

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED**

Opinion

We have audited the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited (the “Company”) which comprise the consolidated and separate statements of financial position as at October 31, 2019, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and of Khon Kaen Sugar Industry Public Company Limited as at October 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Impairment on investments in subsidiaries in foreign countries in the separate financial statements and of building and equipment of those subsidiaries in foreign countries in the consolidated financial statements</p> <p>As there are 3 subsidiaries in foreign countries having net loss continuously and substantial deficit as at October 31, 2019 which the Company's management consider as indicators of impairment on investments in the subsidiaries in foreign countries in the separate financial statements and of building and equipment of those subsidiaries in foreign countries in the consolidated financial statements. As such, the Company's management estimate recoverable amount of its investment in subsidiaries and of buildings and equipment of such subsidiaries for consideration of their losses on impairment. The recoverable amount are estimated at higher of their values in use and their fair values less costs to sell those assets.</p> <ul style="list-style-type: none"> - Values in use are estimated by exercising the Company's management judgment in connection with the judgement on significant assumptions to forecast the results of operations depending on the price of sugar in the world market. The Company's management assessed that the present value of the future cash flows expected to be received at the end of the reporting period would be negative cash flows. - Fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management. <p>We consider that the exercising of management's judgment relate to significant assumptions for estimation of losses on impairment on investments in subsidiaries in foreign countries in the separate financial statements and on building and equipment of those subsidiaries in foreign countries in the consolidated financial statements are key audit matters because of materiality of transactions and complexity of estimation of recoverable amount of the Company's investments in subsidiaries and of buildings and equipment of the subsidiaries in foreign countries.</p> <p>The accounting policies and disclosure of investments and impairment of investments in subsidiaries are in Notes 3.6, 3.11 and 12, and of buildings and equipment of the subsidiaries in foreign countries are in Notes 3.11 and 17.</p>	<p>Significant audit procedures include</p> <ul style="list-style-type: none"> • Understanding and evaluating the reasonableness of indicator of impairment on investments in subsidiaries in foreign countries in the separate financial statements and impairment of building and equipment of those foreign subsidiaries in the consolidated financial statements. • Understanding and evaluating the procedures of the Company's management for measurement of investments in subsidiaries including testing and evaluating the reasonableness of assumptions used for plan and forecast future cash flows of each subsidiary by understanding the process to obtain such figures, comparing assumptions with external and internal sources and comparing forecast cash flows to the actual results of operations including comparing long-term growth of each subsidiary to the forecast economic and industry. • Testing and evaluating the report of independent appraiser whether independent appraiser has knowledge, competency and fairness, and evaluating whether the procedures and reasonableness of assumptions used in estimation of building and equipment values. • Evaluating whether the disclosure in the notes to the financial statements is sufficient in accordance with the financial reporting standards.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Group.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

BANGKOK
December 20, 2019

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 OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at October 31, 2019	As at October 31, 2018	As at October 31, 2019	As at October 31, 2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	2,430,387,294	129,241,732	34,007,221	8,029,157
Temporary investments		260,412	24,084	-	-
Trade and other current receivables	6	1,287,032,698	2,476,064,732	3,202,486,457	2,260,746,708
Short-term loans	7	925,605,926	1,533,146,034	2,553,297,355	2,057,737,919
Inventories	8	2,774,381,471	4,088,957,195	1,513,171,667	2,764,469,608
Current biological assets	9	52,367,957	60,800,116	2,536,684	6,106,001
Other current assets		44,611,795	46,350,971	26,758,829	33,270,214
Total Current Assets		7,514,647,553	8,334,584,864	7,332,258,213	7,130,359,607
NON-CURRENT ASSETS					
Investments held as available for sale	10	217,263,336	307,002,540	217,263,336	307,002,540
Investments in associates	11	3,965,309,143	3,878,906,260	3,380,458,786	3,380,458,786
Investments in subsidiaries	12	-	-	4,131,384,747	4,283,380,319
Other long-term investments	13	27,526,369	27,509,122	20,326,950	20,326,950
Trade and other non-current receivables	14	615,643,933	532,298,038	366,140,068	276,830,165
Long-term loans	15	145,502,621	242,612,903	3,202,608,616	4,587,071,859
Investment property	16	5,636,792,013	5,167,004,130	1,769,231,873	1,695,577,873
Property, plant and equipment	17	25,868,493,718	26,182,946,087	9,561,626,387	9,500,392,015
Other intangible assets		39,755,682	42,944,781	30,168,934	32,347,023
Deferred tax assets	24.2	8,470,565	6,933,767	-	-
Other non-current assets	18	81,844,975	818,789,798	46,074,463	40,956,743
Total Non-Current Assets		36,606,602,355	37,206,947,426	22,725,284,160	24,124,344,273
TOTAL ASSETS		44,121,249,908	45,541,532,290	30,057,542,373	31,254,703,880

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at October 31, 2019	As at October 31, 2018	As at October 31, 2019	As at October 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	19	4,880,137,561	6,846,126,015	2,465,992,061	3,851,660,015
Trade and other current payables	20	1,282,665,697	1,792,746,394	1,130,864,362	1,273,554,950
Current portion of long-term debentures	21	3,499,448,980	2,999,022,944	3,499,448,980	2,999,022,944
Current portion of long-term borrowings	23	1,982,000,000	1,772,000,000	1,982,000,000	1,720,000,000
Short-term borrowings	22	3,400,000	374,582,960	442,600,000	631,950,546
Current income tax payable		51,916,152	66,827,447	-	-
Other current liabilities		118,123,507	72,572,016	52,366,800	9,415,935
Total Current Liabilities		<u>11,817,691,897</u>	<u>13,923,877,776</u>	<u>9,573,272,203</u>	<u>10,485,604,390</u>
NON-CURRENT LIABILITIES					
Long-term debentures	21	6,994,151,114	7,494,719,251	6,994,151,114	7,494,719,251
Long-term borrowings	23	4,767,000,000	3,910,000,000	4,767,000,000	3,910,000,000
Deferred tax liabilities	24.3	1,130,896,867	1,163,436,360	225,239,015	317,096,109
Non-current provision for employee benefit	25	295,823,796	298,845,679	125,517,463	128,568,709
Other non-current liabilities		94,419,611	111,833,889	34,947,296	51,064,213
Total Non-Current Liabilities		<u>13,282,291,388</u>	<u>12,978,835,179</u>	<u>12,146,854,888</u>	<u>11,901,448,282</u>
TOTAL LIABILITIES		<u>25,099,983,285</u>	<u>26,902,712,955</u>	<u>21,720,127,091</u>	<u>22,387,052,672</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at October 31, 2019	As at October 31, 2018	As at October 31, 2019	As at October 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
4,410,243,648 ordinary shares of Baht 0.50 each		2,205,121,824	2,205,121,824	2,205,121,824	2,205,121,824
Issued and paid-up share capital					
4,410,232,619 ordinary shares of Baht 0.50 each fully paid		2,205,116,310	2,205,116,310	2,205,116,310	2,205,116,310
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199
RETAINED EARNINGS					
Appropriated					
Legal reserve		220,512,200	220,512,200	220,512,200	220,512,200
Unappropriated		11,785,941,395	11,181,625,219	2,292,103,621	2,750,548,184
OTHER COMPONENTS OF EQUITY		1,447,731,838	1,656,525,441	673,243,952	745,035,315
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT		18,605,740,942	18,210,218,369	8,337,415,282	8,867,651,208
NON-CONTROLLING INTERESTS		415,525,681	428,600,966	-	-
TOTAL SHAREHOLDERS' EQUITY		19,021,266,623	18,638,819,335	8,337,415,282	8,867,651,208
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		44,121,249,908	45,541,532,290	30,057,542,373	31,254,703,880

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
Revenues from sales and rendering of services					
Revenues from sales		17,490,033,087	17,407,308,245	11,028,237,148	9,616,813,253
Revenues from rendering of services		365,384,462	405,326,205	195,771,523	202,365,625
		<u>17,855,417,549</u>	<u>17,812,634,450</u>	<u>11,224,008,671</u>	<u>9,819,178,878</u>
Costs of sales of goods and rendering of services					
Costs of sales of goods		(14,034,104,545)	(14,477,710,628)	(9,736,832,304)	(8,942,662,961)
Costs of rendering of services		(196,380,947)	(203,658,590)	(147,634,772)	(144,787,493)
		<u>(14,230,485,492)</u>	<u>(14,681,369,218)</u>	<u>(9,884,467,076)</u>	<u>(9,087,450,454)</u>
Gross profit		3,624,932,057	3,131,265,232	1,339,541,595	731,728,424
Other incomes		770,458,027	475,010,909	748,431,649	503,451,368
Revenue from compensation for					
sugar production and distribution	6.3	101,009,055	440,564,105	78,168,398	268,049,084
(Loss) gain on exchange rate		(15,596,744)	57,171,514	(80,113,002)	39,183,716
(Loss) gain on fair value adjustments of					
biological assets		(26,237,581)	(32,850,157)	(5,320,128)	2,030,781
Gain on fair value adjustments of					
investment property		206,670,000	240,907,860	73,654,000	150,441,650
Loss on impairment of investments in subsidiaries		-	-	(151,995,572)	(492,431,077)
Gain (loss) on sales and disposal of assets		26,626,377	(2,614,855)	5,171,027	8,965,762
Loss on impairment of property, plant and equipment		(61,646,265)	(4,002,240)	-	-
Distribution costs		(2,205,955,203)	(1,885,943,824)	(1,306,738,807)	(956,081,321)
Administrative expenses		(680,903,500)	(720,316,456)	(310,437,532)	(285,510,127)
Remuneration for directors and executives	5.2	(151,292,832)	(141,959,041)	(64,223,894)	(58,121,347)
Finance costs		(710,332,209)	(727,643,450)	(637,979,929)	(620,337,926)
Share of gain on investment in associates		101,164,507	145,127,077	-	-
Profit (loss) before income tax (expense) income		<u>978,895,689</u>	<u>974,716,674</u>	<u>(311,842,195)</u>	<u>(708,631,013)</u>
Income tax (expense) income	24.1	<u>(149,007,330)</u>	<u>(144,336,815)</u>	<u>73,909,253</u>	<u>142,424,844</u>
NET PROFIT (LOSS) FOR THE YEAR		<u><u>829,888,359</u></u>	<u><u>830,379,859</u></u>	<u><u>(237,932,942)</u></u>	<u><u>(566,206,169)</u></u>
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		821,581,167	848,055,191	(237,932,942)	(566,206,169)
Non-controlling interests		8,307,192	(17,675,332)	-	-
		<u>829,888,359</u>	<u>830,379,859</u>	<u>(237,932,942)</u>	<u>(566,206,169)</u>
EARNINGS (LOSS) PER SHARE	30				
Basic earnings (loss) per share	BAHT	0.186	0.192	(0.054)	(0.128)
Basic number of ordinary shares	SHARES	4,410,232,619	4,410,232,619	4,410,232,619	4,410,232,619

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
Profit (loss) for the year		829,888,359	830,379,859	(237,932,942)	(566,206,169)
Other comprehensive income (expense):					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statements		(155,265,917)	25,334,141	-	-
Loss on remeasuring investments held as available for sale		(71,791,363)	(56,677,392)	(71,791,363)	(56,677,392)
Total items that will be reclassified subsequently to profit or loss		(227,057,280)	(31,343,251)	(71,791,363)	(56,677,392)
Items that will be not reclassified subsequently to profit or loss:					
Loss (gain) on revaluation of assets		649,326	(732,751)	-	-
Unrealized actuarial loss adjustment		-	(31,204,613)	-	(16,807,009)
Total items that will be not reclassified subsequently to profit or loss		649,326	(31,937,364)	-	(16,807,009)
Other comprehensive expense for the year - net of tax		(226,407,954)	(63,280,615)	(71,791,363)	(73,484,401)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		603,480,405	767,099,244	(309,724,305)	(639,690,570)
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO					
Owners of the parent		616,034,194	780,739,899	(309,724,305)	(639,690,570)
Non-controlling interests		(12,553,789)	(13,640,655)	-	-
		603,480,405	767,099,244	(309,724,305)	(639,690,570)

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

Note	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					Total owners of the parent			
			Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense)			Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries				Total other components of equity
					Exchange differences on translating financial statements	Gain (loss) on remeasuring available-for-sale investments	Gain (loss) on asset revaluation						
For the year ended October 31, 2018													
Beginning balance as at November 1, 2017	2,205,116,310	2,946,439,199	220,512,200	10,584,282,739	(55,545,755)	22,279,424	2,101,675,685	(263,275,867)	(111,493,844)	1,693,639,643	17,649,990,091	442,241,621	18,092,231,712
Changes in shareholders' equity during the year													
- Dividends paid	26.1	-	-	(220,511,621)	-	-	-	-	-	-	(220,511,621)	-	(220,511,621)
- Transfer of loss of asset revaluation	-	-	-	-	-	-	(701,829)	-	-	(701,829)	(701,829)	(30,922)	(732,751)
- Unrealized actuarial loss adjustment	-	-	-	(30,201,090)	-	-	-	-	-	-	(30,201,090)	(1,003,523)	(31,204,613)
- Total comprehensive income (expense) for the year	-	-	-	848,055,191	20,265,019	(56,677,392)	-	-	-	(36,412,373)	811,642,818	(12,606,210)	799,036,608
Ending balance as at October 31, 2018	2,205,116,310	2,946,439,199	220,512,200	11,181,625,219	(35,280,736)	(34,397,968)	2,100,973,856	(263,275,867)	(111,493,844)	1,656,525,441	18,210,218,369	428,600,966	18,638,819,335
For the year ended October 31, 2019													
Beginning balance as at November 1, 2018	2,205,116,310	2,946,439,199	220,512,200	11,181,625,219	(35,280,736)	(34,397,968)	2,100,973,856	(263,275,867)	(111,493,844)	1,656,525,441	18,210,218,369	428,600,966	18,638,819,335
Changes in shareholders' equity during the year													
- Dividends paid	26.1	-	-	(220,511,621)	-	-	-	-	-	-	(220,511,621)	(521,496)	(221,033,117)
- Transfer of profit (loss) of asset revaluation	-	-	-	3,246,630	-	-	(2,597,304)	-	-	(2,597,304)	649,326	-	649,326
- Total comprehensive income (expense) for the year	-	-	-	821,581,167	(134,404,936)	(71,791,363)	-	-	-	(206,196,299)	615,384,868	(12,553,789)	602,831,079
Ending balance as at October 31, 2019	2,205,116,310	2,946,439,199	220,512,200	11,785,941,395	(169,685,672)	(106,189,331)	2,098,376,552	(263,275,867)	(111,493,844)	1,447,731,838	18,605,740,942	415,525,681	19,021,266,623

