

**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 April 30, 2018, and the related consolidated and separate statements of profit or loss and statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and consolidated and separate statements of changes in shareholders' equity and cash flows for the six-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".

BANGKOK
June 12, 2018

Juntira Juntrachaichoat
Certified Public Accountant (Thailand)
Registration No. 6326
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT APRIL 30, 2018

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		April 30, 2018	October 31, 2017	April 30, 2018	October 31, 2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.2	209,833	153,004	105,149	11,894
Temporary investments		24	24	-	-
Trade and other current receivables	6	2,669,509	1,198,418	1,565,934	872,711
Short-term loans	7	948,206	1,569,259	4,664,662	5,373,550
Inventories		12,290,066	3,099,982	6,872,225	1,884,928
Current biological assets	8	138,387	111,895	5,654	5,854
Other current assets		83,495	63,931	53,766	46,061
Total Current Assets		16,339,520	6,196,513	13,267,390	8,194,998
NON-CURRENT ASSETS					
Investments held as available for sale		332,192	377,849	332,192	377,849
Investments in associates	9	3,838,072	3,746,845	3,382,232	3,381,615
Investments in subsidiaries	10	-	-	4,775,811	4,775,811
Other long-term investments		27,498	27,486	20,327	20,325
Trade and other non-current receivables		89,166	93,175	8,602	8,183
Long-term loans		368,425	393,199	2,410,390	1,404,915
Investment property	11	4,924,309	4,917,207	1,545,121	1,544,915
Property, plant and equipment	12	26,159,474	26,354,312	9,394,874	9,203,864
Other intangible assets		45,191	48,147	34,813	37,041
Deferred tax assets	17.2	11,033	13,214	-	-
Other non-current assets		825,773	822,774	46,498	26,964
Total Non-Current Assets		36,621,133	36,794,208	21,950,860	20,781,482
TOTAL ASSETS		52,960,653	42,990,721	35,218,250	28,976,480

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 APRIL 30, 2018

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		April 30, 2018	October 31, 2017	April 30, 2018	October 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions		13,475,511	8,508,780	7,393,067	4,260,785
Trade and other current payables	13	1,907,929	1,595,348	1,294,422	1,101,787
Current portion of long-term debentures	15	3,999,082	2,998,989	3,999,082	2,998,989
Current portion of long-term borrowings	16	1,675,833	1,623,833	1,423,833	1,223,833
Short-term borrowings	5.1	4,200	5,000	160,200	545,200
Current income tax payable		83,183	30,393	-	-
Provision for production costs	14	1,125,178	-	523,932	-
Other current liabilities		130,403	55,954	30,383	11,969
Total Current Liabilities		<u>22,401,319</u>	<u>14,818,297</u>	<u>14,824,919</u>	<u>10,142,563</u>
NON-CURRENT LIABILITIES					
Long-term debentures	15	7,494,683	6,494,445	7,494,683	6,494,445
Long-term borrowings	16	2,970,000	2,032,000	2,970,000	1,980,000
Deferred tax liabilities	17.3	1,147,480	1,190,007	432,854	477,892
Non-current provision for employee benefit		269,671	264,742	115,755	112,076
Other non-current liabilities		106,849	98,998	47,265	41,651
Total Non-Current Liabilities		<u>11,988,683</u>	<u>10,080,192</u>	<u>11,060,557</u>	<u>9,106,064</u>
TOTAL LIABILITIES		<u>34,390,002</u>	<u>24,898,489</u>	<u>25,885,476</u>	<u>19,248,627</u>

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT APRIL 30, 2018

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		April 30,	October 31,	April 30,	October 31,
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
		2,205,122	2,205,122	2,205,122	2,205,122
4,410,243,648 ordinary shares of Baht 0.50 each					
Issued and paid-up share capital					
		2,205,116	2,205,116	2,205,116	2,205,116
4,410,232,619 ordinary shares of Baht 0.50 each					
		2,205,116	2,205,116	2,205,116	2,205,116
fully paid					
		2,946,439	2,946,439	2,946,439	2,946,439
SHARE PREMIUM ACCOUNT - ORDINARY SHARES					
RETAINED EARNINGS					
Appropriated					
		220,512	220,512	220,512	220,512
Legal reserve					
		11,192,531	10,584,283	3,195,519	3,554,073
Unappropriated					
		1,572,527	1,693,640	765,188	801,713
OTHER COMPONENTS OF EQUITY					
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
		18,137,125	17,649,990	9,332,774	9,727,853
OF THE PARENT					
		433,526	442,242	-	-
NON-CONTROLLING INTERESTS					
TOTAL SHAREHOLDERS' EQUITY					
		18,570,651	18,092,232	9,332,774	9,727,853
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		52,960,653	42,990,721	35,218,250	28,976,480

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 APRIL 30, 2018

"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
Revenues from sales and revenues from rendering of services					
Revenues from sales		3,479,743	4,574,970	1,727,190	1,893,539
Revenues from rendering of services		106,340	63,409	47,408	39,870
		<u>3,586,083</u>	<u>4,638,379</u>	<u>1,774,598</u>	<u>1,933,409</u>
Costs of sales of goods and rendering of services					
Costs of sales of goods		(2,192,145)	(3,400,773)	(1,479,235)	(1,755,030)
Costs of rendering of services		(66,122)	(13,659)	(29,727)	(17,978)
		<u>(2,258,267)</u>	<u>(3,414,432)</u>	<u>(1,508,962)</u>	<u>(1,773,008)</u>
Gross profit		1,327,816	1,223,947	265,636	160,401
Other incomes		124,498	236,738	114,910	95,130
Distribution costs		(373,708)	(415,345)	(175,663)	(119,281)
Administrative expenses		(202,866)	(158,935)	(84,575)	(67,091)
Management benefit expenses	5.2	(53,897)	(29,156)	(21,677)	(9,032)
Finance costs		(158,762)	(173,734)	(128,990)	(128,820)
Share of gain of associates		90,485	9,926	-	-
Profit (loss) before income tax (expense) income		<u>753,566</u>	<u>693,441</u>	<u>(30,359)</u>	<u>(68,693)</u>
Income tax (expense) income		(68,086)	(53,849)	7,669	21,821
NET PROFIT (LOSS) FOR THE PERIODS		<u><u>685,480</u></u>	<u><u>639,592</u></u>	<u><u>(22,690)</u></u>	<u><u>(46,872)</u></u>
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		688,064	639,854	(22,690)	(46,872)
Non-controlling interests		(2,584)	(262)	-	-
		<u>685,480</u>	<u>639,592</u>	<u>(22,690)</u>	<u>(46,872)</u>
EARNINGS (LOSS) PER SHARE	21				
Basic earnings (loss) per share		BAHT 0.156	0.145	(0.005)	(0.011)
Basic number of ordinary shares		THOUSAND SHARES 4,410,233	4,410,233	4,410,233	4,410,233

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 APRIL 30, 2018
"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
Net profit (loss) for the periods	685,480	639,592	(22,690)	(46,872)
Other comprehensive income (expense):				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating financial statements	7,377	(39,046)	-	-
(Losses) gains on remeasuring investments held as available for sale	(17,633)	31,096	(17,633)	31,096
Total items that will be reclassified subsequently to profit or loss	(10,256)	(7,950)	(17,633)	31,096
Other comprehensive (expense) income - net of tax	(10,256)	(7,950)	(17,633)	31,096
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIODS	675,224	631,642	(40,323)	(15,776)
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO				
Owners of the parent	676,332	639,709	(40,323)	(15,776)
Non-controlling interests	(1,108)	(8,067)	-	-
	675,224	631,642	(40,323)	(15,776)

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 SIX-MONTH PERIOD ENDED APRIL 30, 2018

"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2018	2017	2018	2017
Revenues from sales and revenues from rendering of services					
Revenues from sales		6,633,817	7,415,060	3,639,254	3,539,392
Revenues from rendering of services		196,690	117,757	104,859	86,918
		<u>6,830,507</u>	<u>7,532,817</u>	<u>3,744,113</u>	<u>3,626,310</u>
Costs of sales of goods and rendering of services					
Costs of sales of goods		(4,620,042)	(5,305,310)	(3,160,532)	(3,120,221)
Costs of rendering of services		(116,172)	(40,705)	(70,173)	(60,238)
		<u>(4,736,214)</u>	<u>(5,346,015)</u>	<u>(3,230,705)</u>	<u>(3,180,459)</u>
Gross profit		2,094,293	2,186,802	513,408	445,851
Other incomes		209,571	500,875	212,514	339,714
Distribution costs		(738,706)	(764,321)	(366,257)	(254,144)
Administrative expenses		(359,682)	(387,109)	(238,286)	(161,180)
Management benefit expenses	5.2	(85,180)	(84,451)	(34,276)	(28,723)
Finance costs		(313,660)	(333,949)	(261,052)	(255,319)
Share of gain of associates		97,001	93,462	-	-
Profit (loss) before income tax (expense) income		<u>903,637</u>	<u>1,211,309</u>	<u>(173,949)</u>	<u>86,199</u>
Income tax (expense) income	17.1	(62,603)	(119,903)	35,907	(2,767)
NET PROFIT (LOSS) FOR THE PERIODS		<u><u>841,034</u></u>	<u><u>1,091,406</u></u>	<u><u>(138,042)</u></u>	<u><u>83,432</u></u>
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		828,760	1,092,909	(138,042)	83,432
Non-controlling interests		12,274	(1,503)	-	-
		<u>841,034</u>	<u>1,091,406</u>	<u>(138,042)</u>	<u>83,432</u>
EARNINGS (LOSS) PER SHARE	21				
Basic earnings (loss) per share		BAHT 0.188	0.248	(0.031)	0.019
Basic number of ordinary shares		THOUSAND SHARES 4,410,233	4,410,233	4,410,233	4,410,233

