

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited, which comprise the consolidated and separate statements of financial position as at October 31, 2014, and the related consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned 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, 2014, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, as discussed in Note 4 to the financial statements, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have adopted Thai Accounting Standard No. 12 “Income Taxes” for the first time and early adopted Thai Financial Reporting Standard No. 8 (Revised 2013) “Operating Segment” before its effective date. The corresponding figures thus have been retrospectively restated to be in accordance with the new accounting policies.

BANGKOK
December 23, 2014

Wimolporn Boonyusthian
Certified Public Accountant (Thailand)
Registration No. 4067
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2014

UNIT : BAHT

	Notes	Consolidated Financial Statements			Separate Financial Statements		
		As at October 31, 2014	As at October 31, 2013 "Restated"	As at November 1, 2012 "Restated"	As at October 31, 2014	As at October 31, 2013 "Restated"	As at November 1, 2012 "Restated"
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	5.2	255,984,692	198,721,123	289,455,141	11,219,884	40,941,629	21,505,761
Temporary investments		22,680	13,522,159	274,141	-	-	-
Trade and other receivables	7	2,182,174,636	1,266,030,729	1,197,958,666	2,437,846,553	1,647,727,669	736,340,230
Short-term loans	8	1,234,193,233	1,026,575,302	909,372,863	2,838,686,559	3,959,770,700	1,485,603,600
Inventories	9	4,348,341,274	3,647,456,838	3,492,965,533	1,722,952,795	1,657,754,813	807,855,418
Other current assets		217,335,370	211,376,475	144,167,184	37,298,913	52,426,892	24,462,538
Total Current Assets		8,238,051,885	6,363,682,626	6,034,193,528	7,048,004,704	7,358,621,703	3,075,767,547
NON-CURRENT ASSETS							
Investments in an associate	10	25,663,649	36,803,106	37,299,021	73,800,000	73,800,000	73,800,000
Investments in subsidiaries	10	-	-	-	6,156,310,816	6,156,310,816	5,695,233,766
Other long-term investments	11	373,379,338	23,857,268	16,824,859	356,535,873	6,555,310	6,574,122
Long-term loans	12	444,975,728	439,689,052	398,950,457	65,050,151	12,609,000	14,736,400
Deferred cane plantation costs	13	542,706,897	479,508,828	569,984,304	41,479,615	39,713,894	59,431,222
Investment property	14	2,897,976,288	2,938,735,250	625,709,639	409,756,348	414,304,188	285,162,889
Property, plant and equipment	15	27,087,550,423	25,137,516,333	21,424,187,363	7,642,641,174	6,739,722,111	4,277,149,946
Intangible assets		51,169,322	25,103,116	17,405,190	35,896,573	8,485,247	4,290,749
Deferred tax assets	21	5,748,635	354,470	559,952	-	-	-
Other non-current assets	16	466,481,661	572,005,197	492,536,120	41,600,152	44,851,926	42,683,875
Total Non-Current Assets		31,895,651,941	29,653,572,620	23,583,456,905	14,823,070,702	13,496,352,492	10,459,062,969
TOTAL ASSETS		40,133,703,826	36,017,255,246	29,617,650,433	21,871,075,406	20,854,974,195	13,534,830,516

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, 2014

UNIT : BAHT

	Notes	Consolidated Financial Statements			Separate Financial Statements		
		As at October 31, 2014	As at October 31, 2013 "Restated"	As at November 1, 2012 "Restated"	As at October 31, 2014	As at October 31, 2013 "Restated"	As at November 1, 2012 "Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Short-term borrowings from							
financial institutions	17	8,043,272,906	9,392,451,245	5,896,934,719	2,671,776,975	5,637,887,974	595,172,337
Trade and other payables	18	2,380,251,062	2,284,425,380	2,798,532,011	971,302,109	1,046,322,983	953,618,232
Current portion of long-term debentures	19	1,499,889,247	-	1,999,490,841	1,499,889,247	-	1,999,490,841
Current portion of long-term borrowings	20	2,207,754,420	1,613,853,330	1,125,418,400	705,833,330	735,833,330	201,800,000
Short-term borrowings		3,200,000	-	-	680,200,000	1,286,300,000	1,441,500,000
Current income tax payable		50,360,157	40,123,780	349,066,018	-	-	199,548,060
Other current liabilities		137,527,667	135,516,287	153,415,413	4,619,512	13,364,723	12,563,306
Total Current Liabilities		<u>14,322,255,459</u>	<u>13,466,370,022</u>	<u>12,322,857,402</u>	<u>6,533,621,173</u>	<u>8,719,709,010</u>	<u>5,403,692,776</u>
NON-CURRENT LIABILITIES							
Long-term debentures	19	5,992,852,842	2,497,644,320	1,498,092,581	5,992,852,842	2,497,644,320	1,498,092,581
Long-term borrowings	20	4,277,013,706	5,498,694,759	3,502,481,200	1,765,499,990	2,591,333,320	909,000,000
Deferred tax liabilities	21	372,424,821	447,737,870	435,051,118	70,176,984	94,270,845	80,092,816
Employee benefit obligations	22	228,100,477	179,828,142	175,547,579	93,649,401	73,459,009	69,673,895
Other non-current liabilities		108,241,265	224,414,242	85,979,710	37,756,627	92,739,932	75,050,043
Total Non-Current Liabilities		<u>10,978,633,111</u>	<u>8,848,319,333</u>	<u>5,697,152,188</u>	<u>7,959,935,844</u>	<u>5,349,447,426</u>	<u>2,631,909,335</u>
TOTAL LIABILITIES		<u>25,300,888,570</u>	<u>22,314,689,355</u>	<u>18,020,009,590</u>	<u>14,493,557,017</u>	<u>14,069,156,436</u>	<u>8,035,602,111</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT OCTOBER 31, 2014

UNIT : BAHT

	Notes	Consolidated Financial Statements			Separate Financial Statements		
		As at October 31, 2014	As at October 31, 2013 "Restated"	As at November 1, 2012 "Restated"	As at October 31, 2014	As at October 31, 2013 "Restated"	As at November 1, 2012 "Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY							
(CONTINUED)							
SHAREHOLDERS' EQUITY							
SHARE CAPITAL	23.1						
Authorized share capital							
1,870,000,000 ordinary shares of Baht 1.00 each		1,870,000,000	1,870,000,000	1,870,000,000	1,870,000,000	1,870,000,000	
Issued and paid-up share capital							
1,704,646,884 ordinary shares of Baht 1.00 each, fully paid		1,704,646,884	1,704,646,884		1,704,646,884		
1,575,768,083 ordinary shares of Baht 1.00 each, fully paid				1,575,768,083		1,575,768,083	
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439,199	2,946,439,199	1,786,529,990	2,946,439,199	1,786,529,990	
RETAINED EARNINGS							
Appropriated							
Legal reserve	24	187,000,000	187,000,000	187,000,000	187,000,000	187,000,000	
Reserve for treasury stocks	23.2	433,153,677	433,153,677	-	433,153,677	-	
Unappropriated		6,929,825,208	5,916,916,466	5,485,689,623	2,021,950,800	1,420,185,715	
OTHER COMPONENTS OF EQUITY		1,044,121,924	1,016,110,643	920,419,492	517,481,506	423,502,410	
		13,245,186,892	12,204,266,869	9,955,407,188	7,810,672,066	7,218,971,436	
<u>Less</u> Treasury stocks (34,100,000 shares)	23.2	(433,153,677)	(433,153,677)	-	(433,153,677)	-	
TOTAL EQUITY ATTRIBUTABLE TO OWNERS							
OF THE PARENT		12,812,033,215	11,771,113,192	9,955,407,188	7,377,518,389	6,785,817,759	
NON-CONTROLLING INTERESTS		2,020,782,041	1,931,452,699	1,642,233,655	-	-	
TOTAL SHAREHOLDERS' EQUITY		14,832,815,256	13,702,565,891	11,597,640,843	7,377,518,389	6,785,817,759	
TOTAL LIABILITIES AND							
SHAREHOLDERS' EQUITY		40,133,703,826	36,017,255,246	29,617,650,433	21,871,075,406	20,854,974,195	
		13,534,830,516					

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED OCTOBER 31, 2014

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2014	2013 "Restated"	2014	2013 "Restated"
Revenues from sales and revenues from services					
Revenues from sales		18,728,150,518	18,586,337,658	8,561,253,949	5,991,391,205
Revenues from services		456,692,603	354,826,424	106,837,662	30,739,274
Total Revenues		19,184,843,121	18,941,164,082	8,668,091,611	6,022,130,479
Costs of the sales of goods and the rendering of services					
Cost of the sales of goods		(14,197,492,428)	(14,765,487,482)	(7,569,271,371)	(5,265,658,043)
Cost of the rendering of services		(242,861,240)	(195,806,299)	(62,203,214)	(20,364,556)
Total Costs		(14,440,353,668)	(14,961,293,781)	(7,631,474,585)	(5,286,022,599)
Gross profit		4,744,489,453	3,979,870,301	1,036,617,026	736,107,880
Other incomes		446,580,236	776,518,235	1,587,879,280	1,562,695,885
Selling expenses		(1,614,404,570)	(1,506,826,771)	(699,280,940)	(541,576,341)
Administrative expenses		(643,884,905)	(603,303,938)	(209,897,513)	(208,161,178)
Management benefit expenses	25	(193,074,079)	(181,910,382)	(48,704,320)	(42,947,345)
Finance costs		(834,339,008)	(671,946,423)	(494,639,266)	(372,147,873)
Share of loss of investments in an associate		(10,749,457)	(170,915)	-	-
Profit before income tax income (expenses)		1,894,617,670	1,792,230,107	1,171,974,267	1,133,971,028
Income tax (expenses) income	21	(109,220,016)	(131,905,338)	17,642,495	4,638,201
NET PROFIT FOR THE YEAR		1,785,397,654	1,660,324,769	1,189,616,762	1,138,609,229
PROFIT (LOSS) ATTRIBUTABLE TO:					
Owners of the parent		1,626,216,499	1,676,078,279	1,189,616,762	1,138,609,229
Non-controlling interest		159,181,155	(15,753,510)	-	-
		1,785,397,654	1,660,324,769	1,189,616,762	1,138,609,229
EARNINGS PER SHARE					
Basic earnings per share	28	BAHT 0.973	1.010	0.712	0.686
Basic number of ordinary shares		SHARES 1,670,546,884	1,660,017,393	1,670,546,884	1,660,017,393

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED OCTOBER 31, 2014

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2014	2013 "Restated"	2014	2013 "Restated"
Net profit for the year	1,785,397,654	1,660,324,769	1,189,616,762	1,138,609,229
Other comprehensive income (expense):				
Exchange differences on translating financial statements	50,322,557	26,039,076	-	-
Gain (losses) on remeasuring available-for-sale investments	709,152	(48,749)	-	-
Losses on revaluation of assets	(20,392,375)	(24,837,618)	(10,064,453)	(22,602,498)
Loss on change in shareholding ratio in subsidiaries	-	(58,435,874)	-	-
Actuarial losses	(42,925,637)	-	(15,741,008)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,773,111,351</u>	<u>1,603,041,604</u>	<u>1,163,811,301</u>	<u>1,116,006,731</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO				
Owners of the parent	1,613,030,694	1,614,091,680	1,163,811,301	1,116,006,731
Non-controlling interests	160,080,657	(11,050,076)	-	-
	<u>1,773,111,351</u>	<u>1,603,041,604</u>	<u>1,163,811,301</u>	<u>1,116,006,731</u>