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Note	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity			Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense)		Total other components of equity	
						Gain (loss) on remeasuring available-for-sale investments	Gain on asset revaluation		
For the year ended October 31, 2018									
Beginning balance as at November 1, 2017		2,205,116,310	2,946,439,199	220,512,200	3,554,072,983	22,279,424	779,433,283	801,712,707	9,727,853,399
Changes in shareholders' equity during the year									
- Dividends paid	26.1	-	-	-	(220,511,621)	-	-	-	(220,511,621)
- Unrealized actuarial loss adjustment		-	-	-	(16,807,009)	-	-	-	(16,807,009)
- Total comprehensive expense for the year		-	-	-	(566,206,169)	(56,677,392)	-	(56,677,392)	(622,883,561)
Ending balance as at October 31, 2018		2,205,116,310	2,946,439,199	220,512,200	2,750,548,184	(34,397,968)	779,433,283	745,035,315	8,867,651,208
For the year ended October 31, 2019									
Beginning balance as at November 1, 2018		2,205,116,310	2,946,439,199	220,512,200	2,750,548,184	(34,397,968)	779,433,283	745,035,315	8,867,651,208
Changes in shareholders' equity during the year									
- Dividends paid	26.1	-	-	-	(220,511,621)	-	-	-	(220,511,621)
- Total comprehensive expense for the year		-	-	-	(237,932,942)	(71,791,363)	-	(71,791,363)	(309,724,305)
Ending balance as at October 31, 2019		2,205,116,310	2,946,439,199	220,512,200	2,292,103,621	(106,189,331)	779,433,283	673,243,952	8,337,415,282

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2019**

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax (expense) income		978,895,689	974,716,674	(311,842,195)	(708,631,013)
Adjustments for:					
Dividend income		(6,329,533)	(3,542,337)	(67,107,397)	(15,452,488)
Doubtful accounts - trade and other receivables		63,037,520	70,111,424	9,847,379	5,974,082
Share of gain of investment in an associate		(101,164,507)	(145,127,077)	-	-
Amortization (increase) of discount on bonds		(17,247)	(21,030)	-	-
Employee benefit expenses		23,634,200	33,408,989	10,595,134	13,756,808
Loss from capital reduction of an associate		-	443,465	-	443,465
Loss on diminution in value and obsolescence of inventories (reversal)		(53,110,963)	(218,098,757)	(42,513,332)	(147,575,137)
Loss from plantation and loss on impairment of biological assets (reversal)		(632,904)	61,165,954	-	2,924,099
Depreciation and amortization		1,204,712,930	1,264,326,625	488,556,157	440,611,036
(Gain) loss on sales and disposal of assets		(23,566,758)	2,848,945	(5,171,027)	(6,818,679)
Loss on impairment of assets		60,691,991	4,530,509	-	-
Loss on impairment of investments in subsidiaries		-	-	151,995,572	492,431,077
Gain on fair value adjustments of investment property		(206,670,000)	(240,907,860)	(73,654,000)	(150,441,650)
Unrealized loss (gain) on exchange rate		188,261	(3,355,425)	89,374,254	(19,883,278)
(Gain) loss on fair value adjustments of biological assets		(12,834,933)	34,275,762	5,320,127	(2,030,780)
Interest income		(90,748,402)	(113,368,083)	(195,307,821)	(259,701,656)
Interest expenses		710,332,209	727,643,450	637,837,828	620,337,926
		<u>2,546,417,553</u>	<u>2,449,051,228</u>	<u>697,930,679</u>	<u>265,943,812</u>
Operating assets (increase) decrease					
Trade and other current receivables		177,592,836	(1,265,875,148)	(1,588,530,638)	(577,858,006)
Inventories		1,367,686,687	(762,291,773)	1,293,811,273	(731,966,635)
Current biological assets		21,267,092	(50,842,486)	(1,750,810)	1,349,204
Other current assets		18,192,945	28,332,676	17,019,748	23,434,714
Trade and other non-current receivables		(130,300,535)	(478,280,962)	(99,157,282)	(274,620,867)
Other non-current assets		(3,042,845)	(10,744,540)	(8,510,537)	(13,992,752)
Operating liabilities increase (decrease)					
Trade and other current payables		(467,423,406)	231,200,642	-98,471,184	157,567,648
Other current liabilities		45,551,491	16,619,101	42,950,864	(2,552,045)
Non-current provision for employee benefit		(26,656,083)	(38,453,251)	(13,646,380)	(18,272,602)
Other non-current liabilities		(17,414,278)	12,836,022	(16,116,916)	9,413,911
Cash received (paid) from operating activities		<u>3,531,871,457</u>	<u>131,551,509</u>	<u>225,528,817</u>	<u>(1,161,553,618)</u>
Interest paid		(714,273,419)	(706,795,238)	(642,055,899)	(598,261,025)
Income tax expense paid		(195,851,518)	(120,799,825)	(10,508,363)	(10,642,881)
Net cash provided by (used in) operating activities		<u>2,621,746,520</u>	<u>(696,043,554)</u>	<u>(427,035,445)</u>	<u>(1,770,457,524)</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED OCTOBER 31, 2019

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash payments for the purchase of temporary investments		(236,328)	(324)	-	-
Decrease (increase) in short-term loans to related parties and others		220,779,928	(39,779,928)	409,209,560	181,117,676
Decrease in short-term loans to farmers		347,353,840	50,898,133	177,236,461	69,798,835
Cash payments for investments in an associate		-	(695,170)	-	(695,170)
Cash received from decrease capital in an associate		-	1,407,685	-	1,407,685
Cash payments for purchases of other long-term investments		-	(2,175)	-	(2,175)
Decrease (increase) in loans for cane plantation development		51,044,905	149,589,523	(16,803,583)	30,804,394
Decrease (increase) in long-term loans to related parties and others		68,516,667	(4,962,000)	230,166,667	(905,012,000)
Cash received from interest income		81,985,041	110,429,688	218,797,517	231,871,556
Cash received from dividends of subsidiaries and others		11,939,177	9,933,411	18,474,494	9,933,411
Cash payments for purchases of property, plant and equipment		(476,235,384)	(1,169,400,188)	(597,124,004)	(755,373,105)
Cash received from sales of property, plant and equipment		62,051,205	37,202,143	13,759,266	20,076,528
Cash payments for purchase of investment properties		(263,117,883)	(6,263,373)	-	(220,741)
Cash received from sales of assets not yet used in operation		13,790,802	286,987	-	-
Cash payments of purchase of intangible assets		(1,189,025)	(1,556,668)	(495,246)	(519,990)
Net cash provided by (used in) investing activities		<u>116,682,945</u>	<u>(862,912,256)</u>	<u>453,221,132</u>	<u>(1,116,813,096)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in short-term borrowings from financial institutions	4.2	(1,961,320,500)	(1,662,779,438)	(1,381,000,000)	(409,000,000)
Increase in short-term borrowings from related parties and others	4.2	658,166,005	369,582,960	482,303,998	86,750,546
Cash received from long-term debentures	4.2	3,000,000,000	2,000,000,000	3,000,000,000	2,000,000,000
Cash payment for long-term debentures	4.2	(3,000,000,000)	(1,000,000,000)	(3,000,000,000)	(1,000,000,000)
Cash received from long-term borrowings	4.2	3,000,000,000	4,000,000,000	3,000,000,000	4,000,000,000
Cash payment for long-term borrowings	4.2	(1,933,000,000)	(1,973,833,330)	(1,881,000,000)	(1,573,833,330)
Cash payments for dividends to shareholders of the parent		(220,511,621)	(220,511,621)	(220,511,621)	(220,511,621)
Cash payments for non-controlling interests		(521,496)	-	-	-
Net cash (used in) provided by financing activities		<u>(457,187,612)</u>	<u>1,512,458,571</u>	<u>(207,623)</u>	<u>2,883,405,595</u>
Exchange differences on translation of cash of foreign subsidiaries		19,903,709	22,735,056	-	-
Net increase (decrease) in cash and cash equivalents		<u>2,301,145,562</u>	<u>(23,762,183)</u>	<u>25,978,064</u>	<u>(3,865,025)</u>
Cash and cash equivalents at the beginning of the year		129,241,732	153,003,915	8,029,157	11,894,182
Cash and cash equivalents at the end of the year	4.3	<u>2,430,387,294</u>	<u>129,241,732</u>	<u>34,007,221</u>	<u>8,029,157</u>

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED OCTOBER 31, 2019

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY

Khon Kaen Sugar Industry Public Company Limited (the “Company”) was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 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, Thanon Phaya Thai Sub-District, Ratchathewi District, Bangkok, and the locations of its 5 factories (branches) are as follows :

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

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

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

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

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

The Company’s main businesses are to manufacture and distribute sugar and molasses and 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 2.2.

The Company’s major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 33.29% of issued and paid-up shares capital.

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

The Company and its subsidiaries in Thailand maintain their accounting records in Thai Baht and prepare their statutory financial statements in Thai language in conformity with Thai Financial Reporting Standards issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

The financial statements of the foreign subsidiaries are translated into Thai Baht for preparation of the consolidated financial statements (see Note 3.22).

2.1 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2016) “Presentation of Financial Statements”, and the regulation of the Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560. The format of presentation of the financial statements is not significantly different from 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”.

The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies.

2.2 These consolidated financial statements included the accounts of the Company and its subsidiaries (the “Group”). Significant transactions and balances between the Company and its subsidiaries have been eliminated for the preparation of the consolidated financial statements as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at October 31, 2019	As at October 31, 2018		
	%	%		
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. ⁽⁴⁾	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. ⁽¹⁾	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Real Estate Company Limited ⁽²⁾	91.02	91.02	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental
Koh Kong Plantation Company Limited ⁽³⁾⁽⁴⁾	80.00	80.00	Cambodia	Agricultural operation

(1) 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.

(2) The Company holds shares indirectly through Tamaka Sugar Industry Company Limited.

(3) The Company holds shares indirectly through Wynn In Trading Co., Ltd.

(4) The Subsidiaries in Cambodia has continue operating losses. The management of the Group therefore has a plan to cease their operations to internally restructure the subsidiaries. The subsidiaries’ assets and liabilities were appropriately remeasured and reclassified in the consolidated financial statements.

The accounting period of subsidiaries ended the same date as the Company (accounting period ended on October 31) except WSP Logistic Company Limited whose accounting periods ended December 31.

The consolidated financial statements are prepared based on the same accounting policies for the same accounting items or similar accounting events and the same financial reporting period.

Significant balances and transactions between the Company and its subsidiaries including investments in subsidiaries and subsidiaries' share capital were eliminated from the consolidated financial statements.

2.3 New or revised Thai Financial Reporting Standards

2.3.1 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. 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 Group's financial statements.

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

Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards, as follows:

Thai Financial Reporting Standards ("TFRS")

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 22	Foreign Currency Transactions and Advance Consideration
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Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. 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 reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standards (“TAS”)

TAS 28 (Revised 2018)	Investments in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

2.3.3 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Group of Financial instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standards (“TFRS”)

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether an Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when they become effective. The 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.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits, and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment.

3.2 Temporary investments

Temporary investments are fixed deposit with maturity term over 3 months up to 12 months with no obligation commitments and investments in debt securities classified as held-to-maturity, which will be matured within 1 year from the date in the statement of financial position. Such investments are stated at the amortized cost.

3.3 Trade receivables, farmer receivables, and other receivables

Trade receivables, farmer receivables, and other receivables are stated at the net realizable value.

Allowance for doubtful accounts is assessed primarily on analysis of payment histories, future expectations of customer payments and the value of collateral (if any). Bad debts are written off when incurred.

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value, and adjusted by allowance for deteriorated or obsolete inventories and for diminution in value of inventories. Cost is calculated as follows:

- Goods in process and finished goods of sugar and molasses are calculated by the average production cost in each production year using the first-in, first-out method.
- Finished goods of organic fertilizer are calculated by actual cost using the first-in, first-out method.
- Goods in process of organic fertilizer are calculated by actual cost using the specific method.
- Real estate development are calculated by using the specific method which consist of land cost, fulling cost, construction cost, utility system development cost and direct cost to acquire the products and set them to be ready for sale.
- Factory supplies are calculated using the moving average method.
- Bagasse, direct raw materials and trading finished goods are calculated using the first-in, first-out method.
- Machine maintenance supplies are calculated using the moving average method.

The common production costs incurred in the production process are not allocated to bagasse and other by-products from productions of sugar; therefore, revenues from sales of such products are presented as deduction to production costs in each production season.

3.5 Biological assets

The Company's and its subsidiaries' biological asset is sugar cane and their agricultural produce is harvested cane which are measured at their fair value less costs to sell at the point of harvest.

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

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

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

3.6 Investments

3.6.1 Investments in associates in the consolidated financial statements are recorded by the equity method and in the separate financial statements are recorded under the cost method net by the allowance for impairment. The change in the investment is recognized in the statement of profit or loss when the investment is disposed or the impairment of the investment incurred.

3.6.2 Investments in subsidiaries in the separate financial statements are recorded under the cost method net by the allowance for impairment. The change in the investment is recognized in the statement of profit or loss when the investment is disposed or the impairment of the investment incurred.

3.6.3 Investments in marketable debts and equity instruments which are recorded as investments held as available-for-sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under of non-current assets except the management has intention to hold them less than 12 months from the statement of financial position date or the management is to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are stated at fair values which are calculated from the latest quote of purchase price as of the reporting period and recognized the change in value in the other comprehensive income. When these investments are sold or impaired in value, the recognition will be made through the statement of profit or loss.

3.6.4 Investments in debt instruments, which are held to maturity, will be classified as short-term or long-term investments according to the remaining maturity period. They are stated at amortized cost and deducted by the allowance for impairment (if any). Premium/discount over value of debt instruments is amortized by effective interest rates method and the amortization amount will be presented in the statement of profit or loss.

3.6.5 General investments are non-marketable equity instruments are stated at cost less allowance for impairment (if any). Change in value of general investments is recognized in the statement of profit or loss when they are sold or impaired.

3.7 Investment property

Investment property consist of land, land improvement and building and warehouse leased out that are held for rental yields or for capital appreciation or both, and are not occupied by the companies in the Group.

Investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets replacement value or discounted cash flow projections. Valuation is performed as of the financial position date by independent professional valuers.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

3.8 Property, plant and equipment

Land is stated at the revalued amount less allowance for impairment. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation. Plant and equipment and bearer plant are stated at cost less accumulated depreciation and the allowance for impairment.

Revaluation is performed by independent professional appraisers, which the Company has the policy that the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair value, at the statement of financial position date. Increase from appraisal value will be recorded in the shareholders' equity under "gain on asset revaluation", and decrease from cost recorded as loss from decrease in revaluation of assets in the statement of profit or loss.

Depreciation of the plant and equipment and bearer plant is calculated from the cost using the straight-line method over their estimated useful lives, (except for machineries of the Company and subsidiaries which are in the business relating to the sugar and molasses manufacture and distribution) as follows:

Land improvement	3 - 60	years
Buildings and construction	2 - 76	years
Machineries and equipment	2 - 50	years
Motor vehicles and labor saving tools	2 - 28	years
Furniture and office equipment	2 - 37	years
Bearer plant	2	years

Machineries of the Company and its subsidiaries which are in the business relating to the sugar and molasses manufacture and distribution are depreciated based on the machinery production hours, which is equivalent to approximately 5 - 50 production seasons. The production capacity of machines is estimated by the engineers of the Group.

