

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

TO THE BOARD OF DIRECTORS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate statement of financial position of Khon Kaen Sugar Industry Public Company Limited as at January 31, 2018, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and the condensed notes to interim financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

BANGKOK
March 15, 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 JANUARY 31, 2018

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|-------|-----------------------------------|---------------------|-------------------------------|---------------------|
| | | "Unaudited" | | "Unaudited" | |
| | | As at | As at | As at | As at |
| | | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 4.2 | 171,838 | 153,004 | 45,285 | 11,894 |
| Temporary investments | | 24 | 24 | - | - |
| Trade and other current receivables | 6 | 1,874,465 | 1,198,418 | 1,252,958 | 872,711 |
| Short-term loans | 7 | 1,176,441 | 1,569,259 | 5,007,108 | 5,373,550 |
| Inventories | | 6,208,792 | 3,099,982 | 3,407,038 | 1,884,928 |
| Current biological assets | 8 | 155,063 | 111,895 | 8,551 | 5,854 |
| Other current assets | | 45,109 | 63,931 | 18,969 | 46,061 |
| Total Current Assets | | 9,631,732 | 6,196,513 | 9,739,909 | 8,194,998 |
| NON-CURRENT ASSETS | | | | | |
| Investments held as available for sale | | 354,233 | 377,849 | 354,233 | 377,849 |
| Investments in associates | 9 | 3,753,362 | 3,746,845 | 3,381,615 | 3,381,615 |
| Investments in subsidiaries | 10 | - | - | 4,775,811 | 4,775,811 |
| Other long-term investments | | 27,491 | 27,486 | 20,327 | 20,325 |
| Trade and other non-current receivables | | 92,947 | 93,175 | 8,149 | 8,183 |
| Long-term loans | | 407,984 | 393,199 | 2,423,792 | 1,404,915 |
| Investment property | 11 | 4,924,296 | 4,917,207 | 1,545,108 | 1,544,915 |
| Property, plant and equipment | 12 | 26,417,982 | 26,354,312 | 9,466,369 | 9,203,864 |
| Other intangible assets | | 46,399 | 48,147 | 35,663 | 37,041 |
| Deferred tax assets | 17.2 | 20,184 | 13,214 | - | - |
| Other non-current assets | | 832,805 | 822,774 | 41,241 | 26,964 |
| Total Non-Current Assets | | 36,877,683 | 36,794,208 | 22,052,308 | 20,781,482 |
| TOTAL ASSETS | | 46,509,415 | 42,990,721 | 31,792,217 | 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 JANUARY 31, 2018

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|-------|-----------------------------------|---------------------|-------------------------------|---------------------|
| | | "Unaudited" | | "Unaudited" | |
| | | As at | As at | As at | As at |
| | | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Short-term borrowings from financial institutions | | 5,607,843 | 8,508,780 | 2,301,076 | 4,260,785 |
| Trade and other current payables | 13 | 4,003,728 | 1,595,348 | 2,476,499 | 1,101,787 |
| Current portion of long-term debentures | 15 | 2,999,373 | 2,998,989 | 2,999,373 | 2,998,989 |
| Current portion of long-term borrowings | 16 | 1,923,833 | 1,623,833 | 1,623,833 | 1,223,833 |
| Short-term borrowings | 5.1 | 5,000 | 5,000 | 312,200 | 545,200 |
| Current income tax payable | | 48,265 | 30,393 | - | - |
| Provision for production costs | 14 | 340,318 | - | 86,100 | - |
| Other current liabilities | | 107,993 | 55,954 | 24,330 | 11,969 |
| Total Current Liabilities | | 15,036,353 | 14,818,297 | 9,823,411 | 10,142,563 |
| NON-CURRENT LIABILITIES | | | | | |
| Long-term debentures | 15 | 8,493,224 | 6,494,445 | 8,493,224 | 6,494,445 |
| Long-term borrowings | 16 | 3,332,000 | 2,032,000 | 3,280,000 | 1,980,000 |
| Deferred tax liabilities | 17.3 | 1,161,330 | 1,190,007 | 444,931 | 477,892 |
| Non-current provision for employee benefit | | 269,291 | 264,742 | 113,562 | 112,076 |
| Other non-current liabilities | | 101,278 | 98,998 | 43,480 | 41,651 |
| Total Non-Current Liabilities | | 13,357,123 | 10,080,192 | 12,375,197 | 9,106,064 |
| TOTAL LIABILITIES | | 28,393,476 | 24,898,489 | 22,198,608 | 19,248,627 |

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JANUARY 31, 2018

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|-------|-----------------------------------|-------------|-------------------------------|-------------|
| | | "Unaudited" | | "Unaudited" | |
| | | As at | As at | As at | As at |
| | | January 31, | October 31, | January 31, | October 31, |
| | | 2018 | 2017 | 2018 | 2017 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED) | | | | | |
| SHAREHOLDERS' EQUITY | | | | | |
| SHARE CAPITAL | | | | | |
| Authorized share capital | | | | | |
| 4,410,243,648 ordinary shares of Baht 0.50 each | | 2,205,122 | 2,205,122 | 2,205,122 | 2,205,122 |
| Issued and paid-up share capital | | | | | |
| 4,410,232,619 ordinary shares of Baht 0.50 each | | | | | |
| fully paid | | 2,205,116 | 2,205,116 | 2,205,116 | 2,205,116 |
| SHARE PREMIUM ACCOUNT - ORDINARY SHARES | | 2,946,439 | 2,946,439 | 2,946,439 | 2,946,439 |
| RETAINED EARNINGS | | | | | |
| Appropriated | | | | | |
| Legal reserve | | 220,512 | 220,512 | 220,512 | 220,512 |
| Unappropriated | | 10,724,979 | 10,584,283 | 3,438,721 | 3,554,073 |
| OTHER COMPONENTS OF EQUITY | | 1,584,259 | 1,693,640 | 782,821 | 801,713 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS | | | | | |
| OF THE PARENT | | 17,681,305 | 17,649,990 | 9,593,609 | 9,727,853 |
| NON-CONTROLLING INTERESTS | | 434,634 | 442,242 | - | - |
| TOTAL SHAREHOLDERS' EQUITY | | 18,115,939 | 18,092,232 | 9,593,609 | 9,727,853 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 46,509,415 | 42,990,721 | 31,792,217 | 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 JANUARY 31, 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 | | 3,154,074 | 2,840,090 | 1,912,064 | 1,645,853 |
| Revenues from rendering of services | | 90,350 | 54,348 | 57,451 | 47,048 |
| | | 3,244,424 | 2,894,438 | 1,969,515 | 1,692,901 |
| Costs of sales of goods and rendering of services | | | | | |
| Costs of sales of goods | | (2,427,897) | (1,904,537) | (1,681,297) | (1,365,191) |
| Costs of rendering of services | | (50,050) | (27,046) | (40,446) | (42,260) |
| | | (2,477,947) | (1,931,583) | (1,721,743) | (1,407,451) |
| Gross profit | | 766,477 | 962,855 | 247,772 | 285,450 |
| Other incomes | | 85,073 | 264,137 | 97,604 | 244,584 |
| Distribution costs | | (364,998) | (348,976) | (190,594) | (134,863) |
| Administrative expenses | | (156,816) | (228,174) | (153,711) | (94,089) |
| Management benefit expenses | 5.2 | (31,283) | (55,295) | (12,599) | (19,691) |
| Finance costs | | (154,898) | (160,215) | (132,062) | (126,499) |
| Share of gain of associates | | 6,516 | 83,536 | - | - |
| Profit (loss) before income tax (expense) income | | 150,071 | 517,868 | (143,590) | 154,892 |
| Income tax (expense) income | 17.1 | 5,483 | (66,054) | 28,238 | (24,588) |
| NET PROFIT (LOSS) FOR THE PERIOD | | 155,554 | 451,814 | (115,352) | 130,304 |
| PROFIT (LOSS) ATTRIBUTABLE TO : | | | | | |
| Owners of the parent | | 140,696 | 453,055 | (115,352) | 130,304 |
| Non-controlling interests | | 14,858 | (1,241) | - | - |
| | | 155,554 | 451,814 | (115,352) | 130,304 |
| EARNINGS (LOSS) PER SHARE | 20 | | | | |
| Basic earnings (loss) per share | | 0.032 | 0.103 | (0.026) | 0.030 |
| Basic number of ordinary shares | | 4,410,233 | 4,410,233 | 4,410,233 | 4,410,233 |

See the See the condensed notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2018
"UNAUDITED"

UNIT : THOUSAND BAHT

| | Consolidated | | Separate | |
|--|----------------------|-----------------------|-------------------------|-----------------------|
| | Financial Statements | | Financial Statements | |
| | 2018 | 2017 | 2018 | 2017 |
| Net profit (loss) for the period | 155,554 | 451,814 | (115,352) | 130,304 |
| Other comprehensive income (expense): | | | | |
| Items that will be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating financial statements | (112,222) | 11,290 | - | - |
| Changes in the fair value of investment held as available for sale | (18,892) | - | (18,892) | - |
| Total items that will be reclassified subsequently to profit or loss | <u>(131,114)</u> | <u>11,290</u> | <u>(18,892)</u> | <u>-</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 income (expense) - net of tax | <u>(131,847)</u> | <u>11,290</u> | <u>(18,892)</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD | <u><u>23,707</u></u> | <u><u>463,104</u></u> | <u><u>(134,244)</u></u> | <u><u>130,304</u></u> |
| TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO | | | | |
| Owners of the parent | 31,315 | 462,088 | (134,244) | 130,304 |
| Non-controlling interests | (7,608) | 1,016 | - | - |
| | <u><u>23,707</u></u> | <u><u>463,104</u></u> | <u><u>(134,244)</u></u> | <u><u>130,304</u></u> |