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, 2014

UNIT : BAHT

Notes	Owners of the parent										Treasury stocks	Total owners of the parent	Non -controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity										
			Appropriated	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					
			Legal reserve	Reserve for treasury stocks	Exchange differences on translating financial statements	Gain (loss) on remeasuring available-for-sale investments	Gain (loss) on asset revaluation								
"Restated"															
For year ended October 31, 2013															
Beginning balance as at November 1, 2012 before adjustment	1,575,768,083	1,786,529,990	187,000,000	-	5,492,937,235	(62,843,681)	(382,869)	1,589,282,992	(264,043,132)	(25,205,318)	1,236,807,992	-	10,279,043,300	1,753,088,709	12,032,132,009
Effects of the adoption of new Thai Accounting Standard															
- Income tax	4	-	-	-	(7,247,612)	-	88,060	(316,476,560)	-	-	(316,388,500)	-	(323,636,112)	(110,855,054)	(434,491,166)
Beginning balance as at November 1, 2012 after adjustment	1,575,768,083	1,786,529,990	187,000,000	-	5,485,689,623	(62,843,681)	(294,809)	1,272,806,432	(264,043,132)	(25,205,318)	920,419,492	-	9,955,407,188	1,642,233,655	11,597,640,843
Changes in shareholders' equity during the year															
- Increase in ordinary shares	23.1	128,878,801	1,159,909,209	-	-	-	-	-	-	-	-	-	1,288,788,010	-	1,288,788,010
- Treasury stocks	23.2	-	-	-	-	-	-	-	-	-	-	(433,153,677)	(433,153,677)	-	(433,153,677)
- Reserve for treasury stocks	23.2	-	-	433,153,677	(433,153,677)	-	-	-	-	-	-	-	-	-	-
- Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	315,062,688	315,062,688
- Dividends paid	24	-	-	-	(811,697,759)	-	-	-	-	-	-	-	(811,697,759)	(73,478,828)	(885,176,587)
- Transfer of gain on asset revaluation		-	-	-	-	-	-	157,677,750	-	-	157,677,750	-	157,677,750	58,685,260	216,363,010
- Total comprehensive income (expense) for the year		-	-	-	1,676,078,279	18,235,535	(48,245)	(21,738,015)	-	(58,435,874)	(61,986,599)	-	1,614,091,680	(11,050,076)	1,603,041,604
Ending balance as at October 31, 2013		1,704,646,884	2,946,439,199	187,000,000	433,153,677	5,916,916,466	(44,608,146)	1,408,746,167	(264,043,132)	(83,641,192)	1,016,110,643	(433,153,677)	11,771,113,192	1,931,452,699	13,702,565,891

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2014

UNIT : BAHT

Notes	Owners of the parent										Non-controlling interests	Total shareholders' equity			
	Issued and paid-up share capital	Share premium account	Retained Earnings			Other components of equity							Treasury stocks	Total owners of the parent	
			Appropriated	Unappropriated	Other comprehensive income (expense)										
			Legal reserve	Reserve for treasury stocks	Exchange differences on translating financial statements	Gain (loss) on re-measuring available-for-sale investments	Gain (loss) on asset revaluation	Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries	Total other components of equity					
For year ended October 31, 2014															
	1,704,646,884	2,946,439,199	187,000,000	433,153,677	5,909,477,793	(44,558,328)	(383,026)	1,750,369,132	(264,043,132)	(86,811,471)	1,354,573,175	(433,153,677)	12,102,137,051	2,047,812,240	14,149,949,291
Effects of the adoption of new Thai Accounting Standard															
- Income tax	4	-	-	-	7,438,673	(49,818)	39,972	(341,622,965)	-	3,170,279	(338,462,532)	-	(331,023,859)	(116,359,541)	(447,383,400)
Beginning balance as at November 1, 2013 after adjustment	1,704,646,884	2,946,439,199	187,000,000	433,153,677	5,916,916,466	(44,608,146)	(343,054)	1,408,746,167	(264,043,132)	(83,641,192)	1,016,110,643	(433,153,677)	11,771,113,192	1,931,452,699	13,702,565,891
Changes in shareholders' equity during the year															
- Dividends paid	24	-	-	-	(584,691,237)	-	-	-	-	-	-	-	(584,691,237)	(70,751,315)	(655,442,552)
- Transfer of gain on asset revaluation		-	-	-	12,580,566	-	-	-	-	-	-	-	12,580,566	-	12,580,566
- Unrealized actuarial gains (losses) adjustment		-	-	-	(41,197,086)	-	-	-	-	-	-	-	(41,197,086)	(1,728,551)	(42,925,637)
- Total comprehensive income (expense) for the year		-	-	-	1,626,216,499	40,279,981	205,553	(12,474,253)	-	-	28,011,281	-	1,654,227,780	161,809,208	1,816,036,988
Ending balance as at October 31, 2014	1,704,646,884	2,946,439,199	187,000,000	433,153,677	6,929,825,208	(4,328,165)	(137,501)	1,396,271,914	(264,043,132)	(83,641,192)	1,044,121,924	(433,153,677)	12,812,033,215	2,020,782,041	14,832,815,256

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, 2014

UNIT : BAHT

	Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Treasury stocks	Total Shareholders' equity	
				Appropriated		Unappropriated	Other comprehensive income (expense)			Total other components of equity
				Legal reserve	Reserve for treasury stocks					
"Restated"										
For year ended October 31, 2013										
Beginning balance as at November 1, 2012 before adjustment		1,575,768,083	1,786,529,990	187,000,000	-	1,500,645,137	529,378,011	529,378,011	-	5,579,321,221
Effects of the adoption of new Thai Accounting Standard										
- Income tax	4	-	-	-	-	25,782,785	(105,875,601)	(105,875,601)	-	(80,092,816)
Beginning balance as at November 1, 2012 after adjustment		1,575,768,083	1,786,529,990	187,000,000	-	1,526,427,922	423,502,410	423,502,410	-	5,499,228,405
Changes in shareholders' equity during the year										
- Increase in ordinary shares	23.1	128,878,801	1,159,909,209	-	-	-	-	-	-	1,288,788,010
- Treasury stocks	23.2	-	-	-	-	-	-	-	(433,153,677)	(433,153,677)
- Reserve for treasury stocks	23.3	-	-	-	433,153,677	(433,153,677)	-	-	-	-
- Dividends paid	24	-	-	-	-	(811,697,759)	-	-	-	(811,697,759)
- Transfer of gain on asset revaluation		-	-	-	-	-	126,646,049	126,646,049	-	126,646,049
- Total comprehensive income (loss) for the year		-	-	-	-	1,138,609,229	(22,602,498)	(22,602,498)	-	1,116,006,731
Ending balance as at October 31, 2013		<u>1,704,646,884</u>	<u>2,946,439,199</u>	<u>187,000,000</u>	<u>433,153,677</u>	<u>1,420,185,715</u>	<u>527,545,961</u>	<u>527,545,961</u>	<u>(433,153,677)</u>	<u>6,785,817,759</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2014

UNIT : BAHT

	Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Treasury stocks	Total shareholders' equity	
				Appropriated		Unappropriated	Other comprehensive income (expense) Gain (loss) on asset revaluation			Total other components of equity
				Legal reserve	Reserve for treasury stocks					
For year ended October 31, 2014										
Beginning balance as at November 1, 2013 before adjustment		1,704,646,884	2,946,439,199	187,000,000	433,153,677	1,382,570,071	659,432,450	659,432,450	(433,153,677)	6,880,088,604
Effects of the adoption of new Thai Accounting Standard										
- Income tax	4	-	-	-	-	37,615,645	(131,886,490)	(131,886,490)	-	(94,270,845)
Beginning balance as at November 1, 2013 after adjustment		1,704,646,884	2,946,439,199	187,000,000	433,153,677	1,420,185,716	527,545,960	527,545,960	(433,153,677)	6,785,817,759
Changes in shareholders' equity during the year										
- Dividends paid	24	-	-	-	-	(584,691,237)	-	-	-	(584,691,237)
- Transfer of gain on asset revaluation		-	-	-	-	12,580,566	-	-	-	12,580,566
- Unrealized actuarial gains (losses) adjustment		-	-	-	-	(15,741,007)	-	-	-	(15,741,007)
- Total comprehensive income (loss) for the year		-	-	-	-	1,189,616,762	(10,064,454)	(10,064,454)	-	1,179,552,308
Ending balance as at October 31, 2014		<u>1,704,646,884</u>	<u>2,946,439,199</u>	<u>187,000,000</u>	<u>433,153,677</u>	<u>2,021,950,800</u>	<u>517,481,506</u>	<u>517,481,506</u>	<u>(433,153,677)</u>	<u>7,377,518,389</u>

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2014

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2014	2013	2014	2013
		“Restated”		“Restated”
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax income (expenses)	1,894,617,670	1,792,230,107	1,171,974,267	1,133,971,028
Adjustments for:				
Dividend income	-	(325,000)	(1,309,815,469)	(1,179,680,779)
Doubtful accounts - trade and other receivables (reversal)	(59,773,036)	24,988,954	(993,112)	7,962,857
Share of loss on investments in an associate	10,749,457	170,915	-	-
Amortization of premium on bonds	164,370	59,031	19,437	18,812
Employee benefit expenses	2,093,575	11,665,878	2,623,067	5,571,421
Loss on damaged cane and adjustment to decrease the cane plantation costs	5,319,034	25,580,755	-	-
Loss from diminution in value of inventories (reversal)	93,852,075	(79,002,649)	3,977,154	(23,609,290)
Depreciation and amortization	1,131,346,992	949,842,833	313,404,059	246,708,524
Gain on disposal and write off of assets	(15,307,478)	(16,444,740)	(9,721,035)	(427,624)
Loss on impairment of property, plant and equipment	-	327,993	-	-
Gain on sales of investments in subsidiaries	-	(21,137,905)	-	(21,137,905)
Unrealized loss (gain) on exchange rate	3,059,540	22,257,183	(1,992,077)	3,076,348
Interest expenses	806,797,958	657,592,194	362,901,271	370,176,306
Finance costs	2,486,959	1,971,566	2,486,959	1,971,566
	<u>3,875,407,116</u>	<u>3,369,777,115</u>	<u>534,864,521</u>	<u>544,601,264</u>
Operating assets (increase) decrease				
Trade and other receivables	(883,744,667)	(128,366,639)	(657,131,295)	(141,856,117)
Inventories	(794,736,511)	(75,488,654)	(69,175,136)	(826,290,106)
Other current assets	2,128,443	9,866,995	23,196,464	20,867,441
Deferred cane plantation costs	(14,498,356)	114,477,844	1,225,683	21,964,507
Other non-current assets	26,131,931	(67,492,034)	1,881,068	(797,346)
Operating liabilities increase (decrease)				
Trade and other payables	407,781,887	(384,145,606)	36,105,981	192,449,389
Other current liabilities	2,011,380	18,646,011	(8,745,211)	801,417
Employee benefit obligations	(7,419,580)	(7,385,315)	(2,108,934)	(1,786,307)
Other non-current liabilities	(53,685,379)	101,889,396	(54,983,306)	17,689,889
Cash received from (paid for) operating activities	<u>2,559,376,264</u>	<u>2,951,779,113</u>	<u>(194,870,165)</u>	<u>(172,355,969)</u>
Interest paid	(784,358,454)	(699,563,659)	(333,546,339)	(375,505,218)
Income tax expense paid	(177,227,400)	(486,177,205)	(8,068,486)	(239,394,465)
Net cash provide by (used in) operating activities	<u>1,597,790,410</u>	<u>1,766,038,249</u>	<u>(536,484,990)</u>	<u>(787,255,652)</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2014