Depreciation calculated is included in the calculation of the operating result and no depreciation is calculated for the land and construction in progress.

Interest expenses incurred from the loans obtained especially for the construction in progress project and during installation of equipment are included in the cost of the said construction in progress until it is ready for its intended usage (if any).

3.9 Intangible assets

Intangible assets as follows computer software and land concession are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Amortization of computer software is calculated by the straight-line method over estimated useful lives between 3 - 10 years.

Amortization of land concession is calculated by the straight-line method within 50 - 60 years.

Impairment losses are recognized in the statement of income when incurred.

3.10 Assets not used in operation

Assets not used in operation are assets for business expansion in the future consist of land and equipment. Land is stated at the revalued amount less allowance for impairment (if any). The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation. Equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Revaluation is performed by independent professional appraisers, which the Company has the policy that the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the statement of financial position date. Increase from appraisal value will be recorded in the shareholders' equity under "gain on asset revaluation", and decrease from cost recorded as loss from decrease in revaluation of assets in the statement of income.

3.11 Impairment of assets

Impairment of assets is assessed at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount will be estimated. When the carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognized in the statements of profit or loss (an asset's recoverable amount is the higher of net selling price or value in use of the assets).

3.12 Debentures

Debentures are initially recorded at cost by calculating from the fair value of the money received, which comprised of the fund received net by the direct costs from the issuances of debentures such as the management fee, debenture holder's representatives trustee appointment fee and the fee for financial advisor for debenture issuances. Such costs are amortized as expenses using the straight-line method, which is not significantly differ from the effective rate method. The said expenses would be recorded over various periods throughout the periods of debentures according to each period's outstanding value of debentures. Interest bearing liabilities are presented at cost and expenses related to the occurrence of liabilities are recorded as expenses for the year.

3.13 Provisions

The Company and its subsidiaries will record provisions when it is highly certain that obligations will occur at present legally or reliable estimate as a result of past events. These obligations are expected to cause an outflow of resources embodying economics benefits resulting to settle such obligations and these amounts to be paid can be estimated reliably. If there is expectation to recover payment toward estimated liabilities certainly by all or part, the returned payment will be recognized as separate asset but its amount must not be more than related estimated liabilities and the expense related to liability estimates is shown in the statement of profit or loss at amount net by recognized amount of expenses to be recovered.

3.14 Employee benefits

3.14.1 Provident fund

The Company and its subsidiaries have a provident fund for those employees who have indicated their willingness to join. The contributions from the employees are deducted from their monthly salaries, with the Company matching the individuals' contributions. The provident fund is managed by a financial institution which is authorized by the Government in accordance with the Provident Fund Act B.E. 2530.

The contribution for employee provident fund is recorded as expenses when incurred.

3.14.2 Post-employment benefits

The Company and its subsidiaries operate post-employment benefits under the Thai Labor Protection Act and the Company and its subsidiaries' retirement rules. Such employee benefit obligations are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of services and other factors. Discount rate used in calculation of the post-employment benefit obligations is referred from the yield curve of government bond. Actuarial gains (losses) are recognized in other comprehensive income in the period when they incur. Expenses related to employee benefits are recognized in the statement of profit or loss in order to allocate such costs throughout the service period.

3.15 Share premium account on ordinary shares

Share premium account on ordinary shares is stated in accordance with Section 51 of the Public Limited Company Act B.E. 2535, in the event the Company offers the ordinary shares for sale at the price exceeding the registered share price, the Company shall appropriate this surplus as reserve (“Share premium account on ordinary shares”). This share premium account on ordinary shares cannot be paid out as dividend.

3.16 Other components of equity

3.16.1 Losses on internal restructure of entities under common control is the difference between net carrying value of investment received and purchase cost of investment occurred from internal restructure of entities under common control. This investment was a merger of entities with the same former shareholders and management and the said difference is shown as a separate item in the statement of financial position under shareholders’ equity and it is written off when the investment is disposed.

3.16.2 Losses on change in shareholding ratio in subsidiaries is the difference between the investment for changed proportion in subsidiaries and book value of the subsidiaries resulted from change in proportion of investment in that subsidiaries. This difference is shown as a separate item in the statement of financial position under the shareholders’ equity and it is written off when the investment is disposed.

3.17 Non-controlling interests

Non-controlling interests mean the book value of the net assets of the subsidiaries in according to the shareholding ratio of the non-controlling interests or the participating portion which does not belong to the shareholders of the parent. The non-controlling interests are presented in a separate caption under the shareholders’ equity in the consolidated statement of financial position and profit (loss) of the non-controlling interests are presented in a separate caption of the consolidated statement of income.

3.18 Revenue recognition

The recognized revenue excludes value added taxes and other sales taxes. Revenue is presented net off discounts. The policies are as follows:

3.18.1 Revenues from sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.

3.18.2 Revenues from services, which the lengths of the services are short-term, are recognized when services are rendered.

3.18.3 Revenues from rental are recognized over the term of the lease.

3.18.4 Revenues from sale of land are recognized when the land ownership has already been transferred to the purchaser.

3.18.5 Revenues from sale of electricity and steam are recognized when the products steam are delivered and the customers have accepted the deliveries.

3.18.6 Interest income and discount receivable from discounting notes receivable are recognized according to the related period.

3.18.7 Dividend income is recognized when entitled to receive such dividend.

3.18.8 Other incomes are recognized on an accrual basis.

3.19 Expense recognition

Other expenses are recognized on an accrual basis.

3.20 Leases

Operating lease

Lease in which substantially the risks and ownership of assets remain with the lessor is accounted for as operating lease. Rental applicable to such operating leases are charged to the statement of income using the straight-line method over the lease period.

3.21 Finance costs

Finance costs such as interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.22 Foreign currency transactions

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on that date. Exchange gains or losses either realized or unrealized are included as incomes or expenses in the statement of profit or loss for the year.

The financial statements of overseas subsidiaries are translated to Thai Baht in preparation of the consolidated financial statements as follows:

- a. Assets and liabilities are translated to Thai Baht at the foreign exchange rates ruling at statement of financial position date.
- b. Shareholders' equity is translated to Thai Baht at the foreign exchange rates on the transaction date.

- c. Revenues and expenses are translated to Thai Baht at average foreign exchange rates for the year.

Gain (loss) on translation of the financial statements prepared in foreign currencies are presented as other components of equity under shareholders' equity.

3.23 Related parties

Related parties with the Company and its subsidiaries represent individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the common control with the Company and its subsidiaries. Furthermore, the related parties also represent the associates and the parties who hold the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or employees of the Company and its subsidiaries who have power to plan and control the operations of the Company and its subsidiaries, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

3.24 Income tax expenses

Income tax expense represent the sum of the current tax and deferred tax.

3.24.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

3.24.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). The Company and its subsidiaries recognize deferred tax liabilities for all temporary differences, and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each statement of financial position date. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Company and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered.

The Company and its subsidiaries measures deferred tax assets and deferred tax liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of one company in the Group is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

3.25 Earnings per share

The calculations of basic earnings per share were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year net of treasury stocks. The calculations of diluted earnings per share (if any) were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.26 Sectorial business operations

Sectorial business operations are disclosed under the separate business segments of the Group. By the business segment that sources products or provides services which have different risks and return from the risks and return of the products or services provide by other business segments.

3.27 Financial assets and liabilities

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables, trade and other payables, investments and loan receivables and payables. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

Derivatives are invested by the Group for hedging the risk from the fluctuation of exchange rates or prices of goods by determining the future exchange rates or prices of goods relating to assets or liabilities will be derived or paid. Gain or loss on the investment in derivatives is recorded in the statement of profit or loss when the contracts are settled or contractual terms are expired.

3.28 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.29 Use of accounting estimates

The preparation of consolidated and separate financial statements in conformity with Thai Financial Reporting Standards also requires the Company's and its subsidiaries' management to exercise 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 revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

The significant accounting estimate which requires the Company's and its subsidiaries' management to exercise the significant judgments.

- Estimate recoverable amount of its investment in subsidiaries in foreign countries and of buildings and equipment of those subsidiaries in foreign countries

Estimate recoverable amount of its investment in subsidiaries in foreign countries and of buildings and equipment of those subsidiaries in foreign countries for consideration of their loss on impairment. The recoverable amount are estimated at higher of their values in use and their fair values deducted by sales cost of assets, whereby

- Values in use are estimated exercising the Company's management judgment in connection with the judgment on significant assumptions to forecast the results of operations depending on the price of sugar in the world market. The Company's management assessed that the present value of the future cash flows expected to be received of those subsidiaries in foreign at the end of the reporting period would be negative cash flows.
- Fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management.

- Fair value of investment property and lands

The Group's investment property and lands are measured at fair value for financial reporting purposes. Fair values are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand).

Information about valuation techniques and inputs used in determining the fair value of investment property and lands are disclosed in Notes 16 and 17.

- Unrecognized deferred tax assets

The Group recognizes deferred tax assets for temporary difference arising between the tax bases of assets or liabilities and their carrying amounts for financial reporting purposes at the statement of financial position date. Management judgment is used in assessing the Group's ability to generate its future profit. The Group recognizes deferred tax assets at end of reporting period only for amount being utilized considering that it is highly probable that the sufficient future taxable profit will be generated to utilize such amount (see Note 24).

4. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

4.1 Significant non-cash items in the consolidated and separate financial statements for the years ended October 31, are as follows:

Type of Transactions	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Purchases of property, plant and equipment which have not yet been paid	9,958	19,863	4,743	21,615
Transfer of equipment to intangible assets	3,009	298	3,009	298
Transfer of assets not used in operations to investment property	-	2,626	-	-
Transfer of assets not used in operations to inventories	-	8,585	-	-
Transfer of assets not used in operations to property, plant and equipment	650,418	6,754	3,393	-
Decrease in short-term loans to subsidiaries from debt-to-equity conversion	-	-	-	775,320
Transfer of other current assets to other non-current assets	-	4,151	-	-
Decrease in short-term borrowings from subsidiaries by offsetting against dividend received	-	-	45,000	-
Decrease in short-term borrowings from others by offsetting other receivables	1,029,349	-	626,654	-

4.2 Changing in liabilities arising from financing activities for the year ended October 31, 2019 are as follows:

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	Balance as at November 1, 2018	Financing cash flows	Non-cash changes	Balance as at October 31, 2019
Short-term borrowings from financial institutions	6,846,126	(1,961,320)	(4,668)	4,880,138
Short-term borrowings from related parties and others	374,583	658,166	(1,029,349)	3,400
Long-term borrowings from financial institutions	5,682,000	1,067,000	-	6,749,000
Long-term debentures	10,493,742	-	(142)	10,493,600
Total	<u>23,396,451</u>	<u>(236,154)</u>	<u>(1,034,159)</u>	<u>22,126,138</u>

	Unit : Thousand Baht			
	Separate Financial Statements			
	Balance as at November 1, 2018	Financing cash flows	Non-cash changes	Balance as at October 31, 2019
Short-term borrowings from financial institutions	3,851,660	(1,381,000)	(4,668)	2,465,992
Short-term borrowings from related parties and others	631,950	482,304	(671,654)	442,600
Long-term borrowings from financial institutions	5,630,000	1,119,000	-	6,749,000
Long-term debentures	10,493,742	-	(142)	10,493,600
Total	<u>20,607,352</u>	<u>220,304</u>	<u>(676,464)</u>	<u>20,151,192</u>

4.3 Cash and cash equivalents as at October 31, are as follows:

Type of Transactions	Unit : Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Cash	1,380	2,331	475	876
Current accounts deposits	18,321	25,571	3,982	(1,258)
Savings accounts deposits	94,616	101,340	29,550	8,411
Deposit in transit	2,316,070	-	-	-
Total	<u>2,430,387</u>	<u>129,242</u>	<u>34,007</u>	<u>8,029</u>

As at October 31, 2019, deposit in transit is the deposit in US Dollar of a subsidiary which received from oversea trade receivables before the date of financial statements and was in transfer process into such subsidiary's local bank accounts.

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 related parties as at October 31, are as follows:

Type of Balances	Consolidated		Unit : Million Baht	
	Financial Statements 2019	Financial Statements 2018	Separate Financial Statements 2019	Separate Financial Statements 2018
Trade and other current receivables				
Subsidiaries	-	-	2,535.73	912.19
Associates	1.15	1.32	1.15	1.32
Related parties	85.02	373.57	1.97	203.31
Total	<u>86.17</u>	<u>374.89</u>	<u>2,538.85</u>	<u>1,116.82</u>
Short-term loans (Included current portion of long-term loans) (see Note 7)				
Subsidiaries	-	-	2,254.57	1,326.44
Other current assets				
Subsidiaries	-	-	33.18	56.72
Associates	9.15	5.52	9.15	5.52
Related parties	1.94	0.45	0.46	0.16
Total	<u>11.09</u>	<u>5.97</u>	<u>42.79</u>	<u>62.40</u>
Long-term loans (Excluded current portion of long-term loans with presented in short-term loans)				
Subsidiaries	-	-	3,154.39	4,521.69
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	-	-	239.80	28.65
Associates	10.08	5.58	0.48	-
Related parties	92.54	178.13	27.08	120.04
Total	<u>102.62</u>	<u>183.71</u>	<u>267.36</u>	<u>148.69</u>
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	25.57	31.14
Short-term borrowings				
Subsidiaries	-	-	439.20	421.50
Related parties	3.40	3.80	3.40	3.80
Total	<u>3.40</u>	<u>3.80</u>	<u>442.60</u>	<u>425.30</u>
Other current liabilities				
Subsidiaries	-	-	0.03	0.03
Related parties	0.02	0.02	-	-
Total	<u>0.02</u>	<u>0.02</u>	<u>0.03</u>	<u>0.03</u>
Other non-current liabilities				
Subsidiaries	-	-	0.47	0.47
Related parties	1.19	1.19	1.19	1.19
Total	<u>1.19</u>	<u>1.19</u>	<u>1.66</u>	<u>1.66</u>

As at October 31, 2019 and 2018, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 2.10% - 4.75% per annum and 2.10% - 3.05% per annum, respectively.

As at October 31, 2019 and 2018, long-term loans to subsidiaries represented loans with maturity date within 2021 - 2027 carrying the interest rates at 2.20% - 4.75% per annum and 2.20% - 3.90% per annum, respectively.

As at October 31, 2019 and 2018, short-term borrowings from subsidiaries and related parties represented promissory notes payable on demand, carrying the interest rates at 1.80% - 1.95% per annum and 1.80% - 1.84% per annum, respectively.

