baht 296.36 million, respectively, represent loans from discounted post-dated checks which the Company and its subsidiaries issued to the farmers on purchases of sugar cane, which the farmers discounted sale to the Company and its subsidiaries with interest rates based on average lending rates of commercial banks. For the remaining in the consolidated financial statement of Baht 67.37 million and Baht 59.43 million, respectively,

represent each advance to farmers to support their sugar cane plantation with certain terms and conditions and interest rates based on rates or commercial banks.

## 11. INVENTORIES

Inventories as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	Financial Statements	
			2021	2020
Sugar and molasses	1,997,480	1,344,941	1,137,138	873,845
Bio-fertilizer	5,253	23,863	-	-
Bagasse	146,410	142,587	-	-
Real estate development	119,750	119,750	-	-
Factory supplies	64,540	71,998	15,574	48,968
Machine maintenance supplies	398,471	427,366	118,414	259,369
	<u>2,731,904</u>	<u>2,130,505</u>	<u>1,271,126</u>	<u>1,182,182</u>
<u>Less</u> Allowance for deteriorated or obsolete inventories	(22,876)	(25,324)	(1,243)	(5,480)
Allowance for diminution in value of inventories	(1,591)	(55,883)	-	(55,883)
Total inventories	<u>2,707,437</u>	<u>2,049,298</u>	<u>1,269,883</u>	<u>1,120,819</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	Financial Statements	
			2021	2020
Beginning balance	(25,324)	(21,943)	(5,480)	(2,981)
<u>Add</u> (Increase) disposal during the years - recognized as expense for the years	2,448	(3,381)	4,237	(2,499)
Ending balance	<u>(22,876)</u>	<u>(25,324)</u>	<u>(1,243)</u>	<u>(5,480)</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	Financial Statements	
			2021	2020
Beginning balance	(55,883)	(51,373)	(55,883)	(50,018)
<u>Add</u> Reversal (increase) during the years - recognized as cost of sales for the years	54,292	(4,510)	55,883	(5,865)
Ending balance	<u>(1,591)</u>	<u>(55,883)</u>	<u>-</u>	<u>(55,883)</u>

## 12. CURRENT BIOLOGICAL ASSETS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Beginning book value	41,680	52,368	4,684	2,537
Gain (loss) on arising from change in fair value	(5,414)	(37,059)	190	2,165
Additional plantation costs during the years	55,868	75,715	216	3,323
Amortization from harvesting during the years	(45,646)	(47,559)	(4,982)	(2,272)
Loss from plantation	(108)	(1,785)	(108)	(1,069)
Ending book value	<u>46,380</u>	<u>41,680</u>	<u>-</u>	<u>4,684</u>

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

## 13. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at October 31, 2021 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	Current	Non-current	Current	Non-current
<b>Financial assets - Equity securities measured at fair value through other comprehensive income</b>				
Available for sales marketable securities	-	165,309	-	165,309
<b>Financial assets - Equity securities measured at fair value through profit or loss</b>				
General investments	-	797	-	327
<b>Financial assets measured at amortized cost</b>				
Time deposits with maturities of more than 3 months but not later than 12 months	267	-	-	-
Bonds	-	6,777	-	-
<b>Total other current financial assets</b>	<u>267</u>	<u>172,883</u>	<u>-</u>	<u>165,636</u>

## 14. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale as at October 31, 2020 consisted of:

	Parentage of Shareholding Direct and indirect	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
	%		
Marketable equity securities-Available-for-sale-securities			
- Mud & Hound Public Company Limited (Formerly "Madman Public Company Limited")	7.46	432,952	432,952
Change in fair value		(283,387)	(283,387)
Total investments held as available for sale		<u>149,565</u>	<u>149,565</u>

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

As at October 31, 2021, the investments held as available-for-sale is classified as other non-current financial assets in accordance with TFRSs related to financial instruments.

## 15. INVESTMENTS IN ASSOCIATES

Investments in associates as at October 31, consisted of:

### Consolidated Financial Statements

Company Name	Paid-up		Percentage of		2021			2020		
	Share Capital		Shareholding		Investment		Dividend	Investment		Dividend
							for			for
	2021	2020	2021	2020	Cost method	Equity method	the year	Cost method	Equity method	the year
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	555,066	15,978	90,267	541,561	14,608
T S G Trading Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	2,061	2,061	-
T S Oil Industry Co., Ltd.*	300,000	300,000	0.62	0.62	1,855	1,855	-	1,855	1,855	-
T S Flour Mill Public Company Limited*	398,664	398,664	0.07	0.07	391	85	54	391	140	52
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	317	-	509	317	101
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	40,508	40,508	-
BBGI Public Company Limited	2,532,000	2,532,000	40.00	40.00	3,244,868	4,050,023	40,512	3,244,868	3,686,759	-
Total					<u>3,380,459</u>	<u>4,649,915</u>	<u>56,544</u>	<u>3,380,459</u>	<u>4,273,201</u>	<u>14,761</u>

### Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment		Dividends	
	Share Capital		Shareholding		Cost method		For the years ended	
							October 31,	
	2021	2020	2021	2020	2021	2020	2021	2020
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	90,267	15,978	14,608
T S G Trading Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.*	300,000	300,000	0.62	0.62	1,855	1,855	-	-
T S Flour Mill Public Company Limited*	398,664	398,664	0.07	0.07	391	391	54	52
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	-	101
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	-
BBGI Public Company Limited	2,532,000	2,532,000	40.00	40.00	3,244,868	3,244,868	40,512	-
Total					<u>3,380,459</u>	<u>3,380,459</u>	<u>56,544</u>	<u>14,761</u>

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

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

	Unit : Million Baht									
	Percentage of Shareholding	Current Assets	Non- Current Assets	Total Assets	Current Liabilities	Non- Current Liabilities	Total Liabilities	Total Revenues	Total Expense	Profit
	%									
<b>2021</b>										
Thai Sugar Terminal Public Company Limited*	23.82	841	3,887	4,728	434	474	908	2,149	1,959	190
BBGI Public Company Limited*	40.00	3,854	9,784	13,638	2,759	3,670	6,429	14,573	13,112	1,461
<b>2020</b>										
Thai Sugar Terminal Public Company Limited*	23.82	1,135	4,017	5,152	885	507	1,392	2,302	2,149	153
BBGI Public Company Limited*	40.00	2,679	9,193	11,872	3,545	2,225	5,770	11,365	10,443	922

\*The associates have accounting periods ended December 31.

The Board of Directors of BBGI Public Company Limited meeting on November 9, 2021 approved the interim dividends from profit for the nine-month period ended September 30, 2021 at Baht 0.79 per share. The dividends will be paid to shareholders on December 8, 2021.

The Company assessed the impairment of investments in associates by estimating the recoverable amount of investment in associates. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

## 16. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at October 31, consisted of:

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment		Dividends	
	Share Capital		Shareholding		Cost method		For the years ended October 31,	
	2021	2020	2021	2020	2021	2020	2021	2020
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	-	-
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-
KSL Real Estate Company Limited	840,000	840,000	40.77	40.77	319,134	319,134	-	-
KSL Export Trading Company Limited	20,000	20,000	33.88	33.88	6,775	6,775	1,016	1,016
KSL Material Supply Company Limited	480,000	480,000	100.00	100.00	479,119	479,119	60,000	-
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	319,989	479,983
KSL Agro & Trading Company Limited	300,000	300,000	100.00	100.00	300,000	300,000	-	-
KSL WSP Logistic Company Limited	250	250	100.00	100.00	250	250	-	-
KHUN CHUAN Company Limited	1,000	-	99.97	-	1,000	-	-	-
Savannakhet Sugar Corporation	687,727	684,757	98.00	98.00	674,178	674,178	-	-
Koh Kong Sugar Industry Company Limited *	1,946,687	1,167,660	88.02	88.02	1,711,616	1,711,616	-	-
Wynn In Trading Company Limited *	487,497	487,497	100.00	100.00	487,497	487,497	-	-
Total					6,706,556	6,705,556	381,005	480,999
Less Allowance for impairment of investments					(2,092,710)	(2,133,209)	-	-
Total investments in subsidiaries					4,613,846	4,572,347	381,005	480,999

\* These are foreign subsidiaries including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn In Trading Co., Ltd. at 80%. Furthermore, Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year. As at October 31, 2021, loss of Koh Kong Plantation Company Limited exceed 75% of the registered share capital. The Company's management temporarily suspends its operations to adjust the internal structure of the subsidiary.

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

	Unit : Thousand Baht	
	Separate	
	Financial Statements	
	2021	2020
Beginning balance	4,572,347	4,131,385
Increase of investment		
KHUN CHUAN Company Limited	1,000	-
Koh Kong Sugar Industry Company Limited	-	779,027
Increase in allowance for impairment of investments		
Koh Kong Sugar Industry Company Limited	(39,398)	(240,619)
Wynn In Trading Company Limited	(5,714)	(97,446)
Reversal of allowance for impairment of investments		
KSL Material Supply Company Limited	5,884	-
Savannakhet Sugar Corporation	79,727	-
Ending balance	4,613,846	4,572,347

On March 26, 2021, the Executive Board Meeting No. 5/2020-2021 approved the establishment of a new subsidiary, KHUN CHUAN Company Limited, to operate the social enterprise. With authorized share capital of Baht 1,000,000 (10,000 shares at par value of Baht 100.00 each) which has already been called and paid-up for the shares capital in full. Such subsidiary incorporated with the Ministry of Commerce on April 1, 2021. The Company directly invested 99.97%.

As at October 31, 2020, Koh Kong Sugar Industry Company Limited registered the capital increase in amount of USD 24,120,000 by issuing additional 67 shares at its par value of USD

360,000 per share for reduction of its deficit. The Company fully paid share subscriptions by offsetting to long-term loans to the subsidiary. Koh Kong Plantation Company Limited has been registered the capital decrease in amount of USD 15,000,000 for reduction of its deficit by decrease its par value from USD 300,000 per share to USD 150,000 per share.

As at October 31, 2021 and 2020, the Company made an assessment of impairment loss to investment in Koh Kong Sugar Industry Company Limited and Wynn In Trading Company Limited, which the independent appraiser evaluated the assets that generated future cash inflows and recorded impairment loss of investments in subsidiaries amounting to Baht 45.11 million and Baht 338.06 million, respectively in the separate statements of profit or loss for the years ended October 31, 2021 and 2020.

As at 31 October 2021, the Company made an assessment of the recoverable amount of investments in KSL Material Supply Co., Ltd. and Savannakhet Sugar Corporation based on the expected future cash flows method. The estimated results showed that the recoverable amount was exceed than the book value amount. Therefore, the Company recorded reversal allowance for impairment of such investments amounting to Baht 85.61 million in statement of profit or loss for the year ended October 31, 2021, in the separate financial statements.

## 17. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at October 31, 2020 consisted of:

	Parentage of Shareholding	Consolidated	Unit : Thousand Baht Separate
	Direct and Indirect	Financial Statements	Financial Statements
	%		
General Investments			
- Thai Cane and Sugar Co., Ltd.	3.93	787	323
- Thai Sugar Millers Co., Ltd.	7.36	10	4
Total		797	327
Held-to-maturity debt securities - government bonds		6,749	-
Add Amortization of discount on bonds		5	-
Net		6,754	-
Total other long-term investments		7,551	327

As at October 31, 2021, other long-term investments are classified as other non-current financial assets in accordance with TFRSs related to financial instruments.



**18. TRADE AND OTHER NON-CURRENT RECEIVABLES**

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

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Trade receivables and other receivables	27,132	23,099	3,928	7,286
Farmer receivables	346,603	237,262	101,907	64,126
Total	373,735	260,361	105,835	71,412
<u>Less</u> Allowance for expected credit loss /				
Allowance for doubtful accounts	(226,371)	(143,434)	(41,810)	(54,284)
Total trade and other non-current receivables - net	147,364	116,927	64,025	17,128

Movements in allowance for expected credited losses of trade and other non-current receivables are as follows:

	<b>Consolidated</b>	<b>Unit : Thousand Baht</b>
	<b>Financial Statements</b>	<b>Separate</b>
		<b>Financial Statements</b>
Beginning balance	(143,434)	(54,284)
(Provision) reversal for expected credit losses	(84,262)	12,448
Amount written off	1,325	26
Ending balance	(226,371)	(41,810)

**19. LONG-TERM LOANS**

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

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Long-term loans to subsidiaries	-	-	2,458,000	3,041,940
Long-term loans to others	57,297	1,333	57,297	1,333
Loans for cane plantation development	428,319	448,134	126,532	126,647
Total	485,616	449,467	2,641,829	3,169,920
<u>Less</u> Allowance for expected credit loss /				
Allowance for doubtful accounts	(228,942)	(104,903)	(17,213)	(15,411)
<u>Less</u> Current portion (included as part of short-term loans, see Note 10)	(120,050)	(200,217)	(155,095)	(1,095,336)
Total long-term loans	136,624	144,347	2,469,521	2,059,173

Movements in allowance for expected credited losses of long-term loans are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning balance	(104,903)	(15,411)
Provision for expected credit losses	(125,165)	(1,802)
Amount written off	1,126	-
Ending balance	(228,942)	(17,213)

As at October 31, 2021 and 2020, loans for cane plantation development included in the consolidated financial statements of Baht 406.67 million and Baht 426.48 million, respectively, and in the separate financial statements of Baht 104.88 million and Baht 105.00 million, respectively, were the loans to farmers the purpose to buy land for cane plantation, agricultural machineries and equipment. The loan agreements were entered into for the periods of 1 - 8 years, or longer. Loans carry interest rates of 7.00% per annum and rates of 7.50% per annum, respectively, which the farmers mostly use land and vehicles as collateral. For the remaining loans for cane plantation development of Baht 21.65 million, equal for both year were loans to other personals and parties for purchases of agricultural machineries for planting cane for one of the Company's overseas subsidiaries for periods of 3 - 4 years and carrying interest rate at MLR+1.00% per annum. The principal and interest are paid annually. The loans are secured by such agricultural machineries.

## 20. INVESTMENT PROPERTY

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

2021

	Consolidated Financial Statements				Unit : Thousand Baht Separate Financial Statements		
	Land	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
<b>Fair value:</b>							
As at November 1, 2020	3,734,358	2,025,846	14,641	5,774,845	1,200,782	611,020	1,811,802
Adjustment and reclassification	62,816	27,170	(16,112)	73,874	62,816	11,058	73,874
Purchases	52,687	-	1,471	54,158	44,920	-	44,920
Gains (losses) from fair value adjustments on investment property	169,483	39,244	-	208,727	51,847	26,825	78,672
As at October 31, 2021	4,019,344	2,092,260	-	6,111,604	1,360,365	648,903	2,009,268

2020

	Consolidated Financial Statements				Unit : Thousand Baht Separate Financial Statements		
	Land	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
<b>Fair value:</b>							
As at November 1, 2019	3,536,482	2,087,069	13,241	5,636,792	1,157,338	611,894	1,769,232
Purchases	2,944	12,504	1,400	16,848	2,944	-	2,944
Disposals	(1,770)	-	-	(1,770)	-	-	-
Gains (losses) from fair value adjustments on investment property	196,702	(73,727)	-	122,975	40,500	(874)	39,626
As at October 31, 2020	3,734,358	2,025,846	14,641	5,774,845	1,200,782	611,020	1,811,802

For the years ended October 31, 2021 and 2020, the Group recognized rental income from investment property of Baht 166.83 million and Baht 189.10 million, respectively, in the consolidated statements of income, and of Baht 45.89 million and Baht 45.50 million, respectively, in the separate statements of income.

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

## 21. PROPERTY, PLANT AND EQUIPMENT

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

2021

Unit : Thousand Baht

	Consolidated Financial Statements							
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicles and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant
<b>Cost:</b>								
As at November 1, 2020	1,169,876	1,618,606	6,715,328	24,628,905	1,541,669	294,523	542,944	306,221
Adjustment and reclassification	(23,823)	-	(58,573)	34,572	-	304	(884)	-
Purchases	5,937	-	-	5,448	4,225	2,545	187,455	9,909
Disposals/written off	(827)	-	-	(43,319)	(27,425)	(2,690)	-	(29,942)
Transfer in (out)	-	23,142	174,010	358,071	4,186	998	(560,407)	-
Translation of financial statements differences	-	32,434	33,452	77,911	2,540	977	-	13,743
As at October 31, 2021	1,151,163	1,674,182	6,864,217	25,061,588	1,525,195	296,657	169,108	299,931
<b>Accumulated depreciation:</b>								
As at November 1, 2020	-	(483,490)	(1,792,605)	(10,386,361)	(1,097,513)	(262,551)	-	(282,816)
Adjustment and reclassification	-	-	16,422	(3,786)	-	-	-	-
Depreciation for the year	-	(37,095)	(174,101)	(770,337)	(59,813)	(12,522)	-	(17,345)
Disposals/written off	-	-	-	18,422	22,105	2,656	-	29,099
Translation of financial statements differences	-	(11,611)	(7,692)	(12,798)	(1,767)	(965)	-	(10,982)
As at October 31, 2021	-	(532,196)	(1,957,976)	(11,154,860)	(1,136,988)	(273,382)	-	(282,044)
<b>Differences on revaluation of assets:</b>								
As at November 1, 2020	3,782,834	-	-	-	-	-	-	-
Adjustment and reclassification	(39,021)	-	-	-	-	-	-	-
As at October 31, 2021	3,743,813	-	-	-	-	-	-	-
<b>Allowance for impairment of assets:</b>								
As at November 1, 2020	(77,081)	(54,567)	(54,278)	(214,170)	(1,298)	-	-	(3,594)
(Increased) decreased	-	-	-	(18,652)	-	-	-	-
Disposals/written off	-	-	-	-	2	-	-	-
Translation of financial statements differences	-	(3,468)	(3,044)	(8,655)	(83)	-	-	(2,761)
As at October 31, 2021	(77,081)	(58,035)	(57,322)	(241,477)	(1,379)	-	-	(6,355)
<b>Net book value:</b>								
As at October 31, 2021	4,817,895	1,083,951	4,848,919	13,665,251	386,828	23,275	169,108	11,532