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2014	2013	2014	2013
		“Restated”		“Restated”
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payment from purchases of temporary investments	-	(13,000,587)	-	-
Cash received from sales of temporary investments	13,499,479	-	-	-
(Increase) decrease in short-term and long-term loans	(183,184,780)	(161,727,193)	1,068,642,990	(2,450,199,700)
Cash payments for investments in subsidiaries	-	(18,718,094)	-	(479,795,145)
Cash received from sales of investments in subsidiaries	-	39,855,999	-	39,855,999
Cash payments for purchases of other long-term investments	(350,000,000)	(9,503,680)	(350,000,000)	-
Cash received from redemption and sales of other long-term investments	1,200,000	2,164,149	-	-
Cash received from dividends of subsidiaries and other companies	390,000	325,000	10,064,627	124,555,970
Cash payments for purchases of property, plant and equipment	(2,650,105,216)	(4,242,137,237)	(1,163,117,654)	(2,468,145,374)
Cash received from sales of property, plant and equipment	12,425,893	6,419,026	51,724,675	373,831
Cash received from sales of investment property	640,000	41,114,000	-	400,000
Cash payments for purchases of investment property	(36,476,478)	(1,929,524,160)	-	-
Cash payments for purchases of assets not yet used in operation	-	(4,690,368)	-	-
Cash received from sales of assets not yet used in operation	12,289,270	5,728,620	-	-
Cash payments for purchases of intangible assets	(15,774,528)	(9,980,381)	(14,157,725)	(5,205,328)
Net cash used in investing activities	<u>(3,195,096,360)</u>	<u>(6,293,674,906)</u>	<u>(396,843,087)</u>	<u>(5,238,159,747)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease) increase in short-term borrowings from financial institutions	(1,354,672,400)	3,512,440,162	(2,969,792,000)	5,027,817,663
Increase in short-term borrowings from related parties	3,200,000	-	563,648,442	122,448,807
Cash payment for payables on purchases of assets	(640,964,188)	(777,903,749)	(242,336,353)	(363,807,759)
Cash received from long-term debentures	4,992,610,810	998,089,332	4,992,610,810	998,089,332
Cash payment for long-term debentures	-	(2,000,000,000)	-	(2,000,000,000)
Cash received from long-term borrowings	2,487,397,567	3,967,000,000	-	2,572,000,000
Cash payment for long-term borrowings	(3,123,853,330)	(1,492,962,511)	(855,833,330)	(355,633,350)
Cash received from issuance of ordinary shares	-	1,288,788,010	-	1,288,788,010
Cash payment for treasury stocks	-	(433,153,677)	-	(433,153,677)
Cash received from increase in capital of subsidiary of non-controlling interests	-	253,456,515	-	-
Cash payment of dividends for the shareholders of the parent	(584,691,237)	(811,697,759)	(584,691,237)	(811,697,759)
Cash payment of dividends to non-controlling interests	(70,751,315)	(73,478,827)	-	-
Net cash provided by financing activities	<u>1,708,275,907</u>	<u>4,430,577,496</u>	<u>903,606,332</u>	<u>6,044,851,267</u>
Exchange differences on translation of cash of foreign subsidiaries	(53,706,388)	6,325,143	-	-
Net increase (decrease) in cash and cash equivalents	57,263,569	(90,734,018)	(29,721,745)	19,435,868
Cash and cash equivalents at the beginning of the year	198,721,123	289,455,141	40,941,629	21,505,761
Cash and cash equivalents at the end of the year	<u>255,984,692</u>	<u>198,721,123</u>	<u>11,219,884</u>	<u>40,941,629</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, 2014**

1. GENERAL INFORMATION AND THE COMPANY'S OPERATIONS

Khon Kaen Sugar Industry Public Company Limited (the "Company") was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 0107547000214 and was listed with the Stock Exchange of Thailand on March 7, 2005. Its registered headquarter is located at No. 5 0 3 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 VI at No. 14/1 Moo 10, Saengchooto Road, Tambol Tamaka, Amphur Tamaka, Kanchanaburi Province

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

The Company's main businesses are to manufacture and distribute sugar and molasses and trading of spare parts and supplies to its subsidiaries, subcontractors and farmers who have business with the Company and/or its subsidiaries. The subsidiaries' main business operations are listed in Note 2.2.

The Company's major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 32.26% 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 2009) "Presentation of Financial Statements", and the regulation of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement B.E. 2554" dated September 28, 2011.

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. The structure of the Group as at October 31, is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	2014 %	2013 %		
Subsidiaries in which the Company holds shares directly and indirectly				
Thai Sugar Terminal Public Company Limited*	23.82	23.82	Thailand	Transfer and transportation services for certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of building on land for sales and rental
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 Real Estate Company Limited	91.02	91.02	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental
K.S.L. Export Trading Co., Ltd.	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Material Supplies Co., Ltd.	100.00	100.00	Thailand	Importer and distributor of chemicals
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Company Limited	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	80.00	80.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services

* The Company participates in controlling power, thus it is considered as subsidiary under the definition specified in Thai Accounting Standard.

Company Name	Percentage of Shareholding		Percentage of Shareholding		Country of Incorporation	Type of Business
	Indirect		Direct and indirect			
	2014	2013	2014	2013		
	%	%	%	%		
Subsidiaries which the Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited						
T S G Asset Co., Ltd.*	19.00	19.00	23.11	23.11	Thailand	Property rental
T S Oil Industry Co., Ltd.*	27.86	27.86	28.48	28.48	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	16.52	16.52	16.59	16.59	Thailand	Produce and distribute wheat flour and property rental
T S Warehouse Co., Ltd.*	15.28	15.28	19.30	19.30	Thailand	Warehousing and loading of goods
T S Transport and Logistic Co., Ltd.*	20.46	20.46	30.58	30.58	Thailand	Manufacture and distribute polypropylene bag, and plastic fiber, trade in plastic resin and transportation and security services
Subsidiary which the Company holds shares indirectly through Wynn In Trading Co., Ltd.						
Koh Kong Plantation Company Limited	80.00	80.00	80.00	80.00	Cambodia	Agricultural operation

* The Company participates in controlling power, thus they are considered as subsidiaries under the definition specified in Thai Accounting Standard.

The accounting periods of subsidiaries ended the same date as the Company (accounting period ended on October 31) except for 10 subsidiaries whose accounting periods ended December 31, as follows:

- Tamaka Sugar Industry Company Limited
- New Krung Thai Sugar Factory Company Limited
- New Kwang Soon Lee Sugar Factory Company Limited
- KSL. Agro & Trading Company Limited
- Thai Sugar Terminal Public Company Limited
- T S G Asset Co., Ltd.
- T S Oil Industry Co., Ltd.
- T S Flour Mill Public Company Limited
- T S Warehouse Co., Ltd.
- T S Transport and Logistics Co., Ltd.

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

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

The Federation of Accounting Professions issued the Notifications regarding the Thai Financial Reporting Standards which are effective for the financial statements of periods beginning on or after January 1, 2013 onwards as follows:

Thai Accounting Standards (TAS)

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Thai Financial Reporting Standards (TFRS)

TFRS 8	Operating Segments
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Thai Standard Interpretations (TSI)

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The adoption of those Thai Financial Reporting Standards which are relevant to the Group has no significant impact on these financial information, except for the adoption of Thai Accounting Standard No. 12, "Income Taxes" as disclosed in Note 4.

2.4 The Federation of Accounting Professions issued the Notifications regarding Thai Accounting Standards ("TAS"), Thai Financial Reporting Standards ("TFRS"), Thai Accounting Standards Interpretations ("TSI") and Thai Financial Reporting Standard Interpretations ("TFRI"), which are effective for the accounting period beginning on or after January 1, 2014 onwards as follows:

Thai Accounting Standards

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible assets

Thai Financial Reporting Standards

TFRS 2 (Revised 2012)	Share-Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

Thai Accounting Standards Interpretations

TSI 15	Operating Leases - Incentives
TSI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 29	Disclosure - Service Concession Arrangements
TSI 32	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmers
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets Form Customers

The Federation of Accounting Professions issued the Notification regarding Thai Financial Reporting Standard, which is effective for the accounting period beginning on or after January 1, 2016 onwards as follows:

Thai Financial Reporting Standard

TFRS 4	Insurance Contracts
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The Group's management will adopt the above TFRSs relevant to the Group's financial statements when they become effective, except for the adoption of Thai Financial Reporting Standard No. 8 (Revised 2012), "Operating Segments" which is early adopted before its effective date as disclosed in Note 4. The 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 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 and future expectations of customer payments. Bad debts are written off when incurred.

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value, and adjusted by allowance for obsolete and slow-moving or out-of-date goods. Cost is calculated as follows:

- Direct raw materials and trading finished goods are calculated using the first-in, first-out method.
- Indirect raw materials and factory supplies are calculated using the moving average method.
- 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.
- Goods in process and finished goods of alcohol, wheat flour and polypropylene bags are calculated by actual cost using the first-in, first-out method.
- Goods in process and finished goods of palm oil are calculated by actual cost using the weighted average 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, wheat flour and palm oil; therefore, revenues from sales of such products are presented as deduction to production costs in each production season.

3.4 Real estate development

Real estate development cost is stated at the lower of cost or net realizable value using the specific method which consist of land cost, filling cost, construction cost, utility-system development cost and direct cost to acquire the products and set them to be ready for sale.

3.5 Investments

- 3.5.1 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 income when the investment is disposed or the impairment of the investment incurred.
- 3.5.2 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 income when the investment is disposed or the impairment of the investment incurred.
- 3.5.3 Investment in marketable debt and equity instruments which are recorded as securities 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 statement of comprehensive income. When these investments are sold or impaired in value, the recognition will be made through the statement of income.
- 3.5.4 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 amount amortized will be presented in the statement of income.
- 3.5.5 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 income when they are sold or impaired.

3.6 Deferred cane plantation costs

Deferred cane plantation costs are the accumulated costs of cane plantation consisting of purchase costs of breed canes, costs of cane harvested for cane breeding, fertiliser costs, wages and other related direct expenses which are measured at cost deducted by accumulated amortization and the allowance for impairments. For harvested canes transferred as raw material cost in production and cost of goods sold as at the harvest date, they are valued at fair value deducted by estimated expense at point of sale. The fair value of cane is considered from price which the Group expects to purchase from cane farmers in each region.

3.7 Investment property

Investment property consist of land, land improvement and building and warehouse leased out. Land is presented at cost. Land improvement and building and warehouse are presented at cost less accumulated depreciation and the allowance for impairment (if any).

Depreciation of building and warehouse leased out is calculated by the straight-line method based on the estimated useful lives of the assets of 5 - 20 years.

Fair value is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using replacement cost to property value residual value and the remaining useful life of investment property.

3.8 Property, plant 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. Plant and 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.

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

- Land improvement	5 - 61	years
- Buildings and construction	2 - 58	years
- Machineries and equipment	3 - 43	years
- Motor vehicles and labor saving tools	4 - 20	years
- Furniture and office equipment	3 - 20	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.

3.9 Intangible assets

Intangible assets are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Amortization is calculated by the straight-line method over estimated useful life computer's software which is estimated between 3 - 5 years.

Amortization of intangible assets in foreign countries are based the rate required in each country.

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

3.10 Assets not used in operation

Assets not used in operation are initially recorded by cost method less accumulated depreciation and allowance for impairment (if any).

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 income (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 economic 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 income at amount net by recognized amount of expense 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 income 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

Revenue recognized 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 sales of houses together with land are recognized in accordance with installments due for payment under gross margin method. If the payment of installments due is more than the percentage of work completed, it would be restrictively recognized only that amount pursuant to the work already completed. Revenue will be ceased to recognize immediately if purchaser becomes overdue by more than three consecutive installments.

The amount of money received by installments which exceeding the percentage of the work completed will be recorded as advance received from purchaser and is presented as other liabilities in the statement of financial position.

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

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

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

3.18.9 Other incomes are recognized on an accrual basis.

3.19 Expense recognition

The policies relating to expenses are as follows:

3.19.1 In case of cost of sales for house together with land, all estimated development costs of properties are allocated based on actual costs to house and land sold according to saleable areas. Cost of sales is recognized in the statement of income according to proportion of revenue recognition.

3.19.2 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.

Finance lease

Lease for equipment which substantially transfer all the risks and rewards of ownership to the lessee is classified as finance lease. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased equipment or the present value of the minimum lease payments. The related interest is recognized by effective interest rate method over the term of contracts and charged to the statement of income. The equipment acquired under finance leasing contracts is depreciated over the estimated useful lives of the equipment using the straight-line method.