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 SIX-MONTH PERIOD ENDED APRIL 30, 2018
"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
Net profit (loss) for the periods	841,034	1,091,406	(138,042)	83,432
Other comprehensive income (expense):				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating financial statements	(104,845)	(27,756)	-	-
(Loss) gain on remeasuring investments held as available for sale	(36,525)	31,096	(36,525)	31,096
Total items that will be reclassified subsequently to profit or loss	<u>(141,370)</u>	<u>3,340</u>	<u>(36,525)</u>	<u>31,096</u>
Items that will be not reclassified subsequently to profit or loss:				
Loss on revaluation of assets	(733)	-	-	-
Total items that will be not reclassified subsequently to profit or loss	<u>(733)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive (expense) income - net of tax	<u>(142,103)</u>	<u>3,340</u>	<u>(36,525)</u>	<u>31,096</u>
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIODS	<u><u>698,931</u></u>	<u><u>1,094,746</u></u>	<u><u>(174,567)</u></u>	<u><u>114,528</u></u>
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO				
Owners of the parent	707,647	1,101,797	(174,567)	114,528
Non-controlling interests	(8,716)	(7,051)	-	-
	<u><u>698,931</u></u>	<u><u>1,094,746</u></u>	<u><u>(174,567)</u></u>	<u><u>114,528</u></u>

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 SIX-MONTH PERIOD ENDED APRIL 30, 2018

"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 (expense)		Total other components of equity		
					Gain (loss) on remeasuring investments held asavailable for sale	Gain on asset revaluation			
For the six-month period ended April 30, 2017									
	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								
	- Dividends paid	18	-	-	(441,023)	-	-	-	(441,023)
	- Total comprehensive income for the period		-	-	83,432	31,096	-	31,096	114,528
	Ending balance as at April 30, 2017	2,205,116	2,946,439	220,512	2,311,346	31,096	779,434	810,530	8,493,943
For the six-month period ended April 30, 2018									
	Beginning balance as at November 1, 2017	2,205,116	2,946,439	220,512	3,554,073	22,279	779,434	801,713	9,727,853
	Changes in shareholders' equity during the period								
	- Dividends paid	18	-	-	(220,512)	-	-	-	(220,512)
	- Total comprehensive expense for the period		-	-	(138,042)	(36,525)	-	(36,525)	(174,567)
	Ending balance as at April 30, 2018	2,205,116	2,946,439	220,512	3,195,519	(14,246)	779,434	765,188	9,332,774

See the condensed notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2018

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax (expense) income	903,637	1,211,309	(173,949)	86,199
Items to reconcile profit (loss) to cash received (paid):				
Dividend income	(3,542)	(14,956)	(9,933)	(20,451)
Doubtful accounts - trade and other receivables (reversal)	350	(2,839)	(966)	(2,380)
Share of gain of investment associates	(97,001)	(93,462)	-	-
Amortization (increase) of premium on bonds	(9)	2	-	-
Employee benefit expenses	10,949	9,025	4,554	3,995
Gain on arising from change in fair value of biological assets	(18,357)	(977)	(3,267)	(3,391)
Loss on diminution in value and obsolescence of inventories (reversal)	(224,697)	244,931	(164,158)	86,646
Loss from plantation (reversal)	(36,355)	2,305	-	-
Depreciation and amortization	914,699	824,915	359,931	276,353
Loss (gain) on disposal of assets	4,862	(1,611)	(3,513)	711
Gain of change in fair value of investment property	(916)	-	-	-
Unrealized loss on exchange rate	150	3,697	82,942	18,249
Interest income	(71,004)	(63,398)	(136,300)	(123,803)
Interest expenses	313,660	333,949	261,052	255,319
	<u>1,696,426</u>	<u>2,452,890</u>	<u>216,393</u>	<u>577,447</u>
Operating assets (increase) decrease				
Trade and other current receivables	(1,465,139)	(512,796)	(657,028)	367,087
Inventories	(8,956,802)	(7,703,245)	(4,823,139)	(4,051,291)
Current biological assets	(10,231)	103,688	3,467	7,096
Other current assets	(11,950)	26,822	(2,276)	20,481
Trade and other non-current receivables	3,286	(36,315)	547	(2,525)
Other non-current assets	(21,880)	67,745	(19,534)	(3,857)
Operating liabilities increase (decrease)				
Trade and other current payables	374,696	(452,403)	222,957	24,987
Provision for production costs	1,125,178	1,150,841	523,932	597,046
Other current liabilities	74,449	24,735	18,415	3,490
Non-current provision for employee benefit	(6,020)	(900)	(874)	(474)
Other non-current liabilities	7,851	12,091	5,614	4,920
Cash paid from operating activities	(7,190,136)	(4,866,847)	(4,511,526)	(2,455,593)
Interest paid	(314,725)	(308,233)	(262,275)	(234,673)
Income tax expense paid	(48,459)	(43,087)	(5,428)	(825)
Net cash used in operating activities	<u>(7,553,320)</u>	<u>(5,218,167)</u>	<u>(4,779,229)</u>	<u>(2,691,091)</u>

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2018
"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for the purchase of temporary investments	-	(1)	-	-
(Increase) decrease in short-term loans to related and other parties	(155,491)	(615,892)	306,550	(112,647)
Decrease in short-term loans to farmers	670,012	507,335	303,116	67,343
Cash payments for investments in associates	(617)	-	(617)	-
Cash payments for other long-term investments	(2)	-	(2)	-
Cash received from redemption of other long-term investments	-	2,700	-	-
Decrease in loans for cane plantation development	150,141	90,345	29,359	41,842
(Increase) decrease in long-term loans to related and other parties	(18,462)	7,856	(1,018,512)	7,206
Cash received from interest income	74,835	69,661	109,996	122,221
Cash received from dividends from other party	-	14,956	-	14,956
Cash payments for purchases of property, plant and equipment	(851,892)	(1,595,568)	(580,917)	(607,206)
Cash received from sales of property, plant and equipment	9,194	14,029	7,424	456
Cash payments for purchase of investment properties	(3,560)	(1,560)	(206)	-
Cash payments for purchase of assets not yet used in operation	-	(32)	-	(32)
Cash received from sales of assets not yet used in operation	200	485	-	-
Cash payments of purchase of intangible assets	(210)	(229)	(195)	(229)
Net cash used in investing activities	<u>(125,852)</u>	<u>(1,505,915)</u>	<u>(844,004)</u>	<u>(466,090)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short-term borrowings from financial institutions	4,967,013	7,598,937	3,132,000	3,524,570
Decrease in short-term borrowings from related parties	(800)	(1,200)	(385,000)	(303,700)
Cash received from long-term debentures	2,000,000	1,996,783	2,000,000	1,996,783
Cash payment for long-term debentures	-	(1,000,000)	-	(1,000,000)
Cash received from long-term borrowings	2,000,000	-	2,000,000	-
Cash payment for long-term borrowings	(1,010,000)	(1,000,000)	(810,000)	(600,000)
Cash payments for dividends to shareholders of the parent	(220,512)	(441,023)	(220,512)	(441,023)
Net cash provided by financing activities	<u>7,735,701</u>	<u>7,153,497</u>	<u>5,716,488</u>	<u>3,176,630</u>
Exchange differences on translation of cash of foreign subsidiaries	300	(527)	-	-
Net increase in cash and cash equivalents	<u>56,829</u>	<u>428,888</u>	<u>93,255</u>	<u>19,449</u>
Cash and cash equivalents at the beginning of the periods	<u>153,004</u>	<u>82,311</u>	<u>11,894</u>	<u>20,856</u>
Cash and cash equivalents at the end of the periods	<u><u>209,833</u></u>	<u><u>511,199</u></u>	<u><u>105,149</u></u>	<u><u>40,305</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 SIX-MONTH PERIOD ENDED APRIL 30, 2018
“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, 9th Floor, Sriayudahya Road, Thanon Phaya Thai Sub-District, Ratchathewi District, Bangkok, and the locations of its 5 factories (branches) are as follows :

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

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

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

Branch 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 2016) “Interim Financial Reporting” and in accordance with accounting practices generally accepted in Thailand. The interim financial statement presentation is compliance with the Notification of the Department of Business Development dated October 11, 2016 regarding “The Brief Particulars in the Financial Statements (No. 2) B.E. 2559” 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, 2017.

- 2.2 The unaudited results of operations for the six-month period ended April 30, 2018 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, 2017, 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, 2017, as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at April 30, 2018	As at October 31, 2017		
	%	%		
Subsidiaries in which the Company holds shares directly				
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Material Supplys Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of fertilizer and trading spare part of agricultural
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
WSP Logistic Company Limited	100.00	100.00	Thailand	Service transport and shipping goods
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	80.00	80.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services
Subsidiaries in which the Company holds shares 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 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements.

- 2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective.

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

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

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, 2017.

4. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

4.1 Significant non-cash items in the consolidated and separate financial statements for the six-month periods ended April 30, are as follows:

Type of Transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2018	Financial Statements 2017	Financial Statements 2018	Financial Statements 2017
Purchases of property, plant and equipment which have not yet been paid during the periods	30,275	103,022	27,190	37,301
Transfer of property and buildings to investment property	-	85	-	-
Transfer of property, plant and equipment to assets not yet used in operations	-	16,196	-	3,361
Transfer of investment property to property, plant and equipment	-	4,900	-	-
Transfer of assets not used in operations to investment property	2,626	-	-	-
Transfer of assets not used in operations to inventories	8,585	-	-	-
Transfer of assets not used in operations to property, plant and equipment	6,754	-	-	-
Transfer of equipment to intangible assets	298	4,779	298	4,538

4.2 Cash and cash equivalents as at April 30, are as follows:

Type of Transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2018	Financial Statements 2017	Financial Statements 2018	Financial Statements 2017
Cash	3,561	5,494	1,760	2,289
Savings accounts deposits	163,027	106,418	87,266	23,434
Current accounts deposits	43,245	399,287	16,123	14,582
Total	<u>209,833</u>	<u>511,199</u>	<u>105,149</u>	<u>40,305</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	Unit : Million Baht			
	Consolidated		Separate	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Trade and other current receivables				
Subsidiaries	-	-	181.50	165.68
Associates	1.32	-	1.32	-
Related parties	161.92	34.57	117.40	6.26
Total	<u>163.24</u>	<u>34.57</u>	<u>300.22</u>	<u>171.94</u>
Short-term loans (see Note 7)				
Subsidiaries	-	-	4,217.02	4,625.92
Related parties	135.99	-	-	-
Total	<u>135.99</u>	<u>-</u>	<u>4,217.02</u>	<u>4,625.92</u>
Other current assets				
Subsidiaries	-	-	56.07	32.83
Associates	6.39	-	6.39	-
Related parties	0.21	1.02	0.14	0.17
Total	<u>6.60</u>	<u>1.02</u>	<u>62.60</u>	<u>33.00</u>
Long-term loans				
Subsidiaries	-	-	2,300.00	1,300.00
Other non-current assets				
Subsidiaries	-	-	3.29	3.29
Related parties	0.02	0.02	-	-
Total	<u>0.02</u>	<u>0.02</u>	<u>3.29</u>	<u>3.29</u>
Trade and other current payables				
Subsidiaries	-	-	163.32	113.76
Associates	7.77	4.63	2.49	-
Related parties	124.64	8.39	59.06	3.96
Total	<u>132.41</u>	<u>13.02</u>	<u>224.87</u>	<u>117.72</u>
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	130.46	0.68
Short-term borrowings				
Subsidiaries	-	-	156.00	540.20
Related parties	4.20	5.00	4.20	5.00
Total	<u>4.20</u>	<u>5.00</u>	<u>160.20</u>	<u>545.20</u>
Other current liabilities				
Subsidiaries	-	-	0.47	0.03
Other non-current liabilities				
Subsidiaries	-	-	0.47	0.47
Related parties	1.51	1.55	1.32	1.55
Total	<u>1.51</u>	<u>1.55</u>	<u>1.79</u>	<u>2.02</u>

As at April 30, 2018 and October 31, 2017, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 1.80% - 3.33% per annum and 1.96% - 3.39% per annum, respectively.

As at April 30, 2018 and October 31, 2017, long-term loans to subsidiaries represented loans with maturity date within 2020 - 2027 and within 2020 respectively, carrying the interest rates at 2.93% - 3.95% per annum and 3.73% per annum, respectively.

As at April 30, 2018 and October 31, 2017, short-term borrowings from subsidiaries and related parties represented promissory notes payable on demand, carrying the interest rates at 1.80% - 3.33% per annum and 1.83% - 1.92% per annum, respectively.

5.2 Significant transactions with related parties for the three-month and six-month periods ended April 30, are as follows:

Type of transactions	Unit : Million Baht			
	Consolidated Financial Statements for the three-month periods ended April 30,		Separate Financial Statements for the three-month periods ended April 30,	
	2018	2017	2018	2017
Revenues from sales and rendering of services				
Subsidiaries	-	-	609.75	881.11
Related parties	709.28	0.11	391.55	-
Total	<u>709.28</u>	<u>0.11</u>	<u>1,001.30</u>	<u>881.11</u>
Cost of sales and rendering of services				
Subsidiaries	-	-	908.21	1,011.76
Associates	5.30	3.04	5.30	3.04
Related parties	16.36	0.48	0.43	0.46
Total	<u>21.66</u>	<u>3.52</u>	<u>913.94</u>	<u>1,015.26</u>
Other income				
Subsidiaries	-	-	47.94	48.01
Associates	3.69	0.61	3.69	-
Related parties	2.05	1.11	1.24	1.11
Total	<u>5.74</u>	<u>1.72</u>	<u>52.87</u>	<u>49.12</u>
Distribution costs				
Subsidiaries	-	-	0.57	0.31
Associates	14.08	8.69	0.93	-
Total	<u>14.08</u>	<u>8.69</u>	<u>1.50</u>	<u>0.31</u>
Administrative expenses				
Subsidiaries	-	-	1.88	0.82
Related parties	3.50	4.03	1.51	1.29
Related juristic person	2.73	2.84	2.47	2.53
Total	<u>6.23</u>	<u>6.87</u>	<u>5.86</u>	<u>4.64</u>
Financial costs				
Subsidiaries	-	-	0.90	1.22
Related juristic person	0.03	0.06	0.03	0.06
Total	<u>0.03</u>	<u>0.06</u>	<u>0.93</u>	<u>1.28</u>
Management compensation				
Short-term employee benefits	53.90	29.16	21.68	9.03
Post-employment benefits	0.93	0.72	0.47	0.30
Total	<u>54.83</u>	<u>29.88</u>	<u>22.15</u>	<u>9.33</u>

Type of transactions	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements for the six-month periods ended April 30,		Financial Statements for the six-month periods ended April 30,	
	2018	2017	2018	2017
Revenues from sales and rendering of services				
Subsidiaries	-	-	1,396.69	1,824.84
Related parties	1,053.11	0.82	542.69	-
Total	<u>1,053.11</u>	<u>0.82</u>	<u>1,939.38</u>	<u>1,824.84</u>
Cost of sales and rendering of services				
Subsidiaries	-	-	1,599.06	1,698.80
Associates	9.17	10.85	9.17	10.85
Related parties	16.86	0.60	0.86	0.53
Total	<u>26.03</u>	<u>11.45</u>	<u>1,609.09</u>	<u>1,710.18</u>
Other income				
Subsidiaries	-	-	103.62	98.26
Associates	3.69	0.61	3.69	-
Related parties	4.85	2.23	2.86	2.23
Total	<u>8.54</u>	<u>2.84</u>	<u>110.17</u>	<u>100.49</u>
Distribution costs				
Subsidiaries	-	-	1.73	1.16
Associates	17.78	9.78	0.93	0.08
Total	<u>17.78</u>	<u>9.78</u>	<u>2.66</u>	<u>1.24</u>
Administrative expenses				
Subsidiaries	-	-	4.23	1.64
Related parties	7.34	8.09	3.10	3.17
Related juristic person	5.46	5.69	4.93	5.05
Total	<u>12.80</u>	<u>13.78</u>	<u>12.26</u>	<u>9.86</u>
Financial costs				
Subsidiaries	-	-	3.20	3.21
Related juristic person	0.05	0.12	0.05	0.12
Total	<u>0.05</u>	<u>0.12</u>	<u>3.25</u>	<u>3.33</u>
Management compensation				
Short-term employee benefits	85.18	84.45	34.28	28.72
Post-employment benefits	1.85	2.16	0.95	0.91
Total	<u>87.03</u>	<u>86.61</u>	<u>35.23</u>	<u>29.63</u>

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:

Company Name	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related party	Same group of shareholder and Mutual directors
On Nuj Construction Co., Ltd.	Related party	Same group of shareholder and Mutual directors
Raja Ceramics Co., Ltd.	Related party	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related party	Same group of shareholders
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building
KSL Green Innovation Public Company Limited	Related party	Same common shareholder and Mutual director

All of the aforementioned related entities are incorporated in Thailand.

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

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Trade receivables	616,420	769,947	410,966	591,680
Current farmer receivables	261,426	298,147	160,088	200,497
Receivables from the Office of the Cane and Sugar Fund	1,526,980	-	879,081	-
Other receivables	27,725	18,673	10,538	10,139
Prepaid expenses	58,314	32,738	23,059	17,793
Advance payment	6,958	12,657	3,969	8,146
Accrued dividend	9,933	-	9,933	-
Accrued income	161,753	66,256	68,300	44,456
Total trade and other current receivables	<u>2,669,509</u>	<u>1,198,418</u>	<u>1,565,934</u>	<u>872,711</u>

6.1 Trade receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Related parties	161,498	33,619	298,214	170,066
Others	454,922	736,328	112,752	421,614
Total trade receivables	<u>616,420</u>	<u>769,947</u>	<u>410,966</u>	<u>591,680</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 April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Domestic trade receivables				
Not yet due	156,962	17,114	296,046	131,518
Overdue not over 3 months	-	5	-	23,131
Total	<u>156,962</u>	<u>17,119</u>	<u>296,046</u>	<u>154,649</u>
Foreign trade receivables				
Not yet due	4,536	16,500	751	6,816
Overdue not over 3 months	-	-	-	8,601
Overdue over 3 months and not over 6 months	-	-	1,417	-
Total	<u>4,536</u>	<u>16,500</u>	<u>2,168</u>	<u>15,417</u>
Total trade receivables - related parties	<u>161,498</u>	<u>33,619</u>	<u>298,214</u>	<u>170,066</u>