2020

Unit : Thousand Baht

Consolidated Financial Statements									
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicles and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	Total
<b>Cost:</b>									
As at November 1, 2019	1,288,829	1,621,067	6,509,829	23,517,178	1,546,792	290,862	1,668,862	279,089	36,722,508
Adjustment and reclassification	-	(773)	1,874	(29,405)	28,750	(57)	(4,484)	-	(4,095)
Purchases	12,159	-	-	12,711	6,339	3,876	401,210	20,098	456,393
Disposals/written off	(131,112)	(74,649)	(35,523)	(117,999)	(46,878)	(7,712)	(25,563)	-	(439,436)
Transfer in (out)	-	56,362	222,027	1,206,517	5,092	7,083	(1,497,081)	-	-
Translation of financial statements differences	-	16,599	17,121	39,903	1,574	471	-	7,034	82,702
As at October 31, 2020	1,169,876	1,618,606	6,715,328	24,628,905	1,541,669	294,523	542,944	306,221	36,818,072
<b>Accumulated depreciation:</b>									
As at November 1, 2019	-	(452,343)	(1,629,450)	(9,689,774)	(1,038,999)	(253,866)	-	(248,399)	(13,312,831)
Adjustment and reclassification	-	719	33	21,670	(22,688)	12	-	-	(254)
Depreciation for the year	-	(35,142)	(165,102)	(768,293)	(58,958)	(15,770)	-	(28,796)	(1,072,061)
Disposals/written off	-	9,218	5,851	56,663	24,166	7,564	-	-	103,462
Translation of financial statements differences	-	(5,942)	(3,937)	(6,627)	(1,034)	(491)	-	(5,621)	(23,652)
As at October 31, 2020	-	(483,490)	(1,792,605)	(10,386,361)	(1,097,513)	(262,551)	-	(282,816)	(14,305,336)
<b>Differences on revaluation of assets:</b>									
As at November 1, 2019	2,746,015	-	-	-	-	-	-	-	2,746,015
Increased (decreased)	1,038,524	-	-	-	-	-	-	-	1,038,524
Disposals/written off	(1,705)	-	-	-	-	-	-	-	(1,705)
As at October 31, 2020	3,782,834	-	-	-	-	-	-	-	3,782,834
<b>Allowance for impairment of assets:</b>									
As at November 1, 2019	(71,468)	(38,921)	(18,860)	(153,993)	(2,062)	-	-	(1,894)	(287,198)
(Increased) decreased	(5,613)	(14,337)	(34,998)	(58,101)	-	-	-	(287)	(113,336)
Disposals/written off	-	-	-	-	833	-	-	-	833
Translation of financial statements differences	-	(1,309)	(420)	(2,076)	(69)	-	-	(1,413)	(5,287)
As at October 31, 2020	(77,081)	(54,567)	(54,278)	(214,170)	(1,298)	-	-	(3,594)	(404,988)
<b>Net book value:</b>									
As at October 31, 2020	4,875,629	1,080,549	4,868,445	14,028,374	442,858	31,972	542,944	19,811	25,890,582

**Depreciation for the years ended October 31,**

2021	Thousand Baht	1,071,213
2020	Thousand Baht	1,072,061

2021

Unit : Thousand Baht

	Separate Financial Statements								Total
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicles and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	
<b>Cost:</b>									
As at November 1, 2020	479,842	456,349	2,212,794	9,528,277	536,957	133,804	248,403	29,942	13,626,368
Adjustment and reclassification	(23,822)	-	(58,574)	34,575	-	(1,478)	(454)	-	(49,753)
Purchases	109	-	-	912	1,600	875	26,537	-	30,033
Disposals/written off	(827)	-	-	(24,279)	(7,590)	(965)	-	(29,942)	(63,603)
Transfer in (out)	-	23,142	165,980	59,531	4,185	683	(253,521)	-	-
As at October 31, 2021	455,302	479,491	2,320,200	9,599,016	535,152	132,919	20,965	-	13,543,045
<b>Accumulated depreciation:</b>									
As at November 1, 2020	-	(99,994)	(538,724)	(4,068,350)	(362,644)	(116,498)	-	(28,817)	(5,215,027)
Adjustment and reclassification	-	-	16,422	(3,786)	-	1,722	-	-	14,358
Depreciation for the year	-	(19,240)	(69,457)	(280,595)	(23,135)	(6,673)	-	(281)	(399,381)
Disposals/written off	-	-	-	5,806	3,950	949	-	29,098	39,803
As at October 31, 2021	-	(119,234)	(591,759)	(4,346,925)	(381,829)	(120,500)	-	-	(5,560,247)
<b>Differences on revaluation of assets:</b>									
As at November 1, 2020	1,089,910	-	-	-	-	-	-	-	1,089,910
Adjustment and reclassification	(39,022)	-	-	-	-	-	-	-	(39,022)
As at October 31, 2021	1,050,888	-	-	-	-	-	-	-	1,050,888
<b>Allowance for impairment of assets:</b>									
As at November 1, 2020	(26,549)	-	-	-	-	-	-	-	(26,549)
As at October 31, 2021	(26,549)	-	-	-	-	-	-	-	(26,549)
<b>Net book value:</b>									
As at October 31, 2021	1,479,641	360,257	1,728,441	5,252,091	153,323	12,419	20,965	-	9,007,137

2020

Unit : Thousand Baht

	Separate Financial Statements								Total
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicles and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	
<b>Cost:</b>									
As at November 1, 2019	476,509	412,923	1,996,649	8,494,875	534,409	130,270	1,393,085	28,817	13,467,537
Adjustment and reclassification	-	-	-	-	-	-	(4,484)	-	(4,484)
Purchases	3,333	-	-	5,221	2,428	1,979	162,205	1,125	176,291
Disposals/written off	-	(20)	-	(5,795)	(3,585)	(3,576)	-	-	(12,976)
Transfer in (out)	-	43,446	216,145	1,033,976	3,705	5,131	(1,302,403)	-	-
As at October 31, 2020	479,842	456,349	2,212,794	9,528,277	536,957	133,804	248,403	29,942	13,626,368
<b>Accumulated depreciation:</b>									
As at November 1, 2019	-	(82,717)	(478,177)	(3,815,908)	(341,906)	(112,410)	-	(27,748)	(4,858,866)
Depreciation for the year	-	(17,280)	(60,547)	(257,040)	(24,322)	(7,652)	-	(1,069)	(367,910)
Disposals/written off	-	3	-	4,598	3,584	3,564	-	-	11,749
As at October 31, 2020	-	(99,994)	(538,724)	(4,068,350)	(362,644)	(116,498)	-	(28,817)	(5,215,027)
<b>Differences on revaluation of assets:</b>									
As at November 1, 2019	974,292	-	-	-	-	-	-	-	974,292
Increase	115,618	-	-	-	-	-	-	-	115,618
As at October 31, 2020	1,089,910	-	-	-	-	-	-	-	1,089,910
<b>Allowance for impairment of assets:</b>									
As at November 1, 2019	(21,337)	-	-	-	-	-	-	-	(21,337)
(Increased) decreased	(5,212)	-	-	-	-	-	-	-	(5,212)
As at October 31, 2020	(26,549)	-	-	-	-	-	-	-	(26,549)
<b>Net book value:</b>									
As at October 31, 2020	1,543,203	356,355	1,674,070	5,459,927	174,313	17,306	248,403	1,125	9,474,702
<b>Depreciation for the years ended October 31,</b>									
2021								Thousand Baht	399,381
2020								Thousand Baht	367,910

As at October 31, 2021 and 2020, buildings and structure of two foreign subsidiaries at book value of Baht 381.98 million and Baht 372.12 million, respectively, in the consolidated financial statements, are located on the concessional which the ownership will be transferred to the lesser when the agreements are expired (see Note 38.8.3).

As at October 31, 2021 and 2020, assets at cost of Baht 6,221.06 million and Baht 5,435.69 million, respectively, in the consolidated financial statements, and of Baht 2,939.40 million and Baht 2,728.09 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2021 and 2020, land which is recorded at revaluation method with the net value of Baht 4,817.89 million and Baht 4,875.63 million, respectively, in the consolidated financial statements and Baht 1,479.64 million and Baht 1,534.20 million, respectively, in the separate financial statements represented fair value of land which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using the market approach which is hierarchy level 3. As at October 31, 2021 and 2020, land net book value at the cost method of Baht 1,151.16 million and Baht 1,169.88 million, respectively, in the consolidated financial statements, and of Baht 455.30 million and Baht 479.84 million, respectively, in the separate financial statements.

## 22. RIGHT-OF-USE ASSETS

Movements of right-of-use assets for the years ended October 31, are as follows:

2021	Consolidated Financial Statements				Unit : Thousand Baht
	Balance as at November 1, 2020	Consequence from initial apply to TFRS 16 (see Note 3.2)	Additions	Differences on translation of financial statements	Balance as at October 31, 2021
<b>Cost</b>					
Vehicles	-	29,430	12,231	-	41,661
Concession	-	12,758	-	811	13,569
Total cost	-	42,188	12,231	811	55,230
<b>Accumulated depreciation</b>					
Vehicles	-	-	(12,306)	-	(12,306)
Concession	-	-	(166)	(9)	(175)
Total accumulated depreciation	-	-	(12,472)	(9)	(12,481)
<b>Right-of-use-asset - net</b>	-				42,749
<b>Depreciation for the year ended October 31, 2021</b>				<b>Thousand Baht</b>	<b>12,472</b>

					Unit : Thousand Baht
2021	Separate Financial Statements				
	Balance as at November 1, 2020	Consequence from initial apply to TFRS 16 (see Note 3.2)	Additions	Differences on translation of financial statements	Balance as at October 31, 2021
<b>Cost</b>					
Buildings and warehouse	-	-	294,941	-	294,941
Machineries	-	-	28,957	-	28,957
Vehicles	-	15,133	5,271	-	20,404
Total cost	-	15,133	329,169	-	344,302
<b>Accumulated depreciation</b>					
Buildings and warehouse	-	-	(36,388)	-	(36,388)
Machineries	-	-	(3,620)	-	(3,620)
Vehicles	-	-	(5,470)	-	(5,470)
Total accumulated depreciation	-	-	(45,478)	-	(45,478)
<b>Right-of-use-asset - net</b>	-				298,824
<b>Depreciation for the year ended October 31, 2021</b>				<b>Thousand Baht</b>	<b>45,478</b>

## 23. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Promissory notes	5,981,934	6,912,515	3,755,159	4,901,000
Total short-term borrowings from financial institutions	5,981,934	6,912,515	3,755,159	4,901,000

As at October 31, 2021 and 2020, promissory notes are borrowings denominated in Baht, in the consolidated financial statements, of Baht 5,382.77 million and Baht 6,912.52 million, respectively, carrying interest rates at 0.80 - 2.10% per annum and 1.14 - 2.35% per annum, respectively, and in the separate financial statements, of Baht 3,156.00 million and Baht 4,901.00 million, respectively, carrying interest rates at 0.80 - 1.58% per annum and 1.14% - 1.53% per annum, respectively.

As at October 31, 2021, the promissory notes are borrowings denominated in US Dollar, in the consolidated and the separate financial statements. The US dollar borrowing is made cross currency and interest rate swap contract to hedge the full amount of risk throughout the term of the borrowing. The Company will repay such borrowing in the amount of Baht 600 million, at maturity and pay interest at the rate 1.03% per annum

## 24. TRADE AND OTHER CURRENT PAYABLES

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

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	2021	2020	2021	2020
Trade payables - related parties	1,311	26,750	41,129	42,776
Trade payables - others	309,663	595,130	161,965	315,790
Advances received	305,215	146,844	181,813	75,940
Other accrued expenses	256,711	221,372	174,832	128,379
Payables for purchases of assets	52,135	46,091	7,931	1,429
Other payables	139,136	155,144	70,940	220,161
Total trade and other current payables	<u>1,064,171</u>	<u>1,191,331</u>	<u>638,610</u>	<u>784,475</u>

## 25. LONG-TERM DEBENTURES

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

	Unit : Thousand Baht Consolidated Financial Statements/ Separate Financial Statements	
	2021	2020
Unsecured senior debt debentures	5,647,601	6,995,997
<u>Less</u> Current portion	<u>(2,999,158)</u>	<u>(1,349,772)</u>
Net	<u>2,648,443</u>	<u>5,646,225</u>

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

Unit : Thousand Baht									
Consolidated Financial Statements/Separate Financial Statements as at October 31, 2021									
Bond Set No.	Symbol	Term	Maturity date	Interest rate per annum	Number of units issued	Total value	Deferred debenture issuance cost	Net	Fair value
1	KSL228A	3 years	August 19, 2022	2.43	3,000,000	3,000,000	842	2,999,158	2,969,047
2	KSL27DA	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,369	1,998,631	1,884,305
3	KSL285A	10 years	May 3, 2028	3.60	650,000	650,000	188	649,812	602,692
Total long-term debentures					5,650,000	5,650,000	2,399	5,647,601	5,456,044

Unit : Thousand Baht									
Consolidated Financial Statements/Separate Financial Statements as at October 31, 2020									
Bond Set No.	Symbol	Term	Maturity date	Interest rate per annum	Number of units issued	Total value	Deferred debenture issuance cost	Net	Fair value
1	KSL215A	3 years	May 3, 2021	2.15	1,350,000	1,350,000	228	1,349,772	1,346,325
2	KSL228A	3 years	August 19, 2022	2.43	3,000,000	3,000,000	1,989	2,998,011	2,935,702
3	KSL27DA	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,569	1,998,431	1,938,795
4	KSL285A	10 years	May 3, 2028	3.60	650,000	650,000	217	649,783	620,978
Total long-term debentures					7,000,000	7,000,000	4,003	6,995,997	6,841,800



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

	Unit : Thousand Baht	
	2021	2020
Beginning book value	6,995,997	10,493,600
Redemptions during the years	(1,350,000)	(3,500,000)
Debenture issuance cost (amortized)	1,604	2,397
Ending book value	<u>5,647,601</u>	<u>6,995,997</u>

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

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

As at October 31, 2021 and 2020, the Company maintains the debts with interest to equity ratio in accordance with the conditions (see Note 34).

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

As at October 31, 2021, the credit rating of the debentures was not lower than the Company's credit rating.

## 26. LONG-TERM BORROWINGS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Borrowings	6,906,449	4,852,000	6,535,069	4,852,000
<u>Less</u> Current portion	<u>(1,739,240)</u>	<u>(1,867,000)</u>	<u>(1,682,000)</u>	<u>(1,867,000)</u>
Long-term borrowings - net	<u>5,167,209</u>	<u>2,985,000</u>	<u>4,853,069</u>	<u>2,985,000</u>

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

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Beginning book value	4,852,000	6,749,000	4,852,000	6,749,000
Additional borrowings during the years	3,900,000	-	3,500,000	-
Repayment during the years	(1,945,620)	(1,897,000)	(1,917,000)	(1,897,000)
Exchange rates adjustment	100,069	-	100,069	-
Ending book value	<u>6,906,449</u>	<u>4,852,000</u>	<u>6,535,069</u>	<u>4,852,000</u>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	%	%	%	%
Borrowings - Baht currency	1.975 - 3.25	2.10 - 3.00	1.975 - 3.25	2.10 - 3.00
Borrowings - USD currency	2.85	-	2.85	-

Maturity of long-term borrowings were as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Within 1 year	1,739,240	1,867,000	1,682,000	1,867,000
Over 1 year but within 5 years	5,167,209	2,985,000	4,853,069	2,985,000
	<u>6,906,449</u>	<u>4,852,000</u>	<u>6,535,069</u>	<u>4,852,000</u>

The significant terms of such borrowings are as follows:

Credit Limit	Balances As at October 31,		Interest rate p.a.	Principal repayment	Interest payment	Commencing repayment	Maturity
	2021	2020					
	Thousand Baht	Thousand Baht					
The Company							
Currency THB							
1. Baht 1,000 million*	-	100,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020
2. Baht 1,000 million	320,000	575,000	Fixed rate	Semi-annual	Monthly	April 2018	October 2023
3. Baht 1,000 million*	-	250,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2018	November 2021
4. Baht 1,000 million	300,000	500,000	Fixed rate	Semi-annual	Monthly	June 2018	December 2022
5. Baht 1,000 million	400,000	600,000	MLR - Fixed rate	Semi-annual	Monthly	November 2018	May 2023
6. Baht 1,000 million	400,000	600,000	MLR - Fixed rate	Semi-annual	Monthly	March 2019	September 2023
7. Baht 1,000 million*	445,000	667,000	AMLR - Fixed rate	Semi-annual	Quarterly	August 2019	August 2023
8. Baht 1,000 million*	560,000	780,000	AMLR - Fixed rate	Semi-annual	Quarterly	January 2020	January 2024
9. Baht 1,000 million*	560,000	780,000	AMLR - Fixed rate	Semi-annual	Quarterly	February 2020	February 2024
10. Baht 2,000 million	2,000,000	-	Fixed rate	Semi-annual	Monthly	January 2022	July 2025
Currency USD							
11. USD 48.08 million	1,550,069	-	LIBOR + Fixed rate	Semi-annual	Semi-annual	September 2021	March 2024
Total	6,535,069	4,852,000					
The Subsidiary							
Currency THB							
12. Baht 400 million	371,380	-	MLR - Fixed rate	Monthly	Monthly	May 2021	April 2028
	371,380	-					
Grand Total	6,906,449	4,852,000					
Less Current portion	(1,739,240)	(1,867,000)					
Net	5,167,209	2,985,000					

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

During the year 2021, the Company have entered into a long-term loan agreement in US Dollars amounting to USD 48.08 million, and had entered into cross currency swap and interest rate swap contracts to hedge the full amount of risk throughout the loan term. The Company will gradually pay the debt according to the loan agreement in the amount of Baht 1,500 million at the end of the contract and pay interest at a fixed rate of 2.85% per annum every 6 months.

As at October 31, 2021, the Company have outstanding long-term loans in US dollars amounting to USD 46.47 million or equivalent to Baht 1,550.07 million with hedging cross currency and interest rate swap contracts as mentioned (See Note 39.3).

The Company and its subsidiaries have to abide to certain financial conditions which, the Company and its subsidiaries have to maintain the debt with interest-to- equity ratio (see Note 34), and for the long-term loan agreement of a subsidiary, those is a condition requiring the Company has to maintain its shareholding ratio in the subsidiaries, debt service coverage ratio. As at October 31, 2021 and 2020, the Company and its subsidiaries are able to maintain the ratios as stipulated in the agreements.

**27. LEASE LIABILITIES**

Lease liabilities as at October 31, consisted of:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Lease liabilities	31,263	-	417,397	-
<u>Less</u> Deferred interest expenses	(2,698)	-	(111,245)	-
Total	28,565	-	306,152	-
<u>Less</u> Current portion	(9,988)	-	(39,138)	-
Lease liabilities - net	18,577	-	267,014	-

The Group entered into the finance lease agreements with leasing companies for rental of vehicles for use in its operations, whereby it was committed to pay rental on a monthly basis. The terms of the agreements were generally for 5 years.

