

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS**

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate statement of financial position of Khon Kaen Sugar Industry Public Company Limited as at January 31, 2017, and the related consolidated and separate statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three-month period then ended, and the condensed notes to interim financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

### **Emphasis of Matter**

Without modifying our conclusion, as discussed in Note 2.5.1 to the interim financial information, The Company and its subsidiaries have initial adopted the Accounting Standard No. 41, “Agriculture”. The comparative consolidated and separate statements of financial position as at October 31, 2016 has been retrospectively adjusted for the effects of the adoption of such standard. In addition, as discussed in Note 2.6 to the interim financial information, the statements of profit or loss and statements of changes in shareholders’ equity for the three-month period ended January 31, 2017 have been restated for the effect of change in the accounting policies for investment property and assets not used in operation for land from cost method to fair value method made in the fourth quarter for fiscal year 2016.

**BANGKOK**  
March 15, 2017

Niti Jungnitnirundr  
Certified Public Accountant (Thailand)  
Registration No. 3809  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT JANUARY 31, 2017**

**UNIT : THOUSAND BAHT**

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		"Unaudited" As at January 31, 2017	"Restated" As at October 31, 2016	"Unaudited" As at January 31, 2017	"Restated" As at October 31, 2016
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.2	152,822	82,311	22,852	20,856
Temporary investments		2,723	2,725	-	-
Trade and other receivables	6	1,811,085	1,407,276	996,910	980,114
Short-term loans	7	983,460	1,273,097	2,513,582	2,484,006
Inventories		5,650,275	2,551,549	3,178,328	1,298,018
Biological assets	8	172,869	250,734	6,717	11,502
Other current assets		102,447	84,752	34,489	45,496
Total Current Assets		8,875,681	5,652,444	6,752,878	4,839,992
<b>NON-CURRENT ASSETS</b>					
Investments in associates	9	470,136	386,600	136,747	136,747
Investments in subsidiaries	10	-	-	5,786,096	5,786,096
Other long-term investments		370,795	370,795	370,325	370,325
Long-term loans		393,500	358,064	4,398,882	4,395,438
Investment property	11	4,492,376	4,496,184	1,499,684	1,499,684
Property, plant and equipment	12	26,644,711	26,185,989	8,101,586	7,947,679
Intangible assets		44,909	46,276	33,046	34,017
Deferred tax assets	17.2	5,292	2,830	-	-
Other non-current assets		840,912	875,649	9,571	7,597
Total Non-Current Assets		33,262,631	32,722,387	20,335,937	20,177,583
<b>TOTAL ASSETS</b>		42,138,312	38,374,831	27,088,815	25,017,575

See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT JANUARY 31, 2017**

**UNIT : THOUSAND BAHT**

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		January 31, 2017	October 31, 2016	January 31, 2017	October 31, 2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from financial institutions		5,187,782	3,757,026	1,774,000	1,108,000
Trade and other payables	13	3,732,806	1,711,610	2,374,946	905,766
Current portion of long-term debentures	15	2,999,673	2,999,307	2,999,673	2,999,307
Current portion of long-term borrowings	16	2,009,733	2,011,633	1,205,833	1,205,833
Short-term borrowings	5.1	6,200	6,900	450,700	482,900
Current income tax payable		58,101	25,326	-	-
Provision for production costs	14	114,852	-	75,035	-
Other current liabilities		134,265	78,798	41,977	12,847
Total Current Liabilities		<u>14,243,412</u>	<u>10,590,600</u>	<u>8,922,164</u>	<u>6,714,653</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term debentures	15	6,994,498	6,993,763	6,994,498	6,993,763
Long-term borrowings	16	2,657,733	3,055,833	1,903,833	2,203,833
Deferred tax liabilities	17.3	773,185	739,563	176,575	148,274
Employee benefit obligations		265,424	261,287	109,354	107,427
Other non-current liabilities		90,525	83,354	31,649	29,187
Total Non-Current Liabilities		<u>10,781,365</u>	<u>11,133,800</u>	<u>9,215,909</u>	<u>9,482,484</u>
<b>TOTAL LIABILITIES</b>		<u>25,024,777</u>	<u>21,724,400</u>	<u>18,138,073</u>	<u>16,197,137</u>

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT JANUARY 31, 2017**

**UNIT : THOUSAND BAHT**

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		January 31,	October 31,	January 31,	October 31,
		2017	2016	2017	2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
SHARE CAPITAL					
Authorized share capital					
4,410,243,648 ordinary shares of Baht 0.50 each		2,205,122	2,205,122	2,205,122	2,205,122
Issued and paid-up share capital					
4,410,232,619 ordinary shares of Baht 0.50 each					
fully paid		2,205,116	2,205,116	2,205,116	2,205,116
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439	2,946,439	2,946,439	2,946,439
RETAINED EARNINGS					
Appropriated					
Legal reserve		220,512	220,512	220,512	220,512
Unappropriated		9,457,765	9,004,710	2,799,241	2,668,937
OTHER COMPONENTS OF EQUITY		1,798,366	1,789,333	779,434	779,434
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS</b>					
<b>OF THE PARENT</b>		16,628,198	16,166,110	8,950,742	8,820,438
NON-CONTROLLING INTERESTS		485,337	484,321	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		17,113,535	16,650,431	8,950,742	8,820,438
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		42,138,312	38,374,831	27,088,815	25,017,575

See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017**  
**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate		
		Financial Statements		Financial Statements		
		"Restated"		"Restated"		
		2017	2016	2017	2016	
Revenues from sales and revenues from rendering of services						
Revenues from sales		2,840,090	3,749,068	1,645,853	2,446,907	
Revenues from rendering of services		54,348	43,069	47,048	32,790	
		<u>2,894,438</u>	<u>3,792,137</u>	<u>1,692,901</u>	<u>2,479,697</u>	
Costs of sales of goods and rendering of services						
Costs of sales of goods		(1,904,537)	(2,637,018)	(1,365,191)	(2,060,516)	
Costs of rendering of services		(27,046)	(26,969)	(42,260)	(15,208)	
		<u>(1,931,583)</u>	<u>(2,663,987)</u>	<u>(1,407,451)</u>	<u>(2,075,724)</u>	
Gross profit		962,855	1,128,150	285,450	403,973	
Other incomes		264,137	66,175	244,584	83,861	
Selling expenses		(348,976)	(357,326)	(134,863)	(198,963)	
Administrative expenses		(228,174)	(237,133)	(94,089)	(89,722)	
Management benefit expenses	5.2	(55,295)	(51,973)	(19,691)	(17,961)	
Finance costs		(160,215)	(180,093)	(126,499)	(143,781)	
Share of gain of an associate		83,536	5,132	-	-	
Profit before income tax (expense) income		<u>517,868</u>	<u>372,932</u>	<u>154,892</u>	<u>37,407</u>	
Income tax (expense) income	17.1	<u>(66,054)</u>	<u>(20,183)</u>	<u>(24,588)</u>	<u>4,944</u>	
<b>NET PROFIT FOR THE PERIOD</b>		<u><u>451,814</u></u>	<u><u>352,749</u></u>	<u><u>130,304</u></u>	<u><u>42,351</u></u>	
<b>PROFIT ATTRIBUTABLE TO :</b>						
Owners of the parent		453,055	356,559	130,304	42,351	
Non-controlling interests		<u>(1,241)</u>	<u>(3,810)</u>	<u>-</u>	<u>-</u>	
		<u><u>451,814</u></u>	<u><u>352,749</u></u>	<u><u>130,304</u></u>	<u><u>42,351</u></u>	
<b>EARNINGS PER SHARE</b>	20					
Basic earnings per share		BAHT	0.103	0.089	0.030	0.011
Basic number of ordinary shares		THOUSAND SHARES	4,410,233	4,009,313	4,410,233	4,009,313

See the See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017**  
**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	"Restated"		"Restated"	
	2017	2016	2017	2016
<b>Net profit for the period</b>	451,814	352,749	130,304	42,351
<b>Other comprehensive income:</b>				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating financial statements	11,290	10,010	-	-
	<u>11,290</u>	<u>10,010</u>	<u>-</u>	<u>-</u>
Total other comprehensive income	11,290	10,010	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>463,104</u></u>	<u><u>362,759</u></u>	<u><u>130,304</u></u>	<u><u>42,351</u></u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of the parent	462,088	364,569	130,304	42,351
Non-controlling interests	1,016	(1,810)	-	-
	<u><u>463,104</u></u>	<u><u>362,759</u></u>	<u><u>130,304</u></u>	<u><u>42,351</u></u>

See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017**  
**"UNAUDITED"**

**UNIT : THOUSAND BAHT**

Note	Owners of the Parent									Total owners of the parent	Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity								
	Ordinary shares	Legal reserve	Appropriated	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 equity			
"Restated"													
For the three-month period ended													
January 31, 2016													
Beginning balance as at November 1, 2015													
- as previously reported	2,004,656	2,946,439	200,466	7,150,166	59,183	(138)	1,396,272	(264,043)	(83,641)	1,107,633	13,409,360	2,079,123	15,488,483
Effects of the adoption of new Thai Financial Reporting Standard													
- Investment property	-	-	-	834,325	-	-	(190,722)	-	-	(190,722)	643,603	9,461	653,064
- Assets not yet used in operation for land	-	-	-	7,060	-	-	110,959	-	-	110,959	118,019	5,636	123,655
- Consolidated Financial Statements	-	-	-	(18,016)	-	138	(134,652)	767	(27,853)	(161,600)	(179,616)	(1,643,273)	(1,822,889)
Beginning balance as at November 1, 2015													
- after adjustment	2,004,656	2,946,439	200,466	7,973,535	59,183	-	1,181,857	(263,276)	(111,494)	866,270	13,991,366	450,947	14,442,313
Changes in shareholders' equity during the period													
- Total comprehensive income (expense) for the period	-	-	-	356,559	8,010	-	-	-	-	8,010	364,569	(1,810)	362,759
<b>Ending balance as at January 31, 2016</b>	<b>2,004,656</b>	<b>2,946,439</b>	<b>200,466</b>	<b>8,330,094</b>	<b>67,193</b>	<b>-</b>	<b>1,181,857</b>	<b>(263,276)</b>	<b>(111,494)</b>	<b>874,280</b>	<b>14,355,935</b>	<b>449,137</b>	<b>14,805,072</b>