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

6.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2018	2017	2018	2017
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	158,336	201,273	51,070	72,875
Overdue not over 3 months	39,147	67,278	17,717	34,988
Overdue over 3 months and not over 6 months	13,552	-	13,552	-
Total	211,035	268,551	82,339	107,863
Foreign trade receivables				
Not yet due	100,643	394,101	29,324	292,722
Overdue not over 3 months	-	36,065	-	21,029
Overdue over 3 months and not over 6 months	1,089	-	1,089	-
Total	101,732	430,166	30,413	313,751
Total of business are to manufacture and distribute sugar and molasses	312,767	698,717	112,752	421,614
Manufacture and distribution of electricity				
Domestic trade receivables				
Not yet due	135,903	17,748	-	-
Overdue not over 3 months	-	15,133	-	-
Total of business of manufacturing and distributing of electricity	135,903	32,881	-	-
Other business				
Domestic trade receivables				
Not yet due	2,771	2,307	-	-
Overdue not over 3 months	2,433	1,969	-	-
Overdue over 3 months and not over 6 months	276	71	-	-
Overdue over 12 months	772	383	-	-
Total other business	6,252	4,730	-	-
Total trade receivables - others	454,922	736,328	112,752	421,614

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

6.2 Current farmer receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Cane receivables				
Before Season 2013/2014	56,329	57,682	11,131	11,282
Season 2013/2014	39,249	39,555	6,266	6,283
Season 2014/2015	44,855	46,777	12,246	12,921
Season 2015/2016	46,586	49,446	13,449	15,331
Season 2016/2017	41,957	53,371	15,853	23,837
Season 2017/2018	41,146	-	10,777	-
Total cane receivables	<u>270,122</u>	<u>246,831</u>	<u>69,722</u>	<u>69,654</u>
Advance payment for purchases of cane				
Season 2017/2018	51,592	197,958	49,729	164,183
Season 2018/2019	78,981	-	70,420	-
Total advance payment for purchases of cane	<u>130,573</u>	<u>197,958</u>	<u>120,149</u>	<u>164,183</u>
Receivables from fuel oil, fertilizer and other services	<u>13,768</u>	<u>9,681</u>	<u>12,464</u>	<u>9,455</u>
Total	414,463	454,470	202,335	243,292
<u>Less</u> Allowance for doubtful accounts	<u>(68,626)</u>	<u>(69,643)</u>	<u>(33,645)</u>	<u>(34,612)</u>
Total farmer receivables	345,837	384,827	168,690	208,680
<u>Less</u> Non-current portion	<u>(84,411)</u>	<u>(86,680)</u>	<u>(8,602)</u>	<u>(8,183)</u>
Total current farmer receivables	<u>261,426</u>	<u>298,147</u>	<u>160,088</u>	<u>200,497</u>

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

6.3 Receivables from the Office of the Cane and Sugar Fund

For the harvest season 2017/2018, the estimated final cane price and final compensation for the production and distribution of sugar were less than the initial cane price. In accordance to the Cane and Sugar Act B.E.2527, Section 56 the Cane and Sugar Fund has to pay the compensation to the Company and its subsidiaries at the amount equal to the difference, but the cane farmers do not have to return the excess of the cane price received. As at April 30, 2018, Receivables from the Office of the Cane and Sugar Fund in the consolidated and separate financial statements consist of the excess of the initial cane prices, by board resolved by the Cane and Sugar Board (see Note 13), which the Company and its subsidiaries paid to the farmers over the estimate made by the management by Baht 1,526.98 million and Baht 879.08 million, respectively.

7. SHORT-TERM LOANS

Short-term loans consisted of:

	Consolidated		Unit : Thousand Baht Separate	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Short-term loans to subsidiaries and related parties (see Note 5.1)	135,991	-	1,405,635	1,766,197
Short-term loans to other	200,500	181,000	200,500	181,000
Short-term loans to farmers	405,043	1,075,055	170,855	473,971
Current portion of long-term loans to subsidiaries (see Note 5.1)	-	-	2,811,389	2,859,727
Current portion of long-term loans to others	31,683	31,733	31,683	31,733
Current portion of loans for cane plantation development	174,989	281,471	44,600	60,922
Total short-term loans	<u>948,206</u>	<u>1,569,259</u>	<u>4,664,662</u>	<u>5,373,550</u>

Short-term loans to other as at April 30, 2018 and October 31, 2017, in the consolidated and separate financial statements represent loans in the form of promissory notes with 90 days maturity, carrying interest rates at MLR - 1.50% per annum. The interest is payable at the end of each month. Such loans are guaranteed by the directors of such company.

Short-term loans to farmers as at April 30, 2018 and October 31, 2017, in the consolidated and separate financial statements represent loans in the form of purchasing back the discounted post-dated checks which the Company and its subsidiaries issued to the farmers for purchases of sugar cane, which the farmers discounted sale to the Company and its subsidiaries with interest rates based on average lending rates of commercial banks.

8. CURRENT BIOLOGICAL ASSETS

Movements of biological assets for the six-month period ended April 30, 2018 are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning book value	111,895	5,854
Gain on arising from change in fair value	18,357	3,267
Additional plantation costs during the period	132,593	4,570
Decrease from harvesting during the period	(122,362)	(8,037)
Exchange differences on translating financial statements	(2,096)	-
Ending book value	<u>138,387</u>	<u>5,654</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 April 30, 2018			As at October 31, 2017		
	Share Capital		Shareholding		Investment		Dividend	Investment		Dividend
	2018	2017	%	%	Cost	Equity	for	Cost	Equity	for
			2018	2017			the period			the year
						2018				2017
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	485,479	6,391	90,267	455,593	5,478
T S G Assets Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	2,061	2,061	-
T S Oil Industry Co., Ltd.*	600,000	500,000	0.62	0.62	3,706	3,706	-	3,089	3,089	-
T S Flour Mill Public Company Limited*	344,706	342,051	0.07	0.07	313	218	-	313	218	59
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	-	509	509	-
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	40,508	40,508	-
BBGI Public Company Limited**	2,532,000	2,532,000	40.00	40.00	3,244,868	3,305,591	-	3,244,868	3,244,867	-
Total					3,382,232	3,838,072	6,391	3,381,615	3,746,845	5,537

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

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

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Dividends	
	share Capital		Shareholding		As at	As at	For the period ended	For the year ended
	2018	2017	%	%	April 30,	October 31,	April 30,	October 31,
			2018	2017	2018	2017	2018	2017
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	90,267	6,391	5,478
T S G Assets Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.*	600,000	500,000	0.62	0.62	3,706	3,089	-	-
T S Flour Mill Public Company Limited*	344,706	342,051	0.07	0.07	313	313	-	59
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	-	-
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	-
BBGI Public Company Limited**	2,532,000	2,532,000	40.00	40.00	3,244,868	3,244,868	-	-
Total					3,382,232	3,381,615	6,391	5,537

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

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

10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of:

Separate Financial Statements

Company Name	Unit : Thousand Baht							
	Paid-up Share Capital		Percentage of Shareholding % 2018 % 2017		Investment Cost		Dividends	
					As at April 30, 2018	As at October 31, 2017	For the period ended April 30, 2018	For the year ended October 31, 2017
	2018	2017	2018	2017	2018	2017	2018	2017
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	-	-
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-
K.S.L. Real Estate Company Limited	840,000	840,000	40.77	40.77	319,134	319,134	-	-
K.S.L. Export Trading Company Limited	20,000	20,000	33.88	33.88	6,775	6,775	-	-
KSL Material Supplies Company Limited	480,000	480,000	100.00	100.00	479,119	479,119	-	-
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	-
KSL. Agro & Trading Company Limited	300,000	300,000	100.00	100.00	300,000	300,000	-	-
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	-	-
Total					5,926,529	5,926,529	-	-
Less Allowance for impairment of investments					(1,150,718)	(1,150,718)	-	-
Total investments in subsidiaries					4,775,811	4,775,811	-	-

* Foreign subsidiaries including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn. In Trading Co., Ltd. at 80% which have the condition to dissolve the company if its loss exceeds 75% of the registered share capital and could not solve the said loss within 1 year. As at October 31, 2017, loss of Koh Kong Plantation Company Limited exceeds 75% of the registered share capital. The Company's management is performing to resolve its loss less than 75% of the registered share capital.

11. INVESTMENT PROPERTY

Movement of investment property which consisted of land, land impartments and building and warehouses using fair value method for the six-month period ended April 30, 2018 are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning book value	4,917,207	1,544,915
Reclassification/Adjustments	2,626	-
Purchases	3,560	206
Gain from fair value adjustments on investment property	916	-
Ending book value	4,924,309	1,545,121

For the six-month periods ended April 30, 2018 and 2017, the Company and its subsidiaries recognized rental income from investment property of Baht 99.90 million and Baht 100.46 million, respectively, in the consolidated statements of profit or loss, and of Baht 22.55 million and Baht 25.58 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 by discounted cash flow method and market approach which is hierarchy level 3.

12. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the six-month period ended April 30, 2018 are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning book value	26,354,312	9,203,864
Reclassifications/adjustments	2,927	(1,250)
Purchases of assets (including construction in progress)	830,776	553,382
Cost of disposal/written off of assets	(51,171)	(24,387)
Accumulated depreciation - disposal/written off	36,915	20,476
Depreciation	(911,216)	(357,211)
Translation of financial statements differences	(103,069)	-
Ending book value	<u>26,159,474</u>	<u>9,394,874</u>

As at April 30, 2018 and October 31, 2017, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 416.26 million and Baht 448.03 million, respectively, in the consolidated financial statements, are located on the concession land and which the ownership of such assets will be transferred to the lesser when the agreements are expired (see Note 23.7.3).