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 income 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 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 expense

Income tax expenses represents the sum of the current tax and deferred tax.

Current 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 comprehensive income 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 sectors of the Group. By the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

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 income when the contracts are settled or contractual terms are expired.

3.28 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.

4. ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS

The Company and its subsidiaries have adopted new and revised Thai Financial Reporting Standards issued by the Federation Accounting Professions in the preparation and presentation of these financial statements as follows:

4.1 TAS No. 12, "Income Taxes" which is effective for the financial statements of periods beginning on or after January 1, 2013 onwards

Since November 1, 2013, the Company and its subsidiaries have firstly adopted TAS 12 "Income Taxes" by changing its accounting policy relating to income tax from accrual basis based on the taxable profit for the year to deferred income tax which income tax expense (income) represents the sum of the tax currently payable and deferred tax as disclosed in Note 3.24.

Cumulative effects of the change in the accounting policy to the corresponding figures are summarized as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	October 31,	November 1,	October 31,	November 1,
	2013	2012	2013	2012
Statements of financial position				
Deferred tax assets increase	354	560	-	-
Deferred tax liabilities increase	447,738	435,051	94,271	80,093
Retained earnings - unappropriated increase (decrease)	7,439	(7,248)	37,616	25,783
Other components of equity decrease	(338,463)	(316,388)	(131,887)	(105,876)
Non-controlling interests decrease	(116,360)	(110,855)	-	-

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	For the year ended October 31, 2013			
Statements of comprehensive income				
Income tax expenses decrease		(12,231)		(11,833)
Net profit increase		12,231		11,833
Profit attributable to owners of the parent increase		14,686		11,833
Loss attributable to non-controlling interests increase		(2,455)		-
Basic earnings attributable to owners of the parent per share increase (Baht per share)		0.009		0.007

4.2 TFRS No. 8 (Revised 2012), “Operating Segments” which is effective for the financial statements of periods beginning on or after January 1, 2014 onwards. The Company and its subsidiaries have early adopted before the effective date.

The Company and its subsidiaries’ main businesses are to manufacture and distribute sugar, molasses and downstream industries. The main products are sugar, molasses, alcohol and electricity which are sold in the country and overseas. The Company considers the operating segment based on domestic and overseas sales.

The Company and its subsidiaries have intersegment and external customers revenue, profit or loss of all operating segments and reconciliations of the totals of segment profit or loss with profit and loss before tax expense for the year ended October 31, 2014 as disclosed in Note 29.

For the year ended October 31, 2014, the Company has adopted those two standards for the first time and retroactively adjusted and presented the consolidated and separate financial statements as at and for the year ended October 31, 2013, which are presented as corresponding figures, in accordance with the new accounting policies.

5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

5.1 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	
	2014	2013	2014	2013
Unrealized gain (loss) from available-for-sale securities	886	(1)	-	-
Net gain on asset revaluation increase	-	3,408	-	3,408
Transfer of depreciation to deferred cane plantation costs	41,753	45,365	2,991	2,247
Purchases of property, plant and equipment which have not yet been paid	228,379	677,677	100,185	233,037
Interest expenses capitalized as asset costs	15,790	43,969	5,351	10,139
Transfer of other current assets to other non-current assets	-	22,347	-	-
Transfer of other current assets to property, plant and equipment	122	-	-	-
Transfer of investment property to other current assets	-	66,000	-	-
Transfer of property, plant and equipment to investment property and assets not used in operations	2,305	282,906	-	-
Transfer of property, plant and equipment to intangible assets	15,040	-	-	-
Transfer of other non-current assets to property, plant and equipment	73,286	-	-	-
Transfer of investment property to property, plant and equipment	41,047	-	-	-
Reclassification of other long-term investments to temporary investments	-	247	-	-
Transfer of current liabilities to other non-current liabilities	-	36,545	-	-
Decrease in short-term borrowings from subsidiaries by offsetting against dividend received	-	-	1,169,748	277,649
Transfer short-term and long-term loans to trade and other receivables	504	-	-	-

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

Type of transaction	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Cash	4,448	3,328	1,302	1,354
Savings accounts deposits	30,381	52,064	9,550	28,041
Current accounts deposits	211,156	143,329	368	11,547
Fixed deposits with 3 month maturity or less	10,000	-	-	-
Total	<u>255,985</u>	<u>198,721</u>	<u>11,220</u>	<u>40,942</u>

6. 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:

6.1 Significant balances with related parties as at October 31, are as follows:

Type of Balances	Consolidated		Unit : Million Baht Separate	
	Financial Statements 2014	Financial Statements 2013	Financial Statements 2014	Financial Statements 2013
Trade and other receivables				
Subsidiaries	-	-	180.61	183.66
Related companies	12.80	4.99	0.01	0.04
Total	<u>12.80</u>	<u>4.99</u>	<u>180.62</u>	<u>183.70</u>
Accrued dividend receivable from subsidiaries (included in other receivables)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,299.75</u>	<u>1,169.75</u>
Short-term loans				
Subsidiaries	<u>-</u>	<u>-</u>	<u>2,538.86</u>	<u>3,798.98</u>
Other current assets				
Subsidiaries	-	-	6.90	12.08
Related companies	0.18	0.49	-	0.21
Total	<u>0.18</u>	<u>0.49</u>	<u>6.90</u>	<u>12.29</u>
Trade and other payables				
Subsidiaries	-	-	34.80	55.52
Related companies	3.75	1.60	3.74	0.16
Total	<u>3.75</u>	<u>1.60</u>	<u>38.54</u>	<u>55.68</u>
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	0.91	3.34
Related companies	0.08	0.05	0.04	0.04
Total	<u>0.08</u>	<u>0.05</u>	<u>0.95</u>	<u>3.38</u>
Short-term borrowings				
Subsidiaries	-	-	677.00	1,286.30
Related companies	3.20	-	3.20	-
Total	<u>3.20</u>	<u>-</u>	<u>680.20</u>	<u>1,286.30</u>
Other current liabilities				
Subsidiaries	-	-	0.03	0.16
Related companies	-	2.29	-	2.29
Total	<u>-</u>	<u>2.29</u>	<u>0.03</u>	<u>2.45</u>
Other non-current liabilities - others				
Subsidiaries	-	-	0.55	0.55
Related companies	1.22	-	1.22	-
Total	<u>1.22</u>	<u>-</u>	<u>1.77</u>	<u>0.55</u>

As at October 31, 2014 and 2013, short-term loans to related parties represented promissory notes receivable on demand, carrying interest rates at 2.63% - 3.88% per annum and 1.75% - 3.17% per annum, respectively.

As at October 31, 2014 and 2013, short-term borrowings from related parties represented promissory notes payable on demand, carrying the interest rate at 1.25% - 2.55% per annum and 3.00% - 4.65% per annum, respectively.

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

Type of Transactions	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2014	2013	2014	2013
Revenues from sales and services				
Subsidiaries	-	-	3,117.28	2,090.06
Related companies	94.19	59.93	-	28.60
Total	<u>94.19</u>	<u>59.93</u>	<u>3,117.28</u>	<u>2,118.66</u>
Cost of sales and services				
Subsidiaries	-	-	2,298.86	1,556.16
Related companies	8.39	12.83	6.42	7.39
Total	<u>8.39</u>	<u>12.83</u>	<u>2,305.28</u>	<u>1,563.55</u>
Other income				
Subsidiaries	-	-	118.81	1,299.18
Related companies	6.40	2.91	3.96	2.91
Total	<u>6.40</u>	<u>2.91</u>	<u>122.77</u>	<u>1,302.09</u>
Selling expenses				
Subsidiaries	-	-	17.56	43.96
Administrative expenses				
Subsidiaries	-	-	1.77	4.02
Related companies	15.05	17.87	4.63	5.40
Related juristic person	10.03	10.17	9.22	8.87
Total	<u>25.08</u>	<u>28.04</u>	<u>15.62</u>	<u>18.29</u>
Financial costs				
Subsidiaries	-	-	23.57	23.22

POLICIES OF INTER-PRICE SETTING

- The inter-purchases/sales and borrow-return of raw sugar transactions between the group companies are based on the world market prices when the first sales-purchase for the year is made.
- In case of the sugar purchases/sales agreements entered into on behalf of the group companies, which each company has already been allocated the sales volume, if any company within the group companies 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 cost.
- The prices for the inter-purchases/sales of assets are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenues from sales of supplies are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenues from land leased to a subsidiary are charged according to the lease agreement which term is 30 years, commencing from January 25, 2005 until January 24, 2035 at annual rent of Baht 0.11 million, and will be increased by 10% for every 3 years. Once the lease is expired, ownership rights on all constructions built on the leased land will be vested to the lessor.
- Rental income from land and structure which lease terms range from 1 to 3 years are in accordance with the mutually agreed prices.
- Inter-service income, other incomes and expenses are charged according to the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody period at general market rates.
- Expenses paid on behalf of each other are charged at actual.

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

Company Name	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Raja Ceramics Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Sahamit Machinery Public Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Parahitac Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
K.K. Wood Industry Co., Ltd.	Related Company	Same group of shareholders
Amarco Co., Ltd.	Related Company	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related Company	Same group of shareholders
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in subsidiary
Mitr Kaset Industry Co., Ltd.	Related Company	Mutual directors in subsidiary
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building

All of the aforementioned related entities are incorporated in Thailand.

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

7. TRADE AND OTHER RECEIVABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Trade receivables	1,656,881	880,909	840,260	248,528
Farmer receivables	322,652	256,083	206,389	169,854
Other receivables	24,225	13,397	46,702	27,304
Prepaid expenses	67,247	22,990	19,947	6,476
Advance payment	32,971	53,402	8,066	8,048
Accrued dividend receivable from subsidiaries	-	-	1,299,751	1,169,748
Accrued income	78,199	39,250	16,732	17,770
Total trade and other receivables	<u>2,182,175</u>	<u>1,266,031</u>	<u>2,437,847</u>	<u>1,647,728</u>

7.1 Trade receivables as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Related parties	10,173	4,711	136,860	158,607
Others	1,672,878	898,652	703,400	89,921
Total	1,683,051	903,363	840,260	248,528
<u>Less</u> Allowance for doubtful accounts	(26,170)	(22,454)	-	-
Total trade receivables	<u>1,656,881</u>	<u>880,909</u>	<u>840,260</u>	<u>248,528</u>

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

7.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Domestic trade receivables				
Not yet due	9,031	3,394	128,846	158,607
Overdue not over 3 months	1,142	1,317	8,014	-
Total	<u>10,173</u>	<u>4,711</u>	<u>136,860</u>	<u>158,607</u>

The normal credit terms granted to the related parties of the Company and subsidiaries range from 7 days to 365 days.