**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017**  
**"UNAUDITED"**

**UNIT : THOUSAND BAHT**

Note	Owners of the Parent								Non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Share premium account	Retained Earnings		Other components of equity			Total owners of the parent				
	Ordinary shares	Legal reserve	Appropriated	Unappropriated	Exchange differences on translating financial statements	Gain (loss) on asset revaluation	Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries	Total other components of equity			
<b>For the three-month period ended January 31, 2017</b>												
Beginning balance as at November 1, 2016	2,205,116	2,946,439	220,512	9,004,710	40,451	2,123,652	(263,276)	(111,494)	1,789,333	16,166,110	484,321	16,650,431
Changes in shareholders' equity during the period												
- Total comprehensive income for the period	-	-	-	453,055	9,033	-	-	-	9,033	462,088	1,016	463,104
<b>Ending balance as at January 31, 2017</b>	<b>2,205,116</b>	<b>2,946,439</b>	<b>220,512</b>	<b>9,457,765</b>	<b>49,484</b>	<b>2,123,652</b>	<b>(263,276)</b>	<b>(111,494)</b>	<b>1,798,366</b>	<b>16,628,198</b>	<b>485,337</b>	<b>17,113,535</b>

See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017**  
**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Note	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive income Gain on asset revaluation	Total other components of equity	
<b>"Restated"</b>								
<b>For the three-month period ended January 31, 2016</b>								
Beginning balance as at November 1, 2015 - as previously reported		2,004,656	2,946,439	200,466	2,250,747	517,481	517,481	7,919,789
Effects of the adoption of new Thai Financial Reporting Standard								
- Investment property		-	-	-	591,746	(146,830)	(146,830)	444,916
- Assets not yet used in operation for land		-	-	-	5,554	2,569	2,569	8,123
Beginning balance as at November 1, 2015 - after adjustment		2,004,656	2,946,439	200,466	2,848,047	373,220	373,220	8,372,828
Changes in shareholders' equity during the period								
- Total comprehensive income for the period		-	-	-	42,351	-	-	42,351
<b>Ending balance as at January 31, 2016</b>		<b>2,004,656</b>	<b>2,946,439</b>	<b>200,466</b>	<b>2,890,398</b>	<b>373,220</b>	<b>373,220</b>	<b>8,415,179</b>
<b>For three-month period ended January 31, 2017</b>								
Beginning balance as at November 1, 2016		2,205,116	2,946,439	220,512	2,668,937	779,434	779,434	8,820,438
Changes in shareholders' equity during the period								
- Total comprehensive income for the period		-	-	-	130,304	-	-	130,304
<b>Ending balance as at January 31, 2017</b>		<b>2,205,116</b>	<b>2,946,439</b>	<b>220,512</b>	<b>2,799,241</b>	<b>779,434</b>	<b>779,434</b>	<b>8,950,742</b>

See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017**

**"UNAUDITED"**

**UNIT : THOUSAND BAHT**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>"Restated"</b>		<b>"Restated"</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax (expense) income	517,868	372,932	154,892	37,407
Adjustments for:				
Dividend income	(14,956)	-	(14,956)	-
Doubtful accounts - trade and other receivables (reversal)	(588)	(870)	(588)	(100)
Share of gain of investment in an associate	(83,536)	(5,132)	-	-
Amortization of premium on bonds	2	51	-	-
Employee benefit expenses	4,512	4,684	1,997	1,972
Loss (gain) on arising from change in fair value of biological assets	4,574	4,715	(6,276)	(1,323)
Loss on diminution in value and obsolescence of inventories (reversal)	(3,347)	(17,582)	-	1,570
Depreciation and amortization	360,246	409,048	136,568	173,609
(Gain) loss on disposal of assets	-	17,853	(1)	(396)
Gain on fair value adjustments of investment property	-	(1,149)	-	-
Unrealized (gain) loss on exchange rate	4	2,247	(7,172)	1,358
Interest expenses	159,114	178,965	125,398	142,653
Finance costs	1,101	1,128	1,101	1,128
	<u>944,994</u>	<u>966,890</u>	<u>390,963</u>	<u>357,878</u>
Operating assets (increase) decrease				
Trade and other receivables	(403,221)	(94,829)	(16,208)	(24,769)
Inventories	(3,095,381)	(2,775,528)	(1,880,310)	(1,069,727)
Biological assets	81,991	152,504	11,062	9,874
Other current assets	(14,371)	(27,716)	13,457	(16,117)
Bearer plant	(56,297)	(87,710)	(3,306)	(2,122)
Other non-current assets	47,794	(10,884)	(1,974)	4,790
Operating liabilities increase (decrease)				
Trade and other payables	1,982,269	1,748,075	1,438,096	953,536
Provision for production costs	114,852	335,616	75,035	152,218
Other current liabilities	55,467	47,439	29,131	5,412
Employee benefit obligations	(375)	(728)	(70)	(671)
Other non-current liabilities	7,171	6,331	2,462	800
Cash received (paid) from operating activities	(335,107)	259,460	58,338	371,102
Interest paid	(118,196)	(147,886)	(84,619)	(112,007)
Income tax expense paid	(5,443)	(10,837)	1,263	(2,214)
Net cash provide by (used in) operating activities	<u>(458,746)</u>	<u>100,737</u>	<u>(25,018)</u>	<u>256,881</u>

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017**

**"UNAUDITED"**

**UNIT : THOUSAND BAHT**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>"Restated"</b>		<b>"Restated"</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in short-term loans to related parties	-	-	(100,948)	(683,883)
Decrease (increase) in short-term loans to farmers and others	254,487	258,817	56,879	(49,243)
Cash payments for investments in an associate	-	(8,100)	-	(8,100)
(Increase) decrease in loans for cane plantation development	(286)	471	19,684	3,495
Increase in long-term loans to related parties and others	-	-	(1,460)	(4,757)
Cash received from dividends from other company	14,956	-	14,956	-
Cash payments for purchases of property, plant and equipment	(780,464)	(139,718)	(296,149)	(51,468)
Cash received from sales of property, plant and equipment	11,909	1,118	456	400
Cash payments for purchase of investment properties	(1,007)	-	-	-
Cash received from sales of assets not yet used in operation	197	2,315	-	-
Cash payments of purchase of intangible assets	(204)	-	(204)	-
Net cash provided by (used in) investing activities	<u>(500,412)</u>	<u>114,903</u>	<u>(306,786)</u>	<u>(793,556)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in short-term borrowings from financial institutions	1,430,756	372,995	666,000	754,000
(Decrease) increase in short-term borrowings from related parties	(700)	-	(32,200)	149,000
Cash payment for long-term debentures	-	(1,000,000)	-	(1,000,000)
Cash received from long-term borrowings	-	1,000,000	-	1,000,000
Cash payment for long-term borrowings	(400,000)	(450,000)	(300,000)	(350,000)
Net cash provided by (used in) financing activities	<u>1,030,056</u>	<u>(77,005)</u>	<u>333,800</u>	<u>553,000</u>
Exchange differences on translation of cash of foreign subsidiaries	(387)	(2,904)	-	-
Net increase in cash and cash equivalents	<u>70,511</u>	<u>135,731</u>	<u>1,996</u>	<u>16,325</u>
Cash and cash equivalents at the beginning of the period	<u>82,311</u>	<u>168,021</u>	<u>20,856</u>	<u>42,206</u>
Cash and cash equivalents at the end of the period	<u><u>152,822</u></u>	<u><u>303,752</u></u>	<u><u>22,852</u></u>	<u><u>58,531</u></u>

See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2017  
“UNAUDITED”**

**1. GENERAL INFORMATION AND THE COMPANY’S OPERATIONS**

Khon Kaen Sugar Industry Public Company Limited (the “Company”) was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 0107547000214 and was listed with the Stock Exchange of Thailand on March 7, 2005. Its registered headquarter is located at No. 503 K.S.L. Tower, 9<sup>th</sup> Floor, Sriyudahya Road, Ratchathewi, Bangkok, and the locations of its 5 factories (branches) are as follows :

Branch I at No. 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province

Branch II at No. 255 Moo 4, Tambol Nongyaplong, Amphur Wangsaphung, Loei Province

Branch III at No. 99 Moo 6, Tambol Lumlang, Amphur Boploy, Kanchanaburi Province

Branch VI at No. 14/1 Moo 10, Saengchooto Road, Tambol Tamaka, Amphur Tamaka, Kanchanaburi Province

Branch V at No. 24 Moo 1, Ban-Nhongbua Road, Tambol Mon-Nang, Amphur Panutnikom, Chonburi Province.

The Company’s main businesses are to manufacture and distribute sugar and molasses and trading of spare parts and supplies to its subsidiaries, subcontractors and farmers who have business with the Company and/or its subsidiaries. The subsidiaries’ main business operations are listed in Note 2.4.

The Company’s major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 32.92% of issued and paid-up share capital.

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

2.1 The interim financial information are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2015) “Interim Financial Reporting” and in accordance with accounting practices generally accepted in Thailand and the additional disclosures in accordance with the Notification of the Office of the Securities and Exchange Commission.

The Company presents the condensed interim financial information. Therefore, certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards, but is not required to disclose in the condensed interim financial information, has been omitted. Therefore, the condensed interim financial information should be read in conjunction with the audited financial statements for the year ended October 31, 2016.

- 2.2 The unaudited results of operations for the three-month period ended January 31, 2017 are not necessarily indicative of the operating results anticipated for the full year.
- 2.3 The consolidated and separate statements of financial position as at October 31, 2016, which have been presented herein for comparison, have been derived from the financial statements for the year then ended which have been audited.
- 2.4 These interim consolidated financial statements have been prepared by including the financial information of the Company and its subsidiaries (the “Group”) and have been prepared under the same basis as the consolidated financial statements for the year ended October 31, 2016, as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at January 31, 2017	As at October 31, 2016		
	%	%		
Subsidiaries in which the Company holds shares directly				
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Material Supplys Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of fertilizer and trading spare part of agricultural
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
KSL Green Innovation Public Company Limited	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
WSP Logistic Company Limited	100.00	100.00	Thailand	Service transport and shipping goods
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	80.00	80.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services
Subsidiaries in which the Company holds shares indirectly				
K.S.L. Export Trading Co., Ltd.*	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Real Estate Company Limited**	91.02	91.02	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental
Subsidiary in which the Company holds the shares indirectly through Wynn In Trading Co., Ltd.				
Koh Kong Plantation Company Limited	80.00	80.00	Cambodia	Agricultural operation

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

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

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

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

The consolidated interim 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 interim financial statements.