See the condensed notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2018
"UNAUDITED"

UNIT : THOUSAND BAHT

| | Owners of the Parent | | | | | | | | | Total owners of the parent | Non-controlling interests | Total shareholders' equity | |
|--|----------------------------------|---------------------------------------|----------------------------|-------------------|--|---|----------------------------------|---|--|----------------------------|---------------------------|----------------------------|----------------------------------|
| | Issued and paid-up share capital | Share premium account Ordinary shares | Retained Earnings | | Other components of equity | | | | | | | | |
| | | | Appropriated Legal reserve | Unappropriated | Other comprehensive income (expense) | | | Losses on internal restructure of entities under common control | Losses on change in shareholding ratio in subsidiaries | | | | Total other components of equity |
| | | | | | Exchange differences on translating financial statements | Gain (loss) on remeasuring available-for-sale investments | Gain (loss) on asset revaluation | | | | | | |
| For the three-month period ended January 31, 2017 | | | | | | | | | | | | | |
| Beginning balance as at November 1, 2016 | 2,205,116 | 2,946,439 | 220,512 | 9,004,710 | 40,451 | - | 2,123,652 | (263,276) | (111,494) | 1,789,333 | 16,166,110 | 484,321 | 16,650,431 |
| Changes in shareholders' equity during the period | | | | | | | | | | | | | |
| - Total comprehensive income for the period | - | - | - | 453,055 | 9,033 | - | - | - | - | 9,033 | 462,088 | 1,016 | 463,104 |
| Ending balance as at January 31, 2017 | 2,205,116 | 2,946,439 | 220,512 | 9,457,765 | 49,484 | - | 2,123,652 | (263,276) | (111,494) | 1,798,366 | 16,628,198 | 485,337 | 17,113,535 |
| For the three-month period ended January 31, 2018 | | | | | | | | | | | | | |
| Beginning balance as at November 1, 2017 | 2,205,116 | 2,946,439 | 220,512 | 10,584,283 | (55,545) | 22,279 | 2,101,676 | (263,276) | (111,494) | 1,693,640 | 17,649,990 | 442,242 | 18,092,232 |
| Changes in shareholders' equity during the period | | | | | | | | | | | | | |
| - Total comprehensive income (expense) for the period | - | - | - | 140,696 | (89,787) | (18,892) | (702) | - | - | (109,381) | 31,315 | (7,608) | 23,707 |
| Ending balance as at January 31, 2018 | 2,205,116 | 2,946,439 | 220,512 | 10,724,979 | (145,332) | 3,387 | 2,100,974 | (263,276) | (111,494) | 1,584,259 | 17,681,305 | 434,634 | 18,115,939 |

See the condensed notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2018

"UNAUDITED"

UNIT : THOUSAND BAHT

| | 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 available-for-sale investments | Gain on asset revaluation | | |
| | | | | | | | | |
| For three-month period ended January 31, 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 | | | | | | | | |
| - Total comprehensive income for the period | - | - | - | 130,304 | - | - | - | 130,304 |
| Ending balance as at January 31, 2017 | 2,205,116 | 2,946,439 | 220,512 | 2,799,241 | - | 779,434 | 779,434 | 8,950,742 |
| For three-month period ended January 31, 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 | | | | | | | | |
| - Total comprehensive expense for the period | - | - | - | (115,352) | (18,892) | - | (18,892) | (134,244) |
| Ending balance as at January 31, 2018 | 2,205,116 | 2,946,439 | 220,512 | 3,438,721 | 3,387 | 779,434 | 782,821 | 9,593,609 |

See the condensed notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 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 | 150,071 | 517,868 | (143,590) | 154,892 |
| Items to reconcile profit (loss) to cash received (paid): | | | | |
| Dividend income | - | (14,956) | - | -14,956 |
| Doubtful accounts - trade and other receivables (reversal) | (272) | (588) | (70) | (588) |
| Share of gain of investment associates | (6,517) | (83,536) | - | - |
| Amortization (increase) of premium on bonds | (2) | 2 | - | - |
| Employee benefit expenses | 5,480 | 4,512 | 2,277 | 1,997 |
| (Gain) loss on arising from change in fair value of biological assets | (12,815) | 4,574 | (3,241) | (6,276) |
| Loss on diminution in value and obsolescence of inventories (reversal) | (256,418) | (3,347) | (172,664) | - |
| Loss from plantation (reversal) | (9,112) | - | - | - |
| Depreciation and amortization | 396,876 | 360,246 | 142,807 | 136,568 |
| (Gain) loss on disposal of assets | 9,649 | - | (687) | (1) |
| Gain of change in fair value of investment property | (916) | - | - | - |
| Unrealized (gain) loss on exchange rate | 411 | 4 | 87,987 | (7,172) |
| Interest income | (31,728) | (32,986) | (70,292) | (61,206) |
| Interest expenses | 154,898 | 160,215 | 131,008 | 126,499 |
| | <u>399,605</u> | <u>912,008</u> | <u>(26,465)</u> | <u>329,757</u> |
| Operating assets (increase) decrease | | | | |
| Trade and other current receivables | (674,608) | (397,470) | (352,470) | (8,967) |
| Inventories | (2,852,392) | (3,095,381) | (1,349,446) | (1,880,310) |
| Current biological assets | (32,594) | 81,991 | 544 | 11,062 |
| Other current assets | 22,468 | (14,371) | 29,616 | 13,457 |
| Trade and other non-current receivables | 298 | 1,464 | 103 | 554 |
| Other non-current assets | (13,573) | 47,794 | (14,277) | (1,974) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other current payables | 2,321,628 | 1,982,269 | 1,275,856 | 1,438,096 |
| Provision for production costs | 340,318 | 114,852 | 86,100 | 75,035 |
| Other current liabilities | 52,039 | 55,467 | 12,362 | 29,131 |
| Non-current provision for employee benefit | (931) | (375) | (791) | (70) |
| Other non-current liabilities | 2,280 | 7,171 | 1,830 | 2,462 |
| Cash received (paid) from operating activities | (435,462) | (304,581) | (337,038) | 8,233 |
| Interest paid | (111,377) | (118,196) | (86,322) | (84,619) |
| Income tax expense paid | (11,032) | (5,443) | (2,523) | 1,263 |
| Net cash used in operating activities | <u>(557,871)</u> | <u>(428,220)</u> | <u>(425,883)</u> | <u>(75,123)</u> |

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2018
"UNAUDITED"

UNIT : THOUSAND BAHT

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------------|-----------------------------|----------------------|
| | Financial Statements | | Financial Statements | |
| | 2018 | 2017 | 2018 | 2017 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| (Increase) decrease in short-term loans to related and other parties | (35,133) | - | 129,710 | (100,948) |
| Decrease in short-term loans to farmers | 383,900 | 254,487 | 140,681 | 56,879 |
| Cash payments for other long-term investments | (2) | - | (2) | - |
| (Increase) decrease in loans for cane plantation development | 29,468 | (286) | 9,186 | 19,684 |
| Increase in long-term loans to related and other parties | - | - | (1,019,843) | (1,460) |
| Cash received from interest income | 29,878 | 25,771 | 42,359 | 53,411 |
| Cash received from dividends from other company | - | 14,956 | - | 14,956 |
| Cash payments for purchases of property, plant and equipment | (527,885) | (836,761) | (350,091) | (299,455) |
| Cash received from sales of property, plant and equipment | 955 | 11,909 | 1,304 | 456 |
| Cash payments for purchase of investment properties | (3,547) | (1,007) | (193) | - |
| Cash received from sales of assets not yet used in operation | 200 | 197 | - | - |
| Cash payments of purchase of intangible assets | - | (204) | - | (204) |
| Net cash used in investing activities | <u>(122,166)</u> | <u>(530,938)</u> | <u>(1,046,889)</u> | <u>(256,681)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Increase (decrease) in short-term borrowings from financial institutions | (2,900,647) | 1,430,756 | (1,960,000) | 666,000 |
| Decrease in short-term borrowings from related parties | - | (700) | (233,000) | (32,200) |
| Cash received from long-term debentures | 1,999,163 | - | 1,999,163 | - |
| Cash received from long-term borrowings | 2,000,000 | - | 2,000,000 | - |
| Cash payment for long-term borrowings | (400,000) | (400,000) | (300,000) | (300,000) |
| Net cash provided by financing activities | <u>698,516</u> | <u>1,030,056</u> | <u>1,506,163</u> | <u>333,800</u> |
| Exchange differences on translation of cash of foreign subsidiaries | 355 | (387) | - | - |
| Net increase in cash and cash equivalents | <u>18,834</u> | <u>70,511</u> | <u>33,391</u> | <u>1,996</u> |
| Cash and cash equivalents at the beginning of the period | <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 period | <u><u>171,838</u></u> | <u><u>152,822</u></u> | <u><u>45,285</u></u> | <u><u>22,852</u></u> |

See the condensed notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 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, Sriyudahya Road, Ratchathewi, Bangkok, and the locations of its 5 factories (branches) are as follows :

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

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

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

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

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

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

The Company’s major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 33.26% 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 three-month period ended January 31, 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 | As at | | |
| | January 31, 2018 | 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 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 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.