5.2 Significant transactions with related parties for the years ended October 31, are as follows:

Type of Transactions	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Revenues from sales and rendering of services				
Subsidiaries	-	-	2,874.21	2,463.17
Associates	0.01	-	0.01	-
Related parties	2,019.87	2,006.57	1,103.55	914.54
Total	<u>2,019.88</u>	<u>2,006.57</u>	<u>3,977.77</u>	<u>3,377.71</u>
Cost of sales and rendering of services				
Subsidiaries	-	-	1,785.36	2,693.88
Associates	7.05	10.02	7.05	10.02
Related parties	23.49	43.04	0.49	1.53
Total	<u>30.54</u>	<u>53.06</u>	<u>1,792.90</u>	<u>2,705.43</u>
Other incomes				
Subsidiaries	-	-	185.65	218.06
Associates	12.62	11.44	27.38	11.07
Related parties	11.67	9.17	6.13	5.95
Total	<u>24.29</u>	<u>20.61</u>	<u>219.16</u>	<u>235.08</u>
Distribution costs				
Subsidiaries	-	-	5.01	9.73
Associates	59.47	51.48	4.95	3.05
Total	<u>59.47</u>	<u>51.48</u>	<u>9.96</u>	<u>12.78</u>
Administrative expenses				
Subsidiaries	-	-	5.39	9.76
Related parties	17.64	14.88	8.00	6.23
Related juristic person	10.97	11.00	9.88	9.90
Total	<u>28.61</u>	<u>25.88</u>	<u>23.27</u>	<u>25.89</u>
Financial costs				
Subsidiaries	-	-	7.81	5.94
Related juristic person	0.07	0.08	0.07	0.08
Total	<u>0.07</u>	<u>0.08</u>	<u>7.88</u>	<u>6.02</u>
Management compensation				
Short-term employee benefits	145.62	138.27	61.44	56.22
Post-employment benefits	5.67	3.69	2.78	1.90
Total	<u>151.29</u>	<u>141.96</u>	<u>64.22</u>	<u>58.12</u>

POLICIES OF INTER-PRICE SETTING

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

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

Company Names	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related party	Same group of shareholder and mutual directors
On Nuj Construction Co., Ltd.	Related party	Same group of shareholder and mutual directors
Raja Ceramics Co., Ltd.	Related party	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related party	Same group of shareholders
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building
KSL Green Innovation Public Company Limited	Related party	Same common shareholder and mutual directors
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Related party	Same common mutual 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 as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Trade receivables	463,083	940,737	250,942	509,687
Current farmer receivables	320,159	324,213	196,646	225,688
Receivables from the Office of the Cane and Sugar Fund	245,203	1,035,550	191,306	633,071
Other receivables	81,732	16,528	1,709,134	18,013
Advance payment for shares (see Note 12)	-	-	775,320	775,320
Prepaid expenses	30,337	37,708	19,842	19,629
Advance payment	4,150	7,507	3,275	3,986
Accrued income	142,369	113,822	56,021	75,353
Total trade and other current receivables	<u>1,287,033</u>	<u>2,476,065</u>	<u>3,202,486</u>	<u>2,260,747</u>

6.1 Trade receivables as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Related parties	84,124	372,086	108,623	327,820
Others	378,959	568,651	142,319	181,867
Total trade receivables	<u>463,083</u>	<u>940,737</u>	<u>250,942</u>	<u>509,687</u>

Aging analyzes for trade receivables as at October 31, are as follows:

6.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Domestic trade receivables				
Not yet due	84,124	372,086	108,623	327,820
Total trade receivables - related parties	<u>84,124</u>	<u>372,086</u>	<u>108,623</u>	<u>327,820</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	
	2019	2018	2019	2018
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	114,331	117,304	34,342	26,173
Overdue not over 3 months	42,580	31,252	5,839	12,586
Overdue over 3 months and not over 6 months	-	13,552	-	13,552
Total	<u>156,911</u>	<u>162,108</u>	<u>40,181</u>	<u>52,311</u>
Foreign trade receivables				
Not yet due	108,013	290,220	102,138	113,753
Overdue not over 3 months	-	4,541	-	4,541
Overdue over 3 months and not over 6 months	-	11,261	-	11,262
Total	<u>108,013</u>	<u>306,022</u>	<u>102,138</u>	<u>129,556</u>
Total of business are to manufacture and distribute sugar and molasses	<u>264,924</u>	<u>468,130</u>	<u>142,319</u>	<u>181,867</u>
Manufacture and distribution of electricity				
Domestic trade receivables				
Not yet due	82,552	70,962	-	-
Overdue not over 3 months	<u>26,812</u>	<u>24,056</u>	<u>-</u>	<u>-</u>
Total of business of manufacturing and distributing of electricity	<u>109,364</u>	<u>95,018</u>	<u>-</u>	<u>-</u>
Other business				
Domestic trade receivables				
Not yet due	1,845	2,280	-	-
Overdue not over 3 months	2,037	2,138	-	-
Overdue over 3 months and not over 6 months	61	365	-	-
Overdue over 6 months and not over 12 months	99	204	-	-
Overdue over 12 months	<u>629</u>	<u>516</u>	<u>-</u>	<u>-</u>
Total other business	<u>4,671</u>	<u>5,503</u>	<u>-</u>	<u>-</u>
Total trade receivables - others	<u>378,959</u>	<u>568,651</u>	<u>142,319</u>	<u>181,867</u>

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 as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2019	Financial Statements 2018	Separate Financial Statements 2019	Separate Financial Statements 2018
Cane receivables				
Season 2018/2019	84,599	-	13,969	-
Season 2017/2018	18,261	26,630	6,873	11,462
Season 2016/2017	25,196	37,767	11,144	15,468
Season 2015/2016	44,432	45,981	12,283	13,032
Before Season 2015/2016	127,301	134,093	27,301	29,116
Total cane receivables	<u>299,789</u>	<u>244,471</u>	<u>71,570</u>	<u>69,078</u>
Advance payment for purchases of cane				
Season 2020/2021	72	-	72	-
Season 2019/2020	210,334	-	169,865	-
Season 2018/2019	-	253,863	-	193,344
Total advance payment for purchases of cane	<u>210,406</u>	<u>253,863</u>	<u>169,937</u>	<u>193,344</u>
Receivables from fuel oil, fertilizer and other services	<u>14,769</u>	<u>13,364</u>	<u>13,676</u>	<u>12,786</u>
Total	524,964	511,698	255,183	275,208
<u>Less</u> Allowance for doubtful accounts	<u>(136,655)</u>	<u>(100,506)</u>	<u>(40,054)</u>	<u>(40,739)</u>
Total farmer receivables	388,309	411,192	215,129	234,469
<u>Less</u> Non-current portion	<u>(68,150)</u>	<u>(86,979)</u>	<u>(18,483)</u>	<u>(8,781)</u>
Total current farmer receivables	<u>320,159</u>	<u>324,213</u>	<u>196,646</u>	<u>225,688</u>

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

6.3 Receivables from the Office of the Cane and Sugar Fund

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2019	Financial Statements 2018	Separate Financial Statements 2019	Separate Financial Statements 2018
Receivable from sugar cane price	1,274,277	1,035,550	817,961	633,071
Receivable from compensation for production and distribution of sugar	<u>541,573</u>	<u>440,564</u>	<u>346,217</u>	<u>268,049</u>
Total receivables from the Office of the Cane and Sugar Fund	1,815,850	1,476,114	1,164,178	901,120
<u>Offset</u> Short-term loans from the Office of Cane and Sugar Fund (see Note 22)	<u>(1,029,349)</u>	<u>-</u>	<u>(626,655)</u>	<u>-</u>
	786,501	1,476,114	537,523	901,120
<u>Less</u> Receivables from the Office of the Cane and Sugar Fund of non-current portion (see Note 14)	<u>(541,298)</u>	<u>(440,564)</u>	<u>(346,217)</u>	<u>(268,049)</u>
Total current receivables from the Office of the Cane and Sugar Fund	<u>245,203</u>	<u>1,035,550</u>	<u>191,306</u>	<u>633,071</u>

The Company and three subsidiaries expect to receive compensation from the Office of the Cane and Sugar Fund will reimburse from the Cane and Sugar Fund, since the Group expects that in the 2017/2018 and 2018/2019 harvesting years the final sugar cane price and the final compensation for the production and distribution of sugar will be less than the initial sugar cane price and the initial compensation for the production and distribution of sugar. In accordance with Section 56 of the Cane and Sugar Act B.E. 2527, the Cane and Sugar Fund is to pay compensation to the Company and subsidiaries at an amount equal to the difference, and the sugar cane planters do not have to return the excess amount of the sugar cane price received.

The Company and subsidiaries expect the Cane and Sugar Fund to finalize the calculation and pay compensation for the sugar cane price in the next fiscal year therefore classified compensation expected to be received in the next fiscal year as “Current receivables from the Office of the Cane and Sugar Fund”. In addition, the Company and subsidiaries company recorded its estimate of total the compensation for production and distribution of sugar to be received in the future as “Receivables from the Office of the Cane and Sugar Fund of non-current portion”.

The estimates of the final sugar cane price and compensation for the production and distribution of sugar are management’s best estimates, but the final calculation is to be made by the Cane and Sugar Board. As a result, the final sugar cane price and compensation for the production and distribution of sugar that expect to be announced at the beginning of 2020 may differ from these estimates.

7. SHORT-TERM LOANS

Short-term loans as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Short-term loans to subsidiaries and related parties (see Note 5.1)	-	-	1,094,266	1,226,440
Short-term loans to others	-	220,780	-	220,780
Short-term loans to farmers	669,056	1,015,616	226,935	404,172
Current portion of long-term loans to subsidiaries (see Note 5.1)	-	-	1,160,300	100,000
Current portion of long-term loans to others	1,333	46,683	1,333	46,683
Current portion of loans for cane plantation development	255,217	250,067	70,463	59,663
Total short-term loans	<u>925,606</u>	<u>1,533,146</u>	<u>2,553,297</u>	<u>2,057,738</u>

Short-term loans to others as at October 31 2018, in the consolidated and separate financial statements represented loans the form of promissory notes with 90 days maturity, carrying interest rates at MLR-1.50% per annum. The interest was payable at the end of each month. Such loans were guaranteed by the land and structure and the director of such company, during the year 2019, such loans were fully received.

Short-term loans to farmers as at October 31, 2019 and 2018, in the consolidated and separate financial statements represent loans the form of discounted check purchase for post-dated checks which the Company and its subsidiaries issued to the farmers on purchases of sugar cane, which the farmers discounted sale to the Company and its subsidiaries with interest rates based on average lending rates of commercial banks.

8. INVENTORIES

Inventories as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Sugar and molasses	1,991,583	3,437,093	1,108,901	2,398,280
Bio-fertilizer	28,144	25,787	-	-
Bagasse	184,087	85,989	-	-
Real estate development	62,712	62,712	-	-
Factory supplies	106,655	95,031	72,446	64,321
Machine maintenance supplies	474,516	508,771	384,824	397,381
	<u>2,847,697</u>	<u>4,215,383</u>	<u>1,566,171</u>	<u>2,859,982</u>
<u>Less</u> Allowance for deteriorated or obsolete inventories	(21,943)	(7,396)	(2,981)	(4,614)
Allowance for diminution in value of inventories	(51,373)	(119,030)	(50,018)	(90,898)
Total inventories	<u>2,774,381</u>	<u>4,088,957</u>	<u>1,513,172</u>	<u>2,764,470</u>

Movements of allowance for deteriorated or obsolete inventories for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Beginning balance	(7,396)	(39,388)	(4,614)	(34,121)
<u>Add</u> Disposal (increase) during the years - recognized as expense for the years	(14,547)	31,992	1,633	29,507
Ending balance	<u>(21,943)</u>	<u>(7,396)</u>	<u>(2,981)</u>	<u>(4,614)</u>

Movements of allowance for diminution in value of inventories for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Beginning balance	(119,030)	(305,137)	(90,898)	(208,967)
<u>Add</u> Reversal during the years - recognized as cost of sales for the years	67,657	186,107	40,880	118,069
Ending balance	<u>(51,373)</u>	<u>(119,030)</u>	<u>(50,018)</u>	<u>(90,898)</u>

9. CURRENT BIOLOGICAL ASSETS

Movements of current biological assets for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Beginning book value	60,800	111,895	6,106	5,854
Gain (loss) on arising from change in fair value	12,835	(34,276)	(5,320)	2,030
Additional plantation costs during the year	86,404	175,648	5,150	6,694
Amortization from harvesting during the year	(107,671)	(124,806)	(3,399)	(8,043)
Loss from plantation	-	(21,820)	-	(429)
Allowance for impairment	-	(45,892)	-	-
Exchange differences on translating financial statements	-	51	-	-
Ending book value	<u>52,368</u>	<u>60,800</u>	<u>2,537</u>	<u>6,106</u>

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

10. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale as at October 31, consisted of:

	Parentage of Shareholding		Consolidated		Unit : Thousand Baht	
	Direct and indirect		Financial Statements		Separate	
	2019	2018	2019	2018	2019	2018
	%	%				
Marketable equity securities-Available-for-sale-securities						
- Madman Public Company Limited	7.46	7.46	432,952	432,952	432,952	432,952
Change in fair value			<u>(215,689)</u>	<u>(125,949)</u>	<u>(215,689)</u>	<u>(125,949)</u>
Total investments held as available for sale			<u>217,263</u>	<u>307,003</u>	<u>217,263</u>	<u>307,003</u>

The fair value of investments held as available-for-sale is the offering price on the Stock Exchange of Thailand which is hierarchy level 1.