Expenses relating to leases that are recognized in profit or loss for the year end October 31, 2021, consist of:

	<b>Consolidated</b>	<b>Unit : Thousand Baht</b>
	<b>Financial Statements</b>	<b>Separate</b>
		<b>Financial Statements</b>
Depreciation expense of right-of-use assets	12,472	34,473
Interest expense on lease liabilities	1,520	24,110
Expenses relating to leases of low-value assets	846	442

**28. OTHER CURRENT FINANCIAL LIABILITIES**

Other current financial liabilities as at October 31, 2021 consisted of:

	<b>Consolidated</b>	<b>Unit : Thousand Baht</b>
	<b>Financial Statements</b>	<b>Separate</b>
		<b>Financial Statements</b>
<b>Other current financial assets</b>		
<b>Derivative financial assets</b>		
Interest rate and cross currency swap contracts	90,966	90,966
<b>Total other current financial assets</b>	90,966	90,966
<b>Other current financial liabilities</b>		
<b>Derivative financial liabilities</b>		
Foreign currency forward contracts	58,996	58,996
Sugar future option contracts	60,067	60,067
Sugar future contracts	28,395	28,395
<b>Total other current financial liabilities</b>	147,458	147,458

## 29. CONTRIBUTION TO THE CANE AND SUGAR FUND

For the year ended October 31, 2021, the Group paid to the Cane and Sugar Fund according to the regulations of the Cane and Sugar Board regarding the rules for remittance to the Fund under Section 57 of the Cane and Sugar Act B.E. 2527. The payment was made after the final cane price and final yield of production and distribution for the 2019/2020 production season was published in the Government Gazette. For the 2019/2020 production season, on April 2, 2021, the calculation was based on the amount of sugarcane delivered to the factory in each production season at the rate of Baht 7 per ton of sugarcane.

For the year ended October 31, 2020, the Group paid to the Cane and Sugar Fund according to the regulation of the Cane and Sugar Board regarding “the Rules, Procedures and Conditions of Funds Contributed to the Cane and Sugar Fund (“the Fund”) in support of Fund’s objective implementation B.E. 2563 (2020)”, which the factory shall contribute fund at the rate of Baht 20 per ton of sugarcane to the Fund in each production season and the payment should be made by 4 equal installments in June, August, October and December of each year. The regulation shall come into the effect from January 15, 2018 onwards according to the Cabinet Resolution on April 15, 2020 and the announcement of the Royal Gazette dated May 26, 2020.

As the result, the Company and three subsidiaries recognized the contributions to the Cane and Sugar Funds of previous production years. For the year 2017/2018 and year 2018/2019, the contribution to the Cane and Sugar Fund were recognized as part at as “Contribution to the Cane and Sugar Fund”. For the production season of year 2019/2020, the contribution to the Cane and Sugar Fund were recognized as part of production costs in the statement of profit or loss. In addition, the payable for contribution to the Cane and Sugar Fund of the previous production years, the year 2017/2018 and year 2018/2019, were presented by offsetting with the receivable compensation from the Cane and Sugar Fund which is the part of the fund has to pay to the Company and three subsidiaries in the statement of financial position (see Note 8.3).

## 30. INCOME TAX EXPENSE (INCOME), DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

### 30.1 Income tax expense (income)

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
<u>Current income tax</u>				
Current income tax expense	4,607	45,337	-	-
<u>Deferred income tax</u>				
Deferred income tax expense (income) and temporary differences	87,016	(111,898)	76,124	(232,162)
Total	<u>91,623</u>	<u>(66,561)</u>	<u>76,124</u>	<u>(232,162)</u>

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

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2021	2020	2021	2020
Profit (loss) before income tax expense (income)				
- Promoted sector - exempted from income tax	-	-	-	-
- Promoted sector - 50% exemption of income tax rate	-	28,935	-	-
- Non-promoted sector	706,080	(193,127)	536,968	(661,909)
Total profit (loss) before income tax expense (income)	706,080	(164,192)	536,968	(661,909)
Statutory tax rates (%)	20	20	20	20
Income tax expense				
- Promoted sector - 50% exemption of income tax rate	-	2,894	-	-
- Non-promoted sector	141,216	-	107,394	-
Total income tax	141,216	2,894	107,394	-
Effect on income tax from the difference between the accounting base and the tax base	(136,043)	39,267	(107,394)	-
	5,173	42,161	-	-
Prior year income tax expense (income)	(566)	3,176	-	-
Deferred income tax expense (income)	87,016	(111,898)	76,124	(232,162)
Income tax expense (income)	91,623	(66,561)	76,124	(232,162)

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

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2021	2020	2021	2020
<b>Deferred tax assets - net</b>				
Allowance for doubtful accounts	-	-	-	13,854
Allowance for diminution in value of inventories	-	-	-	11,425
Allowance for impairment in investments in subsidiaries	-	-	-	426,642
Non-current provision for employee benefits	597	1,014	-	21,853
Gain on asset revaluation	-	-	-	(217,982)
Loss carried forward	534	-	-	585,521
Depreciation	-	-	-	(106,539)
Change in fair value of investment property	-	-	-	(298,078)
Change in fair value of biological assets	-	-	-	(972)
Gain from amalgamation	-	-	-	(482,573)
Others	-	-	-	47,223
Deferred tax assets - net	1,131	1,014	-	374

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

**2021**

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2020	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2021
<b>Deferred tax assets - net</b>				
Non-current provision for employee benefits	1,014	(479)	62	597
Loss carried forward	-	534	-	534
Deferred tax assets - net	<u>1,014</u>	<u>55</u>	<u>62</u>	<u>1,131</u>

**2020**

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2020
<b>Deferred tax assets - net</b>				
Non-current provision for employee benefits	1,229	(275)	60	1,014
Loss carried forward	4,039	(4,039)	-	-
Others	3,203	(3,203)	-	-
Deferred tax assets - net	<u>8,471</u>	<u>(7,517)</u>	<u>60</u>	<u>1,014</u>

**2021**

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at November 1, 2020	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2021
<b>Deferred tax assets - net</b>				
Allowance for doubtful accounts	13,854	(13,854)	-	-
Allowance for diminution in value of inventories	11,425	(11,425)	-	-
Allowance for impairment in investments in subsidiaries	426,642	(426,642)	-	-
Non-current provision for employee benefits	21,853	(21,853)	-	-
Gain on asset revaluation	(217,982)	-	217,982	-
Loss carried forward	585,521	(585,521)	-	-
Depreciation	(106,539)	106,539	-	-
Change in fair value of investment property	(298,078)	298,078	-	-
Change in fair value of biological assets	(972)	972	-	-
Gain from amalgamation	(482,573)	482,573	-	-
Others	47,223	(7,136)	(40,087)	-
Deferred tax assets - net	<u>374</u>	<u>(178,269)</u>	<u>177,895</u>	<u>-</u>

2020

	Unit : Thousand Baht			
	As at November 1, 2019	Separate Financial Statements Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2020
<b>Deferred tax assets - net</b>				
Allowance for doubtful accounts	-	13,854	-	13,854
Allowance for diminution in value of inventories	-	11,425	-	11,425
Allowance for impairment in investments in subsidiaries	-	426,642	-	426,642
Non-current provision for employee benefits	-	18,818	3,035	21,853
Gain on asset revaluation	-	-	(217,982)	(217,982)
Loss carried forward	-	585,521	-	585,521
Depreciation	-	(106,539)	-	(106,539)
Change in fair value of investment property	-	(298,078)	-	(298,078)
Change in fair value of biological assets	-	(972)	-	(972)
Gain from amalgamation	-	(482,573)	-	(482,573)
Others	-	7,136	40,087	47,223
Deferred tax liabilities - net	-	175,234	(174,860)	374

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

	Unit : Thousand Baht	
	Consolidated Financial Statements 2021	2020
The following deferred tax assets have not been recognized		
Temporary differences	(54,314)	(36,883)
Loss carried forward	215,182	223,577
	<u>160,868</u>	<u>186,694</u>

As at October 31, 2021, the Company's management assessed that the deferred tax assets may not be utilized in full amount because the future taxable profit of subsidiaries may not be sufficient to utilize such deferred tax assets. The loss carried forward which is not recognized as deferred tax assets of Baht 215.18 million, will be matured by the years 2022 to 2026.

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

	Unit : Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	(76,342)	(52,801)	(10,867)	-
Allowance for diminution in value of inventories	(4,636)	(16,062)	-	-
Allowance for impairment in investments in subsidiaries	-	-	(418,542)	-
Non-current provision for employee benefits	(40,648)	(50,193)	(17,450)	-
Gain on asset revaluation	755,811	763,615	210,178	-
Loss carried forward	(753,488)	(714,333)	(631,914)	-
Depreciation	300,798	196,778	177,933	-
Change in fair value of investment property	689,465	655,181	331,913	-
Change in fair value of biological assets	(2,627)	(1,567)	-	-
Gain from amalgamation	482,573	482,573	482,573	-
Others	(71,065)	(52,937)	(68,667)	-
Deferred tax liabilities - net	<u>1,279,841</u>	<u>1,210,254</u>	<u>55,157</u>	<u>-</u>



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

**2021**

	Consolidated Financial Statements			Unit : Thousand Baht
	As at November 1, 2020	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2021
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	(52,801)	(23,541)	-	(76,342)
Allowance for diminution in value of inventories	(16,062)	11,426	-	(4,636)
Non-current provision for employee benefits	(50,193)	6,844	2,701	(40,648)
Gain on asset revaluation	763,615	-	(7,804)	755,811
Loss carried forward	(714,333)	(39,155)	-	(753,488)
Depreciation	196,778	104,020	-	300,798
Change in fair value of investment property	655,181	34,284	-	689,465
Change in fair value of biological assets	(1,567)	(1,060)	-	(2,627)
Gain from amalgamation	482,573	-	-	482,573
Others	(52,937)	2,058	(20,186)	(71,065)
Deferred tax liabilities - net	<u>1,210,254</u>	<u>94,876</u>	<u>(25,289)</u>	<u>1,279,841</u>

**2020**

	Consolidated Financial Statements			Unit : Thousand Baht
	As at November 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2020
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	(49,270)	(3,531)	-	(52,801)
Allowance for diminution in value of inventories	(11,598)	(4,464)	-	(16,062)
Non-current provision for employee benefits	(57,567)	13,834	(6,460)	(50,193)
Gain on asset revaluation	544,843	-	218,772	763,615
Loss carried forward	(472,796)	(241,537)	-	(714,333)
Depreciation	122,213	74,565	-	196,778
Change in fair value of investment property	625,421	29,760	-	655,181
Change in fair value of biological assets	(458)	(1,109)	-	(1,567)
Gain from amalgamation	482,573	-	-	482,573
Others	(52,464)	13,067	(13,540)	(52,937)
Deferred tax liabilities - net	<u>1,130,897</u>	<u>(119,415)</u>	<u>198,772</u>	<u>1,210,254</u>

2021

Unit : Thousand Baht			
	Separate Financial Statements		
	As at November 1, 2020	Items as recognized in profit or loss Items as recognized in other comprehensive income	As at October 31, 2021
<b>Deferred tax liabilities - net</b>			
Allowance for doubtful accounts	-	(10,867)	(10,867)
Allowance for diminution in value of inventories	-	-	-
Allowance for impairment in investments in subsidiaries	-	(418,542)	(418,542)
Non-current provision for employee benefits	-	(17,406)	(17,450)
Gain on asset revaluation	-	-	210,178
Loss carried forward	-	(631,914)	(631,914)
Depreciation	-	177,933	177,933
Change in fair value of investment property	-	331,913	331,913
Change in fair value of biological assets	-	-	-
Gain from amalgamation	-	482,573	482,573
Others	-	(8,030)	(68,667)
Deferred tax liabilities - net	-	(94,340)	149,497

2020

Unit : Thousand Baht			
	Separate Financial Statements		
	As at November 1, 2019	Items as recognized in profit or loss Items as recognized in other comprehensive income	As at October 31, 2020
<b>Deferred tax liabilities - net</b>			
Allowance for doubtful accounts	(13,115)	13,115	-
Allowance for diminution in value of inventories	(10,003)	10,003	-
Allowance for impairment in investments in subsidiaries	(359,029)	359,029	-
Non-current provision for employee benefits	(25,103)	25,103	-
Gain on asset revaluation	194,858	-	(194,858)
Loss carried forward	(374,360)	374,360	-
Depreciation	64,163	(64,163)	-
Change in fair value of investment property	294,633	(294,633)	-
Change in fair value of biological assets	753	(753)	-
Gain from amalgamation	482,573	(482,573)	-
Others	(30,131)	3,584	26,547
Deferred tax liabilities - net	225,239	(56,928)	(168,311)

### 31. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

The Company and its subsidiaries operate retirement benefit plans under the Thai Labor Protection Act and the Company and its subsidiaries' retirement rules, which are considered as unfunded defined benefit plans.

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Current service cost	13,052	9,745	5,199	4,247
Interest cost	3,298	4,392	1,226	1,708
Total	<u>16,350</u>	<u>14,137</u>	<u>6,425</u>	<u>5,955</u>

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Non-current provision for employee benefits brought forward	260,620	295,824	109,263	125,517
Current service cost	13,052	9,745	5,199	4,247
Interest cost	3,298	4,392	1,226	1,708
Actuarial (gain) loss on the estimation of the obligations	(13,992)	35,033	219	15,174
Benefits paid during the years	(52,665)	(84,374)	(28,659)	(37,383)
Non-current provision for employee benefits carried forward	<u>210,313</u>	<u>260,620</u>	<u>87,248</u>	<u>109,263</u>

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

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
	%	%	%	%
Discount rate	0.78 - 2.96	0.68 - 2.04	1.60 - 1.76	1.01 - 1.29
Expected rate of salary increase	5.00	5.00	5.00	5.00
Voluntary resignation rate (Depended on employee's age)				
- Monthly employees	3.00 - 25.00	6.00 - 33.00	8.00 - 14.00	8.00 - 14.00
- Daily employees	5.00 - 67.00	5.00 - 67.00	13.00 - 59.00	11.00 - 59.00

The sensitivity analysis of the above actuarial assumptions impacted on present value of the non-current provision for employee benefits as at October 31, are as follows:

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2021	2020	2021	2020
<u>Discount rate</u>				
Discount rates, decrease of 0.5 percent	0.31 - 88.81	0.67 - 111.22	88.81	111.22
Discount rates, increase of 0.5 percent	0.29 - 85.77	0.62 - 107.41	85.77	107.41
<u>Salary growth rates</u>				
Salary growth rates, decrease of 0.5 percent	0.29 - 85.85	0.63 - 107.18	85.85	107.18
Salary growth rates, increase of 0.5 percent	0.31 - 88.70	0.67 - 110.76	88.70	110.76
<u>Turnover rates</u>				
Turnover rates, decrease of 1 percent	0.32 - 90.45	0.70 - 113.28	90.45	113.28
Turnover rates, increase of 1 percent	0.28 - 84.38	0.60 - 105.67	84.38	105.67

### 32. DIVIDENDS PAID AND LEGAL RESERVE

The annual general meeting of shareholders of the Company passed a resolution to pay dividends as follows:

Dividends	Approved by	Number of shares Billion shares	Dividends Paid per share Baht	Dividends Paid Million Baht	Dividends Paid Date
- Dividends paid from the Company's result of operations from November 1, 2018 to October 31, 2019	No. 1/2020 held on February 25, 2020	4.41	0.05	220.51	March 20, 2020

In accordance with the Public Limited Company Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until reserve reaches 10 percent of the authorized share capital and this reserve is not available for distribution as dividends.

As at October 31, 2021 and 2020, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.

### 33. DIRECTORS REMUNERATION

The compensation paid to the directors of the Company approved by the Annual General Meeting of shareholders in accordance to Section 90 of Public Company Act are as follows:

	Unit : Thousand Baht	
	Consolidated/ Separate Financial Statements	
	2021	2020
For the years ended October 31,	6,797	9,040

### 34. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt with interest to equity ratio in the consolidated financial statements not to exceed the covenants of the debenture issuances (see Note 25) and the loan agreements (see Note 26).

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

	2021	2020
Debt with interest to equity	0.92 : 1.00	0.96 : 1.00

In addition, a subsidiary has required to maintain the interest-bearing debt to equity ratio in the subsidiary's financial statements to be in accordance with the new long-term loan agreements issued during the year 2021. As at October 31, 2021, the ratio is 0.70 : 1.00, which does not exceed the terms of the loan agreement.

### 35. EXPENSES BY NATURE

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

	Unit : Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Raw material and supply used	7,485,331	6,490,430	4,029,622	3,632,473
Purchases of finished goods and supply	339,464	436,462	874,104	1,217,965
Changes in finished goods and goods in process	(520,410)	754,812	(763,486)	235,783
Salaries, wages and other employee benefits	884,119	1,090,282	308,787	435,447
Depreciation and amortization	1,092,052	1,080,164	451,543	374,287
Contribution to the Cane and Sugar Fund	37,672	329,899	19,053	190,928
Maintenance expenses	379,185	522,956	89,687	155,632
Transportation expenses	290,190	442,922	185,471	242,565
Loss from investment in derivatives	-	394,332	-	242,458
Loss on impairment of investments in subsidiaries	-	-	-	338,065
Finance costs	425,120	496,535	406,855	461,734

**36. BASIC EARNINGS (LOSS) PER SHARE**

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

**2021**

	Consolidated Financial Statements			Separate Financial Statements		
	Profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht
<u>Basic and diluted earnings per share</u> For the year ended to ordinary equity holders	615,789	4,410,233	0.140	460,844	4,410,233	0.104

**2020**

	Consolidated Financial Statements			Separate Financial Statements		
	Loss for the year Thousand Baht	Number of shares Thousand Shares	Loss per share Baht	Loss for the year Thousand Baht	Number of shares Thousand Shares	Loss per share Baht
<u>Basic and diluted loss per share</u> For the year ended to ordinary equity holders	(82,743)	4,410,233	(0.019)	(429,747)	4,410,233	(0.097)

**37. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS**

The Company and subsidiaries (“the Group”) presented the segment information in respect of the Group’s business segments. The primary format in segment information report is based on the Group’s management and internal reporting structure.

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

Produce and distribute sugar and molasses to industrial enterprises, re-export manufacturing enterprises and international sugar traders.

Manufacture and Sale of Electricity

Generate and sale electricity to Electricity Generating Authority of Thailand and the Group.

Real Estate Rental

Operate office building for rent and holiday resort for training and seminar center.

Geographical segments information is based on the Group operating in the country and overseas. The overseas operations comprise Lao People’s Democratic Republic and Kingdom of Cambodia.

### Major Customer Information

For the years ended October 31, 2021 and 2020, the Group's revenues contains revenue from the following major external customers:

- Revenue from two oversea customers, which are the international sugar traders, in manufacture and distribution of Sugar and Molasses sector in the amount of Baht 1,509.54 million and Baht 2,040.83 million, respectively.
- Revenue from a single customer in Thailand in electricity sector in the amount of Baht 977.58 million and Baht 1,025.52 million, respectively.