Group's management will adopt such TFRSs 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 these TFRSs 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 three-month period ended January 31, 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 period | 120,440 | 171,371 | 104,711 | 33,469 |
| Transfer of property and buildings to investment property | - | 85 | - | - |
| Transfer of assets not used in operations to investment property | 2,626 | - | - | - |
| Transfer of property, plant and equipment to assets not yet used in operations | - | 13,255 | - | - |

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

| Type of Transactions | Unit : Thousand Baht | | | |
|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Consolidated | | Separate | |
| | Financial Statements 2018 | Financial Statements 2017 | Financial Statements 2018 | Financial Statements 2017 |
| Cash | 16,058 | 6,318 | 4,755 | 3,852 |
| Savings accounts deposits | 130,244 | 113,948 | 27,061 | 10,342 |
| Current accounts deposits | 25,536 | 32,556 | 13,469 | 8,658 |
| Total | <u>171,838</u> | <u>152,822</u> | <u>45,285</u> | <u>22,852</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 January 31, 2018 | As at October 31, 2017 | As at January 31, 2018 | As at October 31, 2017 |
| Trade and other current receivables | | | | |
| Subsidiaries | - | - | 396.95 | 165.68 |
| Related parties | 246.97 | 34.57 | 120.90 | 6.26 |
| Total | <u>246.97</u> | <u>34.57</u> | <u>517.85</u> | <u>171.94</u> |
| Short-term loans (see Note 7) | | | | |
| Subsidiaries | - | - | 4,393.09 | 4,625.92 |
| Other current assets | | | | |
| Subsidiaries | - | - | 58.09 | 32.83 |
| Related parties | 0.30 | 1.02 | 0.16 | 0.17 |
| Total | <u>0.30</u> | <u>1.02</u> | <u>58.25</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 | - | - | 174.12 | 113.76 |
| Associates | 1.73 | 4.63 | - | - |
| Related parties | 2.51 | 8.39 | 0.60 | 3.96 |
| Total | <u>4.24</u> | <u>13.02</u> | <u>174.72</u> | <u>117.72</u> |
| Other accrued expenses (included in other payables) | | | | |
| Subsidiaries | - | - | 217.71 | 0.68 |
| Short-term borrowings | | | | |
| Subsidiaries | - | - | 307.20 | 540.20 |
| Related parties | 5.00 | 5.00 | 5.00 | 5.00 |
| Total | <u>5.00</u> | <u>5.00</u> | <u>312.20</u> | <u>545.20</u> |
| Other current liabilities | | | | |
| Subsidiaries | - | - | 0.69 | 0.03 |
| Other non-current liabilities | | | | |
| Subsidiaries | - | - | 0.47 | 0.47 |
| Related parties | 1.30 | 1.55 | 1.30 | 1.55 |
| Total | <u>1.30</u> | <u>1.55</u> | <u>1.77</u> | <u>2.02</u> |

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

As at January 31, 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% - 3.90% per annum and 3.73% per annum, respectively.

As at January 31, 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% - 1.92% per annum and 1.83% - 1.92% per annum, respectively.

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

| Type of transactions | Unit : Million Baht | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | Financial Statements | Financial Statements | Financial Statements | Financial Statements |
| | 2018 | 2017 | 2018 | 2017 |
| Revenues from sales and rendering of services | | | | |
| Subsidiaries | - | - | 786.94 | 943.73 |
| Related parties | 343.83 | 0.71 | 151.14 | - |
| Total | <u>343.83</u> | <u>0.71</u> | <u>938.08</u> | <u>943.73</u> |
| Cost of sales and rendering of services | | | | |
| Subsidiaries | - | - | 690.85 | 687.04 |
| Associates | 3.87 | 7.81 | 3.87 | 7.81 |
| Related parties | 0.50 | 0.27 | 0.43 | 0.07 |
| Total | <u>4.37</u> | <u>8.08</u> | <u>695.15</u> | <u>694.92</u> |
| Other income | | | | |
| Subsidiaries | - | - | 55.68 | 50.25 |
| Related parties | 2.80 | 1.12 | 1.62 | 1.12 |
| Total | <u>2.80</u> | <u>1.12</u> | <u>57.30</u> | <u>51.37</u> |
| Distribution costs | | | | |
| Subsidiaries | - | - | 1.16 | 0.85 |
| Associates | 3.70 | 1.09 | - | 0.08 |
| Total | <u>3.70</u> | <u>1.09</u> | <u>1.16</u> | <u>0.93</u> |
| Administrative expenses | | | | |
| Subsidiaries | - | - | 2.35 | 0.82 |
| Related parties | 3.84 | 4.06 | 1.59 | 1.48 |
| Related juristic person | 2.73 | 2.85 | 2.46 | 2.52 |
| Total | <u>6.57</u> | <u>6.91</u> | <u>6.40</u> | <u>4.82</u> |
| Financial costs | | | | |
| Subsidiaries | - | - | 2.30 | 1.99 |
| Related juristic person | 0.02 | 0.06 | 0.02 | 0.06 |
| Total | <u>0.02</u> | <u>0.06</u> | <u>2.32</u> | <u>2.05</u> |
| Management compensation | | | | |
| Short-term employee benefits | 31.28 | 55.30 | 12.60 | 19.69 |
| Post-employment benefits | 0.92 | 1.44 | 0.48 | 0.61 |
| Total | <u>32.20</u> | <u>56.74</u> | <u>13.08</u> | <u>20.30</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 | As at | As at | As at |
| | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 |
| Trade receivables | 767,564 | 769,947 | 667,947 | 591,680 |
| Current farmer receivables | 689,858 | 298,147 | 380,029 | 200,497 |
| Other receivables | 31,869 | 18,673 | 15,545 | 10,139 |
| Prepaid expenses | 55,443 | 32,738 | 25,757 | 17,793 |
| Prepaid expenses for production costs (see Note 14) | 156,996 | - | 89,115 | - |
| Advance payment | 12,530 | 12,657 | 4,635 | 8,146 |
| Accrued income | 160,205 | 66,256 | 69,930 | 44,456 |
| Total trade and other current receivables | <u>1,874,465</u> | <u>1,198,418</u> | <u>1,252,958</u> | <u>872,711</u> |

6.1 Trade receivables consisted of:

| | Consolidated | | Unit : Thousand Baht | |
|-------------------------|----------------------|---------------------|----------------------|---------------------|
| | Financial Statements | | Separate | |
| | As at | As at | As at | As at |
| | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 |
| Related parties | 246,197 | 33,619 | 516,918 | 170,066 |
| Others | 521,367 | 736,328 | 151,029 | 421,614 |
| Total trade receivables | <u>767,564</u> | <u>769,947</u> | <u>667,947</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 | As at | As at | As at |
| | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 |
| Domestic trade receivables | | | | |
| Not yet due | 246,197 | 17,114 | 510,565 | 131,518 |
| Overdue not over 3 months | - | 5 | 5,036 | 23,131 |
| Total | <u>246,197</u> | <u>17,119</u> | <u>515,601</u> | <u>154,649</u> |
| Foreign trade receivables | | | | |
| Not yet due | - | 16,500 | - | 6,816 |
| Overdue not over 3 months | - | - | - | 8,601 |
| Overdue over 3 months and not over 6 months | - | - | 1,317 | - |
| Total | <u>-</u> | <u>16,500</u> | <u>1,317</u> | <u>15,417</u> |
| Total trade receivables - related parties | <u>246,197</u> | <u>33,619</u> | <u>516,918</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 |
| | January 31, | October 31, | January 31, | October 31, |
| | 2018 | 2017 | 2018 | 2017 |
| Business are to manufacture and distribute sugar and molasses | | | | |
| Domestic trade receivables | | | | |
| Not yet due | 262,866 | 201,273 | 86,056 | 72,875 |
| Overdue not over 3 months | 82,188 | 67,278 | 29,091 | 34,988 |
| Total | 345,054 | 268,551 | 115,147 | 107,863 |
| Foreign trade receivables | | | | |
| Not yet due | 47,105 | 394,101 | 3,650 | 292,722 |
| Overdue not over 3 months | 32,231 | 36,065 | 32,232 | 21,029 |
| Total | 79,336 | 430,166 | 35,882 | 313,751 |
| Total of business are to manufacture and distribute sugar and molasses | 424,390 | 698,717 | 151,029 | 421,614 |
| Manufacture and distribution of electricity | | | | |
| Domestic trade receivables | | | | |
| Not yet due | 63,817 | 17,748 | - | - |
| Overdue not over 3 months | 26,655 | 15,133 | - | - |
| Total of business of manufacturing and distributing of electricity | 90,472 | 32,881 | - | - |
| Other business | | | | |
| Domestic trade receivables | | | | |
| Not yet due | 2,185 | 2,307 | - | - |
| Overdue not over 3 months | 3,217 | 1,969 | - | - |
| Overdue over 3 months and not over 6 months | 570 | 71 | - | - |
| Overdue over 12 months | 533 | 383 | - | - |
| Total other business | 6,505 | 4,730 | - | - |
| Total trade receivables - others | 521,367 | 736,328 | 151,029 | 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 January 31, 2018 | As at October 31, 2017 | As at January 31, 2018 | As at October 31, 2017 |
| Cane receivables | | | | |
| Before Season 2012/2013 | 35,776 | 35,776 | 6,023 | 6,023 |
| Season 2012/2013 | 21,901 | 21,906 | 5,259 | 5,259 |
| Season 2013/2014 | 39,539 | 39,555 | 6,267 | 6,283 |
| Season 2014/2015 | 46,535 | 46,777 | 12,868 | 12,921 |
| Season 2015/2016 | 49,097 | 49,446 | 15,235 | 15,331 |
| Season 2016/2017 | 51,813 | 53,371 | 22,358 | 23,837 |
| Total cane receivables | <u>244,661</u> | <u>246,831</u> | <u>68,010</u> | <u>69,654</u> |
| Advance payment | | | | |
| Season 2017/2018 | 531,685 | 197,958 | 322,662 | 164,183 |
| Season 2018/2019 | 60,101 | - | 22,769 | - |
| Total advance payment for purchases of cane | <u>591,786</u> | <u>197,958</u> | <u>345,431</u> | <u>164,183</u> |
| Receivables from fuel oil, fertilizer and other services | 9,436 | 9,681 | 9,279 | 9,455 |
| Total | 845,883 | 454,470 | 422,720 | 243,292 |
| <u>Less</u> Allowance for doubtful accounts | <u>(69,573)</u> | <u>(69,643)</u> | <u>(34,542)</u> | <u>(34,612)</u> |
| Total farmer receivables | 776,310 | 384,827 | 388,178 | 208,680 |
| <u>Less</u> Non-current portion | <u>(86,452)</u> | <u>(86,680)</u> | <u>(8,149)</u> | <u>(8,183)</u> |
| Total current farmer receivables | <u>689,858</u> | <u>298,147</u> | <u>380,029</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.