## 2.5 New or revised Thai Financial Reporting Standards

### 2.5.1 Adoption of new and revised Thai Financial Reporting Standards

Since November 1, 2016, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by The Federation of Accounting Professions, which are effective for the accounting period beginning on or after January 1, 2016 onwards, in the preparation and presentation of this interim financial information as follows:

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

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

**Thai Financial Reporting Standards (TFRS)**

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

**Thai Accounting Standard Interpretations (TSIC)**

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases - Incentives
TSIC 25 (Revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosures : Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Web Site Costs

**Thai Financial Reporting interpretations (TFRIC)**

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2015) Employee Benefits
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	The Money Remitted State

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



### **TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant**

TAS 41 and the Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant prescribe the accounting treatment for recognition and measurement of biological asset, bearer plant and agricultural produce. The measurement is as follows:

- Biological asset which is not bearer plant is to be measured at its fair value less costs to sell
- Bearer plant is to be measured at its costs less accumulated depreciation and allowance for impairment or at revaluation method. The measurement is in accordance with TAS 16 Property, Plant and Equipment
- Agricultural produce is measured at its fair value less costs to sell at the point of harvest.

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

	<b>Consolidated</b>		<b>Unit : Million Baht</b>	
	<b>Financial statements</b>	<b>Financial statements</b>	<b>Separate</b>	<b>Separate</b>
	<b>Previously presented</b>	<b>Currently presented</b>	<b>Previously presented</b>	<b>Currently presented</b>
<b>As at October 31, 2016</b>				
Deferred cane plantation costs	407.24	-	21.99	-
Biological assets	-	250.73	-	11.50
Bearer plant	-	156.51	-	10.49
<b>As at November 31, 2015</b>				
Deferred cane plantation costs	517.93	-	24.81	-
Biological assets	-	341.56	-	10.26
Bearer plant	-	176.37	-	14.55

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

The Federation of Accounting Professions issued the Notifications regarding Thai Financial Reporting Standards (TFRS), which are effective for the accounting period beginning on or after January 1, 2017 onwards as follows:

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

TAS No. 1 (Revised 2016)	Presentation of Financial Statements
TAS No. 2 (Revised 2016)	Inventories
TAS No. 7 (Revised 2016)	Statement of Cash Flows
TAS No. 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS No. 10 (Revised 2016)	Events after the Reporting Period
TAS No. 11 (Revised 2016)	Construction Contracts
TAS No. 12 (Revised 2016)	Income Taxes
TAS No. 16 (Revised 2016)	Property, Plant and Equipment
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TAS No. 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS No. 23 (Revised 2016)	Borrowing Costs
TAS No. 24 (Revised 2016)	Related Party Disclosures
TAS No. 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS No. 27 (Revised 2016)	Separate Financial Statements
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TAS No. 33 (Revised 2016)	Earnings per Share
TAS No. 34 (Revised 2016)	Interim Financial Reporting
TAS No. 36 (Revised 2016)	Impairment of Assets
TAS No. 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS No. 38 (Revised 2016)	Intangible Assets
TAS No. 40 (Revised 2016)	Investment Property
TAS No. 41 (Revised 2016)	Agriculture
TAS No. 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS No. 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS No. 106 (Revised 2016)	Financial Instruments Disclosure and Presentation

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

TFRS No. 2 (Revised 2016)	Share-based Payment
TFRS No. 3 (Revised 2016)	Business Combinations
TFRS No. 4 (Revised 2016)	Insurance Contracts
TFRS No. 5 (Revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS No. 6 (Revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS No. 8 (Revised 2016)	Operating Segments
TFRS No. 10 (Revised 2016)	Consolidated Financial Statements
TFRS No. 11 (Revised 2016)	Joint Arrangements
TFRS No. 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS No. 13 (Revised 2016)	Fair Value Measurement

**Thai Accounting Standard Interpretations (TSIC)**

TSIC 10 (Revised 2016)	Government Assistance - No Specific Relation to Operating Activities
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TSIC 25 (Revised 2016)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2016)	Disclosures : Service Concession Arrangements
TSIC 31 (Revised 2016)	Revenue - Barter Transactions Involving Advertising Services
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TFRIC 4 (Revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2016)	Applying the Restatement Approach under TAS 29 (Revised 2016) Financial Reporting in Hyperinflationary Economic
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2016)	Service Concession Arrangements
TFRIC 13 (Revised 2016)	Customer Loyalty Programmes
TFRIC 14 (Revised 2016)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2016) Employee Benefits
TFRIC 15 (Revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 20 (Revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2016)	The Money Remitted State

The Group's management will adopt the above TFRSs relevant to the Group in the preparation of the financial statements of the Group when they become effective. The Group's management is in the process to assess the impact of these TFRSs on the consolidated financial statements of the Company and subsidiaries and separate financial statements of the Company for the period when they are initially applied.

- 2.6 In the fourth quarter of fiscal year 2016, the Company and its subsidiaries changed their accounting policies for investment property and assets not used in operation for land from valuation using the cost method to fair value. The consolidated and separate statements of financial position as at October 31, 2016, presented herein for comparison, are prepared in accordance with the new accounting policies. However, the consolidated and separate statements of profit and loss and statements of changes in shareholders' equity for the three-month period ended January 31, 2016, presented herein for comparison, and the financial information for the year ended January 31, 2016, which is presented for comparison with the financial information for the year ended January 31, 2017 in Note 24 as previously presented, have been retrospectively adjusted for the effects of such changes in accounting policies accordingly.

2.7 The preparation of interim financial information in conformity with Thai Financial Reporting Standards requires the Group's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended October 31, 2016, except for the change in accounting policies regarding agriculture as a result of the adoption of new standard (see Note 2.5.1).

The Group's accounting policies regarding agriculture are as follows:

- Biological asset which is standing sugar cane is measured at its fair value less costs to sell.
- Agricultural produce which is harvested sugar cane is measured at its fair value less costs to sell at the point of harvest and is presented as a part of inventories.
- Bearer plant which consisted of sugar cane roots, labor cost and related initial harvest expenses is measured at its costs less accumulated depreciation and allowance for impairment (if any). The depreciation is calculated using the straight-line method over its estimated useful life of 3 years.

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

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

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

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

4.1 Significant non-cash items in the consolidated and separate financial statements for the three-month period ended January 31, are as follows:

Type of Transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	"Restated"		"Restated"	
	2017	2016	2017	2016
Transfer of depreciation to biological assets	7,663	7,926	1	37
Purchases of property, plant and equipment which have not yet been paid during the period	171,371	50,340	33,469	49,354
Transfer of property and buildings to investment property	85	(2,251)	-	-
Transfer of property, plant and equipment to other non-current assets	-	1,159	-	-
Transfer of property, plant and equipment to assets not yet used	13,255	-	-	-
Transfer of investment property to other non-current assets	-	(677)	-	-
Transfer of equipment to intangible assets	-	2,701	-	2,498
Transfer of other non-current liabilities to other current liabilities	-	929	-	-

4.2 Cash and cash equivalents as at January 31, are as follows:

Type of Transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2017	2016	2017	2016
Cash	6,318	5,211	3,852	2,320
Savings accounts deposits	113,948	265,403	10,342	46,119
Current accounts deposits	32,556	23,138	8,658	10,092
Fixed accounts deposits with 3 month maturity	-	10,000	-	-
Total	<u>152,822</u>	<u>303,752</u>	<u>22,852</u>	<u>58,531</u>

## 5. TRANSACTIONS WITH RELATED PARTIES

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

### 5.1 Significant balances with the related parties are as follows:

Type of Balances	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
Trade and other receivables				
Subsidiaries	-	-	468.33	275.67
Associates	-	1.30	-	1.27
Related parties	0.17	0.03	-	0.03
Total	<u>0.17</u>	<u>1.33</u>	<u>468.33</u>	<u>276.97</u>
Short-term loans (see Note 7)				
Subsidiaries	-	-	2,112.99	2,136.23
Other current assets				
Subsidiaries	-	-	48.48	40.00
Related parties	0.39	0.43	0.18	0.23
Total	<u>0.39</u>	<u>0.43</u>	<u>48.66</u>	<u>40.23</u>
Long-term loans				
Subsidiaries	-	-	4,271.13	4,266.96
Other non-current assets				
Subsidiaries	-	-	3.29	0.02
Related parties	0.02	-	-	-
Total	<u>0.02</u>	<u>-</u>	<u>3.29</u>	<u>0.02</u>
Trade and other payables				
Subsidiaries	-	-	215.01	100.79
Associates	8.36	3.54	8.36	2.38
Related parties	0.28	2.58	0.21	0.23
Total	<u>8.64</u>	<u>6.12</u>	<u>223.58</u>	<u>103.40</u>
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	198.01	0.49
Related parties	-	0.02	-	-
Total	<u>-</u>	<u>0.02</u>	<u>198.01</u>	<u>0.49</u>
Short-term borrowings				
Subsidiaries	-	-	444.50	476.00
Related parties	6.20	6.90	6.20	6.90
Total	<u>6.20</u>	<u>6.90</u>	<u>450.70</u>	<u>482.90</u>
Other current liabilities				
Subsidiaries	-	-	91.33	0.02
Related parties	-	0.02	-	0.02
Total	<u>-</u>	<u>0.02</u>	<u>91.33</u>	<u>0.04</u>
Other non-current liabilities - others				
Subsidiaries	-	-	0.92	0.58
Related parties	1.20	1.32	1.20	1.30
Total	<u>1.20</u>	<u>1.32</u>	<u>2.12</u>	<u>1.88</u>

As at January 31, 2017 and October 31, 2016, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 2.02% - 3.60% per annum and 1.90% - 3.60% per annum, respectively.

As at January 31, 2017 and October 31, 2016, long-term loans to subsidiaries represented loans with maturity date within 2018 and 2020 carrying the interest rates at 2.93% - 3.73% per annum and 2.03% - 3.73% per annum, respectively.

As at January 31, 2017 and October 31, 2016, short-term borrowings from related parties represented promissory notes payable on demand, carrying the interest rates at 1.89% - 1.95% per annum and 1.90% - 3.60% per annum, respectively.