7.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2014	2013	Separate Financial Statements 2014	2013
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	204,362	215,147	37,750	73,382
Overdue not over 3 months	93,823	3,585	22,918	638
Overdue over 3 months but not over 6 months	892	-	-	-
Over 12 months	93	395	-	-
Total	<u>299,170</u>	<u>219,127</u>	<u>60,668</u>	<u>74,020</u>
Foreign trade receivables				
Not yet due	<u>844,926</u>	<u>61,452</u>	<u>642,732</u>	<u>15,901</u>
Total	<u>844,926</u>	<u>61,452</u>	<u>642,732</u>	<u>15,901</u>
Total of business are to manufacture and distribute sugar and molasses	<u>1,144,096</u>	<u>280,579</u>	<u>703,400</u>	<u>89,921</u>
Manufacture and distribution of alcohol and electricity				
Domestic trade receivables				
Not yet due	276,728	295,165	-	-
Overdue not over 3 months	<u>24,361</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of manufacture and distribution of alcohol and electricity	<u>301,089</u>	<u>295,165</u>	<u>-</u>	<u>-</u>
Other business				
Domestic trade receivables				
Not yet due	125,839	157,352	-	-
Overdue not over 3 months	65,046	114,272	-	-
Overdue over 3 months but not over 6 months	200	31,509	-	-
Overdue over 6 months but not over 12 months	-	12,025	-	-
Over 12 months	<u>36,608</u>	<u>7,750</u>	<u>-</u>	<u>-</u>
Total other business	<u>227,693</u>	<u>322,908</u>	<u>-</u>	<u>-</u>
Total	<u>1,672,878</u>	<u>898,652</u>	<u>703,400</u>	<u>89,921</u>
Less Allowance for doubtful accounts	<u>(26,170)</u>	<u>(22,454)</u>	<u>-</u>	<u>-</u>
Total trade receivables - others	<u>1,646,708</u>	<u>876,198</u>	<u>703,400</u>	<u>89,921</u>

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

7.2 Farmer receivables as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Cane receivables				
Before Season 2009/2010	7,838	41,733	77	77
Season 2009/2010	2,999	4,253	2,142	3,116
Season 2010/2011	11,071	11,230	2,242	2,278
Season 2011/2012	30,053	41,386	3,581	4,169
Season 2012/2013	32,849	46,952	7,505	12,295
Season 2013/2014	53,038	-	9,334	-
Total cane receivables	<u>137,848</u>	<u>145,554</u>	<u>24,881</u>	<u>21,935</u>
Advance payment				
Season 2013/2014	-	152,781	-	145,375
Season 2014/2015	183,275	12,651	182,959	12,652
Season 2016/2017	24,114	-	9,424	-
Total advance payment for purchases of cane	<u>207,389</u>	<u>165,432</u>	<u>192,383</u>	<u>158,027</u>
Receivables from fuel oil, fertilizer and other services	<u>6,146</u>	<u>7,077</u>	<u>6,146</u>	<u>5,920</u>
Total	351,383	318,063	223,410	185,882
<u>Less</u> Allowance for doubtful accounts	<u>(28,731)</u>	<u>(61,980)</u>	<u>(17,021)</u>	<u>(16,028)</u>
Total farmer receivables	<u>322,652</u>	<u>256,083</u>	<u>206,389</u>	<u>169,854</u>

8. **SHORT-TERM LOANS**

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Short-term loans to related parties	-	-	2,538,855	3,798,976
Short-term loans to others	120,000	-	120,000	-
Short-term loans to farmers	888,687	827,434	134,682	123,324
Current portion of loans for cane plantation development	<u>225,506</u>	<u>199,141</u>	<u>45,150</u>	<u>37,471</u>
Total short-term loans	<u>1,234,193</u>	<u>1,026,575</u>	<u>2,838,687</u>	<u>3,959,771</u>

Short-term loans to farmers included in the consolidated and separate financial statements are post-dated checks, where the farmers discounted to the Company and its subsidiaries with the interest rates based on the lending rates of commercial banks.

9. INVENTORIES

Inventories as at October 31, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Sugar and molasses	2,882,323	1,911,702	1,150,595	1,013,698
Alcohol and bio-fertilizer	464,016	429,158	-	-
Wheat flour	343,002	288,091	-	-
Polypropylene bags	11,913	18,402	-	-
Palm oil	-	124,254	-	-
Bagasse	128,367	58,719	-	-
Factory supplies	234,029	350,556	176,282	252,295
Machine maintenance supplies	469,405	557,437	402,543	394,252
	<u>4,533,055</u>	<u>3,738,319</u>	<u>1,729,420</u>	<u>1,660,245</u>
<u>Less</u> Allowance for obsolete goods and factory supplies	(6,129)	(6,129)	(6,129)	(2,490)
Allowance for diminution in value of inventories	<u>(178,585)</u>	<u>(84,733)</u>	<u>(338)</u>	<u>-</u>
Total inventories	<u>4,348,341</u>	<u>3,647,457</u>	<u>1,722,953</u>	<u>1,657,755</u>

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Beginning balance	(84,733)	(164,013)	-	(23,609)
<u>Add</u> Increase during the years	(178,585)	(86,745)	(338)	(2,012)
<u>Less</u> Reversal during the years	84,733	166,025	-	25,621
Ending balance	<u>(178,585)</u>	<u>(84,733)</u>	<u>(338)</u>	<u>-</u>

For the years ended October 31, 2014 and 2013, cost of inventories recognized as cost of sales in the consolidated financial statements were Baht 14,027.72 million and Baht 14,689.39 million, respectively, and in the separate financial statements were Baht 7,577.74 million and Baht 5,265.66 million, respectively.

10. INVESTMENTS IN AN ASSOCIATE AND SUBSIDIARIES

Investments in an associate and subsidiaries as at October 31, consisted of:

Consolidated Financial Statements

Company Name	Paid-up		Percentage of		As at October 31, 2014			As at October 31, 2013		
	Share Capital		Shareholding		Investment			Investment		
			%	%	Cost	Equity	Dividend	Cost	Equity	Dividend
	2014	2013	2014	2013						
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	25,664	390	73,800	36,803	325
Total					73,800	25,664	390	73,800	36,803	325

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Dividends	
	Share Capital		Shareholding		As at	As at	For the year	For the year
			%	%	October 31,	October 31,	ended	ended
	2014	2013	2014	2013	2014	2013	2014	2013
<u>Associate</u>								
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	390	325
Total investment in an associate					73,800	73,800	390	325
<u>Subsidiaries</u>								
Thai Sugar Terminal Public Company Limited	145,200	145,200	23.82	23.82	81,967	81,967	8,300	7,545
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	324,772	324,772
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 Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	1,355	2,033
KSL Material Supplies Co., Ltd.	10,000	10,000	100.00	100.00	9,119	9,119	-	-
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	479,983
Khon Kaen Alcohol Company Limited	610,000	610,000	100.00	100.00	609,986	609,986	914,978	304,993
KSL Agro & Trading Company Limited	300,000	300,000	100.00	100.00	300,000	300,000	60,000	60,000
Savannakhet Sugar Corporation*	684,757	684,757	98.49	98.49	674,178	674,178	-	-
Koh Kong Sugar Industry Co., Ltd.*	1,167,660	1,167,660	80.00	80.00	932,589	932,589	-	-
Wynn In Trading Co., Ltd.*	487,497	487,497	100.00	100.00	487,497	487,497	-	-
T S G Assets Co., Ltd.	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.	500,000	500,000	0.62	0.62	3,089	3,089	-	-
T S Flour Mill Public Company Limited	285,000	285,000	0.07	0.07	196	196	20	29
T S Warehouse Co., Ltd.	12,500	12,500	4.02	4.02	509	509	-	-
T S Transport and Logistic Co., Ltd.	80,000	80,000	10.12	10.12	8,108	8,108	-	-
Total					6,162,195	6,162,195	1,309,425	1,179,355
<u>Less</u> Allowance for impairment of investments					(5,884)	(5,884)	-	-
Total investments in subsidiaries					6,156,311	6,156,311	1,309,425	1,179,355
Total investments in an associate and subsidiaries					6,230,111	6,230,111	1,309,815	1,179,680

* 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% as at October 31, 2014 and 2013. Furthermore, Koh Kong Plantation Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year.

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

	Unit : Thousand Baht Separate Financial Statements	
	2014	2013
Beginning balance	6,230,111	5,769,034
Additional investments		
T S Flour Mill Public Company Limited	-	18,718
K.S.L. Real Estate Company Limited	-	230,000
Wynn In Tradings Co., Ltd.	-	118,540
KSL. Agro & Trading Company Limited	-	20,000
Koh Kong Sugar Industry Co., Ltd.	-	91,920
T S Oil Industry Co., Ltd.	-	617
Sale of investment		
T S Flour Mill Public Company Limited	-	(18,718)
Ending balance	<u>6,230,111</u>	<u>6,230,111</u>

On November 13, 2012, TS Flour Mill Public Company Limited, which is a subsidiary, offered 85 million ordinary shares to public investor in the Market for Alternative Investment (MAI) at the par value of Baht 1 each. The Company purchased 6.04 million ordinary shares at the offering value of Baht 3.10 each, totally Baht 18.72 million and sold the entire amount on November 28, 2012.

On February 26, 2013, the Annual General Shareholders' meeting for 2013 No. 1/2013 of KSL Real Estate Company Limited passed a resolution to increase the authorized share capital of 7 million shares with a par value of Baht 100 each, totaling Baht 700 million. Such subsidiary registered the capital increase with the Department of Business Development on March 11, 2013 and fully received such share subscriptions on March 18, 2013.

On March 14, 2013, Wynn In Trading Co., Ltd., an oversea subsidiary, increased its share capital of 4 million shares at the per value of USD 1 each, totaling USD 4 million.

On September 16, 2013, the Board of Directors' Meeting No. 2/2013 of KSL. Agro & Trading Co., Ltd. passed a resolution to call for the remaining subscriptions of 10 million shares at Baht 2 each, totaling Baht 20 million. Such share subscriptions were fully received on October 9, 2013.

11. OTHER LONG-TERM INVESTMENTS

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

	Parentage of Shareholding		Consolidated		Unit : Thousand Baht	
	Direct and indirect		Financial Statements		Separate	
	2014	2013	2014	2013	2014	2013
	%	%				
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	8	8	2	2
- Mudman Co., Ltd.	9.46	-	350,000		350,000	-
Total			350,795	795	350,325	325
Marketable equity securities-Available-for-sale-securities			4,469	4,469	-	-
<u>Less</u> Revaluation of fair value adjustment			(721)	(1,608)	-	-
Net			3,748	2,861	-	-
Held-to-maturity debt securities - government bonds			20,615	21,126	6,367	6,367
<u>Less</u> Amortization			(1,779)	(425)	(156)	(137)
Current portion			-	(500)	-	-
Net			18,836	20,201	6,211	6,230
Total other long-term investments			373,379	23,857	356,536	6,555

12. LONG-TERM LOANS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Loans for cane plantation development	689,865	661,789	119,081	58,961
<u>Less</u> Current portion (included as part of short-term loans)	(225,506)	(199,141)	(45,150)	(37,471)
Total	464,359	462,648	73,931	21,490
<u>Less</u> Allowance for doubtful debts	(19,383)	(22,959)	(8,881)	(8,881)
Total long-term loans	444,976	439,689	65,050	12,609

As at October 31, 2014 and 2013, loans for cane plantation development included in the consolidated and separate financial statements included loans to six and five other parties of Baht 32.00 million and Baht 30.71 million, respectively, for purchases of agricultural machineries for planting 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 Company has the ownership over the agricultural machineries purchased by the borrowers and, in the event of default of debt payments, the Company is able to sell such machineries back to the sellers.

As at October 31, 2014 and 2013, the remaining loans for cane plantation development were the subsidiaries' loans to farmers for the purpose to buy land for cane plantation, agricultural machineries and equipment of subsidiaries. The loan agreements were entered into for the periods of 1 - 8 years, or longer. Loans carry interest rates of 5.875% - 8.50% per annum, which the farmers mostly use land and vehicles as collateral.

13. DEFERRED CANE PLANTATION COSTS

Movements of deferred cane plantation costs for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Beginning book value - net	479,509	569,984	39,714	59,431
Additional costs during the years				
- Costs of cane plantation	287,478	258,218	33,091	36,909
- Transfers of depreciation	41,753	45,656	2,991	2,247
Accumulated cost of cane planted	808,740	873,858	75,796	98,587
- Amortization of cane plantation costs during the year	(272,980)	(372,987)	(34,316)	(58,873)
Ending book value	535,760	500,871	41,480	39,714
Reversal (loss) from impairment	376	(1,641)	-	-
Loss from damaged cane	(5,695)	(23,939)	-	-
Exchange differences on translating financial statements	12,266	4,218	-	-
Ending book value - net	542,707	479,509	41,480	39,714

The Company and its subsidiaries recorded deferred cane plantation costs at cost less accumulated amortization and allowance for impairment because the cane plantation period is approximately 10 - 13 months and the fair value of cane fluctuates by the climate of plantation area which has an impact to the quantity and quality of cane products.