7. SHORT-TERM LOANS

Short-term loans consisted of:

| | Consolidated | | Unit : Thousand Baht | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | Financial Statements | | Separate | |
| | As at January 31, 2018 | As at October 31, 2017 | As at January 31, 2018 | As at October 31, 2017 |
| Short-term loans to subsidiaries and related parties (see Note 5.1) | - | - | 1,584,578 | 1,766,197 |
| Short-term loans to other | 196,290 | 181,000 | 196,290 | 181,000 |
| Short-term loans to farmers | 691,155 | 1,075,055 | 333,289 | 473,971 |
| Current portion of long-term loans to subsidiaries (see Note 5.1) | - | - | 2,808,516 | 2,859,727 |
| Current portion of long-term loans to others | 31,733 | 31,733 | 31,733 | 31,733 |
| Current portion of loans for cane plantation development | 257,263 | 281,471 | 52,702 | 60,922 |
| Total short-term loans | <u>1,176,441</u> | <u>1,569,259</u> | <u>5,007,108</u> | <u>5,373,550</u> |

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

Short-term loans to farmers as at January 31, 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 three-month period ended January 31, 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 | 12,815 | 3,241 |
| Additional costs during the period | 68,589 | 2,483 |
| Amortization of cane plantation costs during the period | (35,995) | (3,027) |
| Exchange differences on translating financial statements | (2,241) | - |
| Ending book value | <u>155,063</u> | <u>8,551</u> |

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

9. INVESTMENTS IN ASSOCIATES

Investments in associates consisted of:

Consolidated Financial Statements

| Company Name | Paid-up | | Percentage of | | As at January 31, 2018 | | | As at October 31, 2017 | | |
|--|---------------|-----------|---------------|-----------|------------------------|------------------|---------------------------------------|------------------------|------------------|-------------------------------------|
| | Share Capital | | Shareholding | | Investment | | Dividend for the period 2018 | Investment | | Dividend for the year 2017 |
| | 2018 | 2017 | % 2018 | % 2017 | Cost | Equity | | Cost | Equity | |
| Thai Sugar Terminal Public Company Limited | 191,664 | 191,664 | 23.82 | 23.82 | 90,267 | 459,621 | - | 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.* | 500,000 | 500,000 | 0.62 | 0.62 | 3,089 | 3,089 | - | 3,089 | 3,089 | - |
| T S Flour Mill Public Company Limited* | 342,248 | 342,051 | 0.07 | 0.07 | 313 | 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 Co., Ltd.** | 2,532,000 | 2,532,000 | 40.00 | 40.00 | 3,244,868 | 3,247,356 | - | 3,244,868 | 3,244,867 | - |
| Total | | | | | <u>3,381,615</u> | <u>3,753,362</u> | <u>-</u> | <u>3,381,615</u> | <u>3,746,845</u> | <u>5,537</u> |

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

** BBGI 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 on October 31, 2017.

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 | % | % | January 31, | October 31, | January 31, | 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 | - | 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.* | 500,000 | 500,000 | 0.62 | 0.62 | 3,089 | 3,089 | - | - |
| T S Flour Mill Public Company Limited* | 342,248 | 342,051 | 0.07 | 0.07 | 313 | 313 | - | 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 Co., Ltd.** | 2,532,000 | 2,532,000 | 40.00 | 40.00 | 3,244,868 | 3,244,868 | - | - |
| Total | | | | | 3,381,615 | 3,381,615 | - | 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 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 Bangkok Corporation Public Company Limited, which was incorporated on October 31, 2017.

10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of :

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 | % | % | January 31, | October 31, | January 31, | October 31, |
| | | | 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 | - | - |
| Savannakhet 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 three-month period ended January 31, 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 | 3,547 | 193 |
| Gain from fair value adjustments on investment property | 916 | - |
| Ending book value | <u>4,924,296</u> | <u>1,545,108</u> |

For the three-month periods ended January 31, 2018 and 2017, the Company and its subsidiaries recognized rental income from investment property of Baht 49.54 million and Baht 49.92 million, respectively, in the consolidated statements of profit or loss, and of Baht 11.53 million and Baht 12.78 million, respectively, in the separate statements of profit or loss.

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

12. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the three-month period ended January 31, 2018 are as follows:

| | Consolidated Financial Statements | Unit : Thousand Baht Separate Financial Statements |
|--|--|---|
| Beginning book value | 26,354,312 | 9,203,864 |
| Reclassifications/adjustments | (1,865) | (692) |
| Purchases of assets (including construction in progress) | 581,804 | 405,243 |
| Transfer in - cost | 101,737 | 7,849 |
| Transfer out - cost | (101,737) | (7,849) |
| Cost of disposal/written off of assets | (28,497) | (4,490) |
| Accumulated depreciation - disposal/written off | 17,693 | 3,873 |
| Depreciation | (395,106) | (141,429) |
| Translation of financial statements differences | (110,359) | - |
| Ending book value | <u>26,417,982</u> | <u>9,466,369</u> |

As at January 31, 2018 and October 31, 2017, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 417.28 million and Baht 448.03 million, respectively, in the consolidated financial statements, are located on the concessional and which the ownership will be transferred to the lesser when the agreements are expired (see Note 22.7.3).

As at January 31, 2018 and October 31, 2017, assets at cost of Baht 4,593.34 million and Baht 4,461.68 million, respectively, in the consolidated financial statements, and of Baht 2,625.62 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. 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:

| | Consolidated | | Unit : Thousand Baht | |
|---|----------------------|------------------|----------------------|------------------|
| | Financial Statements | | Separate | |
| | As at | As at | As at | As at |
| | January 31, | October 31, | January 31, | October 31, |
| | 2018 | 2017 | 2018 | 2017 |
| Trade payables - related parties | 4,390 | 10,040 | 169,767 | 89,193 |
| Trade payable - others | | | | |
| - Payables for cane purchases | 2,578,933 | 360,051 | 1,180,869 | 121,888 |
| - Other trade payables | 96,130 | 83,342 | 1,830 | 2,829 |
| Advances received for sales of goods | 304,143 | 82,515 | 175,124 | 44,574 |
| Accrued fees payable to the Office of the Cane and Sugar Fund | 18,943 | 54,774 | 7,747 | 23,663 |
| Other accrued expenses | 241,259 | 235,151 | 378,929 | 141,044 |
| Payables on purchases of assets | 192,169 | 149,227 | 112,041 | 57,581 |
| Other payables | 567,761 | 620,248 | 450,192 | 621,015 |
| Total trade and other current payables | <u>4,003,728</u> | <u>1,595,348</u> | <u>2,476,499</u> | <u>1,101,787</u> |

As at January 31, 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 three-month period ended January 31, 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 996.92 - 1,097.47 per ton with average sweetness level at 11.15 - 12.74 c.c.s.

14. PROVISION FOR PRODUCTION COSTS AND PREPAID EXPENSES FOR PRODUCTION COSTS

As at January 31, 2018, the Company and a subsidiary recorded provision for production cost and three subsidiaries recorded prepaid expenses for production cost in Note 6 based on average rate of production costs for the entire production season to estimate the cost of production per unit, which was calculated from the estimated cost of cane, direct labor and production costs expected to occur divided by the estimated volume of production expected to produce in each production season. The estimated cost of cane is based on the price as mentioned in Note 13 and the quantities of cane to be crushed in each production season. Direct labor and production costs are estimated by the management of the Company and its subsidiaries by considering from past information relating to the nature of each recurring expense and capacity in each production season. The differences between the estimated production cost of the produced units and the actual production cost is upper in each reporting period is shown under the “Provision for production costs”, and if the estimated production cost of the produced units is lower than the actual production cost in each reporting period is shown under the “Prepaid expenses for production costs” which will reduce over time according to the increase in actual production costs and will be completely depleted at the end of the production season.