As at April 30, 2018 and October 31, 2017, assets at cost of Baht 4,767.64 million and Baht 4,461.68 million, respectively, in the consolidated financial statements, and of Baht 2,644.26 million and Baht 2,534.27 million, respectively, in the separate financial statements, were fully depreciated but still in use.

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

As at October 31, 2017, buildings, machinery and labor saving tools of three foreign subsidiaries was revalued by the independent professional qualified appraisers. The basis of valuation for buildings, machinery and labor saving tools are market value and depreciated replacement cost which is hierarchy level 3. The fair value of building, machinery and labor saving tools are less than net book value. The Company recognizes loss on impairment of assets amount of Baht 161.32 million in the consolidated financial statements for the year ended October 31, 2017.

13. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Trade payables - related parties	6,200	10,040	128,584	89,193
Trade payables - others				
- Payables for cane purchases	989,801	360,051	504,017	121,888
- Other trade payables	86,379	83,342	3,952	2,829
Advances received for sales of goods	242,416	82,515	91,647	44,574
Accrued fees payable to the Office of the Cane and Sugar Fund	23,398	54,774	13,027	23,663
Other accrued expenses	165,309	235,151	238,026	141,044
Payables on purchases of assets	88,226	149,227	29,093	57,581
Other payables	306,200	620,248	286,076	621,015
Total trade and other current payables	<u>1,907,929</u>	<u>1,595,348</u>	<u>1,294,422</u>	<u>1,101,787</u>

As at April 30, 2018, the Company and its three subsidiaries purchased canes for the production season 2017/2018 using the initial cane price for production season 2017/2018 resolved by the Cane and Sugar Board dated December 7, 2017. The price is Baht 880.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 58.80 per cane ton. Until the date the Company's Board 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 2017/2018. 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 six-month period ended April 30, 2018, 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 819.40 - 893.61 per ton with average sweetness level at 11.20 - 13.04 c.c.s.

14. PROVISION FOR PRODUCTION COSTS

As at April 30, 2018, the Company and five subsidiaries recorded provision for production cost and 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" 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:

	Unit : Thousand Baht Consolidated/Separate Financial Statements	
	As at April 30, 2018	As at October 31, 2017
Unsecured senior debt debentures	11,493,765	9,493,434
<u>Less</u> Current portion	<u>(3,999,082)</u>	<u>(2,998,989)</u>
Net	<u>7,494,683</u>	<u>6,494,445</u>

Movements of long-term debentures for the six-month period ended April 30, 2018 are as follows:

	Unit : Thousand Baht Consolidated/Separate Financial Statements
Beginning book value	9,493,434
Debentures issuance during the years	2,000,000
Amortized debenture issuance expenses during the period	<u>331</u>
Ending book value	<u>11,493,765</u>

Other significant compliance to the covenants of the debenture issuances are as follows:

- The Company shall maintain the debts with interest to equity ratio in the consolidated financial statements as of October 31 in every year ratio not exceed 2 : 1 the entire term.

As at October 31, 2017, the Company maintains the debts with interest to equity ratio in accordance with the conditions.

- The Company shall proceed the credit rating the entire term. In case the credit rating of the debentures is lower than the current Company's rating at that time, the Company shall pledge assets as collateral for the debenture holders or proceed to correct the credit rating of the debentures to be at the same level or better than the credit rating of the Company.

As at April 30, 2018, 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 six-month period ended April 30, 2018, are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning balance at book value	3,655,833	3,203,833
Repayment during the period	2,000,000	2,000,000
Redemptions during the period	<u>(1,010,000)</u>	<u>(810,000)</u>
Ending balance at book value	4,645,833	4,393,833
<u>Less</u> Current portion	<u>(1,675,833)</u>	<u>(1,423,833)</u>
Long-term borrowings	<u><u>2,970,000</u></u>	<u><u>2,970,000</u></u>

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

	Consolidated Financial Statements		Separate Financial Statements	
	As at April 30, 2018 %	As at October 31, 2017 %	As at April 30, 2018 %	As at October 31, 2017 %
Borrowings in Baht currency	2.94 - 4.25	2.00 - 4.25	2.94 - 3.80	2.00 - 3.80

Maturities of long-term borrowings are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Within 1 year	1,675,833	1,623,833	1,423,833	1,223,833
Over 1 year and within 5 years	2,970,000	2,032,000	2,970,000	1,980,000

The significant terms of such borrowings are as follows:

	Credit Limit		Balances		Interest rate	Principal repayment	Interest payment	Commencing repayment	Maturity
	As at April 30, 2018 Thousand Baht	As at October 31, 2017 Thousand Baht	As at April 30, 2018 Thousand Baht	As at October 31, 2017 Thousand Baht					
The Company									
1. Baht 2,500 million	100,000	350,000	AMLR - Fixed rate	Semi-annual	Monthly	May 2013	March 2019		
2. Baht 1,500 million	600,000	750,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2015	November 2019		
3. Baht 1,000 million	600,000	700,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020		
4. Baht 1,000 million	875,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	May 2018	November 2021		
5. Baht 1,000 million	1,000,000	-	Fixed rate	Semi-annual	Monthly	June 2018	December 2022		
6. Baht 1,000 million	300,000	400,000	AMLR - Fixed rate	Semi-annual	Monthly	April 2015	October 2019		
7. Baht 1,000 million	915,000	1,000,000	Fixed rate	Semi-annual	Monthly	April 2018	October 2023		
8. Baht 23 million	<u>3,833</u>	<u>3,833</u>	Fixed rate	Annual	Annual	June 2013	June 2018		
Total	<u>4,393,833</u>	<u>3,203,833</u>							
The subsidiaries									
9. Baht 1,000 million	100,000	200,000	AMLR - Fixed rate	Semi-annual	Monthly	March 2012	June 2018		
10. Baht 1,000 million	<u>152,000</u>	<u>252,000</u>	AMLR - Fixed rate	Semi-annual	Monthly	August 2014	February 2019		
Total	<u>252,000</u>	<u>452,000</u>							
Grand Total	<u><u>4,645,833</u></u>	<u><u>3,655,833</u></u>							

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

In the consolidated and separate financial statements as at April 30, 2018 and October 31, 2017, 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 eighth credit limit represents 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, and the Company has to maintain 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 April 30, 2018 and October 31, 2017, 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 six-month periods ended April 30, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
<u>Current income tax</u>				
Current income tax expense (income)	93,635	118,984	-	(3,713)
<u>Deferred income tax</u>				
Deferred income tax expense (income) and temporary differences	(31,032)	919	(35,907)	6,480
Total	<u>62,603</u>	<u>119,903</u>	<u>(35,907)</u>	<u>2,767</u>

Reconciliation of income tax and the results of the accounting profit (loss) multiplied by the income tax rate for the six-month periods ended April 30, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2018	2017	2018	2017
Profit before income tax expense (income)				
- Promoted sector-exempted from income tax	512,805	457,579	-	-
- Non-promoted sector	390,832	753,730	(173,949)	86,199
Total profit (loss) before income tax expense (income)	<u>903,637</u>	<u>1,211,309</u>	<u>(173,949)</u>	<u>86,199</u>
Statutory tax rates (%)	20	20	20	20
Income tax expense				
- Non-promoted sector	78,166	150,746	-	17,240
Total income tax	<u>78,166</u>	<u>150,746</u>	<u>-</u>	<u>17,240</u>
Effect on income tax from non-deductible taxable expense and exempted taxable income expense (income)	15,541	(27,948)	-	(17,240)
	93,707	122,798	-	-
Prior year income tax income	(72)	(3,814)	-	(3,713)
Deferred income tax expense (income)	<u>(31,032)</u>	<u>919</u>	<u>(35,907)</u>	<u>6,480</u>
Income tax expense (income)	<u>62,603</u>	<u>119,903</u>	<u>(35,907)</u>	<u>2,767</u>

17.2 Deferred tax assets - net are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
Deferred tax assets - net				
Non-current provision for employee benefit	994	8,904	-	-
Loss carried forward	8,985	103,538	-	-
Depreciation	-	(6,097)	-	-
Allowance for diminution in value of inventories	-	12,518	-	-
Gain on asset revaluation	-	(66,070)	-	-
Allowance for doubtful accounts	-	16,676	-	-
Change in fair value of investment property	-	(69,646)	-	-
Others	1,054	13,391	-	-
Deferred tax assets - net	<u>11,033</u>	<u>13,214</u>	<u>-</u>	<u>-</u>

The movements of deferred tax assets during six-month periods ended April 30, are as follows:

2018

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at April 30, 2018
Deferred tax assets - net				
Non-current provision for employee benefit	8,904	(7,910)	-	994
Loss carried forward	103,538	(94,553)	-	8,985
Depreciation	(6,097)	6,097	-	-
Allowance for diminution in value of inventories	12,518	(12,518)	-	-
Gain on asset revaluation	(66,070)	-	66,070	-
Allowance for doubtful accounts	16,676	(16,676)	-	-
Change in fair value of investment property	(69,646)	69,646	-	-
Others	13,391	(12,337)	-	1,054
Deferred tax assets - net	<u>13,214</u>	<u>(68,251)</u>	<u>66,070</u>	<u>11,033</u>

2017

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at April 30, 2017
Deferred tax assets - net				
Non-current provision for employee benefit	587	14	-	601
Loss carried forward	2,243	2,134	-	4,377
Deferred tax assets - net	<u>2,830</u>	<u>2,148</u>	<u>-</u>	<u>4,978</u>

Unrecognized deferred tax assets of three foreign subsidiaries as at April 30, are as follows:

	Unit : Thousand Baht	
	Consolidated	
	Financial Statements	
	2018	2017
The following deferred tax assets have not been recognized		
Temporary differences	(158,158)	(153,518)
Loss carried forward	<u>325,411</u>	<u>256,247</u>
	<u>167,253</u>	<u>102,729</u>

As at April 30, 2018, the Company's management assessed that the deferred tax assets will not be utilized in full amount because the future taxable profit of subsidiaries will not be sufficient to utilize such deferred tax assets. The loss carried forward which is not recognized deferred tax assets of Baht 325.41 million, will be matured by the years 2019 to 2023.