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

### Consolidated Statements of Profit or Loss

For the years ended October 31, 2021 and 2020

Unit : Million Baht

	Manufacture and Distribution of Sugar and Molasses				Manufacture and Sale of Electricity		Real Estate Rental		Others Business		Inter-Transaction		Total	
	2021		2020		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai				
Net revenue from operation - external	8,301	424	9,568	479	1,188	1,253	128	156	429	397	-	-	10,470	11,853
Net revenue from operation - internal	3,672	-	3,567	-	894	1,326	-	-	586	1,014	(5,152)	(5,907)	-	-
Total	11,973	424	13,135	479	2,082	2,579	128	156	1,015	1,411	(5,152)	(5,907)	10,470	11,853
Gross profit	881	150	1,131	174	-	260	75	82	93	90	41	34	1,240	1,771
Other income													399	397
Distribution, administrative expenses and others													(1,114)	(2,247)
Finance income	166	6	198	6	1	2	-	-	20	22	(98)	(139)	95	89
Finance costs	(469)	(38)	(548)	(45)	(20)	(20)	(15)	(23)	(5)	-	122	139	(425)	(497)
Share of profit of investment in an associate													511	323
Income tax (expense) income													(91)	66
Net profit (loss)													615	(98)
Add Profit for the years of non-controlling interest													1	15
Profit (loss) for the years to owners of the parent													616	(83)
Depreciation	(724)	(47)	(616)	(61)	(362)	(398)	-	-	(6)	(5)	47	-	(1,092)	(1,080)
Consolidated Statements of Financial Position														
As at October 31, 2021 and 2020														
Trade and other current receivables	1,446	19	1,372	11	156	194	8	16	6	113	(571)	(503)	1,064	1,203
Inventories	2,313	65	1,549	79	201	156	-	-	127	260	1	5	2,707	2,049
Property, plant and equipment	16,483	2,476	17,085	2,439	6,350	6,677	134	129	97	102	(533)	(541)	25,007	25,891
Central assets	15,008	121	15,397	125	212	186	4,625	4,415	975	945	(8,198)	(9,089)	12,743	11,979
Total Assets	35,250	2,681	35,403	2,654	6,919	7,213	4,767	4,560	1,205	1,420	(9,301)	(10,128)	41,521	41,122
Total Liabilities	21,974	1,889	22,594	1,941	706	679	946	905	259	333	(4,364)	(4,876)	21,410	21,576



## Disaggregation of revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under TFRS 8 for the years ended October 31, are as follows:

	Unit : Million Baht													
	Manufacture and Distribution of Sugar and Molasses				Manufacture and Sale of Electricity		Real Estate Rental		Others Business		Inter-Transaction		Total	
	2021		2020		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai				
At a point in time	11,973	424	13,135	479	1,962	2,123	-	-	932	1,219	(4,965)	(5,284)	10,326	11,672
Overtime	-	-	-	-	120	456	128	156	83	192	(187)	(623)	144	181
Total	11,973	424	13,135	479	2,082	2,579	128	156	1,015	1,411	(5,152)	(5,907)	10,470	11,853

**38. COMMITMENTS, CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENT**

As at October 31, 2021 and 2020, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

- 38.1 The Company and its subsidiaries have commitments relating to the sales agreements which have not yet delivered in the consolidated financial statements amounting to Baht 2,255.82 million and Baht 1,820.98 million, respectively, and in the separate financial statements amounting to Baht 1,838.49 million and Baht 1,094.24 million, respectively.
- 38.2 The Company and three subsidiaries had issued post-dated checks to the farmers to purchase canes. The Company and its subsidiaries did not record such liabilities as the checks have not yet due and the cane has not been received from the farmers as at October 31, as follows:

	<b>Consolidated</b>		<b>Unit : Million Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
For the production season 2021/2022	466.84	10.20	232.45	10.20
For the production season 2020/2021	-	578.85	-	286.17

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

- 38.4 A subsidiary entered into two electricity sale-purchase agreements with the Electricity Generating Authority of Thailand (EGAT) as follows:

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khon kaen Province, for the period of 21 years commencing from the first month of electricity sales (December 2006) at the volume of 20 Megawatt at the voltage of 115 Kilovolts. For the second year until the year before last year, EGAT agrees to buy electricity at not less than 80% of the electricity volume stipulated in the agreement.

On December 16, 2020, the subsidiary amended its EGAT electricity sale-purchase agreement to the "Feed-in Tariff" (FiT) sales calculation method. The original electricity sale-purchase agreement has the period of 21 years commencing from the first month of electricity sales (December 2006). For the amended agreement, the remaining term is 6 years and 2 months, which will be ended December 15, 2026.

- Agreement dated January 12, 2010, EGAT agrees to buy electricity at the volume of 22 Megawatt at the voltage of 115 Kilovolts at Bo Ploy District, Kanchanaburi Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from April 1, 2011. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sell the electricity. Subsequently, on June 2, 2014, EGAT agrees to buy additional electricity at the volume of 8 Megawatt totaling 30 Megawatt at the voltage of 115 Kilovolts, at the mutually-agreed price as stipulated in the agreement for the contractual term of 5 years and automatically be renewed for consecutive 5 year-terms.

38.5 A subsidiary entered into an electricity sale-purchase agreement with the Provincial Electricity Authority (PEA) on September 18, 2012, PEA agrees to buy electricity at the volume of 2.12 Megawatt at the voltage of 22,000 volts at Wangsaphung District, Loei Province, at the mutually-agreed price as stipulated in the agreement commencing from November 20, 2012 for the period of 5 years and automatically be renewed for consecutive 5 years-terms, unless either party terminate this agreement. (The Company postponed for sale electricity to December 27, 2014.)

38.6 The consolidated and separate financial statements have commitments and credit facilities as follows:

							Unit : Million
Consolidated Financial Statements							
Currency	As at October 31, 2021			As at October 31, 2020			
	Total	Utilized	Remaining	Total	Utilized	Remaining	
<b>Commitments</b>							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	2,056.98	-	-	1,163.72	-
<b>Credit facilities</b>							
Letters of guarantees (unspecified credit limit)	THB	-	67.54	-	-	70.21	-
Letters of credit and trust receipts	THB	150.00	-	150.00	150.00	-	150.00
Letters of credit	USD	10.00	-	10.00	10.00	-	10.00
Overdraft and short-term borrowings	THB	19,752.74	4,242.77	15,509.97	21,159.50	5,341.77	15,817.73
Short-term borrowings	USD	50.44	17.96	32.48	20.50	-	20.50
Joint credit line in short-term borrowings	THB	2,116.00	1,140.00	976.00	2,763.00	1,570.74	1,192.26
Long-term borrowings	THB	5,356.38	5,356.38	-	4,852.00	4,852.00	-
Long-term borrowings	USD	46.47	46.47	-	-	-	-

Unit : Million

		Separate Financial Statements					
		As at October 31, 2021			As at October 31, 2020		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
<b>Commitments</b>							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	1,996.98	-	-	1,103.72	-
<b>Credit facilities</b>							
Letters of guarantees (unspecified credit limit)	THB	-	1.37	-	-	4.04	-
Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
Overdraft and short-term borrowings	THB	10,547.00	3,156	7,391.00	11,500.00	4,901.00	6,599.00
Short-term borrowings	USD	30.44	17.96	12.48	0.50	-	0.50
Joint credit line in short-term borrowings	THB	2,116.00	1,140.00	976.00	2,763.00	1,570.74	1,192.26
Long-term borrowings	THB	4,985.00	4,985.00	-	4,852.00	4,852.00	-
Long-term borrowings	USD	46.47	46.47	-	-	-	-

The above credit facilities are partially secured between the Company and its subsidiaries. In addition, for certain credit facilities, if they are utilized, certain inventories of the Company and its subsidiaries will be used as collateral, however, as at October 31, 2021 and 2020, the Company and its subsidiaries have not yet used those facilities.

As at October 31, 2021 and 2020, the Company and three subsidiaries have secured loans issued by a bank to farmers in the consolidated financial statements amounting to Baht 196.23 million and Baht 185.58 million, respectively, and in the separate financial statements amounting to Baht 19.01 million and Baht 26.53 million, respectively.

The Company and its subsidiaries are required to comply with certain financial conditions for joint commitments and contingent liabilities, which the Company and its subsidiaries have to maintain the debt with interest-to-equity ratio and for a long-term loan of a subsidiary, there is condition requiring the Company has to maintain the shareholding ratio of the Company in that subsidiary, and maintaining the debt service coverage.

38.7 The Company and its subsidiaries have the remaining commitments under the various contracts as follows:

Unit : Million

Consolidated Financial Statements					
Currency	As at October 31, 2021		As at October 31, 2020		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB 64.65	20.50	551.92	52.89	
Machine and equipment purchase agreements	THB 386.80	30.76	386.80	84.43	
	USD 0.56	-	0.56	-	

Unit : Million

Consolidated Financial Statements Outstanding Contractual Commitments									
Currency	As at October 31, 2021				As at October 31, 2020				
	Within 1 year	1 - 5 years	Over 5 years	Total	Within 1 year	1 - 5 years	Over 5 years	Total	
Leased concessions agreements	USD 0.14	0.56	4.28	4.98	0.14	0.56	4.46	5.16	

Unit : Million

Separate Financial Statements					
Currency	As at October 31, 2021		As at October 31, 2020		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB 29.31	16.72	513.92	44.17	
Machine and equipment purchase agreements	THB 228.30	22.83	228.30	22.83	

### 38.8 Other significant agreements

- 38.8.1 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) as a replacement when the Energy Industry Act B.E. 2550 was effective, for the period of 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions according to the license.
- 38.8.2 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 40 years which can be extended for another 20 years if approved by the counter party. As at October 31, 2021 and 2020, the subsidiary has already utilized the area of 5,636.35 hectares equal for both years and the rental fee according to the contract.
- 38.8.3 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 18,057 hectares covering period of 90 years and the rental price has a grace period of the first 5 years, afterwards, the rate of rental price of USD 5 per hectare per annum and the rental fee will increase by 1% every year and later on February 25, 2016, the Government of Kingdom of Cambodia amended the new concession to 50 years. As at October 31, 2021 and 2020, the subsidiaries have already utilized the area of 9,398.69 hectares, equal for both years. Buildings and structure of subsidiaries, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 21).
- 38.8.4 Koh Kong Sugar Industry Co., Ltd. (subsidiary) entered into two long-term land lease agreements with an outside person to build port and land awaiting development dated June 1, 2007 and May 21, 2007, respectively. The contractual term is 90 years for both agreements. (see Note 22).

### 39. FINANCIAL INSTRUMENTS

#### 39.1 Derivatives and hedge accounting

As at October 31, 2021, the Company has derivative assets and liabilities as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
<b>Derivative assets</b>		
Derivative assets designated as hedging instruments		
Cross Currency and interest rate Swap contracts	90,966	90,966
Total derivative assets	<u>90,966</u>	<u>90,966</u>
<b>Derivative liabilities</b>		
Derivative liabilities designated as hedging instruments		
Foreign currency forward contracts	58,996	58,996
Sugar future option contracts	60,067	60,067
Sugar future contracts to hedge its commodity price risks	28,395	28,395
Total derivative liabilities	<u>147,458</u>	<u>147,458</u>
	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Derivative assets and liabilities are show in financial statements as follows:		
Current assets	90,966	90,966
Current liabilities	147,458	147,458

For the year 2021, the Group losses from changes in fair value as above amount of Baht 91.12 million in statement of comprehensive income in full amount.

#### Derivatives designated as cash flow hedges

The Company has a policy to enter into the derivatives for hedging, but does not have any objective to hold for speculation. However, there is an economic relationship between the hedge items and hedge instrument and regularly evaluation of its effectiveness.

The Company assesses the hedge effectiveness by comparing changes in the fair value of the hedging instrument with changes in the fair value of the hedged item for the hedged risk.

For the year ended October 31, 2021, the proportion of changes in the fair value of the hedging instrument to the change in the fair value of the hedged item was tested which effectiveness was not recognized in the statement of profit or loss.

Reconciliation of loss on cash flow hedges which recognized in the shareholders' equity that relate to cash flow hedge relationships for the year ended October 31, 2021.

Cash flow hedges	Unit : Thousand Baht	
	Loss on cash flow hedges Consolidated Financial Statements	Separate Financial Statements
<b>Balance as at November 1, 2020 - before adjustment</b>	-	-
Effect of initial application for new TFRS	(2,220)	(2,220)
<b>Balance as at November 1, 2020 - after effect of application for new TFRS</b>	(2,220)	(2,220)
Effective portion of changes in fair value of cross currency and interest rate swap contracts	(8,510)	(8,510)
Income tax related to amounts transferred	1,702	1,702
	(6,808)	(6,808)
Effective portion of changes in fair value of foreign currency forward contracts	(51,169)	(52,990)
Income tax related to amounts transferred	10,234	10,599
	(40,935)	(42,391)
Effective portion of changes in fair value of sugar future option contracts	(31,165)	(31,165)
Income tax related to amounts transferred	6,233	6,233
	(24,932)	(24,932)
Effective portion of changes in fair value of sugar future contracts to hedge its commodity price risks	(23,055)	(23,055)
Income tax related to amounts transferred	4,611	4,611
	(18,444)	(18,444)
<b>Balance as at October 31, 2021</b>	(93,339)	(94,795)

### 39.2 Hedging related to the distribution of sugar

The Group entered into sugar future contracts and sugar futures option contracts and foreign currency forward contracts. The main objective is for hedging from exporting sugar. The Group has forecast export sales based on the information that is probable in the future, such as the projected the quantity of sugar cane and sugar production in the next production season, history of market share in sugarcane procurement of the Group and export sale contracts that have already been committed before the end of the period, etc.

The Company had gradually hedged in accordance with the sugar futures contracts and the foreign currency forward contracts of Thailand Cane and Sugar Corporation (TCSC). The price of sugar of TCSC receives from selling for export raw sugar from the amount of sugar that has been allocated according to the Cane and Sugar Board's determination to produce and deliver part of the sugar in each factory to TCSC of sellers will determine the cost of sugar cane for every sugar factory in Thailand in each year of production. The hedging is made to reduce the risk in the gross profit of sugar distribution. In other words, hedging is for sugar and sugar cane prices.



## (A) Risk from commodity price of fluctuation (sugar)

The Company and its subsidiaries in Thailand have entered into sugar future contracts and sugar future option contracts that are based on the expected export sales in the next 12 months. The Company has a policy to hedge in the range of 70% - 90% of hedge or actual transactions. Such derivative contracts generally have a term consistent with the duration of the sugar futures contracts of TCSC, which generally have a contract term of not more than 16 months.

As at October 31, 2021, outstanding balances under sugar future contracts with the details are as follows:

	Foreign currency	Unit : Million Consolidated/Separate Financial Statements	
		Contract value	Fair value
Futures purchases contracts	USD	11.63	11.63
Futures sales contracts	USD	29.04	28.19

As at October 31, 2021, outstanding balances under sugar future option contracts with the details are as follows:

			Unit : Million
Consolidated/Separate Financial Statements			
<u>Sold quantity</u>	<u>Bought quantity</u>	<u>Contract exchange rate</u>	<u>Fair value gain (loss)</u>
Million pound 103.04	Million pound -	USD per pound 0.70 - 1.10	Million Baht (31.16)

## (B) Foreign currency risk

The Company and its subsidiaries in Thailand have entered into foreign currency forward contracts in accordance with the Group's policy for to manage foreign currency risk associated with sales expected to occur over a period of 12 months. The Group have a hedging policy in accordance with the foreign currency forward contracts of TCSC. In the past, most of them were in the range of 60% - 80% of the actual risks or transaction and have a contract term of not more than 12 months. The derivative contracts were executed in accordance with the Group's policy by entering into derivative contracts through a subsidiary.

As at October 31, 2021, the Company and its subsidiaries have outstanding foreign currency forward contracts amounting USD 114.50 million in an average rate of 32.72 Baht/USD. The remaining term of the contract is in the range of 180 - 355 days and there are financial liabilities arising from fair value measurement of Baht 59.00 million.

## 39.3 Hedging foreign currency and interest rate risk

The Company entered into cross currency and interest rate swap contracts to mitigate risks from rising interest rates and exposure to fluctuations in US dollar currency exchange rates of a US dollar loan contract with a floating interest rate. The loan and derivative contracts were entered into with the same financial institution including the maturity period of both the principal and interest is the same period.

As at October 31, 2021, outstanding balances under cross currency and interest rate swap contracts with the details are as follows:

Contract	Maturity	Consolidated/Separate Financial Statements				
		Amount to pay		Amount to receive		Fair value gain (loss)
		Notional amount	Interest rate	Notional amount	Interest rate	
Short-term borrowings	February 2022	USD 17.96 million	Libor 6M+0.46736%	Baht 600 million	1.03%	Million Baht (4.80)
Long-term borrowings	March 2024	USD 46.47 million	Libor 6M+1.96%	Baht 1,450 million	2.85%	95.77

#### 39.4 Financial risk management

The Group's management (the Company and its subsidiaries) assesses the risks, monitors and manages the financial risks associated with the Group's operations by analyzing the risks according to the level and size of the risks. These risks include market risk, foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk.

The Group considers mitigate the effects of risk primarily by using financial instruments including financial derivatives that are suitable for hedging. There is no policy to hold or issue any financial instruments for speculation or trading.

##### Market risk

The Group has marketing risks demonstrates the main financial risk from changes in foreign currency forward rates, interest rate risk and commodity (sugar) price risk. The Group has entered into various derivative financial instruments to manage exposure, including:

- ☐ Forward foreign currency contracts to hedge US dollar exchange rate risks arising from exports.
- ☐ Sugar futures contracts and sugar futures option contracts to reduce the price risk of the products sold.

##### Foreign currency risk

Risk on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import of machineries which are transactions denominated in foreign currencies. As at October 31, the significant assets and liabilities denominated in foreign currencies of the Company and its subsidiaries which the risk on exchange rates have not been hedged are as follows:

Currency	Consolidated Financial Statements				Separate Financial Statements			
	2021		2020		2021		2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	2.26	0.96	2.22	0.82	29.72	-	30.59	-
YEN	-	4.65	-	2.50	-	-	-	-
RIEL	184.13	8.46	180.57	10.51	-	-	-	-
LAK	71.03	1,391.61	87.04	209.67	-	-	-	-

As at October 31, 2021 and 2020, the Company and its subsidiaries entered into forward foreign currency contracts.

#### *Analysis of foreign currency sensitivity*

The effect on the Group's profit before tax is due to changes may be occur. If the reasonably possible change by 5% in exchange rates of the Thai Baht for all other variable are fixed. The profit for the year ended October 31, 2021 will be changed are as follows:

	Consolidated Financial Statement	Unit : Million Baht Separate Financial Statements
Effect on profit before tax in the statement of profit or loss		
THB against USD		
- Weakened	2.17	49.56
- Strengthened	(2.17)	(49.56)
THB against YEN		
- Weakened	(6.71)	-
- Strengthened	6.71	-
THB against RIEL		
- Weakened	7.21	-
- Strengthened	(7.21)	-
THB against LAK		
- Weakened	(21.35)	-
- Strengthened	21.35	-

This information is not a forecast or prediction of future market conditions and should be used with care.