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

15. LONG-TERM DEBENTURES

Long-term debentures consisted of:

| | Unit : Thousand Baht Consolidated/Separate Financial Statements | |
|----------------------------------|--|---------------------------------------|
| | As at January 31, 2018 | As at October 31, 2017 |
| Unsecured senior debt debentures | 11,492,597 | 9,493,434 |
| <u>Less</u> Current portion | <u>(2,999,373)</u> | <u>(2,998,989)</u> |
| Net | <u>8,493,224</u> | <u>6,494,445</u> |

Movements of long-term debentures for the three-month period ended January 31, 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>(837)</u> |
| Ending book value | <u>11,492,597</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 (see Note 22).

- 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 January 31, 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 three-month periods ended January 31, 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 | (400,000) | (300,000) |
| Ending balance at book value | <u>5,255,833</u> | <u>4,903,833</u> |
| <u>Less</u> Current portion | <u>(1,923,833)</u> | <u>(1,623,833)</u> |
| Long-term borrowings | <u>3,332,000</u> | <u>3,280,000</u> |

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

| | Consolidated Financial Statements | | Separate Financial Statements | |
|-----------------------------|--|-----------------------------------|--|-----------------------------------|
| | As at January 31, 2018 % | As at October 31, 2017 % | As at January 31, 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 January 31, 2018 | As at October 31, 2017 | As at January 31, 2018 | As at October 31, 2017 |
| Within 1 year | 1,923,833 | 1,623,833 | 1,623,833 | 1,223,833 |
| Over 1 year and within 5 years | 3,332,000 | 2,032,000 | 3,280,000 | 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 | As at | | | | | |
| | January 31, 2018 | October 31, 2017 | | | | | |
| | Thousand Baht | Thousand Baht | | | | | |
| The Company | | | | | | | |
| 1. Baht 2,500 million | 300,000 | 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 | 1,000,000 | - | 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 | 400,000 | 400,000 | AMLR - Fixed rate | Semi-annual | Monthly | April 2015 | October 2019 |
| 7. Baht 1,000 million | 1,000,000 | 1,000,000 | Fixed rate | Semi-annual | Monthly | April 2018 | October 2023 |
| 8. Baht 23 million | 3,833 | 3,833 | Fixed rate | Annual | Annual | June 2013 | June 2018 |
| Total | <u>4,903,833</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 | 252,000 | 252,000 | AMLR - Fixed rate | Semi-annual | Monthly | August 2014 | February 2019 |
| Total | <u>352,000</u> | <u>452,000</u> | | | | | |
| Grand Total | <u>5,255,833</u> | <u>3,655,833</u> | | | | | |

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

In the consolidated and separate financial statements as at January 31, 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 borrowing for purchases of agricultural equipment with secured by the executive directors of the Company and guaranteed cheques of the Company.

In addition, the Company and its subsidiaries have to abide to certain financial conditions, such as maintaining of debt with interest-to-equity ratio, the shareholding ratio in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital and restriction on dividend payment of subsidiaries. As at January 31, 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 three-month periods ended January 31, are as follows:

| | Consolidated | | Unit : Thousand Baht | |
|--------------------------------------|----------------------|--------|----------------------|---------|
| | Financial Statements | | Separate | |
| | 2018 | 2017 | 2018 | 2017 |
| <u>Current income tax</u> | | | | |
| Current income tax expense (income) | 25,258 | 34,894 | - | (3,713) |
| <u>Deferred income tax</u> | | | | |
| Deferred income tax expense (income) | | | | |
| and temporary differences | (30,741) | 31,160 | (28,238) | 28,301 |
| Total | (5,483) | 66,054 | (28,238) | 24,588 |

Reconciliation of income tax and the results of the accounting profit (loss) multiplied by the income tax rate for the three-month periods ended January 31, 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 | 189,461 | 56,392 | - | - |
| - Non-promoted sector | (39,390) | 461,476 | (143,590) | 154,892 |
| Total profit (loss) before income tax expense (income) | 150,071 | 517,868 | (143,590) | 154,892 |
| Statutory tax rates (%) | 20 | 20 | 20 | 20 |
| Income tax expense | | | | |
| - Non-promoted sector | (7,878) | 92,295 | (28,718) | 30,978 |
| Total income tax | (7,878) | 92,295 | (28,718) | 30,978 |
| Effect on income tax from non-deductible taxable expense and exempted taxable income expense (income) | 33,136 | (53,688) | 28,718 | (30,978) |
| | 25,258 | 38,607 | - | - |
| Prior year income tax income | - | (3,713) | - | (3,713) |
| Deferred income tax expense (income) | (30,741) | 31,160 | (28,238) | 28,301 |
| Income tax expense (income) | (5,483) | 66,054 | (28,238) | 24,588 |

17.2 Deferred tax assets - net are as follows:

| | Consolidated | | Unit : Thousand Baht | |
|--|----------------------|-------------|----------------------|-------------|
| | Financial Statements | | Separate | |
| | As at | As at | As at | As at |
| | January 31, | October 31, | January 31, | October 31, |
| | 2018 | 2017 | 2018 | 2017 |
| Deferred tax assets - net | | | | |
| Non-current provision for employee benefit | 9,076 | 8,904 | - | - |
| Loss carried forward | 118,554 | 103,538 | - | - |
| Depreciation | (3,431) | (6,097) | - | - |
| Allowance for diminution in value of inventories | 1,674 | 12,518 | - | - |
| Gain on asset revaluation | (65,887) | (66,070) | - | - |
| Allowance for doubtful accounts | 16,636 | 16,676 | - | - |
| Change in fair value of investment property | (69,829) | (69,646) | - | - |
| Others | 13,391 | 13,391 | - | - |
| Deferred tax assets - net | 20,184 | 13,214 | - | - |

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

2018

| | Unit : Thousand Baht | | | |
|--|-----------------------------------|---------------|-------------|----------|
| | Consolidated Financial Statements | | | |
| | As at | Items as | Items as | As at |
| November 1, | recognized in | recognized | January 31, | |
| 2017 | profit or loss | in other | 2018 | |
| | | comprehensive | | |
| | | income | | |
| Deferred tax assets - net | | | | |
| Non-current provision for employee benefit | 8,904 | 172 | - | 9,076 |
| Loss carried forward | 103,538 | 15,016 | - | 118,554 |
| Depreciation | (6,097) | 2,666 | - | (3,431) |
| Allowance for diminution in value of inventories | 12,518 | (10,844) | - | 1,674 |
| Gain on asset revaluation | (66,070) | - | 183 | (65,887) |
| Allowance for doubtful accounts | 16,676 | (40) | - | 16,636 |
| Change in fair value of investment property | (69,646) | (183) | - | (69,829) |
| Others | 13,391 | - | - | 13,391 |
| Deferred tax assets - net | 13,214 | 6,787 | 183 | 20,184 |

2017

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

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

| | Unit : Thousand Baht | |
|--|----------------------|----------------|
| | Consolidated | |
| | Financial Statements | |
| | 2018 | 2017 |
| The following deferred tax assets have not been recognized | | |
| Temporary differences | (157,179) | (160,155) |
| Loss carried forward | 313,237 | 276,740 |
| | <u>156,058</u> | <u>116,585</u> |

As at January 31, 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 asset of Baht 313.24 million, will be matured by the years 2019 to 2023.

17.3 Deferred tax liabilities - net are as follows:

| | Unit : Thousand Baht | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | As at January 31, 2018 | As at October 31, 2017 | As at January 31, 2018 | As at October 31, 2017 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (11,194) | (11,208) | (8,849) | (8,863) |
| Allowance for diminution in value of inventories | (7,296) | (45,858) | (7,260) | (41,793) |
| Allowance for impairment in subsidiary investments | - | - | (230,144) | (230,144) |
| Non-current provision for employee benefit | (43,881) | (43,187) | (22,712) | (22,415) |
| Gain on asset revaluation | 479,606 | 479,606 | 194,858 | 194,858 |
| Loss carried forward | (231,631) | (164,820) | (230,822) | (164,722) |
| Depreciation | 67,169 | 68,483 | 31,610 | 30,892 |
| Change in fair value of investment property | 446,954 | 444,607 | 243,792 | 242,925 |
| Change in fair value of biological assets | 565 | (3,209) | 648 | (1,211) |
| Gain from amalgamation | 482,573 | 482,573 | 482,573 | 482,573 |
| Others | (21,535) | (16,980) | (8,763) | (4,208) |
| Deferred tax liabilities - net | <u>1,161,330</u> | <u>1,190,007</u> | <u>444,931</u> | <u>477,892</u> |