11. INVESTMENTS IN ASSOCIATES

Investments in associates as at October 31, consisted of:

Consolidated Financial Statements

Company Name	Unit : Thousand Baht									
	Paid-up		Percentage of		2019			2018		
	Share Capital		Shareholding		Investment		Dividend	Investment		Dividend
	2019	2018	%	%	Cost	Equity	for	Cost	Equity	for
		2019	2018				the year			the year
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	525,654	14,608	90,267	507,174	11,869
T S G Trading Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	2,061	2,061	-
T S Oil Industry Co., Ltd.*	300,000	300,000	0.62	0.62	1,855	1,855	-	1,855	1,855	-
T S Flour Mill Public Company Limited*	398,664	344,706	0.07	0.08	391	192	63	391	254	41
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	418	91	509	509	-
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	40,508	40,508	-
BBGI Public Company Limited	2,532,000	2,532,000	40.00	40.00	3,244,868	3,394,621	-	3,244,868	3,326,545	-
Total					<u>3,380,459</u>	<u>3,965,309</u>	<u>14,762</u>	<u>3,380,459</u>	<u>3,878,906</u>	<u>11,910</u>

Separate Financial Statements

Company Name	Unit : Thousand Baht								
	Paid-up		Percentage of		Investment Cost		Dividends		
	share Capital		Shareholding				For the year ended		
	2019	2018	%	%	2019	2018	2019	2018	
		2019	2018					October 31,	
Thai Sugar Terminal Public Company Limited	191,664	191,664	23.82	23.82	90,267	90,267	14,608	11,869	
T S G Trading Co., Ltd.*	50,000	50,000	4.11	4.11	2,061	2,061	-	-	
T S Oil Industry Co., Ltd.*	300,000	300,000	0.62	0.62	1,855	1,855	-	-	
T S Flour Mill Public Company Limited*	398,664	344,706	0.07	0.08	391	391	63	41	
T S Warehouse Co., Ltd.*	12,500	12,500	4.02	4.02	509	509	91	-	
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.12	10.12	40,508	40,508	-	-	
BBGI Public Company Limited	2,532,000	2,532,000	40.00	40.00	3,244,868	3,244,868	-	-	
Total					<u>3,380,459</u>	<u>3,380,459</u>	<u>14,762</u>	<u>11,910</u>	

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

Summarized financial position in respect of an associate and performance for the years ended September 30, are as follows:

	Percentage of Shareholding	Current Assets	Non-Current Assets	Total assets	Current Liabilities	Non-Current Liabilities	Total liabilities	Total Revenues	Total Expense	Profit
2019										
Thai Sugar Terminal Public Company Limited	23.82	1,313	4,077	5,390	1,121	561	1,682	2,528	2,357	171
BBGI Public Company Limited	40.00	2,115	7,502	9,617	2,682	1,609	4,291	9,696	9,511	185
2018										
Thai Sugar Terminal Public Company Limited	23.82	1,202	3,822	5,024	981	684	1,665	1,917	1,699	218
BBGI Public Company Limited	40.00	1,941	7,156	9,097	2,217	1,715	3,932	9,382	9,123	259

The Minutes of Annual General Shareholders' meeting No.1/2561 on April 26, 2018, of T S Oil Industry Co., Ltd. had resolution to decrease the registered capital and modify the memorandum of association from the registered capital of Baht 600.00 million to Baht 300.00 million, by reducing the par value of ordinary share from Baht 100.00 per share to Baht 50.00 per share. The capital reduction was to discount the deficits and the remaining amount was returned to shareholders. T S Oil Industry Co., Ltd. registered the reduction of its registered capital on June 22, 2018. As a result of such capital reduction, there was loss on capital reduction of an associate amounting of Baht 0.44 million, which was presented as statement of profit or loss.

In April 2018, at the Annual General Meeting of the Shareholders of BBGI Co., Ltd. ("BBGI"), an associate of the Company, approved the resolutions in conversion of BBGI to a public company limited, change of par value from Baht 10 per share to 5 Baht per share and increase the registered capital of BBGI totaling Baht 1,083 million from Baht 2,532 million to Baht 3,615 million for distribution and sale to the shareholders of Khon Kaen Sugar Industry Public Company Limited and Bangchak Corporation Public Company Limited and for the initial public offering (IPO). Subsequent in July 2018, the Extraordinary General Meeting of the shareholders No.1/2561 of BBGI approved a change to the allocation of ordinary shares from capital increase of BBGI.

In March 2019, BBGI requested to postpone the IPO and registration of securities listed in the Stock Exchange of Thailand ("SET") as a result of the unfavorable capital market. The withdrawal of the request to be listed securities in SET was submitted to the SET.

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at October 31, consisted of:

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Unit : Thousand Baht	
	Share Capital		Shareholding				Dividends	
	2019	2018	2019	2018	2019	2018	For the year ended October 31,	
			%	%			2019	2018
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	1,016	-
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	45,000	-
KSL 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	46,016	-
Less Allowance for impairment of investments					(1,795,144)	(1,643,149)	-	-
Total investments subsidiaries					4,131,385	4,283,380	46,016	-

* These are foreign subsidiaries including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn. In Trading Co., Ltd. at 80%. Furthermore, Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year. As at October 31, 2019, loss of Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Company Limited exceed 75% of the registered share capital. The Company's management is performing to resolve its loss less than 75% of the registered share capital.

Movements in investments for the years ended October 31, are as follows:

	Unit : Thousand Baht Separate Financial Statements	
	2019	2018
	Beginning balance	4,283,380
Increase in allowance for impairment of investments		
Savannakhet Sugar Corporation	(20,497)	(98,092)
Koh Kong Sugar Industry Company Limited	(85,645)	(158,771)
Wynn In Trading Company Limited	(45,853)	(235,568)
Ending balance	<u>4,131,385</u>	<u>4,283,380</u>

As at October 31, 2019 and 2018, Koh Kong Sugar Industry Company Limited is in the process of registering the capital increase in amount of USD 24,000,000 for reduction of its deficit by increase its par value from USD 360,000 per share to USD 600,000 per share. The Company fully paid share subscriptions by offsetting to long-term loans to the subsidiary and Koh Kong Plantation Company Limited is in the process of registering the capital decrease in amount of USD 15,000,000 for reduction of its deficit by decrease its par value from USD 300,000 per share to USD 150,000 per share.

As at October 31, 2019 and 2018, in consistent with Thai Accounting Standard No. 36 “Impairment of Assets”, the Company has made an assessment of impairment loss to investment in Savannakhet Sugar Corporation Koh Kong Sugar Industry Company Limited and Wynn In Trading Company Limited, the independent appraiser evaluates the assets that generate future cash inflows and recorded impairment loss of investments in subsidiaries amounting to Baht 152.00 million and Baht 492.43 million, in the separate statements of profit or loss for the years ended October 31, 2019 and 2018, respectively.

13. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at October 31, consisted of:

	Parentage of Shareholding		Consolidated		Unit : Thousand Baht Separate	
	Direct and indirect		Financial Statements		Financial Statements	
	2019	2018	2019	2018	2019	2018
	%	%				
General Investments						
- Thai Cane and Sugar Co., Ltd.	3.93	3.93	787	787	323	323
- Thai Sugar Millers Co., Ltd.	7.36	7.36	10	10	4	4
- TISCO ESG Investment Fund for Society			20,000	20,000	20,000	20,000
Total			<u>20,797</u>	<u>20,797</u>	<u>20,327</u>	<u>20,327</u>
Held-to-maturity debt securities - government bonds			6,749	6,749	-	-
<u>Less</u> Amortization			(20)	(37)	-	-
Net			<u>6,729</u>	<u>6,712</u>	-	-
Total other long-term investments			<u>27,526</u>	<u>27,509</u>	<u>20,327</u>	<u>20,327</u>

14. TRADE AND OTHER NON-CURRENT RECEIVABLES

Trade and other non-current receivables as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Trade receivables and other receivables	27,568	15,824	11,972	-
Farmer receivables	204,805	187,332	58,537	49,520
Receivables from compensation for production and distribution of sugar (see Note 6.3)	541,298	440,564	346,217	268,049
Total	773,671	643,720	416,726	317,569
<u>Less</u> Allowance for doubtful accounts	<u>(158,027)</u>	<u>(111,422)</u>	<u>(50,586)</u>	<u>(40,739)</u>
Total trade and other non-current receivables - Net	<u>615,644</u>	<u>532,298</u>	<u>366,140</u>	<u>276,830</u>

15. LONG-TERM LOANS

Long-term loans as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Long-term loans to subsidiaries	-	-	4,314,690	4,621,690
Long-term loans to others	2,666	71,183	2,666	71,183
Loans for cane plantation development	505,631	557,838	132,337	110,247
<u>Less</u> Allowance for doubtful debts	<u>(106,244)</u>	<u>(89,658)</u>	<u>(14,988)</u>	<u>(9,702)</u>
<u>Less</u> Current portion (included as part of short-term loans, see Note 7)	<u>(256,550)</u>	<u>(296,750)</u>	<u>(1,232,096)</u>	<u>(206,346)</u>
Total long-term loans	<u>145,503</u>	<u>242,613</u>	<u>3,202,609</u>	<u>4,587,072</u>

As at October 31, 2018, most of long-term loans to others was loan to individual of Baht 62.00 million, which was under lending limit of Baht 120.00 million on August 31, 2015, principal installment payable every six months on the last working day of February and August of each year for 6 installments at Baht 20.00 million each. The first installment must be made in February 2016. The interest rate was 7.00% per annum and payable at the end of each month. Such loan was guaranteed by the shares and the land of two companies which the borrower was their director. In 2017, the agreement was amended to pay for 4 installments at Baht 15.00 million each, and the first installment was due in February 2018. Subsequently, on December 19, 2017, there was additional loan of Baht 20.00 million which would be due for repayment in August 2020 with the interest rate at 7.00% per annum payable at the end of each month. However, during the year 2019, such loans were fully received.

As at October 31, 2019 and 2018, loans for cane plantation development included in the consolidated financial statements of Baht 483.98 million and Baht 536.19 million, respectively, and in the separate financial statements of Baht 110.69 million and Baht 88.60 million, respectively, were the loans to farmers the purpose to buy land for cane plantation, agricultural machineries and equipment. The loan agreements were entered into for the periods of 1 - 8 years, or longer. Loans carry interest rates of 8.00% per annum and rates of 7.20% - 8.00% per annum, respectively, which the farmers mostly use land and vehicles as collateral. For the remaining loans for cane plantation development of Baht 21.65 million for each year were loans to other personals and parties for purchases of agricultural machineries for planting cane for one of the Company's overseas subsidiary for periods of 3 - 4 years and carrying interest rate at MLR+1.00% per annum. The principal and interest are payable annually. The loans are secured by such agricultural machineries.

16. INVESTMENT PROPERTY

Movements of investment property for the years ended October 31, are as follows:

2019

	Consolidated Financial Statements				Separate Financial Statements		
	Land	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
Fair value:							
As at November 1, 2018	3,205,489	1,961,515	-	5,167,004	1,092,861	602,717	1,695,578
Purchases	122,305	127,572	13,241	263,118	-	-	-
Gain from fair value adjustments on investment property	208,688	(2,018)	-	206,670	64,477	9,177	73,654
As at October 31, 2019	3,536,482	2,087,069	13,241	5,636,792	1,157,338	611,894	1,769,232

2018

	Consolidated Financial Statements			Separate Financial Statements		
	Land	Buildings and Warehouses	Total	Land	Buildings and Warehouses	Total
Fair value:						
As at November 1, 2017	2,978,687	1,938,520	4,917,207	955,502	589,413	1,544,915
Adjustment and reclassification		2,626	2,626	-	-	-
Purchases		-	6,263	-	221	221
Gain from fair value adjustments on investment property	224,176	16,732	240,908	137,359	13,083	150,442
As at October 31, 2018	3,205,489	1,961,515	5,167,004	1,092,861	602,717	1,695,578

For the years ended October 31, 2019 and 2018, the Company and its subsidiaries recognized rental income from investment property of Baht 201.95 million and Baht 202.26 million, respectively, in the consolidated statements of income, and of Baht 43.54 million and Baht 43.32 million, respectively, in the separate statements of income.

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.

17. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended October 31, are as follows:

2019

Unit : Thousand Baht

	Consolidated Financial Statements								Total
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	
Cost:									
As at November 1, 2018	935,689	1,598,735	6,265,823	22,040,136	1,770,666	286,961	3,385,044	262,216	36,545,270
Adjustment and reclassification	338,157	(6,445)	(26,803)	(98,944)	(5,667)	174	25,294	-	225,766
Purchases	14,983	-	162	11,448	14,088	9,533	360,616	27,062	437,892
Disposals/written off	-	-	(8,157)	(89,895)	(218,842)	(9,712)	-	(445)	(327,051)
Transfer in (out)	-	72,853	304,239	1,716,891	2,661	5,448	(2,102,092)	-	-
Translation of financial statements differences	-	(44,076)	(25,435)	(62,458)	(16,114)	(1,542)	-	(9,744)	(159,369)
As at October 31, 2019	1,288,829	1,621,067	6,509,829	23,517,178	1,546,792	290,862	1,668,862	279,089	36,722,508
Accumulated depreciation:									
As at November 1, 2018	-	(434,602)	(1,489,076)	(8,900,083)	(1,172,080)	(246,759)	-	(239,637)	(12,482,237)
Adjustment and reclassification	-	1,970	4,893	13,958	3,114	(128)	-	-	23,807
Depreciation for the year	-	(36,829)	(160,447)	(891,983)	(71,204)	(18,109)	-	(18,765)	(1,197,337)
Disposals/written off	-	-	8,062	71,625	189,182	9,647	-	343	278,859
Translation of financial statements differences	-	17,118	7,118	16,709	11,989	1,483	-	9,660	64,077
As at October 31, 2019	-	(452,343)	(1,629,450)	(9,689,774)	(1,038,999)	(253,866)	-	(248,399)	(13,312,831)
Differences on revaluation of assets:									
As at November 1, 2018	2,316,670	-	-	-	-	-	-	-	2,316,670
Reclassification	429,345	-	-	-	-	-	-	-	429,345
As at October 31, 2019	2,746,015	-	-	-	-	-	-	-	2,746,015
Allowance for impairment of assets:									
As at November 1, 2018	(27,689)	-	(10,894)	(152,981)	(2,480)	-	-	(2,713)	(196,757)
Adjustment and reclassification	(43,779)	-	(145)	5,967	1,357	-	-	-	(36,600)
(Increased) Decreased	-	(38,921)	(8,386)	(13,071)	(1,056)	-	-	735	(60,699)
Translation of financial statements differences	-	-	565	6,092	117	-	-	84	6,858
As at October 31, 2019	(71,468)	(38,921)	(18,860)	(153,993)	(2,062)	-	-	(1,894)	(287,198)
Net book value:									
As at October 31, 2019	3,963,376	1,129,803	4,861,519	13,673,411	505,731	36,996	1,668,862	28,796	25,868,494

2018

Unit : Thousand Baht

Consolidated Financial Statements									
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	Total
Cost:									
As at November 1, 2017	924,222	1,550,610	5,949,314	21,083,409	1,826,343	279,118	3,673,784	298,123	35,584,923
Adjustment and reclassification	-	-	831	34,118	(150)	(17)	(34,036)	-	746
Purchases	11,467	623	2,059	51,414	31,884	9,088	1,020,426	21,996	1,148,957
Disposals/written off	-	-	(645)	(35,348)	(87,712)	(11,244)	-	(58,036)	(192,985)
Transfer in (out)	-	46,819	313,555	904,755	-	9,995	(1,275,124)	-	-
Translation of financial statements differences	-	683	709	1,788	301	21	(6)	133	3,629
As at October 31, 2018	935,689	1,598,735	6,265,823	22,040,136	1,770,666	286,961	3,385,044	262,216	36,545,270
Accumulated depreciation:									
As at November 1, 2017	-	(398,857)	(1,325,729)	(8,005,876)	(1,142,478)	(238,400)	-	(190,069)	(11,301,409)
Adjustment and reclassification	-	-	(830)	(27,300)	104	(2)	-	-	(28,028)
Depreciation for the year	-	(35,505)	(162,565)	(890,986)	(82,520)	(19,385)	-	(66,254)	(1,257,215)
Disposals/written off	-	-	197	24,403	53,011	11,048	-	16,817	105,476
Translation of financial statements differences	-	(240)	(149)	(324)	(197)	(20)	-	(131)	(1,061)
As at October 31, 2018	-	(434,602)	(1,489,076)	(8,900,083)	(1,172,080)	(246,759)	-	(239,637)	(12,482,237)
Differences on revaluation of assets:									
As at November 1, 2017	2,316,670	-	-	-	-	-	-	-	2,316,670
As at October 31, 2018	2,316,670	-	-	-	-	-	-	-	2,316,670
Allowance for impairment of assets:									
As at November 1, 2017	(27,689)	-	(6,363)	(152,035)	(9,285)	-	-	(50,500)	(245,872)
Reclassification	-	-	-	(862)	862	-	-	-	-
(Increased) Decreased	-	-	(4,531)	-	5,953	-	-	47,765	49,187
Translation of financial statements differences	-	-	-	(84)	(10)	-	-	22	(72)
As at October 31, 2018	(27,689)	-	(10,894)	(152,981)	(2,480)	-	-	(2,713)	(196,757)
Net book value:									
As at October 31, 2018	3,224,670	1,164,133	4,765,853	12,987,072	596,106	40,202	3,385,044	19,866	26,182,946