As at October 31, 2014 and 2013, certain deferred cane plantation costs of Baht 476.32 million and Baht 415.78 million, respectively, belong to two subsidiaries which grow cane plantation on lease land as follows:

- For the first subsidiary, amounting to Baht 158.72 million and Baht 148.25 million, respectively, represent costs of cane plantation on the land leased from the Government of the Lao People's Democratic Republic as referred to in Note 30.7.1.
- For the second subsidiary, amounting to Baht 317.60 million and Baht 267.53 million, respectively, represent costs of cane plantation on the land leased from the Government of the Kingdom of Cambodia as referred to in Note 30.7.2.

14. INVESTMENT PROPERTY

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

2014

	Consolidated Financial Statements				Separate Financial Statements			
	Land	Land Improvement	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
Unit : Thousand Baht								
Cost :								
As at November 1, 2013	1,304,763	6,890	1,931,460	12,648	3,255,761	250,292	397,522	647,814
Adjustment	(1,963)	-	-	-	(1,963)	-	-	-
Transfer in	12	-	14,008	-	14,020	-	-	-
Transfer out	(29,959)	-	(35,071)	(12,648)	(77,678)	-	-	-
Purchases	34,659	-	3,533	248	38,440	-	-	-
Disposal	(92)	(48)	(536)	-	(676)	-	-	-
As at October 31, 2014	<u>1,307,420</u>	<u>6,842</u>	<u>1,913,394</u>	<u>248</u>	<u>3,227,904</u>	<u>250,292</u>	<u>397,522</u>	<u>647,814</u>
Accumulated depreciation :								
As at November 1, 2013	-	(3,816)	(310,635)	-	(314,451)	-	(233,510)	(233,510)
Transfer in	-	(13)	-	-	(13)	-	-	-
Transfer out	-	-	23,995	-	23,995	-	-	-
Depreciation for the year	-	(110)	(35,760)	-	(35,870)	-	(4,232)	(4,232)
Disposal	-	-	166	-	166	-	-	-
As at October 31, 2014	<u>-</u>	<u>(3,939)</u>	<u>(322,234)</u>	<u>-</u>	<u>(326,173)</u>	<u>-</u>	<u>(237,742)</u>	<u>(237,742)</u>
Allowance for impairment :								
As at November 1, 2013	(1,855)	-	(720)	-	(2,575)	-	-	-
Reclassification	(1,180)	-	-	-	(1,180)	(316)	-	(316)
As at October 31, 2014	<u>(3,035)</u>	<u>-</u>	<u>(720)</u>	<u>-</u>	<u>(3,755)</u>	<u>(316)</u>	<u>-</u>	<u>(316)</u>
Net book value :								
As at October 31, 2014	<u>1,304,385</u>	<u>2,903</u>	<u>1,590,440</u>	<u>248</u>	<u>2,897,976</u>	<u>249,976</u>	<u>159,780</u>	<u>409,756</u>
Fair value :								
As at October 31, 2014	<u>1,617,837</u>	<u>3,074</u>	<u>1,840,264</u>	<u>-</u>	<u>3,461,175</u>	<u>382,794</u>	<u>484,470</u>	<u>867,264</u>

2013

	Consolidated Financial Statements				Separate Financial Statements			Unit : Thousand Baht
	Land	Land Improvement	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
Cost :								
As at November 1, 2012	414,800	-	583,321	12,372	1,010,493	123,978	380,839	504,817
Adjustment	(243)	-	-	-	(243)	-	-	-
Transfer in	333,696	9,650	217,616	-	560,962	126,646	16,683	143,329
Transfer out	(81,645)	(2,760)	(119,518)	(12,081)	(216,004)	-	-	-
Purchases	667,369	-	1,250,041	12,357	1,929,767	-	-	-
Disposal	(29,214)	-	-	-	(29,214)	(332)	-	(332)
As at October 31, 2013	<u>1,304,763</u>	<u>6,890</u>	<u>1,931,460</u>	<u>12,648</u>	<u>3,255,761</u>	<u>250,292</u>	<u>397,522</u>	<u>647,814</u>
Accumulated depreciation :								
As at November 1, 2012	-	-	(382,536)	-	(382,536)	-	(219,206)	(219,206)
Transfer in	-	(3,788)	(35,803)	-	(39,591)	-	(10,432)	(10,432)
Transfer out	-	-	133,029	-	133,029	-	-	-
Depreciation for the year	-	(28)	(25,325)	-	(25,353)	-	(3,872)	(3,872)
As at October 31, 2013	<u>-</u>	<u>(3,816)</u>	<u>(310,635)</u>	<u>-</u>	<u>(314,451)</u>	<u>-</u>	<u>(233,510)</u>	<u>(233,510)</u>
Allowance for impairment :								
As at November 1, 2012	(2,247)	-	-	-	(2,247)	(448)	-	(448)
Decrease	448	-	200	-	648	448	-	448
Increase	(56)	-	(920)	-	(976)	-	-	-
As at October 31, 2013	<u>(1,855)</u>	<u>-</u>	<u>(720)</u>	<u>-</u>	<u>(2,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value :								
As at October 31, 2013	<u>1,302,908</u>	<u>3,074</u>	<u>1,620,105</u>	<u>12,648</u>	<u>2,938,735</u>	<u>250,292</u>	<u>164,012</u>	<u>414,304</u>
Fair value :								
As at October 31, 2013	<u>1,617,837</u>	<u>3,074</u>	<u>1,840,264</u>	<u>-</u>	<u>3,461,175</u>	<u>382,794</u>	<u>484,470</u>	<u>867,264</u>

For the years ended October 31, 2014 and 2013, the Company and its subsidiaries recognized rental income from investment property of Baht 164.16 million and Baht 120.79 million, respectively, in the consolidated statements of income, and of Baht 41.72 million and Baht 44.13 million, respectively, in the separate statements of income.

As at October 31, 2014 and 2013, a subsidiary has the assets for rent with the book value stated in the consolidated financial statements of Baht 300.49 million and Baht 296.92 million, respectively, pledged as collateral against credit facilities given by two commercial banks (see Note 20).

15. PROPERTY, PLANT AND EQUIPMENT

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

2014

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	
Cost :								
As at November 1, 2013	815,030	1,093,795	5,124,337	14,608,529	1,742,513	264,846	7,716,964	31,366,014
Adjustment and reclassification	4,486	3,132	23,052	5,820	(1,511)	(4,596)	73,208	103,591
Purchases	81,935	2,649	22,043	89,596	109,847	15,829	2,569,630	2,891,529
Disposals/written off	(820)	(455)	(12,993)	(29,603)	(8,629)	(2,171)	-	(54,671)
Transfer in (out)	-	185,364	853,243	4,356,112	6,113	3,515	(5,404,347)	-
Translation of financial statements differences	-	22,565	22,775	58,573	10,345	647	(41)	114,864
As at October 31, 2014	900,631	1,307,050	6,032,457	19,089,027	1,858,678	278,070	4,955,414	34,421,327
Accumulated depreciation :								
As at November 1, 2013	-	(303,024)	(1,132,478)	(5,766,146)	(872,343)	(174,185)	-	(8,248,176)
Adjustment and reclassification	-	(120)	(23,799)	(1,566)	193	646	-	(24,646)
Depreciation for the year	-	(37,164)	(145,126)	(817,711)	(102,687)	(29,790)	-	(1,132,478)
Disposals/written off	-	441	12,435	26,447	7,720	2,084	-	49,127
Translation of financial statements differences	-	(6,417)	(3,110)	(6,854)	(5,490)	(545)	-	(22,416)
As at October 31, 2014	-	(346,284)	(1,292,078)	(6,565,830)	(972,607)	(201,790)	-	(9,378,589)
Differences on revaluation of assets :								
As at November 1, 2013	2,042,199	-	-	-	-	-	-	2,042,199
Adjustment and reclassification	21,842	-	-	-	-	-	-	21,842
As at October 31, 2014	2,064,041	-	-	-	-	-	-	2,064,041
Allowance for impairment of assets :								
As at November 1, 2013	(5,945)	-	(15,634)	(942)	-	-	-	(22,521)
Adjustment and reclassification	(6,219)	-	8,769	742	-	-	-	3,292
As at October 31, 2014	(12,164)	-	(6,865)	(200)	-	-	-	(19,229)
Net book value :								
As at October 31, 2014	2,952,508	960,766	4,733,514	12,522,997	886,071	76,280	4,955,414	27,087,550

2013

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	
Cost :								
As at November 1, 2012	860,054	1,020,940	4,775,718	14,032,460	1,013,802	218,965	4,645,744	26,567,683
Adjustment and reclassification	(73,433)	41,925	(26,551)	(398,541)	321,152	(2,355)	9,809	(127,994)
Purchases	27,599	3,370	12,801	148,006	395,354	45,241	4,303,124	4,935,495
Disposals/written off	-	-	(2,301)	(24,114)	(10,858)	(3,391)	-	(40,664)
Transfer in (out)	810	21,338	358,418	834,702	20,248	6,215	(1,241,731)	-
Translation of financial statements differences	-	6,222	6,252	16,016	2,815	171	18	31,494
As at October 31, 2013	815,030	1,093,795	5,124,337	14,608,529	1,742,513	264,846	7,716,964	31,366,014
Accumulated depreciation :								
As at November 1, 2012	-	(245,508)	(915,693)	(5,247,265)	(656,939)	(153,588)	-	(7,218,993)
Adjustment and reclassification	-	(22,013)	(101,468)	176,352	(147,885)	3,259	-	(91,755)
Depreciation for the year	-	(33,985)	(115,919)	(714,424)	(75,748)	(26,945)	-	(967,021)
Disposals/written off	-	-	1,334	20,740	9,696	3,212	-	34,982
Translation of financial statements differences	-	(1,518)	(732)	(1,549)	(1,467)	(123)	-	(5,389)
As at October 31, 2013	-	(303,024)	(1,132,478)	(5,766,146)	(872,343)	(174,185)	-	(8,248,176)
Differences on revaluation of assets :								
As at November 1, 2012	2,104,981	-	-	-	-	-	-	2,104,981
Adjustment and reclassification	(71,009)	-	-	-	-	-	-	(71,009)
Increase	8,227	-	-	-	-	-	-	8,227
As at October 31, 2013	2,042,199	-	-	-	-	-	-	2,042,199
Allowance for impairment of assets :								
As at November 1, 2012	(13,028)	(720)	(9,282)	(6,454)	-	-	-	(29,484)
Adjustment and reclassification	7,083	720	(6,352)	3,817	-	-	-	5,268
Transfer in	-	-	-	1,695	-	-	-	1,695
As at October 31, 2013	(5,945)	-	(15,634)	(942)	-	-	-	(22,521)
Net book value :								
As at October 31, 2013	2,851,284	790,771	3,976,225	8,841,441	870,170	90,661	7,716,964	25,137,516

Depreciation for the years ended October 31,

2014	Thousand Baht	<u>1,132,478</u>
2013	Thousand Baht	<u>967,021</u>

2014

Unit : Thousand Baht

	Separate Financial Statements							Total
	Land	Land Improvement	Building and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	
Cost :								
As at November 1, 2013	378,505	36,038	710,756	2,950,485	602,605	103,642	4,139,186	8,921,217
Adjustment and reclassification	-	-	-	-	-	-	(16,000)	(16,000)
Purchases	29,503	834	16,258	28,017	6,233	7,946	1,179,862	1,268,653
Disposals/written off	(29,422)	-	(763)	-	-	(17)	-	(30,202)
Transfer in (out)	-	161,700	555,304	2,159,801	-	570	(2,877,375)	-
As at October 31, 2014	378,586	198,572	1,281,555	5,138,303	608,838	112,141	2,425,673	10,143,668
Accumulated depreciation :								
As at November 1, 2013	-	(14,099)	(277,956)	(2,058,518)	(290,989)	(63,950)	-	(2,705,512)
Depreciation for the year	-	(6,609)	(31,375)	(235,038)	(24,357)	(12,038)	-	(309,417)
Disposals/written off	-	-	763	-	-	16	-	779
As at October 31, 2014	-	(20,708)	(308,568)	(2,293,556)	(315,346)	(75,972)	-	(3,014,150)
Differences on revaluation of assets :								
As at November 1, 2013	532,786	-	-	-	-	-	-	532,786
Increase (decrease)	(12,581)	-	-	-	-	-	-	(12,581)
As at October 31, 2014	520,205	-	-	-	-	-	-	520,205
Allowance for impairment of assets :								
As at November 1, 2013	-	-	(8,769)	-	-	-	-	(8,769)
Adjustment and reclassification	(7,082)	-	8,769	-	-	-	-	1,687
As at October 31, 2014	(7,082)	-	-	-	-	-	-	(7,082)
Net book value :								
As at October 31, 2014	891,709	177,864	972,987	2,844,747	293,492	36,169	2,425,673	7,642,641