17.3 Deferred tax liabilities - net are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2018	2017	2018	2017
Deferred tax liabilities - net				
Allowance for doubtful accounts	(27,954)	(11,208)	(8,669)	(8,863)
Allowance for diminution in value of inventories	(9,298)	(45,858)	(8,962)	(41,793)
Allowance for impairment in subsidiary investments	-	-	(230,144)	(230,144)
Non-current provision for employee benefit	(51,998)	(43,187)	(23,151)	(22,415)
Gain on asset revaluation	545,493	479,606	194,858	194,858
Loss carried forward	(309,342)	(164,820)	(217,725)	(164,722)
Depreciation	36,464	68,483	12,195	30,892
Change in fair value of investment property	519,035	444,607	244,630	242,925
Change in fair value of biological assets	1,021	(3,209)	654	(1,211)
Gain from amalgamation	482,573	482,573	482,573	482,573
Others	(38,514)	(16,980)	(13,405)	(4,208)
Deferred tax liabilities - net	<u>1,147,480</u>	<u>1,190,007</u>	<u>432,854</u>	<u>477,892</u>

The movements of deferred tax liabilities during six-month periods ended April 30, are as follows

2018

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at April 30, 2018
Deferred tax liabilities - net				
Allowance for doubtful accounts	(11,208)	(16,746)	-	(27,954)
Allowance for diminution in value of inventories	(45,858)	36,560	-	(9,298)
Non-current provision for employee benefit	(43,187)	(8,811)	-	(51,998)
Gain on asset revaluation	479,606	-	65,887	545,493
Loss carried forward	(164,820)	(144,522)	-	(309,342)
Depreciation	68,483	(32,019)	-	36,464
Change in fair value of investment property	444,607	74,428	-	519,035
Change in fair value of biological assets	(3,209)	4,230	-	1,021
Gain from amalgamation	482,573	-	-	482,573
Others	(16,980)	(12,403)	(9,131)	(38,514)
Deferred tax liabilities - net	<u>1,190,007</u>	<u>(99,283)</u>	<u>56,756</u>	<u>1,147,480</u>

2017

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at April 30, 2017
Deferred tax liabilities - net				
Allowance for doubtful accounts	(18,702)	(3,229)	-	(21,931)
Allowance for diminution in value of inventories	(1,226)	(41,310)	-	(42,536)
Allowance for impairment in other long-term investments	(1,177)	1,177	-	-
Non-current provision for employee benefit	(51,385)	(1,567)	-	(52,952)
Gain on asset revaluation	551,270	-	-	551,270
Loss carried forward	(178,919)	59,279	-	(119,640)
Depreciation	37,383	(16,174)	-	21,209
Change in fair value of investment property	425,368	4,342	-	429,710
Others	(23,049)	549	7,774	(14,726)
Deferred tax liabilities - net	<u>739,563</u>	<u>3,067</u>	<u>7,774</u>	<u>750,404</u>

2018

	Unit : Thousand Baht			
	As at November 1, 2017	Separate Financial Statements		As at April 30, 2018
		Items as recognized in profit or loss	Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(8,863)	194	-	(8,669)
Allowance for diminution in value of inventories	(41,793)	32,831	-	(8,962)
Allowance for impairment in subsidiary investments	(230,144)	-	-	(230,144)
Non-current provision for employee benefit	(22,415)	(736)	-	(23,151)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(164,722)	(53,003)	-	(217,725)
Depreciation	30,892	(18,697)	-	12,195
Change in fair value of investment property	242,925	1,705	-	244,630
Change in fair value of biological assets	(1,211)	1,865	-	654
Gain from amalgamation	482,573	-	-	482,573
Others	(4,208)	(66)	(9,131)	(13,405)
Deferred tax liabilities - net	<u>477,892</u>	<u>(35,907)</u>	<u>(9,131)</u>	<u>432,854</u>

2017

	Unit : Thousand Baht			
	As at November 1, 2016	Separate Financial Statements		As at April 30, 2017
		Items as recognized in profit or loss	Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(7,213)	476	-	(6,737)
Allowance for diminution in value of inventories	(1,226)	(17,329)	-	(18,555)
Allowance for impairment in subsidiary investments	(148,907)	(1,177)	-	(150,084)
Allowance for impairment in other long-term investments	(1,177)	1,177	-	-
Non-current provision for employee benefit	(21,485)	(705)	-	(22,190)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(94,696)	29,362	-	(65,334)
Depreciation	5,595	(6,675)	-	(1,080)
Change in fair value of investment property	230,738	1,421	-	232,159
Others	(8,213)	(70)	7,774	(509)
Deferred tax liabilities - net	<u>148,274</u>	<u>6,480</u>	<u>7,774</u>	<u>162,528</u>

18. DIVIDENDS PAID AND LEGAL RESERVE

The annual general meeting of shareholders of the Company passed a resolution to pay dividends as follows:

Dividends	Approved by	Number of shares Billion shares	Dividends Paid per share	Ordinary Shares per share	Dividends Paid Million Baht	Dividends Paid Date
- Dividends paid from the Company's result of operations from November 1, 2016 to October 31, 2017	No. 1/2018 held on February 20, 2018	4.41	0.05	-	220.51	March 16, 2018
- Dividends paid from the Company's result of operations from November 1, 2015 to October 31, 2016	No. 1/2017 held on February 24, 2017	4.41	0.10	-	441.02	March 23, 2017

In accordance with the Public Limited Company Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until reserve reaches 10 percent of the authorized share capital and this reserve is not available for distribution as dividends.

As at April 30, 2018 and October 31, 2017, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.

19. MANAGEMENT BENEFIT EXPENSES

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

	Unit : Thousand Baht	
	Consolidated/Separate Financial Statements	
	2018	2017
For the three-month periods ended April 30,	3,916	1,753
For the six-month periods ended April 30,	5,695	5,728

20. EXPENSES BY NATURE

The significant expenses by nature for the three-month and six-month periods ended April 30, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements for the three-month periods ended April 30,		Separate Financial Statements for the three-month periods ended April 30,	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	594,762	594,988	242,298	222,036
Depreciation	455,589	473,612	181,916	129,788
Fee paid to the Office of the Cane and Sugar Fund	242,875	295,023	117,846	92,756
Maintenance expenses	272,199	304,485	112,100	118,995
Transportation expenses	134,310	167,562	58,927	30,119
Raw material and supplies used	6,421,568	6,116,616	3,910,589	2,527,978
Purchased finished goods	86,574	94,302	424,666	692,553
Changes in finished goods and goods in process	(5,737,721)	(4,174,958)	(3,474,051)	(2,032,870)
Management benefit expenses	53,897	29,156	21,677	9,032
Finance costs	158,762	173,734	128,990	128,820
Other operating expenses	364,685	117,082	194,909	178,025
Total	<u>3,047,500</u>	<u>4,191,602</u>	<u>1,919,867</u>	<u>2,097,232</u>

	Consolidated		Unit : Thousand Baht	
	Financial Statements for the six-month periods ended April 30,		Separate Financial Statements for the six-month periods ended April 30,	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	1,101,725	1,065,532	467,483	442,555
Depreciation	914,699	836,522	359,931	273,931
Fee paid to the Office of the Cane and Sugar Fund	531,024	593,709	267,595	214,866
Maintenance expenses	530,933	567,537	210,737	226,605
Transportation expenses	211,943	255,746	101,046	43,699
Raw material and supplies used	11,348,207	9,921,257	6,807,260	4,864,044
Purchased finished goods	120,071	107,487	933,265	1,189,825
Changes in finished goods and goods in process	(9,549,666)	(7,204,672)	(5,736,598)	(3,984,210)
Management benefit expenses	85,180	84,451	34,276	28,723
Finance costs	313,660	333,949	261,052	255,319
Other operating expenses	625,666	354,327	424,529	324,468
Total	<u>6,233,442</u>	<u>6,915,845</u>	<u>4,130,576</u>	<u>3,879,825</u>

21. EARNINGS (LOSS) PER SHARE

The calculations of basic earnings per share were based on dividing the profit (loss) 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 (loss) per share for the three-month and six-month periods ended April 30, 2018 and 2017 are as follows:

2018

	Consolidated Financial Statements			Separate Financial Statements		
	Net profit for the period Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Loss for the period Thousand Baht	Number of shares Thousand Shares	Loss per share Baht
<u>Basic and diluted earnings (loss) per share</u>						
Profit (loss) for the three-month period to ordinary equity holders	688,064	4,410,233	<u>0.156</u>	(22,690)	4,410,233	<u>(0.005)</u>
Profit (loss) for the six-month period to ordinary equity holders	828,760	4,410,233	<u>0.188</u>	(138,042)	4,410,233	<u>(0.031)</u>

2017

	Consolidated Financial Statements			Separate Financial Statements		
	Net profit for the period Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	(Loss) profit for the period Thousand Baht	Number of shares Thousand Shares	(Loss) earnings per share Baht
<u>Basic and diluted earnings (loss) per share</u>						
Profit (loss) for the three-month period to ordinary equity holders	639,854	4,410,233	<u>0.145</u>	(46,872)	4,410,233	<u>(0.011)</u>
Profit for the six-month period to ordinary equity holders	1,092,909	4,410,233	<u>0.248</u>	83,432	4,410,233	<u>0.019</u>

22. 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.