## Interest rate risk

The Company and its subsidiaries have derived from the interest rate risk arising from future fluctuations in market interest rates, which will affect upon the Company and its subsidiaries' operating results and cash flows. However, the Group manage risk on interest rate by using various methods including the loans allocation to gain appropriate balance between fixed and floating interest rate loans and compatible to different activities of the Group with the details mainly as follows:

					Unit : Thousand Baht
Consolidated Financial Statements					
As at October 31, 2021					
	Fixed Interest Rate		Floating		Total
	Within 1 year	More than 1 year to 5 years	Interest Rate		
<b>Financial Assets</b>					
Saving accounts deposits	-	-	-	46,248	46,248
Fixed account deposits	267	-	-	-	267
Loans for cane plantation development	106,478	75,987	16,076	836	199,377
Short-term loans to farmers	462,643	-	-	5,742	468,385
Long-term loans to others	13,297	44,000	-	-	57,297
Other long-term investments	-	-	6,777	-	6,777
Total	<u>582,685</u>	<u>119,987</u>	<u>22,853</u>	<u>52,826</u>	<u>778,351</u>
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	5,382,775	-	-	-	5,382,775
Short-term borrowings from related parties	7,100	-	-	-	7,100
Long-term debentures	2,999,158	-	2,648,443	-	5,647,601
Long-term borrowings	1,589,240	3,681,960	85,180	-	5,356,380
Lease liabilities	9,988	18,577	-	-	28,565
Total	<u>9,988,261</u>	<u>3,700,537</u>	<u>2,733,623</u>	<u>-</u>	<u>16,422,421</u>

Unit : Thousand Baht

Consolidated Financial Statements As at October 31, 2020				
	Fixed Interest Rate			Floating Interest Rate
	Within 1 year	More than 1 year to 5 years	More than 5 years	
<b>Financial Assets</b>				<b>Total</b>
Saving accounts deposits	-	-	-	131,392
Fixed account deposits	264	-	-	264
Loans for cane plantation development	208,740	108,118	26,373	343,231
Short-term loans to farmers	585,447	170	-	585,617
Long-term loans to others	1,333	-	-	1,333
Other long-term investments	-	-	6,754	6,754
<b>Total</b>	<b>795,784</b>	<b>108,288</b>	<b>33,127</b>	<b>1,068,591</b>
<b>Financial Liabilities</b>				
Short-term borrowings from financial institutions	6,912,515	-	-	6,912,515
Short-term borrowings from related parties	7,100	-	-	7,100
Long-term debentures	1,349,772	2,998,011	2,648,214	6,995,997
Long-term borrowings	1,867,000	2,985,000	-	4,852,000
<b>Total</b>	<b>10,136,387</b>	<b>5,983,011</b>	<b>2,648,214</b>	<b>18,767,612</b>

Unit : Thousand Baht

Separate Financial Statements As at October 31, 2021				
	Fixed Interest Rate			Floating Interest Rate
	Within 1 year	More than 1 year to 5 years	More than 5 years	
<b>Financial Assets</b>				<b>Total</b>
Saving accounts deposits	-	-	-	5,843
Loans for cane plantation development	41,798	53,877	13,644	109,319
Short-term loans to farmers	232,664	-	-	232,664
Long-term loans to subsidiaries and others	934,416	-	-	934,416
Other long-term investments to subsidiaries and others	113,297	1,402,000	1,000,000	2,515,297
<b>Total</b>	<b>1,322,175</b>	<b>1,455,877</b>	<b>1,013,644</b>	<b>3,797,539</b>
<b>Financial Liabilities</b>				
Short-term borrowings from financial institutions	3,156,000	-	-	3,156,000
Short-term borrowings from subsidiaries and related parties	409,100	-	-	409,100
Long-term debentures	2,999,158	-	2,648,443	5,647,601
Long-term borrowings	1,532,000	3,453,000	-	4,985,000
Lease liabilities	39,138	267,015	-	306,153
<b>Total</b>	<b>8,135,396</b>	<b>3,720,015</b>	<b>2,648,443</b>	<b>14,503,854</b>

Unit : Thousand Baht

Separate Financial Statements As at October 31, 2020				
	Fixed Interest Rate			Floating Interest Rate
	Within 1 year	More than 1 year to 5 years	More than 5 years	
<b>Financial Assets</b>				<b>Total</b>
Saving accounts deposits	-	-	-	13,442
Loans for cane plantation development	31,563	60,286	19,387	111,236
Short-term loans to farmers	296,363	-	-	296,363
Long-term loans to subsidiaries and others	1,099,432	-	-	1,099,432
Other long-term investments to subsidiaries and others	1,063,773	979,500	1,000,000	3,043,273
<b>Total</b>	<b>2,491,131</b>	<b>1,039,786</b>	<b>1,019,387</b>	<b>4,563,746</b>
<b>Financial Liabilities</b>				
Short-term borrowings from financial institutions	4,901,000	-	-	4,901,000
Short-term borrowings from subsidiaries and related parties	545,500	-	-	545,500
Long-term debentures	1,349,772	2,998,011	2,648,214	6,995,997
Long-term borrowings	1,867,000	2,985,000	-	4,852,000
<b>Total</b>	<b>8,663,272</b>	<b>5,983,011</b>	<b>2,648,214</b>	<b>17,294,497</b>

*Analysis of interest rate sensitivity*

The effect on the Group's profit before tax is due to changes may be occur. If the reasonably possible change by 1% in interest rates for all other variable are fixed. The profit for the year ended October 31, 2021 will be changed are as follows:

	<b>Consolidated Financial Statement</b>	<b>Unit : Million Baht Separate Financial Statements</b>
Effect on profit before tax in the statement of income		
- Decrease in interest rate by 1%		
Profit before tax increase	0.60	0.48
- Increase in interest rate by 1%		
Profit before tax decrease	(0.60)	(0.48)

This information is not a forecast or prediction of future market conditions and should be used with care.

*Commodity prices fluctuation risk*

Group of companies in the production and distribution of sugar business in Thailand

As mentioned in No. 39.2, the Group operates derivatives to hedge sugar prices, which is consistent with the sugar price hedging transaction of TCSC due to the selling prices of exporting sugar and the exchange rate that TCSC actually sells in each production year will be calculated as part of the cost of sugarcane that the sugar mill has to pay to the farmers in each year for the Group in Thailand engaged in the production and distribution of sugar in Thailand.

Initially, the Group entered into the sugar futures contracts in the future market based on the sugar futures price, sales volume and termination period as per the actual sales by TCSC. The Company hedged for the undelivered sales contracts as well as the forecasted export sales in the following year. When the Group enters into the sales to contracts with customers, the Group will close the above futures contract positions.

At present, there are no such hedging contracts made by the foreign subsidiaries.

*Analysis of commodity price sensitivity*

The effect on the Group's profit before tax is due to changes may be occur. If the reasonably possible change by 5% in commodity price for all other variable are fixed. The profit for the year ended October 31, 2021 will be changed are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit: Million Baht Separate Financial Statements</b>
Effect on profit before tax in the statement of profit or loss		
- Increase in price of sugar Profit before tax increase	174.07	112.68
- Decrease in price of sugar Profit before tax decrease	(174.07)	(112.68)

This information is not a forecast or prediction of future market conditions and should be used with care.

*Liquidity risk*

The Group has monitored liquidity risk by using overdrafts, promissory notes, loans, debentures and leases. The Group has the ability to access a wide range of funding sources sufficiently and manages risks by controlling short-term and long-term liabilities to maintain the balance of debt repayments as appropriate for investment types and business operations.

**39.5 Fair value measurements**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

Financial assets and financial liabilities measured at fair value.

Fair value of financial assets and financial liabilities which are measured at fair value and their fair value hierarchy level classification as at October 31, 2021 and 2020 were summarized as follows:

Financial assets/ financial liabilities	Consolidated financial statements		Separate financial statements		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
	Fair value as at October 31, 2021 (Thousand Baht)	2020	Fair value as at October 31, 2021 (Thousand Baht)	2020		
<u>Financial assets</u>						
1. Time deposits with maturities of more than 3 months but not more than 12 months	267	264	-	-	Level 3	Amortized cost and effective interest method.
2. Marketable equity securities	165,309	-	165,309	-	Level 1	Use of quoted market prices in an active market for such assets of liabilities.
3. Investment in available-for-sale securities	-	149,565	-	149,565	Level 1	Use of quoted market prices in an active market for such assets of liabilities.
4. Investment in non-marketable equity securities	797	797	327	327	Level 3	Fair value of investment in non-marketable equity securities which is determined by net asset value.
5. Non-Marketable debt securities	6,777	-	-	-	Level 3	Fair value of non-marketable debt securities which is determined by net asset value.
6. Held to maturity securities	-	6,754	-	-	Level 2	Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
7. Cross Currency and interest rate Swap contracts	90,966	-	90,966	-	Level 2	The estimated discounted cash flows is from future cash payment and future cash receive which is discounted by observable yield curve.
<u>Financial Liabilities</u>						
1. Foreign currency forward contracts	58,996	-	58,996	-	Level 2	The estimated discounted cash flow  The estimated future cash flows is from forward foreign currency exchange rates (from observable forward foreign currency exchange rates at the end of the reporting period) and contract forward rates, a discounted at market rate.
2. Sugar future option contracts	60,067	-	60,067	-	Level 2	Discounted cash flow and adjust commodity price yield curves.
3. Sugar future contracts to hedge its commodity price risks	28,395	-	28,395	-	Level 2	Discounted cash flow and adjust commodity price yield curves.

These financial assets and financial liabilities are presented as part of other current financial assets and other current financial liabilities, respectively, in the statements of financial position.

Financial assets and financial liabilities not measured at fair value.

Fair value of financial assets and financial liabilities which are not measured at fair value and their fair value hierarchy level classification as at October 31, 2021 and 2020 was summarized as follows:



Unit : Thousand Baht

Consolidated financial statements					
	2021		2020		
	Carrying amount	Fair value	Carrying amount	Fair value	Fair value hierarchy
<b>Financial assets</b>					
Cash and cash equivalents	224,064	224,064	137,729	137,729	Level 3
Temporary investment	-	-	264	264	Level 3
Trade and other current receivables	1,064,094	1,064,094	1,202,631	1,202,631	Level 3
Short-term loans	588,435	588,435	785,834	785,834	Level 3
Trade and other non-current receivables	147,364	147,364	116,926	116,926	Level 3
Long-term loans	136,624	136,624	144,347	144,347	Level 3
<b>Financial liabilities</b>					
Short-term borrowings from financial institutions	5,981,934	5,981,934	6,912,515	6,912,515	Level 3
Trade and other current payables	1,064,171	1,064,171	1,191,331	1,191,331	Level 3
Current portion of debentures	2,999,158	2,969,046	1,349,773	1,346,325	Level 2
Current portion of long-term borrowings from financial institutions	1,739,240	1,739,240	1,867,000	1,867,000	Level 3
Short-term borrowings from related parties	7,100	7,100	7,100	7,100	Level 3
Debentures	2,648,443	2,486,997	5,646,225	5,495,475	Level 2
Long-term borrowings from financial institutions	5,167,209	5,167,209	2,985,000	2,985,000	Level 3

Unit : Thousand Baht

Separate financial statements					
	2021		2020		
	Carrying amount	Fair value	Carrying amount	Fair value	Fair value hierarchy
<b>Financial assets</b>					
Cash and cash equivalents	7,093	7,093	11,686	11,686	Level 3
Trade and other current receivables	930,707	930,707	747,434	747,434	Level 3
Short-term loans	1,322,175	1,322,175	2,491,131	2,491,131	Level 3
Trade and other non-current receivables	64,025	64,025	17,128	17,128	Level 3
Long-term loans	2,469,521	2,469,521	2,059,173	2,059,173	Level 3
<b>Financial liabilities</b>					
Short-term borrowings from financial institutions	3,755,159	3,755,159	4,901,000	4,901,000	Level 3
Trade and other current payables	638,610	638,610	784,475	784,475	Level 3
Current portion of debentures	2,999,158	2,969,046	1,349,773	1,346,325	Level 2
Current portion of long-term borrowings from financial institutions	1,682,000	1,682,000	1,867,000	1,867,000	Level 3
Short-term borrowings from subsidiaries and related parties	409,100	409,100	545,500	545,500	Level 3
Debentures	2,648,443	2,486,997	5,646,225	5,495,475	Level 2
Long-term borrowings from financial institutions	4,853,069	4,853,069	2,985,000	2,985,000	Level 3

Valuation technique for financial assets and financial liabilities not measured at fair value of the Company and the subsidiaries are as follows:

Cash and cash equivalents, temporary investment, trade and other current receivables and short-term loans - the carrying amounts stated in the statements of financial position approximate their fair values due to the relatively short-term maturity of these financial instruments.

Fair value of long-term loans are determined by discounted cash flows method. Future cash flows are discounted using cost of debts of the Group.

Short-term borrowings from financial institutions, trade and other current payables, current portion long-term borrowings, short-term borrowings from subsidiaries and related parties, and other current liabilities - the carrying amounts stated in the statements of financial position of these financial liabilities approximate their fair values because of the short-term period to maturity of these financial instruments.

Fair value of long-term borrowings from financial institutions are determined by discounted cash flows method. Future cash flows are discounted using cost of debts of the Group. For long-term borrowings from financial institutions with floating interest rate, the fair values approximate their carrying values.

Fair value of debentures is based on market price at the reporting date.

	Consolidated / Separate Financial Statement		Fair value Hierarchy	Valuation technique of fair value
	Carrying amount Million Baht	Fair value Million Baht		
As at October 31, 2021				
Financial liabilities				
Long-term debentures	5,648	5,456	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
As at October 31, 2020				
Financial liabilities				
Long-term debentures	6,996	6,842	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.

#### 40. PROVIDENT FUND

The Company and 8 subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. For the years ended October 31, 2021 and 2020, the Group and their employees monthly contributed to the fund at the rate of 2% - 15% for both years. The fund, which is managed by Bangkok Capital Fund Management Co., Ltd. and Ayudhya Fund Management Co., Ltd., respectively, will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2021 and 2020, the Company and its subsidiaries contributed in amounts of Baht 24.08 million and Baht 29.45 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 9.35 million and Baht 12.61 million, respectively, in the separate financial statements.

#### 41. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

A domestic subsidiary received 3 investment promotion certificates from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520. The benefits includes the exemption from income tax for profit for the year derived from operations of

promoted businesses for the period of 8 years, commencing from the date of first receiving operation revenue of promoted businesses. The details are as follows:

Certificate No.	Sections Privilege	Date	Promoted activity types	Commenced date of revenues generated	Expire date
1432(2)/2552	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2) and 35(3)	June 24, 2009	- Production of electricity, power steams and water for manufacture	November 30, 2010	November 29, 2018
1349(2)/2556	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2) and 35(3)	Mach 15, 2013	- Production of electricity, power steams and water for manufacture	January 21, 2014	January 20, 2022
61-0170-1-00-1-0	25, 26, 28, 31(1), 31(2), 31(3), 31(4) and 34	February 12, 2018	- Production of electricity, power steams and water for manufacture	Income not yet derived	

Furthermore, in accordance with the Promotion Certificate No. 1432(2)/2552, and 1349(2)/2556, the subsidiary receives the privilege at 50% income tax reduction of the regular rate for the period of 5 years commencing from the expiration date of income tax exemption and under all Promotion Certificates, the subsidiary is granted privilege for exemption of import duties for approved machinery and exemption from income tax on dividend on profit from promoted businesses during the period in which the subsidiaries is granted exemption from corporate income tax.

## 42. RECLASSIFICATION

A reclassification has been made to the consolidated and separate statements of income for the year ended October 31, 2020 to conform to the classification used in the consolidated and separate statements of income for the year ended October 31, 2021, as follows:

Previous presentation	Current presentation	Unit : Thousand Baht	
		Consolidated Financial Statements	Separate Financial Statements
Remuneration for directors and executives	Administrative expenses	142,395	58,877

## 43. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 22, 2021.

The Board of Directors



Mr. Manu Leopairote  
Chairman independent director



Mr. Chamroon Chinthammit  
Director / Chief Executive Officer



Mr. Pornsin Thaemsirichai  
Director



Mr. Sukhum Tokaranyaset  
Director

The Board of Directors



Mr.Thawatchai Rojanachotikul  
Director



Mrs. Intira Sukhanindr  
Director



Ms.Duangdao Chinthammit  
Director



Mr. Chalush Chinthammit  
Director/ President



The Board of Directors



Mr.Somchai Chinthammit  
Director



Ms.Duangkae Chinthammit  
Director



Mr. Chanachai Chutimavoraphand  
Director



Mr. Somchat Chinthammit  
Director

The Board of Directors



Mr. Tachpong Pakornsiriwongse  
Director



Mr. Chatri Chinthammit  
Director



Mr. Trakarn Chunharojrit  
Director



Pol. Gen. Boonpen Bumpenboon  
Independent director

The Board of Directors



Mr. Sitti Leelakasamelek  
Independent director



Mr. Warapatr Todhanakasem  
Independent director



Ms. Nongluck Phinainitisart  
Independent director



Mrs. Anchalee Pipatanasern  
Independent director



## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

<b>1. Mr. Manu Leoparote</b> Age 78 years Director qualified as an independent director	
<b>Position</b> Independent director Chairman of the Board of Directors <b>Date of Appointment as a Director</b> - 18 March 2004 <b>Education/Training</b> - Honorary Degree of Doctor of Business Administration, Thammasat University, Thailand - M.Sc. (Economics) University of Kentucky, USA - B.Sc. in Economics (Honours), Thammasat University - Diploma Industrial Development, Nagoya, Japan - Diploma, National Defence College Class 34 <b>Expertise</b> - Strategic Planning & Risk Management - Corporate Governance - Government & Government Relations <b>Director Training</b> - Diploma of Chairman 2000, Class 3/2001, Thai Institute of Directors Association - Director Accreditation Program (DAP) 30/2003, Thai Institute of Directors Association (IOD)	<b>Board Member/Management in Other Listed Company (5)</b> Since 2017, Chairman, SVOA PCL Since 2011, Chairman, TMC Industrial PCL Since 2010, Chairman, Jubilee Enterprise PCL Since 2010, Chairman, ARIP PCL Since 2004, Chairman, Polyplex (Thailand) PCL <b>Position in Other Company/Organization/Institution (3)</b> Since 2004, Affiliate KSL Sugar Factories - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd. <b>5-year Past Experiences and / or Remarkable position</b> 2002 - 2006, Chairman, Small and Medium Enterprise Development Bank of Thailand 1999 - 2004, Permanent Secretary, Ministry of Industry <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: (None) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

2. Mr. Chamroon Chinthammit	
Age 71 years	
<b>Position</b> Director /Chief Executive Officer (Authorized signatory)	Since October 2017, Director, BBGI PCL Since 2006, President, KSL Agro and Trading Co., Ltd.
<b>Date of Appointment as a Director</b> - 26 February 2004	Since 2006, President, Koh Kong Sugar Industry Co., Ltd. Since 2006, President, Savannakhet Sugar Corporation
<b>Education/Training</b> - Honorary Degree of Doctor of Arts (Geosocial-Based Management), Srinakharinwirot University - BBA in Faculty of Commerce and Accountancy (Honours), Chulalongkorn University	Since 2006, President, Savannakhet Sugar Corporation Since 2003, President, Khon Kaen Sugar Power Plant Co., Ltd. Since 2002, President, KSL Export Trading Co., Ltd. Since 2000, President, Thai Fermentation Industry Co., Ltd. Since 1997, President,
<b>Expertise</b> - Business Management - Strategic Planning & Risk Management - Corporate Governance	Chengteh Chinaware (Thailand) Co., Ltd. Since 1997, Director, Thai Sugar Millers Co, Ltd. Since 1996, President, KSL Real Estate Co., Ltd. Since 1996, Director, Onnuch Construction Co., Ltd.
<b>Director Training</b> - Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD) - Diploma of Chairman 2000, Class 10/2004, Thai Institute of Directors Association (IOD)	<b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 113,075,331 shares (2.56%) - Spouse: M.L.Charuvadhana Chinthammit 52,775,901 shares (1.20%)
<b>Board Member/Management in Other Listed Company</b> (None)	<b>Family Relationship among Directors and Executives</b> - Brother-in-Law of person number 3 (Mr.Pornsin Thaemsirichai) - Brother of person number 6 (Mrs. Intira Sukhanindr) - Brother of person number 7,9 and 10 (Ms.Duangdao Chinthammit , Mr.Somchai Chinthammit , Ms.Duangkae Chinthammit) - Uncle of person number 8,11 and 12 (Mr. Chalush Chinthammit , Mr. Chanachai Chutimavoraphand, Mr.Chatri Chinthammit ) - Father of person number 22 (Mr.Piripon Chinthammit) - Father of person number 27 (Mrs. Kanyarat Sumitra)
<b>Position in Other Company /Organization/Institution (14)</b> Since 1996, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.	