2013

Unit : Thousand Baht

	Separate Financial Statements							Total
	Land	Land Improvement	Building and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	
Cost :								
As at November 1, 2012	367,788	34,644	521,679	2,688,448	329,701	78,407	2,208,058	6,228,725
Adjustment and reclassification	-	330	(9,425)	(3,429)	459	(4,675)	-	(16,740)
Purchases	10,717	884	1,705	76,372	273,950	30,418	2,317,264	2,711,310
Disposals/written off	-	-	-	(65)	(1,505)	(508)	-	(2,078)
Transfer in (out)	-	180	196,797	189,159	-	-	(386,136)	-
As at October 31, 2013	378,505	36,038	710,756	2,950,485	602,605	103,642	4,139,186	8,921,217
Accumulated depreciation :								
As at November 1, 2012	-	(12,339)	(274,967)	(1,852,895)	(268,573)	(58,862)	-	(2,467,636)
Adjustment and reclassification	-	(4)	8,231	592	(4,934)	3,795	-	7,680
Depreciation for the year	-	(1,756)	(11,220)	(206,280)	(18,987)	(9,376)	-	(247,619)
Disposals/written off	-	-	-	65	1,505	493	-	2,063
As at October 31, 2013	-	(14,099)	(277,956)	(2,058,518)	(290,989)	(63,950)	-	(2,705,512)
Differences on revaluation of assets :								
As at November 1, 2012	529,378	-	-	-	-	-	-	529,378
Increase	3,408	-	-	-	-	-	-	3,408
As at October 31, 2013	532,786	-	-	-	-	-	-	532,786
Allowance for impairment of assets :								
As at November 1, 2012	(7,083)	-	(2,417)	(3,817)	-	-	-	(13,317)
Decrease (increase)	7,083	-	(6,352)	3,817	-	-	-	4,548
As at October 31, 2013	-	-	(8,769)	-	-	-	-	(8,769)
Net book value :								
As at October 31, 2013	911,291	21,939	424,031	891,967	311,616	39,692	4,139,186	6,739,722

Depreciation for the years ended October 31,

2014	Thousand Baht	<u>309,417</u>
2013	Thousand Baht	<u>247,619</u>

For the fiscal years 2014 and 2013, the borrowing costs of Baht 15.79 million and Baht 43.97 million, respectively, in the consolidated financial statements, incurred from borrowings for the projects of the Company and its local subsidiaries. Such borrowing costs are recorded as costs of construction in progress included in addition of assets.

As at October 31, 2014 and 2013, land together with structure and machineries at the book value of Baht 391.30 million and Baht 671.25 million, respectively, in the consolidated financial statements, were used as collateral for the short-term and long-term credit facilities with commercial banks as stated in Notes 17, 20 and 30.5.

As at October 31, 2014 and 2013, buildings and structure, and building under construction of three overseas subsidiaries at book values of Baht 714.12 million and Baht 688.67 million, respectively, in the consolidated financial statements, are located on the concession land which the ownership will be transferred to the lessors when the agreements are expired (see Note 30).

As at October 31, 2014 and 2013, assets at cost amounts of Baht 3,075.70 million and Baht 2,338.60 million, respectively, in the consolidated financial statements, and of Baht 1,665.32 million and Baht 1,205.23 million, respectively, in the separate financial statements, were fully depreciated but still in use.

16. OTHER NON-CURRENT ASSETS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Assets not yet used in operation	273,010	279,116	40,793	42,164
Other non-current assets	193,472	292,889	807	2,688
	<u>466,482</u>	<u>572,005</u>	<u>41,600</u>	<u>44,852</u>

As at October 31, 2014 and 2013, assets not yet used in operation of Baht 119.55 million and Baht 120.92 million, respectively, in the consolidated financial statements, and of Baht 40.79 million and Baht 42.16 million, respectively, in the separate financial statements are land held for business expansion in the future.

As at October 31, 2014 and 2013, a subsidiary had assets not yet used in operation of Baht 13.20 million, equal. Such assets are spare parts of machineries bidding from a non-related company which are outstanding from usage and sales. They are currently considered to be held for business expansion in the future.

17. 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	
	2014	2013	2014	2013
Promissory notes	6,499,004	7,202,095	1,278,000	3,647,792
Trust receipts	150,492	200,260	-	-
Bills of exchange	1,393,777	1,990,096	1,393,777	1,990,096
Total	<u>8,043,273</u>	<u>9,392,451</u>	<u>2,671,777</u>	<u>5,637,888</u>

As at October 31, 2014 and 2013, borrowings from financial institutions include borrowings in the form of promissory notes with the maturity period ranging from 1 - 6 months. As at October 31, 2014 and 2013, part of the borrowing of Baht 1,765.00 million and Baht 254.30 million, respectively, are the borrowings denominated in US dollar from three and one commercial banks, respectively, by three and two subsidiaries, respectively, carrying interest rates at LIBOR+1.50% and 1.68% per annum and LIBOR+2.00% per annum, respectively. The remaining are borrowings denominated in Baht, carrying interest rates at 1.63% - 3.58% per annum and 1.75% - 4.55% per annum, respectively.

As at October 31, 2014 and 2013, trust receipts in the consolidated financial statements represent the borrowings denominated in Baht, carrying interest rates at 2.85% - 3.00% per annum and 1.89% - 3.66% per annum, respectively.

Borrowings from financial institutions are secured by land with structure, machineries, leasehold right of leased land where the plant is located, and guarantees by the Company and its subsidiaries. Long-term borrowings utilized the joint collaterals with the credit lines of long-term borrowings as mentioned in Note 20.

18. TRADE AND OTHER PAYABLES

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Trade payables - related parties	-	-	23,576	43,235
Trade payable - others				
- Payables for cane purchases	752,972	530,691	223,109	183,112
- Other trade payables	263,917	215,264	30,485	101,518
Advances received for sales of goods	98,892	70,299	62,709	21,608
Accrued fees payable to the Office of the Cane and Sugar Fund	101,198	70,345	24,518	21,770
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	62,868	56,224	27,458	21,276
Other accrued expenses	374,345	210,886	171,671	92,282
Payables on purchases of assets	389,912	734,603	107,198	249,349
Other payables	336,147	396,113	300,578	312,173
Total trade and other payables	<u>2,380,251</u>	<u>2,284,425</u>	<u>971,302</u>	<u>1,046,323</u>

As at October 31, 2014, the Company and its three subsidiaries purchased canes for the production season 2013/2014 using the initial cane price for production season 2013/2014 announced by the Cane and Sugar Board's in the Royal Gazette dated December 6, 2013. The price is Baht 900.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 57.00 per cane ton. Until the date the Company's Board of Directors approved the issuance of these financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2013/2014. Therefore, the Company and its subsidiaries recorded accounts payable - cane purchases and calculated cost of goods sold and inventories for the year ended October 31, 2014 from the estimate made by the management of the Company and its subsidiaries at cane price of Baht 1,147.30 - 1,158.19 per ton with average sweetness level at 11.64 - 12.68 c.c.s.

19. LONG-TERM DEBENTURES

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

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements 2014	2013
Unsecured senior debt debentures	7,492,742	2,497,644
<u>Less</u> Current portion	<u>(1,499,889)</u>	<u>-</u>
Net	<u>5,992,853</u>	<u>2,497,644</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, 2014								Net	Fair Value
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost		
1	KSL14DA	3 years	December 16, 2014	4.05	1,500,000	1,500,000	111	1,499,889	1,503,137
2	KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	703	999,297	1,012,417
3	KSL172A	3 years	February 27, 2017	3.84	1,000,000	1,000,000	992	999,008	1,015,818
4	KSL174A	3 years	April 30, 2017	3.63	1,000,000	1,000,000	1,194	998,806	1,011,711
5	KSL175A	3 years	May 16, 2017	3.60	1,000,000	1,000,000	1,172	998,828	1,008,299
6	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	1,537	998,463	1,021,016
7	KSL199A	5 years	August 5, 2019	4.07	1,000,000	1,000,000	1,549	998,451	1,014,096
Total long-term debentures					<u>7,500,000</u>	<u>7,500,000</u>	<u>7,258</u>	<u>7,492,742</u>	<u>7,586,494</u>

								Unit : Thousand Baht	
Consolidated Financial Statements/Separate Financial Statements as at October 31, 2013								Net	Fair Value
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost		
1	KSL14DA	3 years	December 16, 2014	4.05	1,500,000	1,500,000	1,009	1,498,991	1,514,461
2	KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	1,347	998,653	1,006,963
Total long-term debentures					<u>2,500,000</u>	<u>2,500,000</u>	<u>2,356</u>	<u>2,497,644</u>	<u>2,521,424</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	
	2014	2013
Beginning book value	2,497,644	3,497,584
Debentures issuance during the years	4,992,611	998,089
Redemptions during the years	-	(2,000,000)
Amortized debenture issuance cost	2,487	1,971
Ending book value	<u>7,492,742</u>	<u>2,497,644</u>

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

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

As at October 31, 2014 and 2013, the debts with interest to equity ratio is 1.48 : 1.00 and 1.39 : 1.00, respectively.

- 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.

20. 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	
	2014	2013	2014	2013
Borrowings - Baht currency	6,286,861	6,923,316	2,471,333	3,327,166
Borrowings - Foreign currency	197,907	189,232	-	-
Total	6,484,768	7,112,548	2,471,333	3,327,166
<u>Less</u> Current portion	(2,207,754)	(1,613,853)	(705,833)	(735,833)
Long-term borrowings	4,277,014	5,498,695	1,765,500	2,591,333

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Beginning book value	7,112,548	4,627,899	3,327,166	1,110,800
Additional borrowings during the years	2,487,398	3,967,000	-	2,572,000
Repayment during the years	(3,123,853)	(1,492,962)	(855,833)	(355,634)
Exchange differences on translating financial statements	8,675	10,611	-	-
Ending book value	6,484,768	7,112,548	2,471,333	3,327,166

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Borrowings - Baht currency	2.00 - 5.25	2.00 - 5.25	2.00 - 4.50	2.00 - 4.98
Borrowings - Foreign currency	2.32 - 2.33	2.36 - 2.40	-	-

Maturity of long-term borrowings were as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Within 1 year	2,207,754	1,613,853	705,833	735,833
Over 1 years and within 5 years	4,277,014	5,398,685	1,765,500	2,591,333
Over 5 years	-	100,000	-	-