5.2 Significant transactions with related parties for the three-month periods ended January 31, are as follows:

Type of transactions	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2017	2016	2017	2016
Revenues from sales and rendering of services				
Subsidiaries	-	-	943.73	1,006.20
Related parties	0.71	0.73	-	0.29
Total	0.71	0.73	943.73	1,006.49
Cost of sales and rendering of services				
Subsidiaries	-	-	687.04	1,223.57
Associates	7.81	-	7.81	-
Related parties	0.27	0.64	0.07	0.64
Total	8.08	0.64	694.92	1,224.21
Other income				
Subsidiaries	-	-	50.25	48.13
Associates	-	0.40	-	0.27
Related parties	1.12	1.12	1.12	1.12
Total	1.12	1.52	51.37	49.52
Selling expenses				
Subsidiaries	-	-	0.85	-
Associates	1.09	9.44	0.08	7.09
Total	1.09	9.44	0.93	7.09
Administrative expenses				
Subsidiaries	-	-	0.82	0.28
Related parties	4.06	3.77	1.48	1.40
Related juristic person	2.85	2.91	2.52	2.56
Total	6.91	6.68	4.82	4.24
Financial costs				
Subsidiaries	-	-	1.99	6.85
Related juristic person	0.06	0.03	0.06	-
Total	0.06	0.03	2.05	6.85
Management compensation				
Short-term employee benefits	55.30	51.97	19.69	17.96
Post-employment benefits	1.44	1.70	0.61	0.73
Total	56.74	53.67	20.30	18.69

POLICIES OF INTER-PRICE SETTING

- The inter-purchases/sales of raw sugar transactions among the Group are based on the world market prices.
- In case of the sugar purchases/sales agreements entered into on behalf of the Group, which each company has already been allocated the sales volume, if any company within the Group has no sufficient volume of sugar to sell, the purchases of sugar can be made within the group companies at the same price as stipulated in such sugar purchases/sales agreements.
- The prices for other inter-purchases/sales of goods (except for sugar products) are in accordance with the prices stipulated in the mutually agreed contracts, which are higher than costs.
- The prices for the inter-purchases/sales of assets are in accordance with the agreed prices by counter parties, which are higher than costs.
- Revenues from sales of supplies are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenues from land leased to a subsidiary are charged according to the lease agreement which term is 30 years, commencing from January 25, 2005 until January 24, 2035 at annual rent of Baht 0.11 million, and will be increased by 10% for every 3 years. Once the lease is expired, ownership rights on all constructions built on the leased land will be vested to the lessor.
- Rental income from land structure and machines which lease terms range from 1 to 3 years are in accordance with the mutually agreed prices.
- Inter-service income, other incomes and expenses are charged according to the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody period at general market rates.
- Expenses paid on behalf of each other are charged at actual.

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

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

All of the aforementioned related entities are incorporated in Thailand.



Prachuap Industry Co., Ltd. holds no part in management of the Company, but is a related company, where certain directors of Prachuap Industry Co., Ltd. are also directors of Thai Sugar Terminal Public Company Limited and K.S.L. Export Trading Co., Ltd., which are subsidiaries of Khon Kaen Sugar Industry Public Company Limited.

K.K Wood Industry Co., Ltd and Amarco Co., Ltd are related company, registered the dissolution with the Ministry of Commerce in quarter 1, 2017.

## 6. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate	
			Financial Statements	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
	Trade receivables	675,607	943,453	653,659
Farmer receivables	690,565	309,238	240,493	130,431
Other receivables	26,718	15,689	10,843	12,123
Prepaid expenses	67,975	37,652	21,846	17,232
Prepaid expenses for production costs (see Note 14)	205,789	-	-	-
Advance payment	8,845	16,574	5,578	4,767
Accrued income	135,586	84,670	64,491	49,763
Total trade and other receivables	<u>1,811,085</u>	<u>1,407,276</u>	<u>996,910</u>	<u>980,114</u>

6.1 Trade receivables consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate	
			Financial Statements	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
	Related parties	169	2	466,954
Others	677,242	945,255	186,705	499,177
Total	677,411	945,257	653,659	765,798
<u>Less</u> Allowance for doubtful accounts	<u>(1,804)</u>	<u>(1,804)</u>	<u>-</u>	<u>-</u>
Total trade receivables	<u>675,607</u>	<u>943,453</u>	<u>653,659</u>	<u>765,798</u>

Aging analyzes for trade receivables are as follows:

6.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
Domestic trade receivables				
Not yet due	169	2	435,393	239,955
Overdue not over 3 months	-	-	31,561	26,666
Total	<u>169</u>	<u>2</u>	<u>466,954</u>	<u>266,621</u>

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

6.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	315,832	181,966	151,123	58,378
Overdue not over 3 months	<u>102,476</u>	<u>59,742</u>	<u>32,978</u>	<u>21,541</u>
Total	<u>418,308</u>	<u>241,708</u>	<u>184,101</u>	<u>79,919</u>
Foreign trade receivables				
Not yet due	6,084	442,321	1,302	417,908
Overdue not over 3 months	<u>1,302</u>	<u>1,350</u>	<u>1,302</u>	<u>1,350</u>
Total	<u>7,386</u>	<u>443,671</u>	<u>2,604</u>	<u>419,258</u>
Total of business are to manufacture and distribute sugar and molasses	<u>425,694</u>	<u>685,379</u>	<u>186,705</u>	<u>499,177</u>
Manufacture and distribution of alcohol and electricity				
Domestic trade receivables				
Not yet due	201,213	187,547	-	-
Overdue not over 3 months	<u>40,002</u>	<u>61,813</u>	-	-
Total of business of manufacturing and distributing of alcohol and electricity	<u>241,215</u>	<u>249,360</u>	-	-
Other business				
Domestic trade receivables				
Not yet due	2,047	3,279	-	-
Overdue not over 3 months	1,393	678	-	-
Overdue over 3 months but not over 6 months	334	-	-	-
Overdue over 12 months	<u>6,559</u>	<u>6,559</u>	-	-
Total other business	<u>10,333</u>	<u>10,516</u>	-	-
Total	<u>677,242</u>	<u>945,255</u>	<u>186,705</u>	<u>499,177</u>
<u>Less</u> Allowance for doubtful accounts	<u>(1,804)</u>	<u>(1,804)</u>	-	-
Total trade receivables - others	<u>675,438</u>	<u>943,451</u>	<u>186,705</u>	<u>499,177</u>

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

6.2 Farmer receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
Cane receivables				
Before Season 2013/2014	73,405	73,756	12,959	13,080
Season 2013/2014	39,782	40,946	6,359	6,844
Season 2014/2015	54,606	54,698	13,028	13,088
Season 2015/2016	75,535	79,180	19,549	22,345
Total cane receivables	<u>243,328</u>	<u>248,580</u>	<u>51,895</u>	<u>55,357</u>
Advance payment				
Season 2016/2017	468,771	95,891	192,738	93,021
Season 2017/2018	13,574	-	13,574	-
Total advance payment for purchases of cane	<u>482,345</u>	<u>95,891</u>	<u>206,312</u>	<u>93,021</u>
Receivables from fuel oil, fertilizer and other services	<u>8,144</u>	<u>8,607</u>	<u>8,064</u>	<u>8,418</u>
Total	733,817	353,078	266,271	156,796
<u>Less</u> Allowance for doubtful accounts	<u>(43,252)</u>	<u>(43,840)</u>	<u>(25,778)</u>	<u>(26,365)</u>
Total farmer receivables	<u>690,565</u>	<u>309,238</u>	<u>240,493</u>	<u>130,431</u>

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

7. SHORT-TERM LOANS

Short-term loans consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
Short-term loans to subsidiaries (see Note 5.1)	-	-	2,112,986	2,136,233
Short-term loans to others	127,200	-	127,200	-
Short-term loans to farmers	582,302	965,448	191,030	247,908
Current portion of long-term loans to others	41,983	41,333	41,983	41,333
Current portion of loans for cane plantation development	231,975	266,316	40,383	58,532
Total short-term loans	<u>983,460</u>	<u>1,273,097</u>	<u>2,513,582</u>	<u>2,484,006</u>

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

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

## 8. BIOLOGICAL ASSETS

Movements of biological assets for the three-month period ended January 31, 2017 are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning book value	250,734	11,502
Gain (loss) on arising from change in fair value	(4,574)	6,276
Additional costs during the years	7,663	1
Amortization of cane plantation costs during the year	(81,991)	(11,062)
Exchange differences on translating financial statements	1,037	-
Ending book value	<u>172,869</u>	<u>6,717</u>

The methods and assumptions used in estimating the fair value of biological asset has been determined based on fair value less costs to sell. The valuation involves certain assumptions and estimates such as the final cane price for the current production season, a sweetness and quantity of sugar cane (see Note 13). The fair value is hierarchy level 3.

## 9. INVESTMENTS IN ASSOCIATES

Investments in associates consisted of:

### Consolidated Financial Statements

Company Name	Paid-up		Percentage of		As at January 31, 2017			As at October 31, 2016		
	Share Capital		Shareholding		Investment		Dividend	Investment		Dividend
	2017	2016	%	%	Cost	Equity	for	Cost	Equity	for
			2017	2016			the period			the year
						2017			2016	
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	423,693	-	90,267	340,157	4,227
T S G Assets Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	2,061	2,061	-
T S Oil Industry Co., Ltd.*	500,000	500,000	0.62	0.62	3,089	3,089	-	3,089	3,089	-
T S Flour Mill Public Company Limited*	342,248	342,051	0.07	0.07	313	276	-	313	276	37
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	-	509	509	-
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	40,508	40,508	-
Total					<u>136,747</u>	<u>470,136</u>	<u>-</u>	<u>136,747</u>	<u>386,600</u>	<u>4,264</u>

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

Separate Financial Statements

Company Name	Unit : Thousand Baht							
	Paid-up		Percentage of		Investment Cost		Dividends	
	share Capital		Shareholding		As at	As at	For the period ended	For the year ended
	2017	2016	%	%	January 31, 2017	October 31, 2016	January 31, 2017	October 31, 2016
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	90,267	-	4,227
T S G Assets Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.*	500,000	500,000	0.62	0.62	3,089	3,089	-	-
T S Flour Mill Public Company Limited*	342,248	342,051	0.07	0.07	313	313	-	37
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	-	-
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	-
Total					136,747	136,747	-	4,264

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

## 10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of :

Separate Financial Statements

Company Name	Unit : Thousand Baht							
	Paid-up		Percentage of		Investment Cost		Dividends	
	Share Capital		Shareholding		As at	As at	For the period ended	For the year ended
	2016	2015	%	%	January 31, 2017	October 31, 2016	January 31, 2017	October 31, 2016
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	-	-
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-
KSL Material Supplys Company Limited	480,000	480,000	100.00	100.00	479,119	479,119	-	-
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	-
KSL Green Innovation Public Company Limited	610,000	610,000	100.00	100.00	609,986	609,986	-	304,993
KSL Agro & Trading Company Limited	300,000	300,000	100.00	100.00	300,000	300,000	-	-
KSL WSP Logistic Company Limited	250	250	100.00	100.00	250	250	-	-
Savannahet Sugar Corporation	684,757	684,757	98.49	98.49	674,178	674,178	-	-
Koh Kong Sugar Industry Company Limited *	1,167,660	1,167,660	80.00	80.00	932,589	932,589	-	-
Wynn In Trading Company Limited *	487,497	487,497	100.00	100.00	487,497	487,497	-	-
K.S.L. Real Estate Company Limited	840,000	840,000	40.77	40.77	319,134	319,134	-	-
K.S.L. Export Trading Company Limited	20,000	20,000	33.88	33.88	6,775	6,775	-	3,049
Total					6,536,515	6,536,515	-	308,042
<u>Less</u> Allowance for impairment of investments					(750,419)	(750,419)	-	-
Total investments subsidiaries					5,786,096	5,786,096	-	308,042

\* These are foreign subsidiaries including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn. In Trading Co., Ltd. at 80%. Furthermore, Koh Kong Plantation Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year. As at October 31, 2016, loss of Koh Kong Plantation Company Limited does not exceed 75% of the registered share capital.