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

3. Mr.Pornsini Thaemsirichai	
Age 76 years	
<b>Position</b> Director and Executive Director (Authorized signatory)	<b>Position in Other Company /Organization/Institution (7)</b> Since 1983, Affiliated KSL sugar companies <ul style="list-style-type: none"> <li>- New Krung Thai Sugar Factory Co., Ltd.</li> <li>- Tamaka Sugar Industry Co., Ltd.</li> <li>- New Kwang Soon Lee Sugar Factory Co., Ltd.</li> </ul>
<b>Date of Appointment as a Director</b> - 26 February 2004	- Since 2010, Chairman, Koh Kong Plantation Co., Ltd. - Since 2007, Director, Savannakhet Sugar Corporation - Since 2006, Director, Koh Kong Sugar Industry Co., Ltd. - Since 2003, Director, Khon Kaen Sugar Power Plant Co., Ltd.
<b>Education/Training</b> - Honorary Degree of Doctor of Philosophy (Business Management), Ramkhamhaeng University - MBA., The University of Southern Queensland, Australia - MS in Engineering North Dakota State University, USA. - B.Eng. in Civil Engineering, Chulalongkorn University	<b>5-year Past Experiences and / or Remarkable position</b> 2003 - June 2016, President, KSL Material Supply Co., Ltd. 2003 - October 2019, Managing Director, Khon Kaen Sugar Power Plant Co., Ltd.
<b>Expertise</b> - Business Management - Strategic Planning & Risk Management - Food & Beverage	<b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 29,390,196 Shares (0.67%) - Spouse: Ms.Montanut Thaemsirichai 30,688,231 Shares (0.70%)
<b>Director Training</b> - Director Accreditation Program (DAP) 18/2004, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 50/2004, Thai Institute of Directors Association (IOD)	<b>Family Relationship among Directors and Executives</b> -Brother-in-Law of person number 2 (Mr.Chamroon Chinthammit)
<b>Board Member/Management in Other Listed Company(1)</b> Since 2013, Director, Sahamit Machinery PCL	

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

4. Mr. Sukhum Tokaranyaset	
Age 74 years	
<b>Position</b> Director and Executive Director (Authorized signatory)	Since 2015, Director, Raja Transfer Co., Ltd. Since 2006, Director, Koh Kong Sugar Industry Co., Ltd.
<b>Date of Appointment as a Director</b> - 26 February 2004	Since 2006, Director, KSL Agro and Trading Co., Ltd. Since 2002, Director, KSL Export Trading Co., Ltd.
<b>Education/Training</b> - Vocational Certificate Kitti Commerce College	Since 2002, Director, KSL Real Estate Co., Ltd. Since 2002, Director, Champion Fermentation Co., Ltd.
<b>Expertise</b> - Accounting - Finance - Food & Beverage	Since 2000, Director, TFI Green Biotech Co., Ltd. Since 2000, Vice Chairman, Raja Porcelain Co., Ltd. Since 2000, Director, Thai Fermentation Industry Co., Ltd.
<b>Director Training</b> - Director Accreditation Program (DAP) 18/2004, Thai Institute of Directors Association (IOD)	Since 1998, Director, Chengteh Chinaware (Thailand) Co., Ltd. Since 1989, Director and Executive Director, Raja Product Co., Ltd.
<b>Board Member/Management in Other Listed Company</b> (None)	<b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 350,000 Shares (0.008%) - Held by Spouse or minor children : (None)
<b>Position in Other Company /Organization/Institution (14)</b> Since 2004, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.	<b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

5. Mr.Thawatchai Rojanachotikul	
Age 68 years	
<b>Position</b> Director and Executive Director (Authorized signatory)	- . Since 2006, Director, Savannakhet Sugar Corporation
<b>Date of Appointment as a Director</b> - 26 February 2004	Since 2006, Director, KSL Agro and Trading Co., Ltd. Since 2002, Director, TFI Green Biotech Co., Ltd.
<b>Education/Training</b> - BBA in Business Administration, Auckland Technical institute, New Zealand	Since 2000, Director, and Deputy Managing Director (DMD) Thai Fermentation Industry Co., Ltd. Since 1998, Director, KSL Export Trading Co., Ltd.
<b>Expertise</b> - Business Management - Food & Beverage - Marketing & Business Development	Since 1989, Director, Champion Fermentation Co., Ltd. Since 1989, Director, KSL Real Estate Co., Ltd. Since 1987, Director, Chengteh Chinaware (Thailand) Co., Ltd.
<b>Director Training</b> - Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)	<b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 55,937,112 Shares (1.27%) - Spouse:
<b>Board Member/Management in Other Listed Company</b> (None)	Ms.Korakot Rojanachotikul 3,166,748 Shares (0.07%) <b>Family Relationship among Directors and Executives</b> (None)
<b>Position in Other Company /Organization/Institution (11)</b> Since 1996, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd	

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

6. Mrs. Intira Sukhanindr Age 74 years	
<b>Position</b> Director and Executive Director (Authorized signatory) Vice President - Business Development <b>Date of Appointment as a Director</b> - 25 June 2010 <b>Education / Training</b> - Certificate of Secretary, Melbourne, Australia <b>Expertise</b> - Business Management - Food & Beverage - Marketing & Business Development <b>Director Training</b> - Director Accreditation Program (DAP) 50/2006, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company (1)</b> Since 2005, Director, Sub Sri Thai Warehouse PCL	<b>Position in Other Company /Organization/Institution (8)</b> Since 2010, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd. Since 2010, Director, KSL Agro and Trading Co., Ltd. Since 2010, Director, Khon Kaen Sugar Power Plant Co., Ltd. Since 2007, General Manager, KSL Export Trading Co., Ltd. Since 2004, Director, Thai Fermentation Industry Co., Ltd. Since 2003, Director, Champion Fermentation Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 25,471,699 shares (0.58%) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> - Elder Sister of person number 2 (Mr.Chamroon Chinthammit)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

7. Ms.Duangdao Chinthammit	
Age 63 years	
<b>Position</b> Director and Executive Director (Authorized signatory) Nomination and Remuneration Committee Vice President - Human Resources <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - Master of Science, Agricultural Economics, University of Saskatchewan, Canada - Bachelor of Science, Computer Information System, Western Michigan University, USA. - Bachelor of Business Administration, Faculty of Economics and Business Administration, Kasetsart University - SD Forum 2/2017: Sustainability Strategy Key Blueprint for Business Growth, SET <b>Expertise</b> - Human Resources Management - Corporate Governance - Marketing & Business Development <b>Director Training</b> - Director Certification Program (DCP) 71/2006, Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company</b> (1) Since 2005, Director, Sub Sri Thai Warehouse PCL	<b>Position in Other Company /Organization/Institution (7)</b> Since 2004, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd. Since 2006, Director, KSL Agro and trading Co., Ltd. Since 2004, Director, KSL Sugar Holding Co., Ltd. Since 1999, Director, KSL Real Estate Co., Ltd. Since 1996, Director, Onnuch Construction Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 99,799,954 Shares (2.26%) <b>Family Relationship among Directors and Executives</b> - Younger Sister of person number 2 (Mr.Chamroon Chinthammit)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

8. Mr. Chalush Chinthammit	
Age 52 years	
<b>Position</b> Director and Executive Director (Authorized signatory) / President / Risk Management Committee	- Since 2007, Director and Executive Director, TS Flour Mill PCL
<b>Date of Appointment as a Director</b> - 26 February 2004	- Since 2007, Director, Thai Sugar Terminal PCL - Since 2020, Director, Triton Holding PCL - Since 2019, Director, Kerry Express (Thailand) PCL
<b>Education / Training</b> - MBA in Finance and Banking, Mercer University, USA. - BBA in Finance and Banking, Assumption University - Capital Market Academy Program 10 - Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 6, Thailand Energy Academy - Top Executive in Industrial Development and Investment, Class 3, Institute of Business and Industrial Development (IBID) - Business Revolution and Innovation Network (BRAIN) Class 2, The Federation of Thai Industries	<b>Position in Other Company /Organization/Institution (20)</b> Since 2004, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co.,Ltd. Since 2021, Director KHUN CHUAN Company Limited Since 2018, Director, Bangchak Bioethanol Co., Ltd Since 2017, Chairman, DAD SPV Co., Ltd. Since October 2017, Director, BBGI PCL Since 2016, Director, WSP Logistics Co., Ltd. Since 2015, Director and Chairman of the Audit Committee, Dhanarak Asset Development Co., Ltd. Since 2006, Director, KSL. Agro and Trading Co., Ltd Since 2006, Director, Koh Kong Plantation Co., Ltd. Since 2006, Director, Savannakhet Sugar Corporation Since 2006, Director, KhonKaen Sugar Power Plant Co., Ltd. Since 2004, Director, KSL Green Innovation PCL. Since 2002, Director, KSL Export Trading Co., Ltd. Since 2001, Director, Thai Sugar Miller Co., Ltd. Since 1997, Director, Onnuch Construction Co., Ltd. Since 1997, Director and Chairman, Colossal International Co., Ltd. Since 1997, Director, MMP Corporation Co., Ltd. Since 1997, Director,
<b>Expertise</b> - Diversification - Marketing & Business Development - Corporate Governance	
<b>Director Training</b> - Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors Association (IOD)	
<b>Board Member/Management in Other Listed Company (5)</b> - Since 2014 , Board of Director/Audit Committee/Member of Nomination and Remuneration Committee/Member of Corporate Governance CommitteeSince , Master Ad Public Company Limited	



## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

	<p>Chengteh Chinaware (Thailand) Co., Ltd.</p> <p>Since 1996, Director, KSL Real Estate Co., Ltd.</p> <p><b>5-year Past Experiences and / or Remarkable position</b></p> <p>2014 - 1 August 2019,</p> <p>Director and Executive Director, Mudman PCL</p> <p>1996 - 1 July 2019, Managing Director, KSL Real Estate Co., Ltd.</p> <p><b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b></p> <ul style="list-style-type: none"> <li>- Own: 43,279,926 Shares (0.98%)</li> <li>- Minor children:</li> </ul> <p>Ms.Chollapim Chinthammit 374,000 Shares (0.01%)</p> <p><b>Family Relationship among Directors and Executives</b></p> <ul style="list-style-type: none"> <li>- Nephew of person number 2 (Mr.Chamroon Chinthammit)</li> </ul>
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## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

9. Mr.Somchai Chinthammit	
Age 69 years	
<b>Position</b> Director and Executive Director <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - Certificate Mini MBA, Thammasat University - Diploma, Computer College, Germany <b>Expertise</b> - Business Management - Food & Beverage - Finance <b>Director Training</b> - Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company</b> (None)	<b>Position in Other Company /Organization/Institution (5)</b> Since 1996, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co.,Ltd Since 2003, Director, Khon Kaen Sugar Power Plant Co., Ltd. Since 1981, Director, Thai Fermentation Industry Co., Ltd. <b>5-year Past Experiences and / or Remarkable position</b> 2008 – 15 May 2020 Director, TS Flour Mill PCL Director, Thai Sugar Terminal PCL Director, TS Warehouse Co., Ltd. Director, TS G Trading Co., Ltd. Director, TS Oil Industry Co., Ltd. Director, TS Transport and Logistic Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 96,475,726 Shares (2.19%) - Spouse: Ms.Somjit Somsukcharoen 279,206 shares (0.01%) <b>Family Relationship among Directors and Executives</b> - Younger Brother of person number 2 (Mr.Chamroon Chinthammit)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

10. Ms.Duangkae Chinthammit	
Age 66 years	
<b>Position</b> Director and Executive Director / Assistant Vice President - Office of President <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - Diploma from Katinka School, United Kingdom - Certificate Modern Managers Program (MMP), Chulalongkorn University <b>Expertise</b> - Business Management - Finance - Human Resources Management <b>Director Training</b> - Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company(1)</b> Since 2005, Director, Sub Sri Thai Warehouse PCL	<b>Position in Other Company /Organization/Institution (6)</b> Since 1996, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co.,Ltd Since 2004, Director, KSL Sugar Holding Co., Ltd. Since 1993, Director, Chavananthakij Co., Ltd. Since 1976, Director, National Enterprises Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 99,733,643 Shares (2.26%) <b>Family Relationship among Directors and Executives --</b> - Younger Sister of person number 2 (Mr.Chamroon Chinthammit)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

11. Mr. Chanachai Chutimavoraphand	
Age 49 years	
<b>Position</b> Director and Executive Director (Authorized signatory)	<b>Position in Other Company /Organization/Institution (11)</b> Since 2004, Affiliated KSL sugar companies <ul style="list-style-type: none"> <li>- New Krung Thai Sugar Factory Co., Ltd.</li> <li>- Tamaka Sugar Industry Co., Ltd.</li> <li>- New Kwang Soon Lee Sugar Factory Co., Ltd.</li> </ul> Director, Munkong Sayam Business Co., Ltd. Director, BB Capital Co., Ltd Since October 2017, Director BBGI PCL Since 2016, Director, WSP Logistics Co., Ltd Since March 2014, Director, KSL Real Estate Co., Ltd. Since 2006, Director, Koh Kong Sugar Industry Co., Ltd. Since 2006, Director, Savannakhet Sugar Corporation Since 1996, Director, Onnuch Construction Co., Ltd.
<b>Date of Appointment as a Director</b> - 1 April 2017	
<b>Education/Training</b> - Bachelor of Law, Chulalongkorn University - Master Degree of Business Administration, Tennessee University, U.S.A. - Master Degree of Arts, Business Law, Chulalongkorn University - Bachelor Degree, Electrical Engineering, Chulalongkorn University - Orientation Course - CFO Focus on Financial Federation of Accounting Professions - CFA Charter holder, Association for Investment Management and Research (AIMR)	
<b>Expertise</b> - Accounting - Finance - Legal & Tax	<b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own:115,355,499 shares (2.62%) - Held by Spouse or minor children : (None)
<b>Director Training</b> - Director Accreditation Program (DAP) 37/2005, Thai Institute of Directors Association (IOD)	<b>Family Relationship among Directors and Executives</b> - Nephew of person number 2 (Mr.Chamroon Chinthammit)
<b>Board Member/Management in Other Listed Company (2)</b> Since 2000, CEO, Thai Sugar Terminal PCL Since 2000, Director and Executive Director, TS Flour Mill PCL	

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

12. Mr.Chatri Chinthammit	
Age 48 years	
<b>Position</b> Director (Non - Executive Director) <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - Master of Science, Computer Science, Bellevue University, USA. - BBA in Economics, University of The Thai Chamber of Commerce <b>Expertise</b> - Information Technology - Business Management - Marketing & Business Development <b>Director Training</b> - Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors Association (IOD) - TLCA Executive Development Program (EDP)1/2008, by TLCA - Successful FORMULATION & Execution Program (SFE) 9/2010, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company</b> (None)	<b>Position in Other Company /Organization/Institution (4)</b> Since 2004, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co.,Ltd Since 2000, Deputy Managing Director - Software Department, KSL IT Center Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 57,467,546 Shares (1.30%) <b>Family Relationship among Directors and Executives</b> - Nephew of person number 2 (Mr.Chamroon Chinthammit)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

13. Mr. Somchat Chinthammit	
Age 63 years	
<b>Position</b> Director (Non - Executive Director)/ Corporate Governance Committee <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - MIM in Marketing, Thammasat University - MBA./Marketing, Chulalongkorn University - B.Eng in Mechanical, King Mongkut's University of Technology Thonburi <b>Expertise</b> - Food & Beverage - Marketing & Business Development - Corporate Governance <b>Director Training</b> - Director of Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD) - Directors Certification Program (DCP) 55/2005, Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) 8/2005, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company(1)</b> Since 2005, Independent Director and Audit Committee, UOB Kay Hian Securities (Thailand) PCL	<b>Position in Other Company /Organization/Institution(9)</b> Since 2004, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co.,Ltd Since 2018, Director, Chinongsawat Co., Ltd. Since 2005, Director, Boathouse Huahin Co., Ltd. Since 2005, Managing Director, Top Blend International Co., Ltd. Since 1989, Director, Phongwilai Co., Ltd. Since 1988, Director, Deputy Managing Director, Bangkok Inter food Co., Ltd. Since 1988, Managing Director, Thai Flour Industry Co., Ltd. <b>Shareholding (Ordinary Shares)(as of 31 October 2021)</b> - Own: 22,907,921 Shares (0.52%) - Spouse: Ms.Darunee Lertdamronglak 2,194,852 Shares (0.05%) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

14. Mr. Tachpong Pakornsiriwongse Age 71 years	
<b>Position</b> Director and Executive Director <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - Certificate in Financial Management, Chulalongkorn University <b>Expertise</b> - Business Management - Food & Beverage - Marketing & Business Development <b>Director Training</b> - Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company</b> (None)	<b>Position in Other Company /Organization/Institution (5)</b> Since 2004, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co.,Ltd Since 2007, Director, KSL Sugar Holding Co., Ltd. Since 2004, Director, Koh Kong Plantation Co.,Ltd <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 158,162 Shares (0.004%) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