For the six-month period ended April 30, 2018, the Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

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

Manufacture and Sale of Electricity

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

Real Estate Rental

Operate office building 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 six-month periods ended April 30, 2018 and 2017, the Group has revenue with a single external customer in Thailand in electricity sector in the amount of Baht 463.98 million and Baht 485.79 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 six-month periods ended April 30, 2018 and 2017

													Unit : Million Baht			
	Manufacture and Distribution of Sugar and Molasses				Manufacture and Distribution of Alcohol*		Manufacture and Sale of Electricity		Real Estate Rental		Others Business		Inter-Transaction		Total	
	2018		2017		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai				
Net revenue from operation - external	5,456	113	5,013	471	-	1,109	559	486	87	82	616	372	-	-	6,831	7,533
Net revenue from operation - internal	2,088	44	3,291	123	-	-	2,011	1,371	-	-	720	1,044	(4,863)	(5,829)	-	-
Total	7,544	157	8,304	594	-	1,109	2,570	1,857	87	82	1,336	1,416	(4,863)	(5,829)	6,831	7,533
Profit from operations	1,267	104	1,570	182	-	206	917	682	90	94	53	61	(127)	(107)	2,304	2,688
Distribution costs, administrative expenses and others															(1,183)	(1,236)
Finance costs	(329)	(46)	(322)	(46)	-	(14)	(33)	(37)	(11)	(13)	-	-	105	98	(314)	(334)
Share of gain of investment in an associate															97	93
Income tax expenses															(63)	(120)
Net profit															841	1,091
<u>(Less) Plus</u> (Profit) loss for the six-month periods of non-controlling interest															(12)	2
Profit for the periods															829	1,093
Interest income	172	4	158	3	-	-	-	-	-	-	-	-	(105)	(98)	71	63
Depreciation	(628)	(50)	(493)	(57)	-	(36)	(167)	(162)	-	-	(9)	(9)	-	-	(854)	(757)

Consolidated Statements of Financial Position

As at April 30, 2018 and October 31, 2017

Trade and other current receivables	2,618	72	1,312	47	-	-	535	61	17	10	126	136	(698)	(368)	2,670	1,198
Inventories	10,674	573	2,113	219	-	-	504	139	-	-	539	630	-	(1)	12,290	3,100
Property, plant and equipment	15,615	2,823	15,783	2,975	-	-	7,382	7,485	162	-	419	425	(242)	(314)	26,159	26,354
Central assets	19,251	284	19,668	298	-	-	21	29	3,995	3,994	437	305	(12,146)	(11,955)	11,842	12,339
Total Assets	48,158	3,752	38,876	3,539	-	-	8,442	7,714	4,174	4,004	1,521	1,496	(13,086)	(12,638)	52,961	42,991
Total Liabilities	34,517	3,209	24,499	2,890	-	-	2,350	2,405	846	884	471	686	(7,003)	(6,466)	34,390	24,898

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

23. COMMITMENTS, CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENTS

As at April 30, 2018 and October 31, 2017, apart from liabilities reflected in the interim financial information, the Company and its subsidiaries have commitments and contingent liabilities as follows:

23.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 7,077.45 million and Baht 2,060.07 million, respectively, and in the separate financial statements amounting to Baht 1,762.55 million and Baht 1,879.91 million, respectively.

23.2 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 April 30, 2018	As at October 31, 2017	As at April 30, 2018	As at October 31, 2017
For the production season 2017/2018	0.68	1,167.01	0.67	472.11
For the production season 2018/2019	332.28	-	150.64	-

23.3 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.

23.4 A subsidiary entered into an electricity sale-purchase agreement with the Provincial Electricity Authority (PEA) on September 18, 2012, PEA agrees to buy electricity at the volume of 2.12 Megawatt at the voltage of 22,000 volts at Wangsaphung District, Loei Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from November 20, 2012. And the postpone for sale electricity to December 27, 2014. Prior to the expiration of the contractual term, the subsidiary shall inform PEA for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time.

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

Unit : Million

	Currency	Consolidated Financial Statements					
		As at April 30, 2018			As at October 31, 2017		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	4,451.12	-	-	2,829.88	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	14.96	-	-	7.50	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	241.32	-	-	74.10	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	77.67	-	-	91.68	-
Letters of credit and trust receipts	THB	120.00	-	120.00	120.00	-	120.00
Letters of credit	USD	10.00	-	10.00	10.00	-	10.00
Overdraft and short-term borrowings	THB	21,418.69	10,353.24	11,065.45	22,255.70	5,901.27	16,354.43
Short-term borrowings	USD	50.50	12.75	37.75	50.50	7.50	43.00
Joint credit line in short-term borrowings	THB	3,649.50	2,724.50	925.00	3,676.50	2,362.50	1,314.00
Long-term borrowings	THB	4,730.83	4,645.83	85.00	3,655.83	3,655.83	-

Unit : Million

	Currency	Separate Financial Statements					
		As at April 30, 2018			As at October 31, 2017		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	3,756.32	-	-	2,058.08	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	12.20	-	-	7.50	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	241.32	-	-	74.10	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	4.53	-	-	9.78	-
Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
Overdraft and short-term borrowings	THB	10,620.70	7,397.00	3,223.70	11,593.70	4,265.00	7,328.70
Short-term borrowings	USD	10.50	-	10.50	10.50	-	10.50
Joint credit line in short-term borrowings	THB	3,649.50	2,724.50	925.00	3,676.50	2,362.50	1,314.00
Long-term borrowings	THB	4,478.83	4,393.83	85.00	3,203.83	3,203.83	-

The above credit facilities are partially secured between the Company and its subsidiaries, and transfer of benefits arisen from insurance policy for structure and machineries to the lenders. For certain credit fatalities are secured by the executive directors of the Company and guaranteed cheques of the Company. In addition, for certain credit facilities, if they are utilized, certain inventories of the Company and its subsidiaries will be used as collateral. However, as at April 30, 2018 and October 31, 2017, the Company and its subsidiaries do not use those facilities.

The Company and its subsidiaries are required to comply with certain financial conditions for joint commitments and contingent liabilities, which the Company and its subsidiaries have to maintain debt with interest-to-equity ratio and the Company have to maintain shareholding ratio of the Company in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital, and restriction on dividend payment of subsidiaries, etc.

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

					Unit : Million			
					Consolidated Financial Statements			
					As at April 30, 2018		As at October 31, 2017	
	Currency	Contractual Amount	Outstanding Contractual Commitments		Contractual Amount	Outstanding Contractual Commitments		
Construction and subcontract agreements	THB	1,088.12	258.57		1,018.23	168.64		
Machine and equipment purchase agreements	THB	303.28	27.79		489.43	107.51		
	USD	0.56	-		13.60	0.46		

										Unit : Million			
										Consolidated Financial Statements			
										Outstanding Contractual Commitments			
										As at April 30, 2018		As at October 31, 2017	
	Currency	Within 1 year	1 - 5 years	Over 5 years	Total	Within 1 year	1 - 5 years	Over 5 years	Total				
Leased concessions agreements	USD	0.17	0.68	11.44	12.29	0.17	0.68	11.48	12.33				
Rental agreements	THB	14.37	24.66	-	39.03	15.58	27.69	-	43.27				

					Unit : Million			
					Separate Financial Statements			
					As at April 30, 2018		As at October 31, 2017	
	Currency	Contractual Amount	Outstanding Contractual Commitments		Contractual Amount	Outstanding Contractual Commitments		
Construction and subcontract agreements	THB	742.10	213.20		620.33	84.25		
Machine and equipment purchase agreements	THB	281.72	25.63		467.87	95.46		

								Unit : Million			
								Separate Financial Statements			
								Outstanding Contractual Commitments			
								As at April 30, 2018		As at October 31, 2017	
	Currency	Within 1 year	1 - 5 years	Total	Within 1 year	1 - 5 years	Total				
Rental agreements	THB	6.63	9.39	16.02	5.86	9.87	15.73				

23.7 Other significant agreements

- 23.7.1 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.
- 23.7.2 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. The rental fee is as determined in the agreement. As at April 30, 2018 and October 31, 2017, the subsidiary has already utilized the area of 5,053.45 hectares and 5,053.61 hectares respectively.
- 23.7.3 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 fee has a grace period of the first 4 years, afterwards, the rate of rental fee of USD 1 - 4 per hectare per annum. As at April 30, 2018 and October 31, 2017, 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 of such assets will be transferred to the lessor when the agreements are expired (see Note 12).
- 23.7.4 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 April 30, 2018 and October 31, 2017, the balances of the advance lease fee paid are USD 0.42 million, equal for both period, which is presented as part of other non-current assets.