Depreciation for the years ended October 31,

2019	Thousand Baht	<u>1,197,337</u>
2018	Thousand Baht	<u>1,257,215</u>

2019

Unit : Thousand Baht

	Separate Financial Statements								Total
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant	
Cost:									
As at November 1, 2018	460,837	379,591	1,827,033	7,893,205	593,691	130,487	1,691,314	27,748	13,003,906
Adjustment and reclassification	3,393	-	-	(3)	-	3	(3,133)	-	260
Purchases	12,279	-	-	5,068	4,568	5,186	524,265	1,069	552,435
Disposals/written off	-	-	(8,085)	(10,859)	(63,850)	(6,270)	-	-	(89,064)
Transfer in (out)	-	33,332	177,701	607,464	-	864	(819,361)	-	-
As at October 31, 2019	476,509	412,923	1,996,649	8,494,875	534,409	130,270	1,393,085	28,817	13,467,537
Accumulated depreciation:									
As at November 1, 2018	-	(66,855)	(427,530)	(3,448,953)	(377,377)	(109,326)	-	(26,428)	(4,456,469)
Adjustment and reclassification	-	-	-	(7)	-	7	-	-	-
Depreciation for the year	-	(15,862)	(58,639)	(370,851)	(26,896)	(9,304)	-	(1,320)	(482,872)
Disposals/written off	-	-	7,992	3,903	62,367	6,213	-	-	80,475
As at October 31, 2019	-	(82,717)	(478,177)	(3,815,908)	(341,906)	(112,410)	-	(27,748)	(4,858,866)
Differences on revaluation of assets:									
As at November 1, 2018	974,292	-	-	-	-	-	-	-	974,292
As at October 31, 2019	974,292	-	-	-	-	-	-	-	974,292
Allowance for impairment of assets:									
As at November 1, 2018	(21,337)	-	-	-	-	-	-	-	(21,337)
As at October 31, 2019	(21,337)	-	-	-	-	-	-	-	(21,337)
Net book value:									
As at October 31, 2019	1,429,464	330,206	1,518,472	4,678,967	192,503	17,860	1,393,085	1,069	9,561,626

2018

Unit : Thousand Baht

	Separate Financial Statements								Total	
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant		
Cost:										
As at November 1, 2017	449,371	348,396	1,538,333	7,316,335	621,113	122,276	1,885,119	29,504	12,310,447	
Adjustment and reclassification	-	-	-	25	-	(25)	(2,652)	-	(2,652)	
Purchases	11,466	623	2,059	38,901	7,593	4,539	683,192	1,660	750,033	
Disposals/written off	-	-	(645)	(9,045)	(35,015)	(5,801)	-	(3,416)	(53,922)	
Transfer in (out)	-	30,572	287,286	546,989	-	9,498	(874,345)	-	-	
As at October 31, 2018	460,837	379,591	1,827,033	7,893,205	593,691	130,487	1,691,314	27,748	13,003,906	
Accumulated depreciation:										
As at November 1, 2017	-	(54,188)	(376,479)	(3,126,485)	(372,572)	(105,225)	-	(24,589)	(4,059,538)	
Depreciation for the year	-	(12,667)	(51,248)	(330,845)	(27,803)	(9,778)	-	(2,760)	(435,101)	
Disposals/written off	-	-	197	8,377	22,998	5,677	-	921	38,170	
As at October 31, 2018	-	(66,855)	(427,530)	(3,448,953)	(377,377)	(109,326)	-	(26,428)	(4,456,469)	
Differences on revaluation of assets:										
As at November 1, 2017	974,292	-	-	-	-	-	-	-	974,292	
As at October 31, 2018	974,292	-	-	-	-	-	-	-	974,292	
Allowance for impairment of assets:										
As at November 1, 2017	(21,337)	-	-	-	-	-	-	-	(21,337)	
As at October 31, 2018	(21,337)	-	-	-	-	-	-	-	(21,337)	
Net book value:										
As at October 31, 2018	1,413,792	312,736	1,399,503	4,444,252	216,314	21,161	1,691,314	1,320	9,500,392	
Depreciation for the years ended October 31,										
2019									Thousand Baht	482,872
2018									Thousand Baht	435,101

As at October 31, 2019 and 2018, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 393.94 million and Baht 434.16 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 32.8.3).

As at October 31, 2019 and 2018, assets at cost of Baht 5,073.49 million and Baht 4,893.21 million, respectively, in the consolidated financial statements, and of Baht 2,660.18 million and Baht 2,655.57 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2019 and 2018, land which is recorded at revaluation method with the net value of Baht 3,963.38 million and Baht 3,224.67 million, respectively, in the consolidated financial statements and Baht 1,429.46 million and Baht 1,413.79 million, respectively, in the separate financial statements represented fair value of land which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using the market approach which is hierarchy level 3. As at October 31, 2019 and 2018, land net book value at the cost method of Baht 1,288.83 million and Baht 935.69 million, respectively, in the consolidated financial statements, and of Baht 476.51 million and Baht 460.84 million, respectively, in the separate financial statements.

18. OTHER NON-CURRENT ASSETS

Other non-current assets as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Assets not yet used in operation				
- Land	-	727,475	-	3,393
- Machinery and Equipment	724	13,236	-	-
Other non-current assets	81,121	78,079	46,074	37,564
Total other non-current assets	<u>81,845</u>	<u>818,790</u>	<u>46,074</u>	<u>40,957</u>

As at October 31, 2019, lands not yet used in operation of Baht 723.72 million and Baht 3.39 million in the consolidated financial statements and the separate financial statements respectively, there is change in purpose to use in the operation which has been reclassified to property, plant and equipment. The movements of land not yet used in operation for the years ended October 31, 2019 is as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	Financial Statements		Financial Statements	
Net book value :				
As at November 1, 2018		727,475		3,393
Adjustment and reclassification		(723,723)		(3,393)
Disposals		(3,752)		-
As at October 31, 2019		<u>-</u>		<u>-</u>

19. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Promissory notes	2,889,146	5,850,466	475,000	2,856,000
Bills of exchange	1,990,992	995,660	1,990,992	995,660
Total short-term borrowings from financial institutions	<u>4,880,138</u>	<u>6,846,126</u>	<u>2,465,992</u>	<u>3,851,660</u>

As at October 31, 2019 and 2018, promissory notes are borrowings denominated in Baht, in the consolidated financial statements, of Baht 2,889.15 million and Baht 5,850.47 million, respectively, carrying interest rates at 1.80% - 2.35% per annum and 1.84% - 2.20% per annum, respectively, and in the separate financial statements, of Baht 475.00 million and Baht 2,856.00 million, respectively, carrying interest rates at 1.80% - 2.04% per annum and 1.84% - 1.90% per annum, respectively.

As at October 31, 2019 and 2018, bills of exchange in the consolidated and the separate financial statements represented the borrowings denominated in Baht, carrying interest rate at 2.13% - 2.15% per annum and 1.75% - 1.78% per annum, respectively.

20. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Trade payables - related parties	14,231	2,670	252,847	21,942
Trade payables - others	122,362	492,633	30,783	236,789
Advances received for sales of goods	360,181	465,053	253,832	357,467
Accrued fees payable to the Office of the Cane and Sugar Fund	-	40,579	-	5,568
Other accrued expenses	368,623	310,754	270,368	249,346
Payables on purchases of assets	51,483	95,009	5,075	49,886
Other payables	365,786	386,048	317,959	352,557
Total trade and other current payables	<u>1,282,666</u>	<u>1,792,746</u>	<u>1,130,864</u>	<u>1,273,555</u>

21. LONG-TERM DEBENTURES

Long-term debentures as at October 31, consisted of:

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	2019	2018
Unsecured senior debt debentures	10,493,600	10,493,742
<u>Less</u> Current portion	<u>(3,499,449)</u>	<u>(2,999,023)</u>
Net	<u>6,994,151</u>	<u>7,494,719</u>

The Company issued Thai Baht currency debentures which are holder specified, non-subordinated and unsecured bonds at par value of Baht 1,000 per unit to a limited number of investors, with the following details:

Unit : Thousand Baht									
Consolidated Financial Statements/Separate Financial Statements as at October 31, 2019									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1	KSL202A	3 years	February 24, 2020	2.56	1,000,000	1,000,000	205	999,795	1,002,423
2	KSL203A	5 years	March 13, 2020	3.48	2,000,000	2,000,000	204	1,999,796	2,012,281
3	KSL206A	3 years	June 20, 2020	2.56	500,000	500,000	142	499,858	501,675
4	KSL215A	3 years	May 3, 2021	2.15	1,350,000	1,350,000	682	1,349,318	1,348,661
5	KSL228A	3 years	Aug 19, 2022	2.43	3,000,000	3,000,000	3,151	2,996,849	3,002,080
6	KSL27DA	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,770	1,998,230	2,118,387
7	KSL285A	10 years	May 3, 2028	3.60	650,000	650,000	246	649,754	681,237
Total long-term debentures						<u>10,500,000</u>	<u>6,400</u>	<u>10,493,600</u>	<u>10,666,744</u>

Unit : Thousand Baht									
Consolidated Financial Statements/Separate Financial Statements as at October 31, 2018									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1	KSL192A	2 years	February 24, 2019	2.34	1,000,000	1,000,000	299	999,701	1,000,979
2	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	321	999,679	1,015,605
3	KSL199A	5 years	September 18, 2019	4.07	1,000,000	1,000,000	357	999,643	1,016,112
4	KSL202A	3 years	February 24, 2020	2.56	1,000,000	1,000,000	756	999,244	1,002,332
5	KSL203A	5 years	March 13, 2020	3.48	2,000,000	2,000,000	768	1,999,232	2,027,374
6	KSL206A	3 years	June 20, 2020	2.56	500,000	500,000	387	499,613	499,853
7	KSL215A	3 years	May 3, 2021	2.15	1,350,000	1,350,000	1,136	1,348,864	1,334,332
8	KSL27DA	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,960	1,998,040	2,002,350
9	KSL285A	10 years	May 3, 2028	3.60	650,000	650,000	274	649,726	643,088
Total long-term debentures						<u>10,500,000</u>	<u>6,258</u>	<u>10,493,742</u>	<u>10,542,025</u>

Movements of long-term debentures in the consolidated financial statements and separate financial statements for the years ended October 31, are as follows:

	Unit : Thousand Baht	
	2019	2018
Beginning book value	10,493,742	9,493,434
Debentures issuance during the years	3,000,000	2,000,000
Redemptions during the years	(3,000,000)	(1,000,000)
Debenture issuance cost (amortized)	<u>(142)</u>	<u>308</u>
Ending book value	<u>10,493,600</u>	<u>10,493,742</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, 2019 and 2018, the Company maintains the debts with interest to equity ratio in accordance with the conditions (see Note 28).

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

As at October 31, 2019, the credit rating of the debentures was not lower than the Company's credit rating.

22. SHORT-TERM BORROWINGS

Short-term borrowings as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Short-term borrowing from related party	3,400	3,800	442,600	425,300
Short-term borrowing from the Office of Cane and Sugar Fund	-	370,783	-	206,650
Total short-term borrowings	<u>3,400</u>	<u>374,583</u>	<u>442,600</u>	<u>631,950</u>

As at October 31, 2018, short-term borrowing from the Office of Cane and Sugar Fund ("OCSF") are loans that the Company and three subsidiaries has borrowed from the Office of Cane and Sugar Fund. The loans bear interest rate of 0.10% per annum. The principals and interests will be paid within December 2018 or another date as agreed by both parties and guaranteed by the post dated cheques issued by the Company and its subsidiaries. During the fiscal year 2019, the additional short-term borrowings were increased amounting to Baht 658.57 million and Baht 420.00 million, respectively, in the consolidated and separate financial statements.

As at October 31, 2019, the Company and the subsidiaries considered presenting the short-term borrowing from OCSF amounting to Baht 1,029.35 million and 625.65 million, respectively, in the consolidated and separate financial statements, by offsetting with compensating income paid by the OCSF. The compensating income is the excess of the initial cane price and final cane price for the harvest season 2017/2018 (see Note 6.3) which will be paid to the Company and the subsidiaries in accordance with Section 56 of the Cane and Sugar Act B.E. 2527 when the final cane price and final compensation for the production and distribution of sugar for the harvest season 2017/2018 announced in the Royal Gazette.

23. LONG-TERM BORROWINGS

Long-term borrowings as at October 31, consisted of long-term borrowings from financial institutions as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Borrowings	6,749,000	5,682,000	6,749,000	5,630,000
<u>Less</u> Current portion	<u>(1,982,000)</u>	<u>(1,772,000)</u>	<u>(1,982,000)</u>	<u>(1,720,000)</u>
Long-term borrowings - net	<u>4,767,000</u>	<u>3,910,000</u>	<u>4,767,000</u>	<u>3,910,000</u>

Movements of long-term borrowings for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Beginning book value	5,682,000	3,655,833	5,630,000	3,203,833
Additional borrowings during the years	3,000,000	4,000,000	3,000,000	4,000,000
Repayment during the years	<u>(1,933,000)</u>	<u>(1,973,833)</u>	<u>(1,881,000)</u>	<u>(1,573,833)</u>
Ending book value	<u>6,749,000</u>	<u>5,682,000</u>	<u>6,749,000</u>	<u>5,630,000</u>

The interest rates of long-term borrowings as at October 31, are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	%	%	%	%
Borrowings - Baht currency	2.94 - 3.57	3.00 - 3.80	2.94 - 3.57	3.00 - 3.80

Maturity of long-term borrowings were as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Within 1 year	1,982,000	1,772,000	1,982,000	1,720,000
Over 1 year and within 5 years	4,767,000	3,910,000	4,767,000	3,910,000

The significant terms of such borrowings are as follows:

Credit Limit	Balances		Interest rate	Principal repayment	Interest payment	Commencing repayment	Maturity
	At as October 31,						
	2019	2018					
	Thousand Baht	Thousand Baht					
The Company							
1. Baht 1,500 million	100,000	450,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2015	November 2019
2. Baht 1,000 million	300,000	500,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020
3. Baht 1,000 million	-	200,000	AMLR - Fixed rate	Semi-annual	Monthly	April 2015	October 2019
4. Baht 1,000 million	660,000	830,000	Fixed rate	Semi-annual	Monthly	April 2018	October 2023
5. Baht 1,000 million	500,000	750,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2018	November 2021
6. Baht 1,000 million	700,000	900,000	Fixed rate	Semi-annual	Monthly	June 2018	December 2022
7. Baht 1,000 million	800,000	1,000,000	MLR - Fixed rate	Semi-annual	Monthly	November 2018	May 2023
8. Baht 1,000 million	800,000	1,000,000	MLR - Fixed rate	Semi-annual	Monthly	March 2019	September 2023
9. Baht 1,000 million	889,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	Aug 2019	Aug 2023
10. Baht 1,000 million	1,000,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	Jan 2020	Jan 2024
11. Baht 1,000 million	1,000,000	-	AMLR - Fixed rate	Semi-annual	Quarterly	Feb 2020	Feb 2024
Total	6,749,000	5,630,000					
The subsidiaries							
12. Baht 1,000 million	-	52,000	AMLR - Fixed rate	Semi-annual	Monthly	August 2014	February 2019
Total	-	52,000					
Grand Total	6,749,000	5,682,000					
Less Current portion	(1,982,000)	(1,772,000)					
Net	4,767,000	3,910,000					

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

In addition, the Company and its subsidiaries have to abide to certain financial conditions, the Company and its subsidiaries have to maintain the debt with interest-to-equity ratio (see Note 28). And the Company have to maintain the 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. As at October 31, 2019 and 2018, the Company and its subsidiaries can maintain the ratios as stipulated in the agreements.