## 11. INVESTMENT PROPERTY

Movement of investment property which consisted of land, land improvements and building and warehouses using fair value method for the three-month period ended January 31, 2017 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning book value	4,496,184	1,449,684
Reclassification/Adjustments	(4,815)	-
Purchases	1,007	-
Ending book value	<u>4,492,376</u>	<u>1,499,684</u>

For the three-month periods ended January 31, 2017 and 2016, the Company and its subsidiaries recognized rental income from investment property of Baht 49.92 million and Baht 46.23 million, respectively, in the consolidated statements of profit or loss, and of Baht 12.78 million and Baht 11.54 million, respectively, in the separate statements of profit or loss.

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

## 12. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the three-month period ended January 31, 2017 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning book value - as previously reported	26,029,479	7,937,194
Change in reclassification presented bearer plant	156,510	10,485
Beginning book value - after reclassification	<u>26,185,989</u>	<u>7,947,679</u>
Reclassifications/adjustments	(20,765)	(7,006)
Purchases of assets (including construction in progress)	847,091	296,762
Transfer in - cost	181,383	122,690
Transfer out - cost	(181,383)	(122,690)
Cost of disposal/written off of assets	(41,499)	(465)
Accumulated depreciation - disposal/written off	29,591	10
Depreciation	(366,340)	(135,394)
Translation of financial statements differences	10,644	-
Ending book value	<u>26,644,711</u>	<u>8,101,586</u>

As at January 31, 2017 and October 31, 2016, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 487.30 million and Baht 487.43 million, respectively, in the consolidated financial statements, are located on the concessional and which the ownership will be transferred to the lesser when the agreements are expired (see Note 22.7.3).

As at January 31, 2017 and October 31, 2016, assets at cost of Baht 4,316.71 million and Baht 4,013.62 million, respectively, in the consolidated financial statements, and of Baht 2,470.49 million and Baht 2,260.77 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2016, land which is recorded at revaluation method with the net value of Baht 3,160.21 million in the consolidated financial statements and Baht 1,360.09 million 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, 2016, land net book value at the cost method of Baht 850.23 million in the consolidated financial statements, and of Baht 407.14 million in the separate financial statement.

### 13 TRADE AND OTHER PAYABLES

Trade and other payables consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
Trade payables - related parties	8,494	2,325	223,118	87,341
Trade payable - others				
- Payables for cane purchases	2,205,396	724,238	888,751	230,566
- Other trade payables	296,603	61,470	227,830	21,687
Advances received for sales of goods	51,539	20,442	92,726	13,714
Accrued fees payable to the Office of the Cane and Sugar Fund	69,512	38,842	12,499	5,456
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	14,923	-	7,859	-
Other accrued expenses	206,761	178,212	345,318	109,894
Payables on purchases of assets	240,035	242,030	35,842	45,541
Other payables	639,543	444,051	541,003	391,567
Total trade and other payables	<u>3,732,806</u>	<u>1,711,610</u>	<u>2,374,946</u>	<u>905,766</u>

As at January 31, 2017, the Company and its three subsidiaries purchased canes for the production season 2016/2017 using the initial cane price for production season 2016/2017 resolved by the office of Cane and Sugar Board dated November 30, 2016. The price is Baht 1,050.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 63.00 per cane ton. Until the date the Company's Audit Committee approved the issuance of these interim financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2016/2017. Therefore, the Company and its subsidiaries recorded the provision for production costs as mentioned in Note 14 and calculated cost of goods sold and inventories for the three-month period ended January 31, 2017, from the estimation made by the management of the Company and its subsidiaries by reference calculated from the Office of Cane and Sugar Board at cane price of Baht 1,266.58 - 1,321.01 per ton with average sweetness level at 10.69 - 12.05 c.c.s.

#### 14. PROVISION FOR PRODUCTION COSTS

As at January 31, 2017, the Company and a subsidiary company recorded provision for production cost and the three subsidiaries company recorded provision for prepaid expenses for production cost in Note 6 based on average rate of production costs for the entire production season to estimate the cost of production per unit, which was calculated from the estimated cost of cane, direct labor and production costs expected to occur divided by the estimated volume of production expected to produce in each production season. The estimated cost of cane is based on the price as mentioned in Note 13 and the quantities of cane to be crushed in each production season. Direct labor and production costs are estimated by the management of the Company and its subsidiaries by considering from past information relating to the nature of each recurring expense and capacity in each production season. The differences between the estimated production cost of the produced units and the actual production cost is upper in each reporting period is shown under the "Provision for Production Costs", and if the estimated production cost of the produced units is lower than the actual production cost in each reporting period is shown under the "Prepaid expenses for Production Costs" which will reduce over time according to the increase in actual production costs and will be completely depleted at the end of the production season.

Such estimates, assumptions and judgments, the managements of the Company and subsidiaries will continually evaluated which are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances at that time.

#### 15. LONG-TERM DEBENTURES

Long-term debentures consisted of:

	<b>Unit : Thousand Baht Consolidated/Separate Financial Statements</b>	
	<b>As at January 31, 2017</b>	<b>As at October 31, 2016</b>
Unsecured senior debt debentures	9,994,171	9,993,070
<u>Less</u> Current portion	<u>(2,999,673)</u>	<u>(2,999,307)</u>
Net	<u>6,994,498</u>	<u>6,993,763</u>

Movements of long-term debentures for the three-month period ended January 31, 2017 are as follows:

	<b>Unit : Thousand Baht Consolidated/Separate Financial Statements</b>
Beginning book value	9,993,070
Amortized debenture issuance expenses during the period	<u>1,101</u>
Ending book value	<u>9,994,171</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 not exceed 2 : 1 the entire term.

As at October 31, 2016, the debts with interest to equity ratio is 1.13 : 1.00.

- 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, 2016, the credit rating of the debentures was not lower than the Company's credit rating.

## 16. LONG-TERM BORROWINGS

Movements of long-term borrowings for the three-month periods ended January 31, 2017, are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning balance at book value	5,067,466	3,409,666
Repayment during the period	<u>(400,000)</u>	<u>(300,000)</u>
Ending balance at book value	4,667,466	3,109,666
<u>Less</u> Current portion	<u>(2,009,733)</u>	<u>(1,205,833)</u>
Long-term borrowings	<u>2,657,733</u>	<u>1,903,833</u>

The interest rates of long-term borrowings are as follows:

	<b>Consolidated Financial Statements</b>		<b>Separate Financial Statements</b>	
	<b>As at January 31, 2017 %</b>	<b>As at October 31, 2016 %</b>	<b>As at January 31, 2017 %</b>	<b>As at October 31, 2016 %</b>
Borrowings - Baht currency	2.00 - 4.25	2.00 - 4.25	2.00 - 3.86	2.00 - 3.86

Maturities of long-term borrowings are as follows:

	<b>Consolidated Financial Statements</b>		<b>Unit : Thousand Baht Separate Financial Statements</b>	
	<b>As at January 31, 2017</b>	<b>As at October 31, 2016</b>	<b>As at January 31, 2017</b>	<b>As at October 31, 2016</b>
Within 1 year	2,009,733	2,011,633	1,205,833	1,205,833
Over 1 year and within 5 years	2,657,733	3,055,833	1,903,833	2,203,833

Credit Limit	Balances		Interest rate %	Principal repayment	Interest payment	Commencing repayment	Maturity
	At as October 31,						
	As at	As at					
	January 31, 2017	October 31, 2016					
	Thousand Baht	Thousand Baht					
The Company							
1. Baht 2,500 million	800,000	850,000	AMLR - Fixed rate	Semi-annual	Monthly	May 2013	March 2019
2. Baht 1,500 million	900,000	1,050,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2015	November 2019
3. Baht 1,000 million	800,000	900,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020
4. Baht 1,000 million	600,000	600,000	AMLR - Fixed rate	Semi-annual	Monthly	April 2015	October 2019
5. Baht 11.30 million	2,000	2,000	Fixed rate	Annual	Monthly	June 2012	June 2017
6. Baht 23 million	7,666	7,666	Fixed rate	Annual	Annual	June 2013	June 2019
Total	<u>3,109,666</u>	<u>3,409,666</u>					
The subsidiaries							
7. Baht 800 million	200,000	200,000	AMLR - Fixed rate	Semi-annual	Monthly	February 2014	February 2019
8. Baht 1,000 million	600,000	600,000	Fixed rate	Semi-annual	Monthly	April 2015	October 2019
9. Baht 1,000 million	300,000	400,000	AMLR - Fixed rate	Semi-annual	Monthly	March 2012	June 2018
10. Baht 1,000 million	452,000	452,000	AMLR - Fixed rate	Semi-annual	Monthly	August 2014	February 2019
11. Baht 33.90 million	5,800	5,800	Fixed rate	Annual	Annual	June 2012	June 2017
Total	<u>1,557,800</u>	<u>1,657,800</u>					
Grand Total	<u>4,667,466</u>	<u>5,067,466</u>					

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

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

In addition, the Company and its subsidiaries have to abide to certain financial conditions, such as maintaining of debt with interest-to-equity ratio, the shareholding ratio in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital and restriction on dividend payment of subsidiaries. As at January 31, 2017 and October 31, 2016, the Company and subsidiaries can maintain the ratios as stipulated in the agreements.