The movements of deferred tax liabilities during three-month periods ended January 31, 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 January 31, 2018 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (11,208) | 14 | - | (11,194) |
| Allowance for diminution in value of inventories | (45,858) | 38,562 | - | (7,296) |
| Non-current provision for employee benefit | (43,187) | (694) | - | (43,881) |
| Gain on asset revaluation | 479,606 | - | - | 479,606 |
| Loss carried forward | (164,820) | (66,811) | - | (231,631) |
| Depreciation | 68,483 | (1,314) | - | 67,169 |
| Change in fair value of Investment property | 444,607 | 2,347 | - | 446,954 |
| Change in fair value of biological assets | (3,209) | 3,774 | - | 565 |
| Gain from amalgamation | 482,573 | - | - | 482,573 |
| Others | (16,980) | 168 | (4,723) | (21,535) |
| Deferred tax liabilities - net | <u>1,190,007</u> | <u>(23,954)</u> | <u>(4,723)</u> | <u>1,161,330</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 January 31, 2017 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (18,702) | (3,820) | - | (22,522) |
| Allowance for diminution in value of inventories | (1,226) | - | - | (1,226) |
| Allowance for impairment in other long-term investments | (1,177) | - | - | (1,177) |
| Non-current provision for employee benefit | (51,385) | (839) | - | (52,224) |
| Gain on asset revaluation | 551,270 | - | - | 551,270 |
| Loss carried forward | (178,919) | 41,731 | - | (137,188) |
| Depreciation | 37,383 | (4,772) | - | 32,611 |
| Change in fair value of investment property | 425,368 | 2,076 | - | 427,444 |
| Others | (23,049) | (754) | - | (23,803) |
| Deferred tax liabilities - net | <u>739,563</u> | <u>33,622</u> | <u>-</u> | <u>773,185</u> |

2018

| | Unit : Thousand Baht | | | |
|--|------------------------------|---|---|------------------------------|
| | As at November 1, 2017 | Separate Financial Statements | | As at January 31, 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) | 14 | - | (8,849) |
| Allowance for diminution in value of inventories | (41,793) | 34,533 | - | (7,260) |
| Allowance for impairment in subsidiary investments | (230,144) | - | - | (230,144) |
| Non-current provision for employee benefit | (22,415) | (297) | - | (22,712) |
| Gain on asset revaluation | 194,858 | - | - | 194,858 |
| Loss carried forward | (164,722) | (66,100) | - | (230,822) |
| Depreciation | 30,892 | 718 | - | 31,610 |
| Change in fair value of investment property | 242,925 | 867 | - | 243,792 |
| Change in fair value of biological assets | (1,211) | 1,859 | - | 648 |
| Gain from amalgamation | 482,573 | - | - | 482,573 |
| Others | (4,208) | 168 | (4,723) | (8,763) |
| Deferred tax liabilities - net | <u>477,892</u> | <u>(28,238)</u> | <u>(4,723)</u> | <u>444,931</u> |

2017

| | Unit : Thousand Baht | | | |
|--|------------------------------|---|---|------------------------------|
| | As at November 1, 2016 | Separate Financial Statements | | As at January 31, 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) | 117 | - | (7,096) |
| Allowance for diminution in value of inventories | (1,226) | - | - | (1,226) |
| Allowance for impairment in subsidiary investments | (148,907) | - | - | (148,907) |
| Allowance for impairment in other long-term investments | (1,177) | - | - | (1,177) |
| Non-current provision for employee benefit | (21,485) | (386) | - | (21,871) |
| Gain on asset revaluation | 194,858 | - | - | 194,858 |
| Loss carried forward | (94,696) | 31,407 | - | (63,289) |
| Depreciation | 5,595 | (2,987) | - | 2,608 |
| Change in fair value of investment property | 230,738 | 584 | - | 231,322 |
| Others | (8,213) | (434) | - | (8,647) |
| Deferred tax liabilities - net | <u>148,274</u> | <u>28,301</u> | <u>-</u> | <u>176,575</u> |

18. 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 January 31, | 1,779 | 3,975 |

19. EXPENSES BY NATURE

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

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|---|--------------------------------------|-------------|--|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| Salaries, wages and other employee benefits | 506,963 | 470,544 | 225,185 | 220,519 |
| Depreciation | 459,110 | 362,910 | 178,015 | 144,143 |
| Fee paid to the Office of the Cane and Sugar Fund | 288,149 | 298,686 | 149,749 | 122,110 |
| Maintenance expenses | 258,734 | 263,052 | 98,637 | 107,610 |
| Transportation expenses | 77,633 | 88,184 | 42,119 | 13,580 |
| Raw material and supplies used | 4,926,639 | 3,804,641 | 2,896,671 | 2,336,066 |
| Purchased finished goods | 33,497 | 13,185 | 508,599 | 497,272 |
| Changes in finished goods and goods in process | (3,811,945) | (3,029,714) | (2,262,547) | (1,951,340) |
| Management benefit expenses | 31,283 | 55,295 | 12,599 | 19,691 |
| Finance costs | 154,898 | 160,215 | 132,062 | 126,499 |
| Other operating expenses | 260,981 | 237,245 | 229,620 | 146,443 |
| Total | 3,185,942 | 2,724,243 | 2,210,709 | 1,782,593 |

20. 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 per share for three-month periods ended January 31, 2018 and 2017 is 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 period to ordinary equity holders | 140,696 | 4,410,233 | 0.032 | (115,352) | 4,410,233 | (0.026) |

2017

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

21. DISCLOSURE OF OPERATING SEGMENTS

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

For the three-month period ended January 31, 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 three-month periods ended January 31, 2018 and 2017, the Group has revenue with a single external customer in Thailand in electricity sector in the amount of Baht 178.10 million and Baht 196.07 million, respectively, of the Group’s total revenue.

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

Consolidated statements of profit or loss

For the three-month periods ended January 31, 2018 and 2017

| | Unit : Million Baht | | | | | | | | | | | | Total | | | |
|---|--|------------|--|-----------|-------------------------------------|------------|--------------------|------------|-----------------|-----------|-------------------|------------|----------------|----------------|--------------|--------------|
| | Manufacture and Distribution of Sugar and Molasses | | Manufacture and Distribution of Alcohol* | | Manufacture and Sale of Electricity | | Real Estate Rental | | Others Business | | Inter-Transaction | | | | | |
| | 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 | | | | | |
| Net revenue from operation - external | 2,656 | 96 | 1,939 | 3 | - | 563 | 211 | 196 | 43 | 41 | 238 | 152 | - | - | 3,244 | 2,894 |
| Net revenue from operation - internal | 1,182 | 12 | 1,459 | 74 | - | - | 726 | 591 | - | - | 348 | 476 | (2,268) | (2,600) | - | - |
| Total | 3,838 | 108 | 3,398 | 77 | - | 563 | 937 | 787 | 43 | 41 | 586 | 628 | (2,268) | (2,600) | 3,244 | 2,894 |
| Profit (loss) from operations | 493 | 103 | 896 | 14 | - | 74 | 256 | 230 | 45 | 47 | 21 | 6 | (66) | (40) | 852 | 1,227 |
| Distribution costs, administrative expenses and others | | | | | | | | | | | | | | | (553) | (633) |
| Finance costs | (162) | (27) | (156) | (23) | - | (7) | (17) | (19) | (6) | (6) | - | - | 57 | 51 | (155) | (160) |
| Share of gain of investment in an associate | | | | | | | | | | | | | | | 7 | 84 |
| Income tax (expenses) income | | | | | | | | | | | | | | | 5 | (66) |
| Net profit | | | | | | | | | | | | | | | 156 | 452 |
| (Less) Profit (loss) for the three-month period of non-controlling interest | | | | | | | | | | | | | | | (15) | 1 |
| Profit for the period | | | | | | | | | | | | | | | 141 | 453 |
| Interest income | 87 | 2 | 82 | 2 | - | - | - | - | - | - | - | - | (57) | (51) | 32 | 33 |
| Depreciation | (255) | (23) | (234) | (28) | - | (19) | (83) | (82) | - | - | (4) | (5) | - | - | (365) | (368) |

Consolidated Statements of Financial Position

As at January 31, 2018 and October 31, 2017

| | | | | | | | | | | | | | | | | |
|-------------------------------------|---------------|--------------|---------------|--------------|----------|----------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|-----------------|---------------|---------------|
| Trade and other current receivables | 2,208 | 43 | 1,401 | 47 | - | - | 693 | 61 | 13 | 15 | 144 | 136 | (1,227) | (368) | 1,874 | 1,292 |
| Inventories | 5,051 | 341 | 2,113 | 219 | - | - | 269 | 139 | - | - | 549 | 630 | (1) | (1) | 6,209 | 3,100 |
| Property, plant and equipment | 15,826 | 2,839 | 15,783 | 2,975 | - | - | 7,451 | 7,485 | 165 | - | 417 | 425 | (280) | (314) | 26,418 | 26,354 |
| Central assets | 19,882 | 322 | 19,579 | 298 | - | - | 25 | 29 | 3,994 | 3,989 | 304 | 305 | (12,519) | (11,955) | 12,008 | 12,245 |
| Total Assets | 42,967 | 3,545 | 38,876 | 3,539 | - | - | 8,438 | 7,714 | 4,172 | 4,004 | 1,414 | 1,496 | (14,027) | (12,638) | 46,509 | 42,991 |
| Total Liabilities | 29,034 | 2,953 | 24,499 | 2,890 | - | - | 2,928 | 2,405 | 862 | 884 | 475 | 686 | (7,859) | (6,466) | 28,393 | 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.

22. COMMITMENTS, CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENTS

As at January 31, 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:

22.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 4,696.83 million and Baht 2,060.07 million, respectively, and in the separate financial statements amounting to Baht 1,559.85 million and Baht 1,879.91 million, respectively.