24. INCOME TAX EXPENSE (INCOME), DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

24.1 Income tax expense (income)

Income tax expense (income) for the years ended October 31, are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2019	Financial Statements 2018	Financial Statements 2019	Financial Statements 2018
<u>Current income tax</u>				
Current income tax expense	164,485	142,332	-	-
<u>Deferred income tax</u>				
Deferred income tax expense (income) and temporary differences	(15,478)	2,005	(73,909)	(142,425)
Total	149,007	144,337	(73,909)	(142,425)

Reconciliation of income tax and the results of the accounting profit (loss) multiplied by the income tax rate for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2019	Financial Statements 2018	Financial Statements 2019	Financial Statements 2018
Profit (loss) before income tax expense (income)				
- Promoted sector-exempted from income tax	1,511	311,593	-	-
- The portion that has been promoted except for income tax at 50% of income tax rate	407,474	-	-	-
- Non-promoted sector	569,911	663,124	(311,842)	(708,631)
Total profit (loss) before income tax expense (income)	978,896	974,717	(311,842)	(708,631)
Statutory tax rates (%)	20	20	20	20
Income tax expense				
- The portion that has been promoted except for income tax at 50% of income tax rate	40,747	-	-	-
- Non-promoted sector	113,982	132,625	-	-
Total income tax	154,729	132,625	-	-
Effect on income tax from non-deductible taxable expense	15,066	9,775	-	-
	169,795	142,400	-	-
Prior year tax income	(5,310)	(68)	-	-
Deferred income tax expense (income)	(15,478)	2,005	(73,909)	(142,425)
Income tax expense (income)	149,007	144,337	(73,909)	(142,425)

24.2 Deferred tax assets - net as at October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2019	Financial Statements 2018	Financial Statements 2019	Financial Statements 2018
Deferred tax assets - net				
Non-current provision for employee benefit	1,229	1,133	-	-
Loss carried forward	4,039	5,244	-	-
Others	3,203	557	-	-
Deferred tax assets - net	8,471	6,934	-	-

The movements of deferred tax assets during the years ended October 31, are as follows:

2019

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2019
Deferred tax assets - net				
Non-current provision for employee benefit	1,133	96	-	1,229
Loss carried forward	5,244	(1,205)	-	4,039
Others	557	2,646	-	3,203
Deferred tax assets - net	6,934	1,537	-	8,471

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 October 31, 2018
Deferred tax assets - net				
Non-current provision for employee benefit	8,904	(7,738)	(33)	1,133
Loss carried forward	103,538	(98,294)	-	5,244
Depreciation	(6,097)	6,097	-	-
Allowance for diminution in value of inventories	12,518	(12,518)	-	-
Gain on asset revaluation	(66,070)	-	66,070	-
Allowance for doubtful accounts	16,676	(16,676)	-	-
Change in fair value of investment property	(69,646)	69,646	-	-
Others	13,391	(12,834)	-	557
Deferred tax assets - net	<u>13,214</u>	<u>(72,317)</u>	<u>66,037</u>	<u>6,934</u>

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

	Unit : Thousand Baht	
	Consolidated	
	Financial Statements	
	2019	2018
The following deferred tax assets have not been recognized		
Temporary differences	(44,895)	(189,919)
Loss carried forward	254,789	284,974
	<u>209,894</u>	<u>95,055</u>

As at October 31, 2019, 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 as deferred tax assets of Baht 254.79 million, will be matured by the years 2020 to 2024.

24.3 Deferred tax liabilities - net as at October 31, are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Deferred tax liabilities - net				
Allowance for doubtful accounts	(49,270)	(36,367)	(13,115)	(10,088)
Allowance for diminution in value of inventories	(11,598)	(22,981)	(10,003)	(18,179)
Allowance for impairment in subsidiary investments	-	-	(359,029)	(328,630)
Non-current provision for employee benefit	(57,567)	(58,115)	(25,103)	(25,714)
Gain on asset revaluation	544,843	545,493	194,858	194,858
Loss carried forward	(472,796)	(374,572)	(374,360)	(290,577)
Depreciation	122,213	93,552	64,163	49,340
Change in fair value of investment property	625,421	572,107	294,633	276,457
Change in fair value of biological assets	(458)	(1,631)	753	(406)
Gain from amalgamation	482,573	482,573	482,573	482,573
Others	(52,464)	(36,623)	(30,131)	(12,538)
Deferred tax liabilities - net	<u>1,130,897</u>	<u>1,163,436</u>	<u>225,239</u>	<u>317,096</u>

The movements of deferred tax liabilities for the years ended October 31, are as follows:

2019

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2019
Deferred tax liabilities - net				
Allowance for doubtful accounts	(36,367)	(12,903)	-	(49,270)
Allowance for diminution in value of inventories	(22,981)	11,383	-	(11,598)
Non-current provision for employee benefit	(58,115)	548	-	(57,567)
Gain on asset revaluation	545,493	-	(650)	544,843
Loss carried forward	(374,572)	(98,224)	-	(472,796)
Depreciation	93,552	28,661	-	122,213
Change in fair value of investment property	572,107	53,314	-	625,421
Change in fair value of biological assets	(1,631)	1,173	-	(458)
Gain from amalgamation	482,573	-	-	482,573
Others	(36,623)	2,107	(17,948)	(52,464)
Deferred tax liabilities - net	<u>1,163,436</u>	<u>(13,941)</u>	<u>(18,598)</u>	<u>1,130,897</u>

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 October 31, 2018
Deferred tax liabilities - net				
Allowance for doubtful accounts	(11,208)	(25,159)	-	(36,367)
Allowance for diminution in value of inventories	(45,858)	22,877	-	(22,981)
Non-current provision for employee benefit	(43,187)	(6,952)	(7,976)	(58,115)
Gain on asset revaluation	479,606	-	65,887	545,493
Loss carried forward	(164,820)	(209,752)	-	(374,572)
Depreciation	68,483	25,069	-	93,552
Change in fair value of investment property	444,607	127,500	-	572,107
Change in fair value of biological assets	(3,209)	1,578	-	(1,631)
Gain from amalgamation	482,573	-	-	482,573
Others	(16,980)	(5,473)	(14,170)	(36,623)
Deferred tax liabilities - net	<u>1,190,007</u>	<u>(70,312)</u>	<u>43,741</u>	<u>1,163,436</u>

2019

	Unit : Thousand Baht			
	As at November 1, 2018	Separate Financial Statements		As at October 31, 2019
		Items as recognized in profit or loss	Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(10,088)	(3,027)	-	(13,115)
Allowance for diminution in value of inventories	(18,179)	8,176	-	(10,003)
Allowance for impairment in subsidiary investments	(328,630)	(30,399)	-	(359,029)
Non-current provision for employee benefit	(25,714)	611	-	(25,103)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(290,577)	(83,783)	-	(374,360)
Depreciation	49,340	14,823	-	64,163
Change in fair value of investment property	276,457	18,176	-	294,633
Change in fair value of biological assets	(406)	1,159	-	753
Gain from amalgamation	482,573	-	-	482,573
Others	(12,538)	355	(17,948)	(30,131)
Deferred tax liabilities - net	<u>317,096</u>	<u>(73,909)</u>	<u>(17,948)</u>	<u>225,239</u>

2018

	Unit : Thousand Baht			
	As at November 1, 2017	Separate Financial Statements		As at October 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)	(1,225)	-	(10,088)
Allowance for diminution in value of inventories	(41,793)	23,614	-	(18,179)
Allowance for impairment in subsidiary investments	(230,144)	(98,486)	-	(328,630)
Non-current provision for employee benefit	(22,415)	903	(4,202)	(25,714)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(164,722)	(125,855)	-	(290,577)
Depreciation	30,892	18,448	-	49,340
Change in fair value of investment property	242,925	33,532	-	276,457
Change in fair value of biological assets	(1,211)	805	-	(406)
Gain from amalgamation	482,573	-	-	482,573
Others	(4,208)	5,839	(14,169)	(12,538)
Deferred tax liabilities - net	<u>477,892</u>	<u>(142,425)</u>	<u>(18,371)</u>	<u>317,096</u>

25. NON-CURRENT PROVISION FOR EMPLOYEE BENEFIT

The Company and its subsidiaries operate retirement benefit plans under the Thai Labor Protection Act and the Company and its subsidiaries' retirement rules, which are considered as unfunded defined benefit plans.

Amount recognized in the statement of profit or loss in respect of these defined benefit plans for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Current service cost	15,252	15,049	7,157	6,378
Interest cost	8,382	6,868	3,438	2,730
Past service cost	-	11,492	-	4,649
Total	<u>23,634</u>	<u>33,409</u>	<u>10,595</u>	<u>13,757</u>

Movement in the present value of non-current provision for employee benefit for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
Non-current provision for employee benefit brought forward	298,846	264,742	128,569	112,076
Current service cost	15,252	15,049	7,157	6,378
Interest cost	8,382	6,868	3,438	2,730
Past service cost	-	11,492	-	4,649
Actuarial loss on the estimation of the obligations	-	39,148	-	21,009
Benefit paid during the years	<u>(26,656)</u>	<u>(38,453)</u>	<u>(13,647)</u>	<u>(18,273)</u>
Non-current provision for employee benefit carried forward	<u>295,824</u>	<u>298,846</u>	<u>125,517</u>	<u>128,569</u>

The significant actuarial assumptions used to provision for non-current provision for employee benefit as at October 31, are as follows:

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	2.14 - 3.46	2.14 - 3.46	2.45 - 2.87	2.45 - 2.87
Expected rate of salary increase	5.00	5.00	5.00	5.00
Voluntary resignation rate (Depended on employee's age)				
- Monthly employees	5.00 - 35.00	5.00 - 35.00	8.00 - 14.00	8.00 - 14.00
- Daily employees	4.00 - 100.00	4.00 - 100.00	11.00 - 52.00	11.00 - 52.00

The sensitivity analysis of the above actuarial assumptions impacted on present value of the non-current provision for employee benefit as at October 31, are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2019	2018	2019	2018
<u>Discount rate</u>				
Discount rates, decrease of 0.5 percent	0.93 - 62.96	1.09 - 130.86	62.96	130.86
Discount rates, increase of 0.5 percent	0.86 - 59.24	1.02 - 126.39	59.24	126.39
<u>Salary growth rates</u>				
Salary growth rates, decrease of 0.5 percent	0.86 - 59.06	1.02 - 126.49	59.06	126.49
Salary growth rates, increase of 0.5 percent	0.93 - 63.13	1.09 - 130.73	63.13	130.73
<u>Turnover rates</u>				
Turnover rates, decrease of 1 percent	0.99 - 66.31	1.14 - 133.26	66.31	133.26
Turnover rates, increase of 1 percent	0.81 - 56.35	0.98 - 124.37	56.35	124.37

26. DIVIDENDS PAID AND LEGAL RESERVE

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

Approved by	Number of shares Billion shares	Dividends Paid per share Baht	Dividends Paid Million Baht	Dividends Paid Date
No. 1/2019 held on February 22, 2019	4.41	0.05	220.51	March 20, 2019
No. 1/2018 held on February 20, 2018	4.41	0.05	220.51	March 16, 2018

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

As at October 31, 2019 and 2018, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.

27. DIRECTORS REMUNERATION

The compensation paid to the directors of the Company approved by The Annual General Meeting of shareholders in accordance to Section 90 of Public Company Act are as follows:

	Unit : Thousand Baht	
	Consolidated/Separate Financial Statements	
	2019	2018
For the years ended October 31,	8,958	9,137

28. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt with interest to equity ratio in the consolidated financial statements not to exceed the covenants of the debenture issuances (see Note 21) and the loan agreements (see Note 23).

As at October 31, debt with interest to equity ratio in the consolidated financial statements are as follows:

	2019	2018
Debt with interest to equity	1.16 : 1.00	1.26 : 1.00

29. EXPENSES BY NATURE

Significant expenses by nature for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate Financial Statements	
	2019	2018	2019	2018
Salaries, wages and other employee benefits	1,251,767	1,359,786	505,185	509,771
Depreciation and amortization	1,204,713	1,264,327	488,556	440,611
Fees paid to the Office of the Cane and Sugar Fund	1,261,874	1,115,904	678,185	485,028
Maintenance expenses	797,954	702,750	242,639	230,741
Transportation expenses	953,919	777,030	634,922	476,096
Raw material and supply used	9,203,838	11,883,367	6,137,984	6,827,356
Purchase finished goods	280,602	336,192	1,219,192	1,778,809
Changes in finished goods and goods in process	1,165,692	(1,128,169)	1,026,491	(996,086)
Loss on fair value adjustments of biological assets	26,238	32,850	5,320	-
Loss on impairment of investments in subsidiaries	-	-	151,996	492,431
Loss on impairment of assets	61,646	4,002	-	-
Loss on exchange rate	15,597	-	80,113	-
Management benefit expenses	151,293	141,959	64,224	58,121
Finance costs	710,332	727,643	637,980	620,338
Other operating expenses	996,985	979,058	568,489	576,716
Total	<u>18,082,450</u>	<u>18,196,699</u>	<u>12,441,276</u>	<u>11,499,932</u>

30. BASIC EARNINGS (LOSS) PER SHARE

The calculations of basic earnings (loss) per share were based on dividing the profit (loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares held by the outsiders during the period. Basic earnings (loss) per share for the years ended October 31, 2019 and 2018 are as follows:

2019

	Consolidated Financial Statements			Separate Financial Statements		
	Profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Loss for the year Thousand Baht	Number of shares Thousand Shares	Loss per share Baht
<u>Basic and diluted earnings (loss) per share</u> For the year ended to ordinary equity holders	821,581	4,410,233	<u>0.186</u>	(237,933)	4,410,233	<u>(0.054)</u>

2018

	Consolidated Financial Statements			Separate Financial Statements		
	Profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Loss for the year Thousand Baht	Number of shares Thousand Shares	Loss per share Baht
<u>Basic and diluted earnings (loss) per share</u> For the year ended to ordinary equity holders	848,055	4,410,233	<u>0.192</u>	(566,206)	4,410,233	<u>(0.128)</u>

31. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS

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

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

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

Manufacture and Sale of Electricity

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

Real Estate Rental

Operate office building for rent 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 Lao People’s Democratic Republic and Kingdom of Cambodia.