## 17. INCOME TAX EXPENSE (INCOME), DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

### 17.1 Income tax expense (income)

Income tax expense (income) for the three-month periods ended January 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	"Restated"		"Restated"	
	2017	2016	2017	2016
<u>Current income tax</u>				
Current income tax expense	34,894	41,826	(3,713)	-
<u>Deferred income tax</u>				
Deferred income tax income and temporary differences	31,160	(21,643)	28,301	(4,944)
Total	<u>66,054</u>	<u>20,183</u>	<u>24,588</u>	<u>(4,944)</u>

Reconciliation of income tax expenses and the results of the accounting profit multiplied by the income tax rate for the three-month periods ended January 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	"Restated"		"Restated"	
	2017	2016	2017	2016
Profit before income tax expense (income)				
- Promoted sector-exempted from income tax	56,392	145,934	-	-
- Non-promoted sector	461,476	226,998	154,892	37,407
Total profit before income tax expense (income)	<u>517,868</u>	<u>372,932</u>	<u>154,892</u>	<u>37,407</u>
Statutory tax rates (%)	20	20	20	20
Income tax expense				
- Non-promoted sector	92,295	45,400	30,978	7,481
Total income tax	<u>92,295</u>	<u>45,400</u>	<u>30,978</u>	<u>7,481</u>
Effect on income tax from non-deductible taxable expense and exempted taxable income expense	<u>(53,688)</u>	<u>(4,115)</u>	<u>(30,978)</u>	<u>(7,481)</u>
	38,607	41,285	-	-
Prior year income tax expense (income)	(3,713)	541	(3,713)	-
Deferred income tax expense (income)	31,160	(21,643)	28,301	(4,944)
Income tax expense (income)	<u>66,054</u>	<u>20,183</u>	<u>24,588</u>	<u>(4,944)</u>

17.2 Deferred tax assets - net are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
<b>Deferred tax assets - net</b>				
Employee benefit obligations	599	587	-	-
Loss carried forward	4,650	2,243	-	-
Allowance for diminution in value of inventories	43	-	-	-
Deferred tax assets - net	<u>5,292</u>	<u>2,830</u>	<u>-</u>	<u>-</u>

The movements of deferred tax assets during three-month periods ended January 31, are as follows:

2017

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at January 31, 2017
	<b>Deferred tax assets - net</b>			
Employee benefit obligations	587	12	-	599
Loss carried forward	2,243	2,407	-	4,650
Allowance for diminution in value of inventories	-	43	-	43
Deferred tax assets - net	<u>2,830</u>	<u>2,462</u>	<u>-</u>	<u>5,292</u>

2016

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	“Restated” As at November 1, 2015	Items as recognized in profit or loss	Items as recognized in other comprehensive income	“Restated” As at January 31, 2016
	<b>Deferred tax assets - net</b>			
Employee benefit obligations	1,281	45	-	1,326
Loss carried forward	1,208	274	-	1,482
Depreciation	(269)	(8)	-	(277)
Allowance for diminution in value of inventories	11,655	(700)	-	10,955
Gain on asset revaluation	(14,455)	-	-	(14,455)
Allowance for doubtful accounts	361	-	-	361
Change in fair value	9,768	(1,455)	-	8,313
Others	391	5	-	396
Deferred tax assets - net	<u>9,940</u>	<u>(1,839)</u>	<u>-</u>	<u>8,101</u>

Unrecognized deferred tax assets of three and two foreign subsidiaries, respectively, as at January 31, are as follows:

	Unit : Thousand Baht	
	Consolidated	
	Financial Statements	
	2017	2016
The following deferred tax assets have not been recognized		
Temporary differences	(160,155)	(33,284)
Loss carried forward	276,740	133,514
	<u>116,585</u>	<u>100,230</u>

As at January 31, 2017, the Company's management assessed that the deferred tax assets will not be utilized in full amount because the future taxable profit of subsidiaries will not be sufficient to utilize such deferred tax assets. The loss carried forward which is not recognize deferred tax asset of Baht 276.74 million, will be matured by the years 2017 and 2022 of Baht 61.09 million and Baht 215.65 million, respectively.

17.3 Deferred tax liabilities - net are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2017	As at October 31, 2016	As at January 31, 2017	As at October 31, 2016
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	2)	2)	)	)
Allowance for diminution in value of inventories	)	)	)	)
Allowance for impairment in subsidiary investments			07)	07)
Allowance for impairment in other long-term investments	)	)	)	)
Employee benefit obligations	4)	5)	1)	5)
Gain on asset revaluation	'0	'0	i8	i8
Loss carried forward	88)	19)	9)	6)
Depreciation		i		
Change in fair value	i4	i8	i2	i8
Others	3)	9)	(8,647)	(8,213)
Deferred tax liabilities - net	<u>i5</u>	<u>i3</u>	<u>'5</u>	<u>'4</u>

The movements of deferred tax liabilities during three-month periods ended January 31, are as follows

2017

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at January 31, 2017
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	2)	)	-	2)
Allowance for diminution in value of inventories	)		-	)
Allowance for impairment in other long-term investments	)		-	)
Employee benefit obligations	5)		-	4)
Gain on asset revaluation	'0		-	'0
Loss carried forward	19)		-	88)
Depreciation	)	)	-	)
Change in fair value	18		-	14
Others	9)		-	3)
Deferred tax liabilities - net	<u>13</u>	<u>)</u>	<u>-</u>	<u>15</u>

2016

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	“Restated” As at November 1, 2015	Items as recognized in profit or loss	Items as recognized in other comprehensive income	“Restated” As at January 31, 2016
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	0)		-	6)
Allowance for diminution in value of inventories	6)		(81)	1)
Allowance for impairment in other long-term investments	)		-	)
Employee benefit obligations	0)		-	9)
Gain on asset revaluation	12		-	12
Loss carried forward	12)	4)	(296)	12)
Depreciation	15	7)	529	17
Change in fair value	6		-	16
Others	)		-	)
Deferred tax liabilities - net	<u>10</u>	<u>2)</u>	<u>152</u>	<u>10</u>

2017

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at January 31, 2017
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	)		-	)
Allowance for diminution in value of inventories	)		-	)
Allowance for impairment in subsidiary investments	07)		-	07)
Allowance for impairment in other long-term investments	)		-	)
Employee benefit obligations	5)		-	1)
Gain on asset revaluation	8		-	8
Loss carried forward	6)		-	9)
Depreciation	)		-	)
Change in fair value	8		-	2
Others	)		-	)
Deferred tax liabilities - net	<u>4</u>		<u>-</u>	<u>5</u>

2016

	Unit : Thousand Baht			
	Separate Financial Statements			
	“Restated” As at November 1, 2015	Items as recognized in profit or loss	Items as recognized in other comprehensive income	“Restated” As at January 31, 2016
<b>Deferred tax liabilities - net</b>				
Allowance for doubtful accounts	(5,591)	20	-	(5,571)
Allowance for diminution in value of inventories	(4,980)	(314)	-	(5,294)
Allowance for impairment in other long-term investments	(1,177)		-	(1,177)
Employee benefit obligations	(18,355)	(129)	-	(18,484)
Gain on asset revaluation	93,305		-	93,305
Loss carried forward	(89,776)	7,269	-	(82,507)
Depreciation	(3,525)	(11,565)	-	(15,090)
Change in fair value	94,167		-	94,167
Others	629	(225)	-	404
Deferred tax liabilities - net	<u>64,697</u>	<u>(4,944)</u>	<u>-</u>	<u>59,753</u>

## 18. MANAGEMENT BENEFIT EXPENSES

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

	Unit : Thousand Baht	
	Consolidated/Separate Financial Statements	
	2017	2016
For the three-month periods ended January 31,	3,975	3,841

## 19. EXPENSES BY NATURE

The significant expenses by nature for the three-month periods ended January 31, are as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	2017	“Restated” 2016	2017	“Restated” 2016
Salaries, wages and other employee benefits	470,544	526,218	220,519	219,263
Depreciation	362,910	428,176	144,143	179,186
Fee paid to the Office of the Cane and Sugar Fund	298,686	278,200	122,110	162,525
Maintenance expenses	263,052	283,601	107,610	107,607
Transportation expenses	88,184	103,905	13,580	36,439
Raw material and supplies used	3,804,641	4,311,877	2,336,066	2,493,110
Purchased finished goods	13,185	4,056	497,272	353,615
Changes in finished goods and goods in process	(3,029,714)	(2,940,101)	(1,951,340)	(1,299,286)
Management benefit expenses	55,295	51,973	19,691	17,961
Finance costs	160,215	180,093	126,499	143,781
Other operating expenses	237,245	262,514	146,443	111,950
Total	2,724,243	3,490,512	1,782,593	2,526,151

## 20. EARNINGS PER SHARE

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

### 2017

	Consolidated Financial Statements			Separate Financial Statements		
	Net profit for the period	Number of shares	Earnings per share	Net profit for the period	Number of shares	Earnings per share
	Thousand Baht	Thousand Shares	Baht	Thousand Baht	Thousand Shares	Baht
<u>Basic and diluted earnings per share</u>						
Profit for the period to ordinary equity holders	453,055	4,410,233*	0.103	130,304	4,410,233*	0.030



**2016 (Restated)**

	Consolidated Financial Statements			Separate Financial Statements		
	Net profit for the period Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Net profit for the period Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht
<u>Basic and diluted earnings per share</u>						
Profit for the period to ordinary equity holders	356,559	4,009,313	<u>0.089</u>	42,351	4,009,313	<u>0.011</u>

\* Number of shares as at January 31, 2017 equivalent to number of shares as at October 31, 2016. However number of share as at October 31, 2016 changed from the stock dividend adjustment.

**21. DISCLOSURE OF OPERATING SEGMENTS**

The Company and subsidiaries (“Group Company”) presented the segment information in respect of the Group’s business segments. The primary format in segment information report is based on the Group’s management and internal reporting structure.

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

Produce and distribute sugar and molasses to industrial enterprises, re-export manufacturing enterprises and international sugar traders.

Manufacture and Distribution of Alcohol

Produce and distribute alcohol to a domestic and overseas oil companies.

Manufacture and Sale of Electricity

Generate and sale electricity to Electricity Generating Authority of Thailand and the group companies.

Real Estate Rental

Operate office building and holiday resort for training and seminar center.

Geographical segments information is based on entity operating in the country and overseas. The overseas operations comprise Laos People’s Democratic Republic and Kingdom of Cambodia.

Major Customer Information

For the three-month periods ended January 31, 2017 and 2016, the Group has revenue with a single external customer in Thailand in electricity sector in the amount of Baht 196.07 million and Baht 183.57 million, respectively, of the Group’s total revenue.