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

| | Consolidated | | Unit : Million Baht Separate | |
|-------------------------------------|----------------------|---------------------|---------------------------------|---------------------|
| | Financial Statements | | Financial Statements | |
| | As at | As at | As at | As at |
| | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 |
| For the production season 2017/2018 | 463.02 | 1,167.01 | 211.36 | 472.11 |
| For the production season 2018/2019 | 216.97 | - | 89.92 | - |

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

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khon kaen Province, for the period of 21 years commencing from the first month of electricity sales (December 2006) at the volume of 20 Megawatt at the voltage of 115 Kilovolts. For the second year until the year before last year, EGAT agrees to buy electricity at not less than 80% of the electricity volume stipulated in the agreement.
- Agreement dated January 12, 2010, EGAT agrees to buy electricity at the volume of 22 Megawatt at the voltage of 115 Kilovolts at Bo Ploy District, Kanchanaburi Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from April 1, 2011. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sell the electricity. Subsequently, on June 2, 2014, EGAT agrees to buy additional electricity at the volume of 8 Megawatt totaling 30 Megawatt at the voltage of 115 Kilovolts, at the mutually-agreed price as stipulated in the agreement, for the period commencing from July 1, 2014 to November 2, 2018.

22.4 A subsidiary entered into an electricity sale-purchase agreement with the 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.

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

Unit : Million

| | | Consolidated Financial Statements | | | | | |
|-------------------------------|--|-----------------------------------|-----------|-----------|------------------------|-----------|-----------|
| | | As at January 31, 2018 | | | As at October 31, 2017 | | |
| Currency | | Total | Utilized | Remaining | Total | Utilized | Remaining |
| Commitments | | | | | | | |
| | Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | THB | - | 2,029.17 | - | - | 2,829.88 |
| | Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | USD | - | 5.18 | - | - | 7.50 |
| | Contract to guarantee of debt repayment of associate for all contingent liabilities | THB | - | 238.32 | - | - | 74.10 |
| Contingent Liabilities | | | | | | | |
| | Letters of guarantees (unspecified credit limit) | THB | - | 82.92 | - | - | 91.68 |
| | Letters of credit and trust receipts | THB | 120.00 | - | 120.00 | 120.00 | - |
| | Letters of credit | USD | 10.00 | - | 10.00 | 10.00 | - |
| | Overdraft and short-term borrowings | THB | 21,351.70 | 3,201.30 | 18,150.40 | 22,255.70 | 5,901.27 |
| | Short-term borrowings | USD | 50.50 | 5.10 | 45.40 | 50.50 | 7.50 |
| | Joint credit line in short-term borrowings | THB | 3,580.50 | 2,250.50 | 1,330.00 | 3,676.50 | 2,362.50 |
| | Long-term borrowings | THB | 5,255.83 | 5,255.83 | - | 3,655.83 | 3,655.83 |

Unit : Million

| | | Separate Financial Statements | | | | | |
|-------------------------------|--|-------------------------------|-----------|-----------|------------------------|-----------|-----------|
| | | As at January 31, 2018 | | | As at October 31, 2017 | | |
| Currency | | Total | Utilized | Remaining | Total | Utilized | Remaining |
| Commitments | | | | | | | |
| | Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | THB | - | 1,360.37 | - | - | 2,058.08 |
| | Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | USD | - | 5.08 | - | - | 7.50 |
| | Contract to guarantee of debt repayment of associate for all contingent liabilities | THB | - | 238.32 | - | - | 74.10 |
| Contingent Liabilities | | | | | | | |
| | Letters of guarantees (unspecified credit limit) | THB | - | 9.78 | - | - | 9.78 |
| | Letters of credit and trust receipts | THB | 30.00 | - | 30.00 | 30.00 | - |
| | Overdraft and short-term borrowings | THB | 10,689.70 | 2,305.00 | 8,384.70 | 11,593.70 | 4,265.00 |
| | Short-term borrowings | USD | 10.50 | - | 10.50 | 10.50 | - |
| | Joint credit line in short-term borrowings | THB | 3,580.50 | 2,250.50 | 1,330.00 | 3,676.50 | 2,362.50 |
| | Long-term borrowings | THB | 4,903.83 | 4,903.83 | - | 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 January 31, 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.

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

| | | | | | | Unit : Million | | | |
|---|----------|--------------------|-------------------------------------|--------------------|-------------------------------------|-----------------------------------|--|------------------------|--|
| | | | | | | Consolidated Financial Statements | | | |
| | | | | | | As at January 31, 2018 | | As at October 31, 2017 | |
| | Currency | Contractual Amount | Outstanding Contractual Commitments | Contractual Amount | Outstanding Contractual Commitments | | | | |
| Construction and subcontract agreements | THB | 1,139.57 | 300.21 | 1,018.23 | 168.64 | | | | |
| Machine and equipment purchase agreements | THB | 396.14 | 67.31 | 489.43 | 107.51 | | | | |
| | USD | 0.56 | - | 13.60 | 0.46 | | | | |

| | | | | | | | | | | Unit : Million | | | |
|-------------------------------|----------|---------------|-------------|--------------|-------|---------------|-------------|--------------|-------|-------------------------------------|--|------------------------|--|
| | | | | | | | | | | Consolidated Financial Statements | | | |
| | | | | | | | | | | Outstanding Contractual Commitments | | | |
| | | | | | | | | | | As at January 31, 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 | 11.48 | 12.33 | 0.17 | 0.68 | 11.48 | 12.33 | | | | |
| Rental agreements | THB | 14.87 | 28.13 | - | 43.00 | 15.58 | 27.69 | - | 43.27 | | | | |

| | | | | | | Unit : Million | | | |
|---|----------|--------------------|-------------------------------------|--------------------|-------------------------------------|-------------------------------|--|------------------------|--|
| | | | | | | Separate Financial Statements | | | |
| | | | | | | As at January 31, 2018 | | As at October 31, 2017 | |
| | Currency | Contractual Amount | Outstanding Contractual Commitments | Contractual Amount | Outstanding Contractual Commitments | | | | |
| Construction and subcontract agreements | THB | 790.77 | 241.00 | 620.33 | 84.25 | | | | |
| Machine and equipment purchase agreements | THB | 374.58 | 65.16 | 467.87 | 95.46 | | | | |

| | | | | | | | | Unit : Million | | | |
|-------------------|----------|---------------|-------------|-------|---------------|-------------|-------|-------------------------------------|--|------------------------|--|
| | | | | | | | | Separate Financial Statements | | | |
| | | | | | | | | Outstanding Contractual Commitments | | | |
| | | | | | | | | As at January 31, 2018 | | As at October 31, 2017 | |
| | Currency | Within 1 year | 1 - 5 years | Total | Within 1 year | 1 - 5 years | Total | | | | |
| Rental agreements | THB | 6.67 | 11.06 | 17.73 | 5.86 | 9.87 | 15.73 | | | | |

22.7 Other significant agreements

- 22.7.1 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khon kaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) as a replacement when the Energy Industry Act B.E. 2550 was effective, for the period of 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions according to the license.
- 22.7.2 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 40 years which can be extended for another 20 years if approved by the counter party. The rental fee is as determined in the agreement. As at January 31, 2018 and October 31, 2017, the subsidiary has already utilized the area of 5,053.45 hectares and 5,053.61 hectares respectively.
- 22.7.3 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 19,100 hectares covering period of 90 years and the rental 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 January 31, 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 will be transferred to the lessor when the agreements are expired (see Note 12).
- 22.7.4 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person to build port and land awaiting development dated June 1, 2007 and May 21, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 0.48 million. As at January 31, 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.

23. FINANCIAL INSTRUMENTS

Risk management policies

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

Risk on interest rate

Risk on interest rates is derived from the fluctuation of the market interest rate in the future, which will affect upon the Company and its subsidiaries' operating results and cash flows. However, the Group manage risk on interest rate by using various methods including the loans allocation to gain appropriate balance between fixed interest rate loans and floating interest rate loans and compatible to different activities of the Group with the details mainly as follows:

Unit : Thousand Baht

Consolidated Financial Statements
As at January 31, 2018

| | Fixed Interest Rate | | | Floating Interest Rate | Total |
|---------------------------------------|---------------------|------------------|-------------------|------------------------|------------------|
| | Within 1 year | More than 1 year | More than 5 years | | |
| Financial Assets | | | | | |
| Saving accounts deposits | - | - | - | 130,244 | 130,244 |
| Fixed account deposits | 24 | - | - | - | 24 |
| Loans for cane plantation development | 252,048 | 351,875 | 6,743 | 249 | 610,915 |
| Short-term loans to farmers | 640,300 | 6,543 | - | 44,312 | 691,155 |
| Short-term loans to others | 196,290 | - | - | - | 196,290 |
| Long-term loans to others | 31,733 | 54,331 | - | - | 86,064 |
| Other long-term investments | - | - | 6,693 | - | 6,693 |
| Total | 1,120,395 | 412,749 | 13,436 | 174,805 | 1,721,385 |

| | | | | | |
|---|-------------------|-------------------|----------|----------------|-------------------|
| Financial Liabilities | | | | | |
| Short-term borrowings from financial institutions | 5,607,843 | - | - | - | 5,607,843 |
| Short-term borrowings from related parties | 5,000 | - | - | - | 5,000 |
| Long-term debentures | 2,999,373 | 8,493,224 | - | - | 11,492,597 |
| Long-term borrowings | 1,623,833 | 3,280,000 | - | 352,000 | 5,255,833 |
| Total | 10,236,049 | 11,773,224 | - | 352,000 | 22,361,273 |

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 | 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 | 1,538,991 | 388,941 | 10,781 | 140,140 | 2,078,853 |

| | | | | | |
|---|-------------------|------------------|----------|----------------|-------------------|
| 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 | 1,223,833 | 1,980,000 | - | 452,000 | 3,655,833 |
| Total | 12,736,602 | 8,474,446 | - | 452,000 | 21,663,048 |