24. 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 April 30, 2018

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year	More than 5 years to 5 years		
Financial Assets					
Saving accounts deposits	-	-	-	163,027	163,027
Fixed account deposits	24	-	-	-	24
Loans for cane plantation development	169,437	316,991	3,737	249	490,414
Short-term loans to related parties	135,991	-	-	-	135,991
Short-term loans to farmers	368,099	6,547	-	30,397	405,043
Short-term loans to others	200,500	-	-	-	200,500
Long-term loans to others	31,733	52,950	-	-	84,683
Other long-term investments	-	-	6,700	-	6,700
Total	<u>905,784</u>	<u>376,488</u>	<u>10,437</u>	<u>193,673</u>	<u>1,486,382</u>
Financial Liabilities					
Short-term borrowings from financial institutions	13,475,511	-	-	-	13,475,511
Short-term borrowings from related parties	4,200	-	-	-	4,200
Long-term debentures	3,999,082	5,496,604	1,998,079	-	11,493,765
Long-term borrowings	<u>1,423,833</u>	<u>2,970,000</u>	<u>-</u>	<u>252,000</u>	<u>4,645,833</u>
Total	<u>18,902,626</u>	<u>8,466,604</u>	<u>1,998,079</u>	<u>252,000</u>	<u>29,619,309</u>

Unit : Thousand Baht

Consolidated Financial Statements

As at October 31, 2017

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years		
Financial Assets					
Saving accounts deposits	-	-	-	109,680	109,680
Fixed account deposits	24	-	-	-	24
Loans for cane plantation development	281,470	354,373	4,090	249	640,182
Short-term loans to farmers	1,034,514	10,330	-	30,211	1,075,055
Short-term loans to others	181,000	-	-	-	181,000
Long-term loans to others	41,983	24,238	-	-	66,221
Other long-term investments	-	-	6,691	-	6,691
Total	<u>1,538,991</u>	<u>388,941</u>	<u>10,781</u>	<u>140,140</u>	<u>2,078,853</u>
Financial Liabilities					
Short-term borrowings from financial institutions	8,508,780	-	-	-	8,508,780
Short-term borrowings from related parties	5,000	-	-	-	5,000
Long-term debentures	2,998,989	6,494,446	-	-	9,493,435
Long-term borrowings	<u>1,223,833</u>	<u>1,980,000</u>	<u>-</u>	<u>452,000</u>	<u>3,655,833</u>
Total	<u>12,736,602</u>	<u>8,474,446</u>	<u>-</u>	<u>452,000</u>	<u>21,663,048</u>

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 April 30, 2018 and October 31, 2017, 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			
	As at		As at		As at		As at	
	April 30, 2018		October 31, 2017		April 30, 2018		October 31, 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	6.54	10.80	15.79	9.03	48.56	-	56.22	-
YEN	-	2.50	-	2.50	-	-	-	-
RIEL	1,282.31	501.73	975.58	79.68	-	-	-	-
LAK	95.43	602.24	108.52	602.24	-	-	-	-

As at April 30, 2018 and October 31, 2017, the Company and its subsidiaries entered into forward contracts and cross currency swap with commercial banks to hedge against exchange rate risk from receipts and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liabilities in the consolidated and separate financial statements.

The open forward contracts and cross currency swap, which are due 1 year, are as follows:

Currency	Amount fixed in contract				Currency	Amount earned in contract			
	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
	April 30,	October 31,	April 30,	October 31,		April 30,	October 31,	April 30,	October 31,
	2018	2017	2018	2017		2018	2017	2018	2017
USD	2.43	-	-	-	THB	76.75	-	-	-

Unit : Million

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2018	2017	2018	2017
Net fair values of forward contracts	0.50	-	-	-

Unit: Million Baht

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 year. 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 April 30, 2018 and October 31, 2017 of the Company and its subsidiaries are as follows:

	Currency	Unit : Million	
		Consolidated/ Separate	
		Financial Statements	
		As at	As at
		April 30,	October 31,
		2018	2017
Net fair values for commodity swap contracts	USD	(0.05)	1.09

Credit risk

The Company and its subsidiaries have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans to farmers, loans to related parties 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 current receivables, short-term loans, other current assets, short-term borrowings from financial institutions, trade and other current 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 Million Baht	Fair value Million Baht		
As at April 30, 2018				
Financial liabilities				
Long-term debentures	11,494	11,658	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
As at October 31, 2017				
Financial liabilities				
Long-term debentures	9,493	9,658	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.

The fair values of derivative financial instruments, which are forward contracts and cross currency swap contracts are assessment determined by discounted cash flows method. Future cash flows are estimated at foreign exchange rate. (Based on the prevailing foreign exchange rate at the end of the reporting period), are exposed to credit risk primarily with respect to counter party credit risk which are hierarchy level 3 and the commodity swap contracts are calculated by using the raw sugar and white sugar prices from The Exchange and Bloomberg at the end of the reporting period as though the Company and its subsidiaries have settled those contracts at the end of the reporting period are hierarchy level 2.

25. COMPARATIVE FINANCIAL INFORMATION FOR THE YEARS ENDED APRIL 30, 2018 AND 2017

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 April 30, 2018 and 2017 as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30,		As at April 30,	
	2018	2017	2018	2017
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	209,833	511,199	105,149	40,305
Trade and other current receivables	2,669,509	1,825,545	1,565,934	612,891
Short-term loans	948,206	1,281,367	4,664,662	2,502,009
Inventories	12,290,066	10,009,863	6,872,225	5,262,663
Current biological assets	138,387	161,418	5,654	7,800
Other current assets	83,519	64,580	53,766	29,552
Total Current Assets	<u>16,339,520</u>	<u>13,853,972</u>	<u>13,267,390</u>	<u>8,455,220</u>
NON-CURRENT ASSETS				
Long-term loans	368,425	360,608	2,410,390	4,354,877
Investment property	4,924,309	4,492,929	1,545,121	1,499,684
Property, plant and equipment	26,159,474	26,801,639	9,394,874	8,266,260
Other non-current assets	5,168,925	1,897,383	8,600,475	6,395,927
Total Non-Current Assets	<u>36,621,133</u>	<u>33,552,559</u>	<u>21,950,860</u>	<u>20,516,748</u>
TOTAL ASSETS	<u>52,960,653</u>	<u>47,406,531</u>	<u>35,218,250</u>	<u>28,971,968</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term borrowings from financial institutions	13,475,511	11,354,026	7,393,067	4,630,633
Trade and other current payables	1,907,929	1,205,355	1,294,422	945,214
Current portion of long-term debentures	3,999,082	1,999,953	3,999,082	1,999,953
Current portion of long-term borrowings	1,675,833	1,911,633	1,423,833	1,205,833
Short-term borrowings	4,200	5,700	160,200	179,200
Current income tax payable	83,183	107,849	-	-
Provision for production costs	1,125,178	1,150,841	523,932	597,046
Other current liabilities	130,403	103,533	30,383	16,337
Total Current Liabilities	<u>22,401,319</u>	<u>17,838,890</u>	<u>14,824,919</u>	<u>9,574,216</u>
Total Non-Current Liabilities	<u>11,988,683</u>	<u>12,263,487</u>	<u>11,060,557</u>	<u>10,903,809</u>
TOTAL LIABILITIES	<u>34,390,002</u>	<u>30,102,377</u>	<u>25,885,476</u>	<u>20,478,025</u>
TOTAL SHAREHOLDERS' EQUITY	<u>18,570,651</u>	<u>17,304,154</u>	<u>9,332,774</u>	<u>8,493,943</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>52,960,653</u>	<u>47,406,531</u>	<u>35,218,250</u>	<u>28,971,968</u>

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	For the years ended		Financial Statements	
	April 30,		For the years ended	
	2018	2017	2018	2017
Revenue from sales	14,589,657	16,511,227	8,307,503	8,864,482
Revenues from rendering services	331,383	201,726	226,381	168,249
Total revenues	<u>14,921,040</u>	<u>16,712,953</u>	<u>8,533,884</u>	<u>9,032,731</u>
Costs of the sales of goods	(12,388,188)	(12,876,196)	(7,874,642)	(7,647,617)
Cost of the rendering of services	(182,028)	(108,731)	(156,648)	(99,223)
Total costs	<u>(12,570,216)</u>	<u>(12,984,927)</u>	<u>(8,031,290)</u>	<u>(7,746,840)</u>
Gross profit	2,350,824	3,728,026	502,594	1,285,891
Other incomes	3,199,579	1,849,085	3,080,639	1,390,808
Profit before expenses	5,550,403	5,577,111	3,583,233	2,676,699
Distribution Costs	(1,493,678)	(1,598,803)	(737,803)	(640,164)
Administrative expenses	(1,181,542)	(820,836)	(900,825)	(1,085,413)
Management benefit expenses	(147,871)	(140,990)	(56,060)	(48,141)
Finance costs	(647,840)	(683,188)	(519,919)	(525,272)
Share of gain of an associate	124,454	135,924	-	-
Profit before income tax expense	2,203,926	2,469,218	1,368,626	377,709
Income tax expense	(502,552)	(462,984)	(278,117)	(3,993)
Net profit for the year	<u>1,701,374</u>	<u>2,006,234</u>	<u>1,090,509</u>	<u>373,716</u>

26. EVENTS AFTER THE REPORTING PERIOD

On May 3, 2018, the Company issued debentures by private placement to the financial institution amount of Baht 2,000 million in accordance with the conditions of the approval of Board of Executive Directors' meeting No.6/2017-2018 of the Company held on April 27, 2018, approved issued debentures by private placement 2 sets, 1,350,000 units per set at par value of Baht 1,000 each, totaling Baht 1,350 million. The term is for 3 years and with redemption date on May 3, 2021, carrying interest at 2.15% per annum and 650,000 units per set at par value of Baht 1,000 each, totaling Baht 650 million. The term is for 10 years and with redemption date on May 3, 2028, carrying interest at 3.60% 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.

27. RECLASSIFICATIONS

Certain reclassifications have been made to the financial statements for the year ended October 31, 2017 to conform to the classifications used in the financial statements for the six-month period ended April 30, 2018 as follows:

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

28. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuance by an authorized director of the Company on June 12, 2018.