Major Customer Information

For the years ended October 31, 2019 and 2018, the Group has revenue with a single external customer in electricity sector in the amount of Baht 1,061.85 million and Baht 995.67 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 years ended October 31, 2019 and 2018

	Unit : Million Baht													
	Manufacture and Distribution of Sugar and Molasses				Manufacture and Sale of Electricity		Real Estate Rental		Others Business		Inter-Transaction		Total	
	2019		2018		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai	Thai			
Net revenue from operation - other	15,129	289	14,825	536	1,331	1,220	176	179	930	1,053	-	-	17,855	17,813
Net revenue from operation - related parties	4,132	-	4,143	44	2,257	2,422	-	-	1,589	1,387	(7,978)	(7,996)	-	-
Total	19,261	289	18,968	580	3,588	3,642	176	179	2,519	2,440	(7,978)	(7,996)	17,855	17,813
Profit (Loss) from operations	2,425	75	1,983	(82)	902	912	97	100	97	158	29	60	3,625	3,131
Other income													1,105	1,214
Selling, administrative expenses and others													(3,142)	(2,788)
Finance costs	(785)	(51)	(767)	(94)	(32)	(59)	(28)	(22)	-	-	186	214	(710)	(728)
Share of profit of investment in an associate													101	145
Income tax expenses													(149)	(144)
Net profit													830	830
Add/(Deduct) Profit (Loss) for the year of non-controlling interest													(8)	18
Profit for the year to owners of the parent													822	848
Interest income	267	9	320	6	-	-	-	-	1	1	(186)	(214)	91	113
Depreciation	(767)	(32)	(769)	(69)	(371)	(343)	-	-	(16)	(17)	-	-	(1,186)	(1,198)

Consolidated Statements of Financial Position

As at October 31, 2019 and 2018

Trade and other current receivables	4,451	39	3,168	37	219	193	18	16	109	147	(3,549)	(1,085)	1,287	2,476
Inventories	1,974	81	3,301	153	198	100	-	-	523	536	(2)	(1)	2,774	4,089
Property, plant and equipment	16,300	2,550	15,719	2,861	6,986	7,238	180	155	377	415	(524)	(205)	25,869	26,183
Central assets	16,953	221	19,245	211	155	21	4,563	4,224	2,545	209	(10,246)	(11,116)	14,191	12,794
Total Assets	39,678	2,891	41,433	3,262	7,558	7,552	4,761	4,395	3,554	1,307	(14,321)	(12,407)	44,121	45,542
Total Liabilities	26,710	2,775	28,232	2,941	722	1,458	972	799	2,906	363	(8,985)	(6,890)	25,100	26,903

32. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2019 and 2018, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

32.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 3,217.40 million and Baht 3,012.90 million, respectively, and in the separate financial statements amounting to Baht 2,098.23 million and Baht 625.18 million, respectively.

32.2 The Company and three subsidiaries had issued post-dated checks to the farmers to purchase canes. The Company and its subsidiaries did not record such liabilities as the checks have not yet due and the cane has not been received from the farmers as at October 31, as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2019	2018	2019	2018
For the production season 2019/2020	623.69	-	226.83	-
For the production season 2018/2019	-	1,046.38	-	403.17

32.3 The Company entered into a land and building lease agreement with a company. The rental rate is Baht 1.29 million per month. The rental period is from June 1, 2018 to May 31, 2023. Prior to the expiration of the contractual term, the leaser shall inform to the Company for the extension of the contractual term in writing at not less than 90 days prior to the expiry date of the agreement and the agreement shall be extended three times for the contractual term of 5 years at a time.

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

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khonkaen 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.

32.5 A subsidiary entered into an electricity sale-purchase agreement with the Provincial Electricity Authority (PEA) on September 18, 2012, PEA agrees to buy electricity at the volume of 2.12 Megawatt at the voltage of 22,000 volts at Wangsaphung District, Loei Province, at the mutually-agreed price as stipulated in the agreement 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.

32.6 The consolidated and separate financial statements have commitments and credit facilities as follows:

Unit : Million

	Currency	Consolidated Financial Statements					
		As at October 31, 2019			As at October 31, 2018		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	1,969.00	-	-	2,393.34	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	-	-	-	194.05	-
Credit facilities							
Letters of guarantees (unspecified credit limit)	THB	-	79.26	-	-	79.27	-
Letters of credit and trust receipts	THB	120.00	-	120.00	120.00	-	120.00
Letters of credit	USD	10.00	-	10.00	10.00	-	10.00
Overdraft and short-term borrowings	THB	23,512.50	3,209.15	20,303.35	22,967.00	5,116.47	17,850.53
Short-term borrowings	USD	20.50	-	20.50	43.50	-	43.50
Joint credit line in short-term borrowings	THB	2,910.00	1,680.00	1,230.00	2,766.00	1,734.00	1,032.00
Long-term borrowings	THB	6,749.00	6,749.00	-	5,682.00	5,682.00	-

Unit : Million

	Currency	Separate Financial Statements					
		As at October 31, 2019			As at October 31, 2018		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	1,904.20	-	-	2,276.54	-
Contract to guarantee of debt repayment of associate for all contingent liabilities	THB	-	-	-	-	194.05	-
Credit facilities							
Letters of guarantees (unspecified credit limit)	THB	-	4.13	-	-	4.13	-
Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
Overdraft and short-term borrowings	THB	13,353.00	2,475.00	10,878.00	11,507.00	3,856.00	7,651.00
Short-term borrowings	USD	0.50	-	0.50	3.50	-	3.50
Joint credit line in short-term borrowings	THB	2,910.00	1,680.00	1,230.00	2,766.00	1,734.00	1,032.00
Long-term borrowings	THB	6,749.00	6,749.00	-	5,630.00	5,630.00	-

The above credit facilities are partially secured between the Company and its subsidiaries, In addition, for certain credit facilities, if they are is utilized, certain inventories of the Company and its subsidiaries will be used as collateral, however, as at October 31, 2019 and 2018 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 the debt with interest-to-equity ratio and the Company have to maintain the shareholding ratio of the Company in subsidiary, maintaining the 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.

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

		Unit : Million			
		Consolidated Financial Statements			
		As at October 31, 2019		As at October 31, 2018	
Currency		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	868.25	98.11	1,002.07	187.54
Machine and equipment purchase agreements	THB	281.72	22.83	500.68	51.26
	USD	0.56	-	0.56	-

		Unit : Million							
		Consolidated Financial Statements							
		Outstanding Contractual Commitments							
		As at October 31, 2019				As at October 31, 2018			
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	0.14	0.55	4.59	5.28	0.14	0.55	4.64	5.33
Rental agreements	THB	11.79	19.15	-	30.94	14.53	22.45	-	36.98

		Unit : Million			
		Separate Financial Statements			
		As at October 31, 2019		As at October 31, 2018	
Currency		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	634.74	76.15	718.12	148.81
Machine and equipment purchase agreements	THB	281.72	22.83	497.69	49.46

		Unit : Million					
		Separate Financial Statements					
		Outstanding Contractual Commitments					
		As at October 31, 2019			As at October 31, 2018		
Currency		Within 1 year	1 - 5 years	Total	Within 1 year	1 - 5 years	Total
Rental agreements	THB	4.14	4.55	8.69	7.01	8.01	15.02

32.8 Other significant agreements

- 32.8.1 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) as a replacement when the Energy Industry Act B.E. 2550 was effective, for the period of 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions according to the license.
- 32.8.2 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 40 years which can be extended for another 20 years if approved by the counter party. As at October 31, 2019 and 2018, the subsidiary has already utilized the area of 5,053.45 hectares and 5,053.61 hectares respectively, at the rental rate.
- 32.8.3 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 18,057 hectares covering period of 90 years and the rental price has a grace period of the first 5 years, afterwards, the rate of rental price of USD 5 per hectare per annum and the rental fee will increase by 1% every year and later on February 25, 2016, the Government of Kingdom of Cambodia amended the new concession to 50 years. As at October 31, 2019 and 2018, the subsidiaries have already utilized the area of 9,398.69 hectares, equal for both years. Buildings and structure of subsidiaries, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 17).
- 32.8.4 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 October 31, 2019 and 2018, the balances of the advance lease fee paid are USD 0.41 million and USD 0.42 million, respectively, which is presented as part of other non-current assets.

33. 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 loans allocation to gain appropriate balance between fixed and floating interest rate loans and compatible to different activities of the Group with the details mainly as follows:

Unit : Thousand Baht

Consolidated Financial Statements					
As at October 31, 2019					
	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year	More than 5 years	Interest Rate	
Financial Assets					
Saving accounts deposits	-	-	-	94,616	94,616
Fixed account deposits	260	-	-	-	260
Loans for cane plantation development	254,880	131,845	12,345	317	399,387
Short-term loans to farmers	622,104	171	-	46,781	669,056
Long-term loans to others	1,333	1,333	-	-	2,666
Other long-term investments	-	-	6,729	-	6,729
Total	<u>878,577</u>	<u>133,349</u>	<u>19,074</u>	<u>141,714</u>	<u>1,172,714</u>
Financial Liabilities					
Short-term borrowings from financial institutions	4,880,138	-	-	-	4,880,138
Short-term borrowings from related parties	3,400	-	-	-	3,400
Long-term debentures	3,499,449	4,346,166	2,647,985	-	10,493,600
Long-term borrowings	1,982,000	4,767,000	-	-	6,749,000
Total	<u>10,364,987</u>	<u>9,113,166</u>	<u>2,647,985</u>	<u>-</u>	<u>22,126,138</u>

Unit : Thousand Baht

Consolidated Financial Statements					
As at October 31, 2018					
	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year	More than 5 years	Interest Rate	
Financial Assets					
Saving accounts deposits	-	-	-	101,340	101,340
Fixed account deposits	24	-	-	-	24
Loans for cane plantation development	249,329	216,915	1,687	249	468,180
Short-term loans to farmers	973,136	8,307	-	34,173	1,015,616
Short-term loans to others	220,780	-	-	-	220,780
Long-term loans to others	46,683	24,500	-	-	71,183
Other long-term investments	-	-	6,712	-	6,712
Total	<u>1,489,952</u>	<u>249,722</u>	<u>8,399</u>	<u>135,762</u>	<u>1,883,835</u>
Financial Liabilities					
Short-term borrowings from financial institutions	6,846,126	-	-	-	6,846,126
Short-term borrowings from other	370,783	-	-	-	370,783
Short-term borrowings from related parties	3,800	-	-	-	3,800
Long-term debentures	2,999,023	4,846,953	2,647,766	-	10,493,742
Long-term borrowings	1,720,000	3,910,000	-	52,000	5,682,000
Total	<u>11,939,732</u>	<u>8,756,953</u>	<u>2,647,766</u>	<u>52,000</u>	<u>23,396,451</u>

Risk on exchange rates

Risk on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import of machineries which are transactions denominated in foreign currencies. As at October 31, the significant assets and liabilities denominated in foreign currencies of the Company and its subsidiaries which the risk on exchange rates have not been hedged are as follows:

Currency	Consolidated Financial Statements				Separate Financial Statements			
	2019		2018		2019		2018	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	82.22	25.13	10.88	2.19	86.63	-	32.81	-
YEN	-	4.34	-	3.08	-	-	-	-
RIEL	180.52	291.85	815.01	56.25	-	-	-	-
LAK	189.14	109.75	130.18	1,938.77	-	-	-	-

As at October 31, 2019 and 2018, 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 contracts, which are due between 1 year, are as follows:

Currency	Amount fixed in contract				Currency	Amount earned in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements		Financial Statements			Financial Statements		Financial Statements	
	2019	2018	2019	2018		2019	2018	2019	2018
USD	-	20.86	-	-	THB	-	683.78	-	-

Net fair values of forward contracts and cross currency swap contracts of the Company and its subsidiaries as at October 31, are as follows:

	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Net fair values of forward contracts	-	3.78	-	-

Risk on fluctuation of sugar and cane prices

The cane and sugar industry in Thailand are 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.

For the years ended October 31, the Company and its subsidiaries have accounted for transactions in the financial statements as follows:

	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	2019	2018	2019	2018
Gain on commodity swap contracts	121.49	23.52	121.49	16.64

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

	Currency	Unit : Million	
		Consolidated/Separate	
		Financial Statements 2019	Financial Statements 2018
Net fair values for commodity swap contracts	USD	1.66	0.20

Credit risk

The Company and its subsidiaries have risk on credit regarding trade receivables, farmer receivable, loans to farmers, loans to related parties, loans to others, loans for cane plantation and development, and others receivable. However, 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 borrowings approximate their fair values due to floating interest rates. The long-term borrowings 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 borrowings interest rate with the similar terms and conditions to the Group's approximate to the fixed rates specified in the contracts.

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

	Consolidated / Separate Financial Statement		Fair value Hierarchy	Valuation technique of fair value
	Carrying amount Million Baht	Fair value Million Baht		
As at October 31, 2019				
Financial liabilities				
Long-term debentures	10,494	10,667	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
As at October 31, 2018				
Financial liabilities				
Long-term debentures	10,494	10,542	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 (Based on the prevailing foreign exchange rate at the end of the reporting period), are exposed to credit risk primarily with respect to counter party credit risk which are hierarchy level 3 and the commodity swap contracts are calculated by using the raw sugar and white sugar prices from The Exchange and Bloomberg at the end of the reporting period as though the Company and its subsidiaries have settled those contracts at the end of the reporting period are hierarchy level 2.

34. PROVIDENT FUND

The Company and ten subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. For the years ended October 31, 2019 and 2018, the group companies and their employees monthly contribute to the fund at the rate of 2% - 15% and 3% - 5% of basic salary, respectively. The fund, which is managed by Ayudhya Fund Management Co., Ltd. will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2019 and 2018, the Company and its subsidiaries contributed in amounts of Baht 32.29 million and Baht 32.07 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 14.59 million and Baht 14.63 million, respectively, in the separate financial statements.

35. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

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

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

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

36. EVENT AFTER THE REPORTING PERIOD

In November 2019, a subsidiary entered into Sales and Purchase Agreement for Land, Property and Equipment, includes other assets as stipulated in the agreement, with the related party totally Baht 400 million. The related party will be able to purchase these assets not over 5 years after agreement date. Prior to purchase assets the related party can utilize these assets with annual compensation of Baht 20 million per year.

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 20, 2019.