Risks on exchange rates

Risks on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import of machines which are transactions denominated in foreign currencies. As at January 31, 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 | | | | Unit : Million |
|----------|-----------------------------------|-------------|------------------|-------------|-------------------------------|-------------|------------------|-------------|----------------|
| | As at | | As at | | As at | | As at | | |
| | January 31, 2018 | | October 31, 2017 | | January 31, 2018 | | October 31, 2017 | | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities | |
| USD | 4.19 | 9.11 | 15.79 | 9.03 | 47.63 | - | 56.22 | - | |
| YEN | - | 2.50 | - | 2.50 | - | - | - | - | |
| RIEL | 833.31 | 157.28 | 975.58 | 79.68 | - | - | - | - | |
| LAK | 106.76 | 718.21 | 108.52 | 602.24 | - | - | - | - | |

As at January 31, 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 between 1 - 3 years, are as follows:

| Currency | Amount fixed in contract | | | | Currency | Amount earned in contract | | | | Unit : Million |
|----------|--------------------------|------------------|----------------------|------------------|------------------|---------------------------|------------------|----------------------|-------|----------------|
| | Consolidated | | Separate | | | Consolidated | | Separate | | |
| | Financial Statements | | Financial Statements | | | Financial Statements | | Financial Statements | | |
| | As at | As at | As at | As at | | As at | As at | As at | As at | |
| | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 | | |
| USD | 3.00 | - | - | - | THB | 96.90 | - | - | - | |

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

| Net fair values of forward contracts | Consolidated | | Separate | | Unit: Million Baht |
|--------------------------------------|----------------------|------------------|----------------------|------------------|--------------------|
| | Financial Statements | | Financial Statements | | |
| | As at | As at | As at | As at | |
| | January 31, 2018 | October 31, 2017 | January 31, 2018 | October 31, 2017 | |
| | 3.25 | - | - | - | |

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 January 31, 2018 and October 31, 2017 of the Company and its subsidiaries are as follows:

| | Currency | Unit : Million | |
|--|----------|--|------------------------------|
| | | Consolidated/ Separate Financial Statements As at January 31, 2018 | As at October 31, 2017 |
| Net fair values for commodity swap contracts | USD | 1.05 | 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 receivables, short-term loans, other current assets, short-term borrowings from financial institutions, trade and other payables, short-term borrowings, current income tax payable and other current liabilities, the carrying values approximate their fair values due to the relatively short period to maturity.

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

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

| | Consolidated / Separate Financial Statement | | Fair value Hierarchy | Valuation technique of fair value |
|-------------------------------|--|--------------|-------------------------|---|
| | Carrying amount | Fair value | | |
| | Million Baht | Million Baht | | |
| As at January 31, 2018 | | | | |
| Financial liabilities | | | | |
| Long-term debentures | 11,493 | 11,689 | 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 based on relevant market price discounting the weighted average cost (interest rate swap contracts at the end of the reporting period), are the market prices adjusted by credit risk of the counter parties which are hierarchy level 3 and the commodity swap contracts are calculated by using the raw sugar and white sugar prices from The Exchange and Bloomberg at the end of the reporting period as though the Company and its subsidiaries have settled those contracts at the end of the reporting period are hierarchy level 2.

24. COMPARATIVE FINANCIAL INFORMATION FOR THE YEARS ENDED JANUARY 31, 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 January 31, 2018 and 2017 as follows:

| | Unit : Thousand Baht | | | |
|-------------------------------------|--------------------------------------|------------------|----------------------------------|------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | As at January 31, 2018 | 2017 | As at January 31, 2018 | 2017 |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 171,838 | 152,822 | 45,285 | 22,852 |
| Trade and other current receivables | 1,874,465 | 1,714,499 | 1,252,958 | 989,099 |
| Short-term loans | 1,176,441 | 983,460 | 5,007,108 | 2,513,582 |
| Inventories | 6,208,792 | 5,650,275 | 3,407,038 | 3,178,328 |
| Current biological assets | 155,063 | 172,869 | 8,551 | 6,717 |
| Other current assets | 45,133 | 105,170 | 18,969 | 34,489 |
| Total Current Assets | <u>9,631,732</u> | <u>8,779,095</u> | <u>9,739,909</u> | <u>6,745,067</u> |

| | Unit : Thousand Baht | | | |
|---|----------------------|-------------------|----------------------|-------------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | As at January 31, | | As at January 31, | |
| | 2018 | 2017 | 2018 | 2017 |
| NON-CURRENT ASSETS | | | | |
| Long-term loans | 407,984 | 393,500 | 2,423,792 | 4,398,882 |
| Investment property | 4,924,296 | 4,492,376 | 1,545,108 | 1,499,684 |
| Property, plant and equipment | 26,417,982 | 26,644,711 | 9,466,369 | 8,101,586 |
| Other non-current assets | 5,127,421 | 1,828,630 | 8,617,039 | 6,343,596 |
| Total Non-Current Assets | <u>36,877,683</u> | <u>33,359,217</u> | <u>22,052,308</u> | <u>20,343,748</u> |
| TOTAL ASSETS | <u>46,509,415</u> | <u>42,138,312</u> | <u>31,792,217</u> | <u>27,088,815</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Short-term borrowings from financial institutions | 5,607,843 | 5,187,782 | 2,301,076 | 1,774,000 |
| Trade and other current payables | 4,003,728 | 3,732,806 | 2,476,499 | 2,374,946 |
| Current portion of long-term debentures | 2,999,373 | 2,999,673 | 2,999,373 | 2,999,673 |
| Current portion of long-term borrowings | 1,923,833 | 2,009,733 | 1,623,833 | 1,205,833 |
| Short-term borrowings | 5,000 | 6,200 | 312,200 | 450,700 |
| Current income tax payable | 48,265 | 58,101 | - | - |
| Provision for production costs | 340,318 | 114,852 | 86,100 | 75,035 |
| Other current liabilities | 107,993 | 134,265 | 24,330 | 41,977 |
| Total Current Liabilities | <u>15,036,353</u> | <u>14,243,412</u> | <u>9,823,411</u> | <u>8,922,164</u> |
| Total Non-Current Liabilities | <u>13,357,123</u> | <u>10,781,365</u> | <u>12,375,197</u> | <u>9,215,909</u> |
| TOTAL LIABILITIES | <u>28,393,476</u> | <u>25,024,777</u> | <u>22,198,608</u> | <u>18,138,073</u> |
| TOTAL SHAREHOLDERS' EQUITY | <u>18,115,939</u> | <u>17,113,535</u> | <u>9,593,609</u> | <u>8,950,742</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | <u>46,509,415</u> | <u>42,138,312</u> | <u>31,792,217</u> | <u>27,088,815</u> |

| | Unit : Thousand Baht | | | |
|---|----------------------|---------------------|----------------------|--------------------|
| | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | |
| | For the years ended | | For the years ended | |
| | January 31, | | January 31, | |
| | 2018 | 2017 | 2018 | 2017 |
| Revenue from sales | 15,684,885 | 15,835,483 | 8,473,852 | 8,920,360 |
| Revenues from rendering services | 288,451 | 177,990 | 218,843 | 157,187 |
| Total revenues | <u>15,973,336</u> | <u>16,013,473</u> | <u>8,692,695</u> | <u>9,077,547</u> |
| Costs of the sales of goods | (13,596,816) | (12,409,391) | (8,150,437) | (7,595,828) |
| Cost of the rendering of services | (129,564) | (147,747) | (144,899) | (96,786) |
| Total costs | <u>(13,726,380)</u> | <u>(12,557,138)</u> | <u>(8,295,336)</u> | <u>(7,692,614)</u> |
| Gross profit | 2,246,956 | 3,456,335 | 397,359 | 1,384,933 |
| Other incomes | 3,236,665 | 1,695,828 | 2,985,705 | 1,370,505 |
| Profit before expenses | 5,483,621 | 5,152,163 | 3,383,064 | 2,755,438 |
| Distribution Costs | (1,535,314) | (1,683,110) | (681,420) | (747,326) |
| Administrative expenses | (1,062,458) | (813,887) | (808,187) | (1,085,498) |
| Management benefit expenses | (123,130) | (144,634) | (43,416) | (50,297) |
| Finance costs | (662,813) | (690,105) | (519,749) | (534,416) |
| Share of gain of an associate | 43,895 | 135,285 | - | - |
| Profit before income tax (expense) income | 2,143,801 | 1,955,712 | 1,330,292 | 337,901 |
| Income tax (expense) income | (488,315) | (416,388) | (263,965) | (15,659) |
| Net profit for the year | <u>1,655,486</u> | <u>1,539,324</u> | <u>1,066,327</u> | <u>322,242</u> |

25. EVENTS AFTER THE REPORTING PERIOD

The meeting of annual general shareholders for 2017 No. 1/2018 of the Company held on February 20, 2018, passed the following resolutions the appropriation of profit for dividend payment of year 2017 in form of cash at Baht 0.05 per share to 4,410 million shares, at the amount not exceeding Baht 220.51 million, to the shareholders whose names are included in the shareholder register on March 2, 2018. The dividend payment shall be made on March 16, 2018.

26. 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 three-month period ended January 31, 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 |

27. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial information have been approved for issuance by an authorized director of the Company on March 15, 2018.