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

**Consolidated statements of profit or loss**

**For the three-month periods ended January 31, 2017 and 2016**

	Unit : Million Baht												Total		
	Manufacture and Distribution of Sugar and Molasses		Manufacture and Distribution of Alcohol		Manufacture and Sale of Electricity		Real Estate Rental		Others Business		Inter-Transaction				
	“Restated”		“Restated”		“Restated”		“Restated”		“Restated”		“Restated”				
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai				
Net revenue from operation - external	1,939	3	2,706	148	563	534	196	189	41	37		-	-	2,894	3,792
Net revenue from operation - internal	1,459	74	1,257	76	-	-	591	770	-	-		(2,470)	-	-	-
Total	3,398	77	3,963	224	563	534	787	959	41	37		(2,470)	-	2,894	3,792
Profit (loss) from operations	896	14	706	8	74	125	230	335	47	41		(44)	-	1,227	1,205
Selling, administrative expenses and others														(633)	(657)
Finance costs	(156)	(23)	(176)	(20)	(7)	(9)	(19)	(21)	(6)	(8)		55	-	(160)	(180)
Share of profit of investment in an associate														84	5
Income tax expenses														(66)	(20)
Net profit														452	353
(Less) Profit for the three-month period of non-controlling interest														1	4
Profit for the period														453	357
Interest income	82	2	79	2	-	5	-	-	-	-		(55)	-	33	32
Depreciation	(234)	(28)	(280)	(33)	(19)	(14)	(82)	(82)	-	-		-	-	(368)	(417)

**Consolidated Statements of Financial Position**

**As at January 31, 2017 and October 31, 2016**

Trade and other receivables		1,452	72		198	671	168		12		(661)		1,407
Inventories		1,423	145		334	120	62		-		(49)		2,552
Property, plant and equipment		14,437	3,413		907	7,303	7,041		1		(370)		26,186
Central assets		17,342	375		15	68	104		3,635		(13,696)		8,230
Total Assets		34,654	4,005		1,454	8,162	7,375		3,648		(14,776)		38,375
Total Liabilities		21,467	2,907		948	2,974	2,363		964		(7,386)		21,724

## 22. COMMITMENTS, CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENTS

As at January 31, 2017 and October 31, 2016, apart from liabilities reflected in the interim financial information, the Company and its subsidiaries have commitments and contingent liabilities as follows:

22.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 6,352.90 million and Baht 1,455.67 million, respectively, and in the separate financial statements amounting to Baht 2,020.42 million and Baht 816.63 million, respectively.

22.2 The Company and three subsidiaries had agreements to purchase cane by issuing post-dated checks. The Company and such subsidiaries did not record the said liabilities as the checks were not yet due and the cane of the production season has not been received from the farmers as follows:

	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	January 31, 2017	October 31, 2016	January 31, 2017	October 31, 2016
For the production season 2016/2017	542.77	1,106.95	139.46	370.17
For the production season 2017/2018	78.44	-	77.19	-

22.3 A subsidiary entered into two electricity sale-purchase agreements with the Electricity Generating Authority of Thailand (EGAT) as follows:

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, 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.
- Agreement dated January 12, 2010, EGAT agrees to buy electricity at the volume of 22 Megawatt at the voltage of 115 Kilovolts at Bo Ploy District, Kanchanaburi Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from April 1, 2011. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sell the electricity. Subsequently, on June 2, 2014, EGAT agrees to buy additional electricity at the volume of 8 Megawatt totaling 30 Megawatt at the voltage of 115 Kilovolts, at the mutually-agreed price as stipulated in the agreement, for the period commencing from July 1, 2014 to November 2, 2018.

22.4 A subsidiary entered into an electricity sale-purchase agreement with the Electricity Generating Authority of Thailand (EGAT) on September 18, 2012, EGAT agrees to buy electricity at the volume of 2.12 Megawatt at the voltage of 22,000 volts at Wangsaphung District, Loei Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from November 20, 2012. And the postpone for sale electricity to December 27, 2014. Prior to the expiration of the contractual term, the subsidiary shall inform 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.

22.5 The consolidated and separate financial statements have commitments, contingent liabilities and credit facilities as follows:

Unit : Million

		Consolidated Financial Statements						
		As at January 31, 2017			As at October 31, 2016			
Currency		Total	Utilized	Remaining	Total	Utilized	Remaining	
<b>Commitments</b>								
	Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	3,953.91	-	-	3,417.35	-
	Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	8.75	-	-	1.97	-
<b>Contingent Liabilities</b>								
	Letters of guarantees (unspecified credit limit)	THB	-	86.86	-	-	81.45	-
	Letters of credit and trust receipts	THB	120.00	-	120.00	170.00	-	170.00
	Letters of credit	USD	10.00	-	10.00	11.90	1.90	10.00
	Letters of credit	EURO	2.01	2.01	-	2.01	2.01	-
	Overdraft and short-term borrowings	THB	23,448.70	3,918.29	19,530.41	21,512.20	2,720.73	18,791.47
	Short-term borrowings	USD	50.50	4.86	45.64	50.50	0.04	50.46
	Joint credit line in short-term borrowings	THB	2,428.50	1,098.50	1,330.00	2,365.00	1,035.00	1,330.00
	Joint credit line in short-term borrowings	USD	-	-	-	20.00	-	20.00
	Long-term borrowings	THB	4,667.47	4,667.47	-	5,067.47	5,067.47	-

Unit : Million

		Separate Financial Statements						
		As at January 31, 2017			As at October 31, 2016			
Currency		Total	Utilized	Remaining	Total	Utilized	Remaining	
<b>Commitments</b>								
	Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	2,229.91	-	-	1,642.85	-
	Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	3.89	-	-	1.93	-
<b>Contingent Liabilities</b>								
	Letters of guarantees (unspecified credit limit)	THB	-	4.53	-	-	4.13	-
	Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
	Letters of credit	EURO	2.01	2.01	-	2.01	2.01	-
	Overdraft and short-term borrowings	THB	11,481.70	1,774.00	9,707.70	9,545.20	1,108.00	8,437.20
	Short-term borrowings	USD	10.50	-	10.50	10.50	-	10.50
	Joint credit line in short-term borrowings	THB	2,428.50	1,098.50	1,330.00	2,365.00	1,035.00	1,330.00
	Joint credit line in short-term borrowings	USD	-	-	-	20.00	-	20.00
	Long-term borrowings	THB	3,109.67	3,109.67	-	3,409.67	3,409.67	-

The above credit facilities are partially secured between the Company and its subsidiaries, and transfer of benefits arisen from insurance policy for structure and machineries to the lenders. For certain credit facilities are secured by the executive directors of the Company and guaranteed cheques of the Company. For certain credit facilities, if the facility is utilized, certain inventories of the Company and its subsidiaries will be used as collateral. As at January 31, 2017 and October 31, 2016 the Company and its subsidiaries not used the above credit facilities.

In addition, the Company and its subsidiaries are required to comply with certain financial conditions for joint commitments and contingent liabilities, including maintaining the debt with interest-to-equity ratio, maintaining the shareholding ratio in subsidiary, maintaining the debt service coverage ratio in the consolidated financial statements, restriction on additional long-term debt creation, increase of the registered share capital, and restriction on dividend payment of subsidiaries, etc.

22.6 The Company and its subsidiaries have the remaining commitments under the various contracts as follows:

Unit : Million					
Consolidated Financial Statements					
As at January 31, 2017      As at October 31, 2016					
Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	1,066.67	195.30	1,070.15	207.36
Machine and equipment purchase agreements	THB	325.92	44.51	317.72	49.65
	USD	14.01	0.90	13.60	1.42
	EURO	2.88	2.01	2.88	2.01
Rental agreements	THB	37.10	22.41	31.83	17.48
Leased concessions agreements	USD	13.45	12.54	13.45	12.54

Unit : Million					
Separate Financial Statements					
As at January 31, 2017      As at October 31, 2016					
Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	669.37	114.10	704.01	98.22
Machine and equipment purchase agreements	THB	304.59	40.46	304.59	40.46
	EURO	2.88	2.01	2.88	2.01
Rental agreements	THB	33.60	20.43	31.83	17.48

22.7 Other significant agreements

22.7.1 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khon kaen 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.

- 22.7.2 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 40 years which can be extended for another 20 years if approved by the counter party. As at January 31, 2017 and October 31, 2016, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate.
- 22.7.3 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 19,100 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1 - 4 per hectare per annum. As at January 31, 2017 and October 31, 2016, the subsidiaries have already utilized the area of 9,398.69 hectares, equal for both period. Buildings and structure and building under construction of subsidiaries, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 12).
- 22.7.4 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person to build port and land awaiting development dated June 1, 2007 and May 21, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 0.48 million. As at January 31, 2017 and October 31, 2016, the balances of the advance lease fee paid are USD 0.43 million, equal for both period, which is presented as part of other non-current assets.

## **23. FINANCIAL INSTRUMENTS**

### **Risk management policies**

The Company and its subsidiaries possess risks regarding to the change of market interest rate, market currency exchange rate, rates of the related goods' price changing and from non-performance of contractual obligations by counter parties. The Company and its subsidiaries will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company and its subsidiaries do not have any policy to hold or issue any financial instruments for speculation or for trading.

### **Risk on interest rate**

Risk on interest rates is derived from the fluctuation of the market interest rate in the future, which will affect upon the Company and its subsidiaries' operating results and cash flows. However, the Group manage risk on interest rate by using various methods including the loans allocation to gain appropriate balance between fixed interest rate loans 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 January 31, 2017

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year	More than 5 years		
<b>Financial Assets</b>					
Saving accounts deposits				113,948	113,948
Fixed account deposits					23
Loans for cane plantation development	7,931	0,751	315	38,834	579,331
Short-term loans to farmers	4,047	,906		35,349	582,302
Short-term loans to others	7,200				127,200
Long-term loans to others	,983	,144			88,127
Other long-term investments	700				2,700
Total	<u>3,884</u>	<u>9,801</u>	<u>315</u>	<u>188,131</u>	<u>1,493,631</u>
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	187,782				5,187,782
Other short-term borrowings	200				6,200
Long-term debentures	99,673	94,498			9,994,171
Long-term borrowings	509,733	305,733		752,000	4,667,466
Liabilities from long-term lease agreements	5				865
Total	<u>304,253</u>	<u>300,231</u>		<u>752,000</u>	<u>19,856,484</u>

Unit : Thousand Baht

Consolidated Financial Statements

As at October 31, 2016

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year	More than 5 years		
<b>Financial Assets</b>					
Saving accounts deposits				62,504	62,504
Fixed account deposits					23
Loans for cane plantation development	7,821	4,656	315	4,754	579,046
Short-term loans to farmers	6,631	314		60,004	965,449
Long-term loans to others	,333	,334			86,667
Other long-term investments	702				2,702
Total	<u>198,510</u>	<u>8,804</u>	<u>315</u>	<u>127,262</u>	<u>1,696,391</u>
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	757,026				3,757,026
Other short-term borrowings	200				6,900
Long-term debentures	99,307	93,763			9,993,070
Long-term borrowings	409,733	305,734		852,000	5,067,467
Liabilities from long-term lease agreements	323				1,323
Total	<u>174,289</u>	<u>799,497</u>		<u>852,000</u>	<u>18,825,786</u>

## Risks on exchange rates

Risks on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import of machines which are transactions denominated in foreign currencies. As at January 31, 2017 and October 31, 2016, 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				Unit : Million
	As at		As at		As at		As at		
	January 31, 2017		October 31, 2016		January 31, 2017		October 31, 2016		
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
USD	3.94	8.09	15.60	2.58	-	-	11.91	-	
YEN	-	2.50	-	2.50	-	-	-	-	
EURO	0.86	-	-	-	0.86	-	-	-	
RIEL	795.62	330.96	711.48	92.03	-	-	-	-	
LAK	133.26	934.72	252.97	489.34	-	-	-	-	

As at January 31, 2017 and October 31, 2016, the Company and its subsidiaries entered into forward contracts and cross currency swap with commercial banks to hedge against exchange rate risk from receipts and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liabilities in the consolidated and separate financial statements.