15. Mr. Trakarn Chunharojrit	
Age 81 years	
<b>Position</b> Director and Executive Director <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - Certificate in Accounting <b>Expertise</b> - Food & Beverage - Government & Government Relations - Corporate Governance <b>Director Training</b> - Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company</b> (None)	<b>Position in Other Company /Organization/Institution (7)</b> Since 2004, Affiliated KSL sugar companies - New Krung Thai Sugar Factory Co., Ltd. - Tamaka Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd. Since 2006, Director, KSL Agro and Trading Co., Ltd. Since 2003, Director, Khon Kaen Sugar Power Plant Co., Ltd. Since 1997, Director, Chengteh Chinaware (Thailand) Co., Ltd. Since 1989, Director, KSL Real Estate Co., Ltd. <b>5-year Past Experiences and / or Remarkable position</b> 2003 - June 2016, Director, KSL Material Supplies Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 13,621,766 Shares (0.31%) - Spouse: Mrs.Rattana Chunharojrit 744,720 Shares (0.018%) <b>Family Relationship among Directors and Executives</b> (None)



## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

16. Pol.Gen.Boonpen Bumpenboon	
Age 76 years	
Director qualified as an independent director	
<b>Position</b> Independent Director/ Chairman of Nomination and Remuneration Committee /Corporate Governance Committee <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - MPA./ Public Administration, NIDA - Diploma,National Defence College (37) - LL.B.,Sukhothai Thammathirat University - BBA in Public Administration, Royal Police Cadet Academy <b>Expertise</b> - Government & Government Relations - Corporate Governance - Strategic Planning & Risk Management <b>Director Training</b> - Director Accreditation Program (DAP) 11/2004, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company</b> <b>(1)</b> Since 18 December 2013, Independent Director, The Platinum Group PCL	<b>Position in Other Company /Organization/Institution</b> <b>(2)</b> Since 2006, Council of State Office of the Council of State Since 14 October 2005, Independent Director, Sahaphandh Construction PCL <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: (None) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

<b>17. Mr. Sitti Leelakasamelek</b> Age 68 years Director qualified as an independent director	
<b>Position</b> Independent Director/Chairman of Audit Committee Risk Management Committee <b>Date of Appointment as a Director</b> - 26 February 2004 <b>Education/Training</b> - BA in Accounting, Chulalongkorn University <b>Expertise</b> - Accounting - Finance - Marketing & Business Development <b>Director Training</b> - Director Accreditation Program (DAP) 11/2004, Thai Institute of Directors Association (IOD) - Audit Committee Forum 2014, Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company (None)</b>	<b>Position in Other Company /Organization/Institution</b> (None) <b>5-year Past Experiences and / or Remarkable position</b> Since 2014 - 28 September 2018, Deputy Chief Executive Officer,Noble Development PCL. Since 1994 - 28 September 2018, Vice Chairman, Noble Development PCL. Since 1991 - Nov 2014, Executive Vice President- Support Line1, Noble Development PCL. Since 2013 - 26 April 2019, Director, S&P Property Management Co., Ltd. Since 2012 - 26 April 2019, Director, N.K.Energy Conservation Co., Ltd. Since 2005 - 26 April 2019, Director, Ban Suk Sabai Co., Ltd. Since 1995 - 26 April 2019, Director,Continental City Co.,Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: (None) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

18. Mr. Warapatr Todhanakasem	
Age 72 years	
Director qualified as an independent director	
<b>Position</b> Independent Director/ Chairman of Corporate Governance Committee/ Audit Committee <b>Date of Appointment as a Director</b> - 26 February 2010 <b>Education/Training</b> - Ph.D. in Business Economics University of Illinois, Urbana-Champaign, USA - M.S. in Economics University of Illinois, Urbana-Champaign, USA. - M.B.A. in Finance Kellogg School of Management, Northwestern University, Evanston, Illinois, USA. - B.Econ.(1st Class Honor) Thammasat University - LL.B. Thammasat University - Capital Market Academy Program, Class 5 - The Executive Director Course of Process of Judgment, Class 15 - Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 9 - Institute of Metropolitan Development Class 4 - TEPCOT Class 2 <b>Expertise</b> - Corporate Governance - Finance - Strategic Planning & Risk Management	<b>Director Training</b> - Directors Certification Program DCP 0/2000, Thai Institute of Directors Association (IOD) - The Executive Director Course EDC 1/2012, Thai Institute of Directors Association (IOD) - Certificate of International Corporate Governance, Yale University, U.S.A. - Director Certificate Program, Australian Institute of Corporate Directors (Class Train the Trainers), Bangkok <b>Board Member/Management in Other Listed Company (3)</b> Since June 2013, Director, True Corporation PCL Since August 2012, Director, Amata VN PCL Since 2009, Chairman and Independent Director, Prinsiri PCL <b>Position in Other Company /Organization/Institution</b> Since Jun 2012, President, Institute of Research and Development for Public Enterprises of Thailand (IRDPE) <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: (None) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

19. Ms. Nongluck Phinainitisart	
Age 62 years	
Director qualified as an independent director	
<b>Position</b> Independent Director/Chairman of Risk Management Committee/Audit Committee/Nomination and Remuneration Committee <b>Date of Appointment as a Director</b> - 26 February 2010 <b>Education/Training</b> - Doctorate Degree in Electrical Engineering, Chulalongkorn University - Master Degree in Electrical Engineering, University of Missouri, U.S.A. - Bachelor Degree in Electrical Engineering, Chulalongkorn University - Executive Program, Harvard University, USA - Stanford Executive Program 2013 <b>Expertise</b> - Strategic Planning & Risk Management - Marketing & Business Development - Business Management <b>Director Training</b> - Director Accreditation Program (DAP) 4/2003, Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 71/2006, Thai Institute of Directors Association (IOD)	<b>Board Member/Management in Other Listed Company (1)</b> Since 1 September 2019, Director and Executive Director, Mudman PCL <b>Position in Other Company /Organization/Institution</b> (None) <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

<b>20. Mrs. Anchalee Pipatanasern</b> Age 69 years Director qualified as an independent director	
<b>Position</b> Independent Director/Audit Committee Corporate Governance Committee <b>Date of Appointment as a Director</b> - 29 September 2017 <b>Education/Training</b> - Continuing Education Program in AIS, University of Texas at Austin, USA. - MS. (Accounting), Thammasat University - BBA. (Accounting) (second class Honours), Thammasat Business School, Thammasat University - Thammasat Leadership Program (for social) Class2, Thammasat University <b>Expertise</b> - Accounting - Finance - Corporate Governance <b>Director Training</b> - Director Certification Program (DCP) 124/2009, Thai Institute of Directors Association (IOD) - Audit Committee and Continuing Development Program (ACP) Class30/2010, Thai Institute of Directors Association (IOD) - Advanced Audit Committee Program (Advanced ACP) 2/2010, Thai Institute of Directors Association (IOD) - Role of Chairman 25/2011, Thai Institute of Directors Association (IOD)	- Board Matters and Trends (BMT) 7/2019 ,Thai Institute of Directors Association (IOD) <b>Board Member/Management in Other Listed Company (3)</b> Since 2010, Audit Committee/Independent Director, AIRA Capital PCL Since 2009, Audit Committee/Independent Director, AIRA Securities PCL Since 2009, Chairman of Audit Committee/ Independent Director, Prinsiri PCL <b>Position in Other Company /Organization/Institution (2)</b> Since 2012, Subcommittee, University Council on Finance and Property, Thammasat University Since 2012, Committee of Real Estate Business Program, Thammasat Business School, Thammasat University <b>5-year Past Experiences and / or Remarkable position</b> 2008 – 2010, Head, Department of Accounting, Thammasat Business School, Thammasat University 2004 – 2007, Vice Rector for Finance, Thammasat University <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: (None) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

21. Mr.Theera Sanguandeekul	
Age 70 years	
<b>Position</b> Vice President - Sugar Production	<b>Board Member/Management in Other Listed Company</b> (None)
<b>Education/Training</b> <ul style="list-style-type: none"> <li>- MSc.Chemical Engineering ,University of Wisconsin, Madison, USA</li> <li>- Executive MBA , Kasetsart University</li> <li>- Bsc.Chemistry, Faculty of Science, Chulalongkorn University</li> </ul>	<b>Position in Other Company /Organization/Institution (5)</b> <p>Since 2007, Director, Koh Kong Sugar Industry Co., Ltd.</p> <p>Since 2006, Director, Savannakhet Sugar Corporation</p> <p>Since 2003, Director, Royal Place Realty Co., Ltd.</p> <p>Since 1992, Director, Chareonlarp Development Co., Ltd.</p> <p>Since 2010, Director, Royal Residence Development Co., Ltd.</p>
	<b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> <ul style="list-style-type: none"> <li>- Own: 1,650,000 Shares (0.04%)</li> <li>- Held by Spouse or minor children : (None)</li> </ul>
	<b>Family Relationship among Directors and Executives</b> (None)

22. Mr.Piripon Chinthammit	
Age 41 years	
<b>Position</b> Vice President - Raw Material Supply	<b>Board Member/Management in Other Listed Company</b> (None)
<b>Education/Training</b> <ul style="list-style-type: none"> <li>- Master Degree in Business Administration (Organization Leadership), University of Findlay, Ohio, U.S.A.</li> <li>- Bachelor Degree in Business Administration (Marketing), Bangkok University</li> <li>- Competency For Executive Management, 2018</li> <li>- Key Successors Development Program, 2017</li> <li>- Leadership Development Program, 2016</li> <li>- Energy Literacy for the world, 2015</li> </ul>	<b>Position in Other Company /Organization/Institution(8)</b> <p>Director, Koh Kong Sugar Industry Co., Ltd.</p> <p>Director, Savannakhet Sugar Corporation</p> <p>Director, KSL Real Estate Co., Ltd.</p> <p>Director, WSP Logistics Co., Ltd.</p> <p>Director, KSL Agro and Trading Co., Ltd.</p> <p>Since January 2019, Director, Thai Sugar Millers Co., Ltd.</p> <p>Since April 2019, Director, Thai Sugar And Bioenergy Producers Association (TSEA)</p> <p>Since April 2019, Director, Office of Cane and Sugar Board</p>

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

	<b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own: 94,386,024 shares (2.14%) - Spouse : Ms.Wikanda Chinthammit 64,900 shares (0.001%) <b>Family Relationship among Directors and Executives</b> - Son of person number 2 (Mr.Chamroon Chinthammit)
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<b>23. Mr.Sommanus Potisat</b> Age 59 years	
<b>Position</b> Vice President - Office of President <b>Education/Training</b> - B.Sc. in Economics, Thammasat University, 1983 - Master of Business Administration (Marketing), Chulalongkorn University, 1986 <b>Director Training</b> - Director Certification Program (DCP) 105/2008, Thai Institute of Directors Association (IOD)	<b>Board Member/Management in Other Listed Company</b> (None) <b>Position in Other Company /Organization/Institution (2)</b> Since 1 November 2019, Managing Director, Khon Kaen Sugar Power Plant Co., Ltd. Since 22 January 2019, Director Thai Sugar Millers Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own:(None) - Held by Spouse or minor children : (None) <b>Family Relationship among Directors and Executives</b> (None)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

<b>24. Ms.Supap Chantavit</b> Age 47 years	
<b>Position</b> Assistant Vice President - Accounting & Finance (Acting CFO)	<b>Board Member/Management in Other Listed Company</b> (None)
<b>Education/Training</b> - Master degree of Accountancy, Chulalongkorn University - Bachelor degree of B.B.A. Accounting (2nd class honors), Ramkhamheang University - Certified Public Accountant - Thailand (since 2003 - present) - CFO's Orientation Course for New IPOs by SET - ASEAN Chartered Professional Accountant	<b>Position in Other Company /Organization/Institution</b> (None) <b>Shareholding (Ordinary Shares) (as of 31 October 2021)</b> - Own:(None) <b>Family Relationship among Directors and Executives</b> (None)
<b>25. Ms. Wanna Areeprayoonkij</b> Age 39 years old	
<b>Position</b> Senior Manager Accounting (supervising accounting)	<b>Work experience/ Listed Company</b> (None)
<b>Education / Training</b> - Master's degree of Account, Kasetsart University - Bachelor of Accounting University of the Chamber of Commerce	<b>Work experience/ Company Limited</b> (None) <b>Number of company shares (as of 31 October 2021)</b> (None) <b>Relation among family within company</b> (None)



## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

<b>26. Mr. Chartchai Poowong</b> <b>Age 51 years old</b>	
<b>Position</b> Internal Audit Supervisor <b>Education / Training</b> - BACHELOR BUSINESS ADMINISTRATION ACCOUNTING KASEM BUNDT UNIVERSITY -PROFESSIONAL INTERNAL AUDITOR OF THAILAND (CPIAT 21) - TOOLS AND TECHNIQUES FOR THE AUDIT MANAGER - INTERNAL QUALITY ASSESSMENT - AUDITING INFORMATION SYSTEM - RISK BASED AUDIT - VALUE ADDED BUSINESS CONTROL THE RIGHT WAY TO MANAGE RISK	<b>Work experience/ Listed Company</b> (None) <b>Work experience/ Company Limited</b> (None) <b>Number of company shares (as of 31 October 2021)</b> (None) <b>Relation among family within company</b> (None)

<b>27. Mrs. Kanyarat Sumitra</b> <b>Age 46 years</b>	
<b>Position</b> Company Secretary/Manager- Company Secretary and Legal Office <b>Date of Appointment as a Company Secretary</b> - 15 January 2021 <b>Education / Training</b> - Bachelor of Science in Chemistry, Chulalongkorn University - Master of Science in Finance University of Denver, Denver, Colorado, USA - Master of Science in Information Technology University of Denver, Denver, Colorado, USA - Company Secretary Program (CSP120/2021)	<b>Position in Other Company /Organization/Institution (2)</b> Since 2020, Director, KSL Real Estate Co., Ltd. Since 2021, Director, Khun Chuan Co., Ltd. <b>Shareholding (Ordinary Shares) (as of 31 October 2020)</b> - Own: 56,467,544 shares (1.28%) - Held by Spouse: Mr. Nitat Sumitra: 16,740,120 (0.37%) - minor children : (None) <b>Family Relationship among Directors and Executives</b> - Daughter of person number 2 (Mr.Chamroon Chinthammit)

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

by Thai Institute of Directors (IOD) - Professional Development Program for Company Secretary by Thai Listed Companies Association (TLCA) <b>Board Member/Management in Other Listed  Company</b> (None)	
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## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

Directors in subsidiaries and Affiliated companies of Khon Kaen Sugar Industry PCL. as of October 31, 2021

Name - Surname		Position														
		Khon Kaen Sugar Industry PCL.	Subsidiaries and Associates													
			1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.Mr.Manu	Leopairote	Chairman/Independent Director	X	X	X											
2.Mr.Chamroon	Chinathammit	Director / Chief Executive Officer	//	//	//	X	X	X	X	X		X				/
3.Mr.Pornsini	Thaemsirichai	Director / Executive Director	//	//	//		/			/	X					
4.Mr.Sukhum	Tokaranyaset	Director / Executive Director	//	//	//	/		/	/			/				
5.Mr.Thawatchai	Rojanachotikul	Director / Executive Director	//	//	//	/		/	/	/						
6.Mrs.Intira	Sukhanindr	Director / Executive Director	//	//	//		/		/							
7.Ms.Duangdao	Chinathammit	Director / Executive Director / Nomination and Remuneration Committee	//	//	//			/	/							
8.Mr.Chalush	Chinathammit	Director / Executive Director/Risk Management Committee/President	//	//	//	/	/	/	/	/	/		/	/	/	/
9.Mr.Somchai	Chinathammit	Director / Executive Director	//	//	//		/									
10.Ms.Duangkae	Chinathammit	Director / Executive Director	//	//	//											
11.Mr.Chanachai	Chutimavoraphand	Director / Executive Director	//	//	//		/	/	/	/		/	/		//	/
12.Mr.Chattri	Chinathammit	Director	/	/	/											
13.Mr.Somchat	Chinathammit	Director /CG Committee	/	/	/											
14.Mr.Tachpong	Pakornsiriwongse	Director / Executive Director	//	//	//						/					
15.Mr.Trakarn	Chunharojrit	Director / Executive Director	//	//	//		/	/	/							
16.Pol.Gen.Boonpen	Bumpenboon	Independent Director/Chairman of Nomination and Remuneration Committee/CG Committee														
17.Mr.Sitti	Leelakasemlerk	Independent Director/Chairman of Audit Committee/Risk Management														
18.Mr.Warapatr	Todhanakasem	Independent Director/Chairman of CG Committee/Audit Committee/														
19.Ms.Nongluck	Phinainitisart	Independent Director/Chairman of Risk Management Committee/Audit														
20.Mrs.Anchalee	Pipatanasern	Independent Director/Audit Committee/CG Committee														
21.Mr.Theera	Sanguandeekul	Vice President								/		/				
22.Mr.Piripon	Chinathammit	Vice President						/	/	/	/		/			
23.Mr.Sommanus	Potisat	Vice President														
24.Ms. Supap	Chantavit	Asst.Vice President														

## NOTE :

## 1) Symbols and Position

x Chairman, / Director, // Executive Director

## 2) Name of Subsidiaries and Associates

**Name of Subsidiaries**

- 1 Tamaka Sugar Industry Co., Ltd.
- 2 New Krung Thai Sugar Factory Co., Ltd.
- 3 New Kwang Soon Lee Sugar Factory Co., Ltd
- 4 KSL Export Trading Co., Ltd.
- 5 Khon Kaen Sugar Power Plant Co., Ltd.
- 6 KSL Real Estate Co., Ltd.
- 7 KSL Agro and Trading Co., Ltd.
- 8 Savannakhet Sugar Corporation
- 9 Koh Kong Plantation Co., Ltd.
- 10 Koh Kong Sugar Industry Co.,Ltd.
- 11 WSP Logistics Co., Ltd.
- 12 KHUN CHUAN Company Limited

**Name of Associates**

-

- 13 Thai Sugar Terminal PCL.
- 14 BBGI PCL.

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

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Details of Internal Audit Supervisor

MR. CHARTCHAI POOWONG

EDUCATION : BACHELOR BUSINESS ADMINISTRATION ACCOUNTING KASEM BUNDIRT UNIVERSITY

WORK EXPERIENCE :2547 – CURRENT INTERNAL AUDIT MANAGER KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY  
EXPERIENCE IN INTERNAL AUDIT FOR KRUNG THAI PROPERTY DEVELOPMENT CO.,LTD  
2546 – 2547 AND PHATRA INSURANCE PUBLIC COMPANY 2536 – 2546

TRAINING : PROFESSIONAL INTERNAL AUDITOR OF THAILAND  
(CPIAT 21)  
TOOLS AND TECHNIQUES FOR THE AUDIT MANAGER  
INTERNAL QUALITY ASSESSMENT  
AUDITING INFORMATION SYSTEM  
RISK BASED AUDIT  
VALUE ADDED BUSINESS CONTROL THE RIGHT WAY TO MANAGE RISK

#### Details of Appraised value of assets

In 2021, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have engaged an independent professional appraiser to perform a revaluation of investment property and operating land, as have adopted the accounting policies is fair value method, to reflect the current existing value of assets. The appraisal value of assets by an appraiser using the market approach and income approach, make an investment property as at October 31, 2021 have totaling amount Baht 6,112 million and have gain on fair value adjustments of investment property in the total amount of Baht 208.73 million.

# Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

Note : The Company disclosed the appraised value of assets, consisted of :

Types and characteristics of assets	Appraisal (Million Baht)	Name of who role appraiser	Name of operational control or the main appraiser	Objective	The reporting date
Investment Property					
- Land	4,020	UK VALUATIONS & AGENCY CO., LTD.	Mrs. UDOMSRI NATHIKANCHANALAB Qualified Senior Valuer 026 Mr. NATEE TANGTIDTHAM Qualified Senior Valuer 346	Public	August 31, 2021
- Building	2,092	UK VALUATIONS & AGENCY CO., LTD.	Mrs. UDOMSRI NATHIKANCHANALAB Qualified Senior Valuer 026 Mr. NATEE TANGTIDTHAM Qualified Senior Valuer 346	Public	August 31, 2021

Corporate Governance Policy and Code of Conduct include duties of the Board of Directors and sub-committees.

### Corporate Governance Policy and Code of Conduct

Khon Kaen Sugar Industry Public Company Limited has defined a policy on good corporate governance as a guideline that all directors, management team and employees shall comply with such policy in order to promote KSL to be an efficient company in business, good corporate governance and transparency. KSL has announced good corporate governance principles and prepared Corporate Governance Policy and Code of Conduct manual as a guideline for the directors, executives and all employees to acknowledge and perform their duties. The manual was published on the KSLGROUP website for all relevant information, see more details at the below link;

<https://www.kslgroup.com/index.php/th/>

### The Board of Directors

The Company plans the Board of Directors' meetings throughout the year, generally with more than six meetings per year to consider the main agendas regulated each year. However, if there is an important agenda, the Chairman of the Board of Directors will call a meeting for that important agenda which will be notified in advance, not less than the period specified by law. In 2021, the Board of Directors held a total of 7 meetings.

The powers, duties, and responsibilities of the Board of Directors are defined by reference to the Public Limited Companies Act, the Securities and Exchange Company Act, the regulations of the Stock Exchange of Thailand, and the Company's Articles of Association.

#### Scopes, Powers, and Duties of the Board

Previously, the powers and duties of the Board of Directors were stipulated in the Corporate Governance Policy Section 5. Subsequently, the Board of Directors at the meeting No. 7/2016-2017 dated 29 September 2017 agreed upon and approved the Board Charter which shall come into force from 1 October 2017. This Charter defines the duties of the Board of Directors to be reviewed under the Virtuous Corporate Governance Principles for Listed Companies 2017 as follows:

(1) Manage the business by creating sustainable value for the Company, that is, for the Company to have satisfying performance, operate the business with ethics and responsibility to stakeholders, eliminating or reducing the negative impact on society and the environment, and adapt to various changing factors



(2) Establish business objectives and goals of the entity on the basis of creating a sustainable business while taking into account, the impact on society and the environment, direct the implementation of the objectives, goals, strategies, and annual plans to success of arranged goals.

(3) Ensure that the business has a Board of Directors with composition and qualifications consistent with the principles of virtuous corporate governance through transparent and efficient recruitments. Have developments of skills and knowledge for performing duties responsibly. Establish a framework and mechanism for overseeing policies and operations of subsidiaries and businesses in which the company invests. Appoint necessary and appropriate sub-committees.

(4) Ensure that the Company has the President and senior executives suitable for the implementation of the Company's goals. Set up development of senior management as well as a systematic succession.

(5) Promote innovations that create value for businesses and conduct business with social awareness and environmental responsibility.

(6) Ensure that there is a standard in risk management and internal control system that responds to the achievement of long-term objectives and goals of the Company, including the prevention of unofficial disclosure of sensitive information that may occur through information technology. Provide policies and guidelines for managing conflicts of interest and related transactions, anti-corruption, channels for complaints, and evidence concerning fraud and corruption.

(7) Ensure that financial creditworthiness is maintained and the preparation of financial reports and information disclosure is transparent and under the law.

(8) Support the participation of shareholders in crucial matters and maintain the right to receive information from shareholders through appropriate and timely channels.

The above eight roles and duties can categorize as guidelines and several other guidelines referred to the “Principles of Good Corporate Governance: Code of Conduct for the Listed Board of Directors” developed by the Securities and Exchange Commission.

## **Duties of Directors and sub-committees**

### **1. Audit Committee**

The Audit Committee consists of not less than three directors, of which the chairman and all directors must be independent directors. At least one member of this committee must have knowledge and experience in reviewing financial statements. The audit committee must have the qualifications prescribed by the Stock Exchange of Thailand and the Capital Market Supervisory Board. The Audit Committee has a term of office of three years and can be

reappointed as an audit committee but not more than three consecutive terms unless the Board of Directors deems it appropriate to hold the position. The Audit Committee has three years per term of office and can be reappointed as an Audit Committee member. However, the maximum duration is three consecutive terms unless the Board of Directors deems it appropriate to continue holding the position. The Audit Committee has the scope of powers and duties as stipulated in writing of the Audit Committee Charter.

#### **Scope of Duties and Responsibilities**

- 1.To review that the Company has accurate and sufficiently disclosed financial reports.
- 2.To review that the Company has internal controls and internal audit activities appropriately and effectively, including considers sufficiency of manpower budget and independency of the internal audit department as well as the Audit Committee's consent on appointment, rotation, promotion, and termination the head of internal audit department, including other departments who are also responsible for internal audit activities.
3. To review the risk management operations of the Company. The effects may occur at a level acceptable in order to prevent fraud and corruption.
4. To review that the Company is complied with the Securities and Exchange Act and Regulations of the SET or other laws that related to the Company's industry.
5. To select, propose for appointment and termination of independent person as the Company's auditor, including consider the remuneration. The Audit Committee shall hold a meeting with the auditor without management participation at least once a year.
6. To consider compliance of connected or conflict of interest transactions, including significant asset acquisitions and disposals in accordance with the Laws and Regulations of SET and SEC in order to assure that the transactions are reasonable and provide the best interest to the Company.
7. To report activities of the Audit Committee in the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and should be included at least the following information:
  - 7.1 Comments on completeness and reliability of the Company's Financial Reporting
  - 7.2 Comments on sufficiency of the Company's internal control systems
  - 7.3 Comments on compliance with Securities and Exchange Act, Regulations of SET and SEC and other related laws to the Company's industry
  - 7.4 Comments on appropriation of the auditor

7.5 Comments on conflict-of-interest transaction

7.6 Number of Audit Committee meetings and member's participation

7.7 Overall comments or observation regarding practices of the Audit Committee in accordance with the Audit Committee Charter

7.8 Other statements that shareholders or general investors should be informed under the scope of authorities and responsibilities of the Audit Committee as assigned to the Audit Committee by the Board of Directors.

8. To perform any assignment by the Board of Directors that agreed upon by the Audit Committee

9. While the Audit Committee are performing duties and responsibilities, the Audit Committee shall report within a reasonable period of time to the Board of Directors for corrective action if the Audit Committee observed the following transactions or events that may have material impacts to the financial status and performance of the Company

9.1 Conflict of interest transaction

9.2 Fraud or misappropriation might occur or there is significant weakness in the internal control system

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

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

## **2. Remuneration Committee and the Nomination Committee**

The Company has designated the Remuneration Committee and the Nomination Committee to be the same committee consisting of not less than three directors. The chairman of the board and other directors, together with more than half of the board, are independent directors. The Nomination and Remuneration Committee has three years per term of office and can be reappointed as the Nomination and Remuneration Committee. However, the maximum duration is three consecutive terms unless the Board of Directors deems it appropriate to continue holding the position. The Nomination and Remuneration Committee has the scope, powers, and duties as stipulated in writing of the Nomination and Remuneration Committee Charter.

Anywise, the Nomination and Remuneration Committee has not appointed any person to be an advisor to the Nomination and Remuneration Committee since the Board consists of independent directors who can express their opinions independently under relevant rules. Their outlooks bring knowledge, experience, and expertise to provide valuable suggestions in business operations.

### **Scope of Duties and Responsibilities**

#### **1. Nomination**

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

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

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

#### **2. Remuneration**

2.1 consider or review pattern, criteria and procedures to consider remuneration so as to suit the duties and responsibilities of the Board of Directors and other sub-Committees and submit for approval from the Board of Directors and the Shareholders' meeting respectively provided ;

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

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

#### **3. Risk Management Committee**

The Risk Management Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Risk Management Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors.

The Risk Management Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

**Scope of Duties and Responsibilities**

1. Develop policies to be considered by the Board of Directors regarding the overall corporate risk management that covers the Company's major risks, such as market risk, liquidity risk, management risk, investment risk, and reputation risk.
2. Design strategies in line with risk management policies to monitor and evaluate the corporate risk amount, as well as maintain the appropriate risk level.
3. Review the adequacy of risk management policies and system, as well as effectiveness of the system and policies practiced.
4. Provide recommendations in line with policies and strategies determined by the Board of Directors and present those recommendations to the Board.

**4 Corporate Governance Committee**

The Corporate Governance Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Corporate Governance Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Corporate Governance Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

**Scope of Duties and Responsibilities**

1. Consider and propose corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
2. Consider and propose practices of the Company, Board of Directors, executives, personnel and other relevant parties which are consistent with the corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

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3. Monitor and supervise as well as create understanding to the Board of Directors and management for the sake of performance pursuant to the governance policy, business ethics and governance practices;
  4. Review the corporate governance policy and practices at least once a year by comparison with international standard or other appropriate standards;
  5. Appoint a Secretary to the Corporate Governance Committee, sub-committees or working groups with suitable duties and responsibilities;
  6. Perform other duties as assigned by the Board of Directors.

### Report of Corporate Governance Committee

In 2020/2021, the Corporate Governance Committee held altogether 3 meetings, whereby 100 percent of the committee members attended the meetings, to perform its duties according to the scope of responsibilities specified in the Corporate Government Committee's Charter, the results of which were then reported to the Board of Directors every time, which can be summarized as follows:

□ **Consider reviewing the corporate governance policy. (Review No. 5, 2021)**

The working group has proposed the consideration of reviewing the Company's corporate governance policy (Review No. 5 B.E. 2021) to be effective from June 11, 2021, onwards. The Office of Company Secretary and Law has revised the Company's Corporate Governance Policy in accordance with the current work as follows:

1.1. Eliminate the name of the Executive Committee from being a member of the Sub-Committees of the Company According to the resolutions of the Board of Directors Meeting No. 7/2019-2020 dated October 30, 2020, details are as follows:

“**Sub-committees in the Board of Directors:** The Board of Directors appoints sub-committees comprising the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee to oversee the management and alleviate the duties of the Board. In this regard, the Board of Directors may appoint additional committees called by other names as necessary and appropriate.

1.2 Improve channels for providing information on wrongdoing and corruption of the Human Resources Division Human Resources Manager Tel. 02-642-6191-9 ext. 969 or e-mail: [hr@kslgroup.com](mailto:hr@kslgroup.com)

□ **Review the Anti-Corruption and Corruption Measures Manual 2021**

Review the Anti-Corruption Measures Manual 2021 to be consistent with the revision of the Corporate Governance Policy, Review No. 4/2020. There are two significant excerpts from the text as follows.

Subject	2020 Edition (Original)	2021 Edition (Revised)
1. Anti-Corruption Measure Policy Year 2021 (Page 1)	Article 3. The Company has no policy to provide financial or indirect support to any politician or political party for the benefit of that politician or political party.	- Eliminated number 3 -
2 . Political Assistance Policy (Page 8, Paragraph 2)	The Company has no policy to provide financial or indirect support to any politician or political party for the benefit of that politician or political party. In addition, the Company has established guidelines for preventing political assistance by the authorized person following the manual on the authority to disapprove transactions related to political assistance to the requesting agency and assigned to the Internal Audit Department to review the relevant items systematically.	- Eliminated the subject -

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

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- ☐ The Committee annually revised the Corporate Governance Committee' Charter.
  - ☐ The Committee annually revised the practices of the Company at the Annual General Meeting of Shareholders to ensure that it be in accordance with the laws, rules, and good practices, which included the giving of rights to shareholders to propose an issue for inclusion in the meeting agendas and to nominate persons for election as directors.
  - ☐ The Committee regularly monitored the operations of the Company to ensure that it be in accordance with the good corporate governance principle for listed companies of 2017 as well as the policy on corporate governance of the Company.
  - ☐ The Committee monitored and acknowledged the report on activities implementing the Anti-Corruption Policy.
  - ☐ The Committee annually revised the self-assessment forms of the Board of Directors and individual directors.
  - ☐ The Committee acknowledged the assessment as "excellent" conducted by the corporate governance survey of Thai listed companies of 2020, as well as the recommendations for improvement of corporate governance under the CGR Project of 2020 as organized by the Thai Institute of Directors, and provided recommendations for improvements to the Company.
  - ☐ The Committee acknowledged the result of quality assessment on organizing the annual general meeting of shareholders of 2021 at 100 percent



(Mr. Warapatr Todhanakasem)

Chairman of Corporate Governance Committee



### Report of Risk Management Committee

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

In 2021, the Risk Management Committee held 4 meetings altogether, the significant points of which can be summarized as follows:

1. The Committee supervised and considered the policy and the management of main risks of the Company to ensure that they were suitable and in line with the direction of business operation, strategic plans, and targets of the organization under changing circumstances.
2. The Committee reviewed risk criteria and approved main risk issues of the Company and the risk management plan of 2021 under risk appetite, by imposing concrete and practicable mitigation plan.
3. The Committee reviewed risk working team and educated and encouraged cooperation for overall risk management by providing systematic assessment and analysis of risk likelihood both in normal situation and in critical circumstances to ensure the complete risk survey over all procedures of operation.
4. The Committee has established a Business Continuity Management Plan (BCP) and organized rehearsals of various emergency response plans. Currently, the focus is on the extraction and prevention of the spread of COVID-19 cases during the sugarcane opening season under the Ministry of Public Health's guidelines for disease control (Bubble and Seal) to ensure that the production process remains stable and enable to continue operating the business without interruption.
5. The Committee monitored the result of risk management quarterly by setting risk indicators for surveillance and proposed recommendations to the management for improvement of management by taking into consideration the organizational risks as part of setting strategies and goals.

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

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



(Ms. Nongluck Phinainitisart)

Chairman of Risk Management Committee

**Report of Audit Committee**

The Audit Committee is appointed under a resolution of the Board of Directors and comprises 4 committee members who are independent directors. In 2021, the Audit Committee held five meetings, in which the meeting attendance is shown below.

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

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

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

**1. Review of Financial Reports**

The Audit Committee duly reviewed the quarterly financial statements and the annual financial statements of 2021 of the Company and its subsidiaries, covering all material issues relating to the accounting policy and the financial statements. The Committee also had discussion with the external auditors, the Management, and the Internal Audit Office, to ensure that the preparation of financial reports and the notes therein was done and disclosed correctly and completely according to law and the financial reporting standards. The Audit Committee had an opinion that the financial statements, which were reviewed and audited by the external auditors without reservation, was prepared in accordance with the Thai Financial Reporting Standards and contained accurate, complete, correct, transparent and reliable information with sufficient disclosure therein. The Committee did not

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

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

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

## **3. Review of Good Corporate Governance, Compliance with Related Laws and Regulations**

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

Received a certification as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is the Company's 2nd renewal of the certification, the Audit Committee paid more attention to the governance on anti-fraud and corruption. It assigned the Internal Audit Office to review the compliance with the Company's Manual on Anti-Fraud and Corruption and reported to the Committee. The Committee considered the normal practices were appropriate and efficient for transparent business operation and found no material issues of violation against any laws and regulations.

## **4. Review of Risk Management**

The Audit Committee also considered and reviewed the policy and practices, pursuant to the risk management principles of the Company and its subsidiaries, to ensure that the Company had appropriate and effective risk management procedures. The review on risk at organization level was considered in accordance with

the COSO-ERM Guidelines. The Committee also monitored assessment of risks which might occur from changing circumstances or business environment so as to assess risk factors which might have short-term and long-term impact upon business operation.

The Risk Management Committee is responsible for setting up a risk management policy framework and monitoring the Company's risk management on a quarterly basis. The Audit Committee give the opinion that the Company has an appropriate risk management system with sufficient efficiency in accordance with the Company's policy and strategic plans, including consistency in the changes of the environment and various situations both inside and outside the company.

#### **5. Review of Internal Control System**

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

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

#### **6. Maintaining the Quality of the Audit Committee**

The Audit Committee has reviewed the Audit Committee's charter and assessed the overall performance of the Audit Committee entirely and individually, firmly following practices of the Stock Exchange of Thailand to ensure that the Board's performance the Audit Committee is efficient and achieves the results as specified. The Audit Committee reports the operation performance is reported to the Board of Directors quarterly by giving comments to add value and improve Corporate Governance Process, Risk Management, Internal Control, and Compliance Supervision of the Company.

**7. Selection and Appointment of the External Auditors**

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

The Committee reviewed the performance of the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited in the previous financial year together with the proposed audit fee for the year 2020-2021. The Committee found the performance of the auditors satisfactory as they possessed capability, good experience and understanding of the Company's business and performed the task in accordance with professional auditing standards with independence and timely delivery of work. Therefore, the Committee recommended that the Board of Directors agree to seek approval of the Shareholders' Meeting to appoint the named auditors, all of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, as the Company's auditors for the year 2021-2022 and to accept the audit fee as reviewed by the Committee.



(Mr. Sitti Leelakasemlerk)

Chairman of Audit Committee

### Report of Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee which consists of

<u>Name- Last name</u>	<u>Position</u>
1. Pol. Gen. Boonpen Bumpenboon	Chairman of the Committee
2. Miss Duangdao Chinthammit	Committee Member
3. Miss Nongluck Phinainitisart	Committee Member

The Committee has a major duty to recruit and select persons who have appropriate qualifications to be directors in the Board of Directors or Committees of the Board. The duties of the Committee include the regular review of structure, size and composition of the Board of Directors, making guidelines to assess the Board of Directors' performance and remuneration of the directors to propose to the Board of Directors. During 2020-2021, the Committee held four meetings that included the following agenda.

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

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

3. Considering training and development plan for directors
4. Considering succession plans of high-level executives
5. Monitoring the performance and the progress of the Company's goals.
6. Considering the Annual Working Plan of the Committee.

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

## Details of Directors, Executives, Controlling Persons and Company Secretary In 2021

(As of 31 October 2021)

As of 31 October 2021, the Board of Directors consisted of 20 directors, in which 6 of them were independent directors (one independent director resigned during the year and the selection was in the process), 4 persons were non-executive directors and 10 persons were executive directors. The Committee found the composition appropriate for the Company's characteristics. As for the matter of remuneration of directors, executive directors and committee members that was shown in Directors' and Executives' remuneration, the Committee assessed the rate as appropriate. The proposed remuneration had then got approval from the Board of Directors.



Pol. Gen. Boonpen Bumpenboon

Chairman of the Nomination and Remuneration Committee





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