The open forward contracts and cross currency swap, which are due between 1 - 3 years, are as follows:

Currency	Amount fixed in contract				Currency	Amount earned in contract				Unit : Million
	Consolidated		Separate			Consolidated		Separate		
	Financial Statements		Financial Statements			Financial Statements		Financial Statements		
	As at	As at	As at	As at		As at	As at	As at	As at	
	January 31, 2017	October 31, 2016	January 31, 2017	October 31, 2016		January 31, 2017	October 31, 2016	January 31, 2017	October 31, 2016	
USD	9.44	30.99	47.74	47.74	THB	326.51	1,098.04	1,693.00	1,693.00	

Net fair values of forward contracts at the end of the reporting period of the Company and its subsidiaries are as follows:

	Consolidated		Separate		Unit: Million Baht
	Financial Statements		Financial Statements		
	As at	As at	As at	As at	
	January 31, 2017	October 31, 2016	January 31, 2017	October 31, 2016	
Net fair values of forward contracts	12.11	(6.35)	(5.15)	(13.33)	



### Risk on the fluctuation of sugar and cane prices

The cane and sugar industry in Thailand is under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production. To manage risk on the fluctuation of gross profit, the Company and its subsidiaries have hedged the risk by entering into commodity swap contracts for the period not over 1 years. Gain or loss is recognized in the statement of profit or loss when the contracts are settled or expired.

Net fair values of commodity swap contracts as at January 31, 2017 and October 31, 2016 of the Company and its subsidiaries are as follows:

	Currency	Unit : Million	
		Consolidated/ Separate Financial Statements As at January 31, 2017	As at October 31, 2016
Net fair values for commodity swap contracts	USD	(0.93)	(0.85)

### Credit risk

The Company and its subsidiaries have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans to farmers, loans to related parties and others receivable. However, as the Company and its subsidiaries have many receivables and have conservative credit policy including allowance for doubtful accounts. In addition, the Company and its subsidiaries request farmers to pledge land or other assets as collateral or guarantee by individual. The Group's management of the Company and its subsidiaries believes that the risk of default by receivables is low.

### Fair value

Cash and cash equivalents, temporary investments, trade and other receivables, short-term loans, other current assets, short-term borrowings from financial institutions, trade and other payables, short-term borrowings, current income tax payable and other current liabilities, the carrying values approximate their fair values due to the relatively short period to maturity.

The carrying amounts of long-term loans approximate their fair values due to floating interest rates. The long-term loans and others with fixed interest rate, their fair values approximate the carrying amounts because the average interest rate at the financial position date offered to the loans interest rate with the similar terms and conditions to the Group's approximate to the fixed rates specified in the contracts.

The transactions disclosed in the following table, are considered that the carrying amounts of financial assets and liabilities recognized in the consolidated and separate financial statements are different from their fair values.

	Consolidated / Separate Financial Statement		Fair value Hierarchy	Valuation technique of fair value
	Carrying amount	Fair value		
	Million Baht	Million Baht		
<b>As At January 31, 2017</b>				
<b>Financial liabilities</b>				
Long-term debentures	9,994	10,117	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
<b>As At October 31, 2016</b>				
<b>Financial liabilities</b>				
Long-term debentures	9,993	10,227	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.

The fair values of derivative financial instruments, which are forward contracts and cross currency swap contracts are assessment determined by discounted cash flows method. Future cash flows are estimated based on relevant market price discounting the weighted average cost (interest rate swap contracts at the end of the reporting period), are the market prices adjusted by credit risk of the counter parties which are hierarchy level 3 and the commodity swap contracts are calculated by using the raw sugar and white sugar prices from The Exchange and Bloomberg at the end of the reporting period as though the Company and its subsidiaries have settled those contracts at the end of the reporting period are hierarchy level 2.

## 24. COMPARATIVE INFORMATION OF FINANCIAL STATEMENTS FOR THE YEARS ENDED JANUARY 31, 2017 AND 2016

The nature of the operations of the Company and its subsidiaries with the main business activities in manufacturing and distributing sugar depending on seasons, which can be classified as production season, from November to April of each year, and outside production season, from May to October. To facilitate the users of these interim financial information in comparing the information for the business with definite seasonal fluctuation, the Company presents the comparative financial information for the years ended January 31, 2017 and 2016 as follows:

	Unit : Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at January 31,		As at January 31,	
	2017	"Restated" 2016	2017	"Restated" 2016
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	152,822	303,752	22,852	58,531
Trade and other receivables	1,811,085	2,212,746	996,910	2,419,326
Short-term loans	983,460	819,362	2,513,582	2,505,636
Inventories	5,650,275	6,186,727	3,178,328	3,260,748
Biological assets	172,869	193,819	6,717	6,041
Other current assets	105,170	128,713	34,489	65,082
Total Current Assets	8,875,681	9,845,119	6,752,878	8,315,364

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31,		Financial Statements	
	As at January 31,		As at January 31,	
	2017	“Restated” 2016	2017	“Restated” 2016
<b>NON-CURRENT ASSETS</b>				
Long-term loans	393,500	498,463	4,398,882	4,422,885
Investment property	4,492,376	3,354,563	1,499,684	1,013,558
Property, plant and equipment	26,644,711	24,736,530	8,101,586	7,343,545
Other non-current assets	1,732,044	1,552,120	6,335,785	6,671,813
Total Non-Current Assets	33,262,631	30,141,676	20,335,937	19,451,801
<b>TOTAL ASSETS</b>	<b>42,138,312</b>	<b>39,986,795</b>	<b>27,088,815</b>	<b>27,767,165</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings from financial institutions	5,187,782	4,560,061	1,774,000	1,687,171
Trade and other payables	3,732,806	2,949,846	2,374,946	1,683,448
Current portion of long-term debentures	2,999,673	-	2,999,673	-
Current portion of long-term borrowings	2,009,733	1,811,593	1,205,833	1,005,833
Short-term borrowings	6,200	6,100	450,700	1,414,100
Current income tax payable	58,101	93,089	-	-
Provision for production costs	114,852	335,616	75,035	152,218
Other current liabilities	134,265	141,676	41,977	28,055
Total Current Liabilities	14,243,412	9,897,981	8,922,164	5,970,825
Total Non-Current Liabilities	10,781,365	15,283,742	9,215,909	13,381,161
<b>TOTAL LIABILITIES</b>	<b>25,024,777</b>	<b>25,181,723</b>	<b>18,138,073</b>	<b>19,351,986</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>17,113,535</b>	<b>14,805,072</b>	<b>8,950,742</b>	<b>8,415,179</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>42,138,312</b>	<b>39,986,795</b>	<b>27,088,815</b>	<b>27,767,165</b>

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	For the years ended		Financial Statements	
	For the years ended		For the years ended	
	2017	“Restated” 2016	2017	“Restated” 2016
Revenue from sales	15,835,483	17,959,195	8,920,360	9,144,688
Revenues from services	177,990	154,339	157,187	144,689
Total revenues	16,013,473	18,113,534	9,077,547	9,289,377
Costs of the sales of goods	(12,409,391)	(14,298,695)	(7,595,828)	(8,195,352)
Cost of the rendering of services	(147,747)	(102,249)	(96,786)	(82,573)
Total costs	(12,557,138)	(14,400,944)	(7,692,614)	(8,277,925)
Gross profit	3,456,335	3,712,590	1,384,933	1,011,452
Other incomes	1,695,828	621,379	1,370,505	1,603,787
Profit before expenses	5,152,163	4,333,969	2,755,438	2,615,239
Selling expenses	(1,683,110)	(1,751,948)	(747,326)	(735,695)
Administrative expenses	(813,887)	(846,819)	(1,085,498)	(375,326)
Management benefit expenses	(144,634)	(140,850)	(50,297)	(50,901)
Finance costs	(690,105)	(800,630)	(534,416)	(577,539)
Share of gain of an associate	135,285	47,502	-	-
Profit before income tax (expense) income	1,955,712	841,224	337,901	875,778
Income tax (expense) income	(416,388)	(45,760)	(15,659)	51,638
<b>Net profit for the year</b>	<b>1,539,324</b>	<b>795,464</b>	<b>322,242</b>	<b>927,416</b>

**25. EVENTS AFTER THE REPORTING PERIOD**

The meeting of annual general shareholders for 2016 No. 1/2017 of the Company held on February 24, 2017, passed the following resolutions:

- 25.1 The appropriation of profit for dividend payment of year 2016 in form of cash at Baht 0.10 per share to 4,410 million shares, at the amount not exceeding Baht 441.02 million, to the shareholders whose names are included in the shareholder register on March 8, 2017. The dividend payment shall be made on March 23, 2017.
- 25.2 Issued debentures by private placement 2 sets, 1,000,000 units per set at par value of Baht 1,000 each, totaling Baht 2,000 million. The term is for 2 years and 3 years and with redemption date on February 24, 2019 and date on February 24, 2020, carrying interest at 2.34% per annum and 2.56% per annum. The Company shall maintain the interest bearing debt to shareholders' equity ratio in the consolidated financial statements as at October 31, of each year, at not more than 2 : 1 for the entire debentures terms.

**26. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial information have been approved for issuance by an authorized director of the Company on March 15, 2017.