Limit	Balance as at		Interest rate %	Principal repayment	Interest payment	Unit : Thousand Baht	
	October 31, 2014	2013				Commencing repayment	Maturity
The company							
1. Baht 1,000 million	600,000	800,000	AMLR - Fixed rate	Semi-annual	Monthly	January 2013	July 2018
2. Baht 2,500 million	1,850,000	2,350,000	AMLR - Fixed rate	Semi-annual	Monthly	May 2013	March 2019
3. Baht 2,150 million *	-	150,000	AMLR - Fixed rate	Semi-annual	Monthly	March 2012	May 2014
4. Baht 11.30 million	6,000	8,000	Fixed rate	Annual	Monthly	June 2012	June 2017
5. Baht 23 million	15,333	19,166	Fixed rate	Annual	Annual	June 2013	June 2019
Total	<u>2,471,333</u>	<u>3,327,166</u>					
The subsidiaries							
6. Baht 2,150 million *	-	1,000,000	AMLR - Fixed rate	Semi-annual	Monthly	March 2012	May 2014
7. Baht 800 million	600,000	600,000	AMLR - Fixed rate	Semi-annual	Monthly	February 2014	February 2019
8. Baht 2,000 million	700,000	1,100,000	AMLR - Fixed rate	Semi-annual	Monthly	December 2011	June 2016
9. Baht 1,000 million	800,000	-	AMLR - Fixed rate	Semi-annual	Monthly	March 2012	June 2018
10. Baht 1,000 million	400,000	525,000	AMLR - Fixed rate	Semi-annual	Monthly	December 2013	September 2016
11. Baht 1,000 million	852,000	-	AMLR - Fixed rate	Semi-annual	Monthly	August 2014	February 2019
12. Baht 175 million	80,000	127,500	AMLR - Fixed rate	Semi-annual	Monthly	December 2012	December 2016
13. Baht 200 million	79,800	-	AMLR - Fixed rate	Semi-annual	Monthly	December 2014	December 2019
14. Baht 50 million	30,910	40,870	AMLR - Fixed rate	Monthly	Monthly	November 2012	November 2017
15. Baht 550 million	255,598	-	AMLR - Fixed rate	Quarterly	Monthly	December 2014	March 2020
16. Baht 800 million	-	180,000	AMLR - Fixed rate	Semi-annual	Monthly	April 2010	April 2015
17. USD 5 million	14,631	13,990	LIBOR+2	Semi-annual	Quarterly	March 2011	March 2016
18. USD 5 million	14,631	13,990	LIBOR+2	Semi-annual	Quarterly	March 2011	March 2016
19. USD 30 million	168,645	161,252	LIBOR+2	Semi-annual	Quarterly	June 2011	March 2016
20. Baht 33.90 million	17,220	22,780	Fixed rate	Annual	Annual	June 2012	June 2017
Total	<u>4,013,435</u>	<u>3,785,382</u>					
Grand Total	<u>6,484,768</u>	<u>7,112,548</u>					

* Limit Baht 2,150 million is joint credit line between the Company and its subsidiaries

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

In the consolidated and separate financial statements as at October 31, 2014 and 2013, most of the borrowings are guaranteed by the Company and subsidiaries. The subsidiaries had insured certain structure and machine with transferring beneficial right to lenders, the commercial banks. The twelfth to the fifteenth credit lines are secured by land with structure included in investment property of the subsidiaries. The seventeenth to the nineteenth credit lines are secured by share certificates of the subsidiaries held by the shareholders of the subsidiaries. The fourth, fifth and twentieth credit lines are borrowing for purchases of agricultural equipment with secured by the executive directors of the Company and guaranteed cheques.

In addition, the Company and its subsidiaries have to abide to certain financial conditions, such as maintaining of debt with interest-to-equity ratio, the shareholding ratio in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital and restriction on dividend payment of subsidiaries, etc.

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

21.1 Income tax expense (income)

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

	Consolidated		Unit :Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
<u>Current income tax</u>				
Current income tax expense	188,297	144,137	545	7,195
<u>Deferred income tax</u>				
Deferred income tax income and temporary differences	(79,077)	(12,232)	(18,187)	(11,833)
Total	<u>109,220</u>	<u>131,905</u>	<u>(17,642)</u>	<u>(4,638)</u>

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

	Consolidated		Unit :Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Profit before income tax expense (income)				
- Promoted sector-exempted from income tax	1,224,383	1,341,696	-	-
- Non-promoted sector	670,235	450,534	1,171,974	1,133,971
Total profit before income tax expense (income)	<u>1,894,618</u>	<u>1,792,230</u>	<u>1,171,974</u>	<u>1,133,971</u>
Statutory tax rates (%)	20	23 and 20	20	23
Income tax expense				
- Non-promoted sector	134,047	126,609	234,395	260,813
Total income tax	<u>134,047</u>	<u>126,609</u>	<u>234,395</u>	<u>260,813</u>
Effect on income tax from non-deductible taxable expense and exempted taxable income	46,551	19,925	(233,850)	(253,618)
	180,598	146,534	545	7,195
Prior year income tax expense (income)	7,699	(2,397)	-	-
Deferred income tax income	(79,077)	(12,232)	(18,187)	(11,833)
Income tax expense (income)	<u>109,220</u>	<u>131,905</u>	<u>(17,642)</u>	<u>(4,638)</u>

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2013, the corporate income tax was reduced from 23% to 20% of net profit for two consecutive accounting periods beginning on or after January 1, 2012 but not later than December 31, 2014.

Deferred tax assets and liabilities as at October 31, 2014 and 2013 are determined using corporate income tax rate that has been changed in accordance with the Royal Decree No. 555 dated December 26, 2012.

21.2 Deferred tax assets as at October 31, are as follows:

	Consolidated		Unit :Thousand Baht Separate	
	Financial Statements		Financial Statements	
	2014	2013	2014	2013
Deferred tax assets - net				
Employee benefit obligations	1,257	354	-	-
Loss carried forward	76	-	-	-
Depreciation	(228)	-	-	-
Allowance for diminution in value of inventories	14,915	-	-	-
Gain on asset revaluation	(10,707)	-	-	-
Others	436	-	-	-
Deferred tax assets - net	<u>5,749</u>	<u>354</u>	<u>-</u>	<u>-</u>

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

2014

	Unit :Thousand Baht				
	Consolidated Financial Statements				
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	Items as recognized in shareholders' equity directly	As at October 31, 2014
Deferred tax assets - net					
Employee benefit obligations	354	499	404	-	1,257
Loss carried forward	-	76	-	-	76
Depreciation	-	(228)	-	-	(228)
Allowance for diminution in value of inventories	-	14,915	-	-	14,915
Gain on asset revaluation	-	-	(10,707)	-	(10,707)
Others	-	436	-	-	436
Deferred tax assets - net	<u>354</u>	<u>15,698</u>	<u>(10,303)</u>	<u>-</u>	<u>5,749</u>

2013

	Unit :Thousand Baht				
	Consolidated Financial Statements				
	As at November 1, 2012	Items as recognized in profit loss	Items as recognized in other comprehensive income	Items as recognized in shareholders' equity directly	As at October 31, 2013
Deferred tax assets - net					
Employee benefit obligations	405	(51)	-	-	354
Loss carried forward	994	(994)	-	-	-
Depreciation	(152)	152	-	-	-
Gain on asset revaluation	(694)	-	694	-	-
Others	7	(7)	-	-	-
Deferred tax assets - net	<u>560</u>	<u>(900)</u>	<u>694</u>	<u>-</u>	<u>354</u>

Unrecognized deferred tax assets as at October 31, are as follows:

	Unit :Thousand Baht Consolidated Financial Statements	
	2014	2013
The following deferred tax assets have not been recognized		
Temporary differences	(15,877)	4,460
Loss carried forward	89,212	41,769
	<u>73,335</u>	<u>46,229</u>

Loss carried forward of Baht 89.21 million consisted of taxable loss of Baht 61.09 million expiring in the year 2017 and Baht 28.12 million expiring in the year 2019.

21.3 Deferred tax liabilities as at October 31, are as follows:

	Consolidated Financial Statements		Unit :Thousand Baht Separate Financial Statements	
	2014	2013	2014	2013
Deferred tax liabilities - net				
Allowance for doubtful accounts	(21,895)	(30,933)	(5,180)	(4,982)
Allowance for diminution in value of inventories	(13,128)	(6,292)	-	-
Allowance for impairment in other long-term investments	(1,180)	(1,609)	(1,177)	(1,177)
Employee benefit obligations	(44,838)	(35,559)	(18,730)	(14,692)
Gain on asset revaluation	436,787	441,705	129,370	131,887
Loss carried forward	(62,888)	(4,147)	(19,237)	-
Depreciation	87,925	95,548	(13,276)	(14,991)
Others	(8,358)	(10,975)	(1,593)	(1,774)
Deferred tax liabilities - net	<u>372,425</u>	<u>447,738</u>	<u>70,177</u>	<u>94,271</u>

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

2014

	Unit :Thousand Baht Consolidated Financial Statements			
	As at November 1, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2014
Deferred tax liabilities - net				
Allowance for doubtful accounts	(30,933)	9,076	(38)	(21,895)
Allowance for diminution in value of inventories	(6,292)	(6,836)	-	(13,128)
Allowance for impairment in other long-term investments	(1,609)	429	-	(1,180)
Employee benefit obligations	(35,559)	556	(9,835)	(44,838)
Gain on asset revaluation	441,705	-	(4,918)	436,787
Loss carried forward	(4,147)	(58,410)	(331)	(62,888)
Depreciation	95,548	(10,955)	3,332	87,925
Others	(10,975)	2,761	(144)	(8,358)
Deferred tax liabilities - net	<u>447,738</u>	<u>(63,379)</u>	<u>(11,934)</u>	<u>372,425</u>

2013

	Unit :Thousand Baht			
	Consolidated Financial Statements			
	As at November 1, 2012	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2013
Deferred tax liabilities - net				
Allowance for doubtful accounts	(20,841)	(10,092)	-	(30,933)
Allowance for diminution in value of inventories	(5,656)	(636)	-	(6,292)
Allowance for impairment in other long-term investments	(1,609)	-	-	(1,609)
Employee benefit obligations	(34,278)	(1,281)	-	(35,559)
Gain on asset revaluation	416,269	-	25,436	441,705
Loss carried forward	(3,059)	(1,471)	383	(4,147)
Depreciation	96,944	(1,396)	-	95,548
Others	(12,719)	1,744	-	(10,975)
Deferred tax liabilities - net	<u>435,051</u>	<u>(13,132)</u>	<u>25,819</u>	<u>447,738</u>

2014

	Unit :Thousand Baht			
	Separate Financial Statements			
	As at November 1, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2014
Deferred tax liabilities - net				
Allowance for doubtful accounts	(4,982)	(198)	-	(5,180)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(14,692)	(648)	(3,390)	(18,730)
Gain on asset revaluation	131,887	-	(2,517)	129,370
Loss carried forward	-	(19,237)	-	(19,237)
Depreciation	(14,990)	1,714	-	(13,276)
Others	(1,775)	182	-	(1,593)
Deferred tax liabilities - net	<u>94,271</u>	<u>(18,187)</u>	<u>(5,907)</u>	<u>70,177</u>

2013

	Unit :Thousand Baht			
	Separate Financial Statements			
	As at November 1, 2012	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2013
Deferred tax liabilities - net				
Allowance for doubtful accounts	(3,389)	(1,593)	-	(4,982)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(13,935)	(757)	-	(14,692)
Gain on asset revaluation	105,876	-	26,011	131,887
Depreciation	472	(15,462)	-	(14,990)
Others	(7,754)	5,979	-	(1,775)
Deferred tax liabilities - net	<u>80,093</u>	<u>(11,833)</u>	<u>26,011</u>	<u>94,271</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

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 income in respect of these defined benefit plans for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Current service cost	4,091	5,191	1,365	2,582
Interest cost	3,100	6,474	1,259	2,989
Total	<u>7,191</u>	<u>11,665</u>	<u>2,624</u>	<u>5,571</u>

Movement in the present value of employee benefit obligations for the years ended October 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Employee benefit obligations brought forward	179,828	175,548	73,459	69,674
Current service cost	4,091	5,191	1,365	2,582
Interest cost	3,100	6,474	1,259	2,989
Actuarial loss on the estimation of the obligations	53,598	-	19,676	-
Benefit paid during the year	<u>(12,517)</u>	<u>(7,385)</u>	<u>(2,110)</u>	<u>(1,786)</u>
Employee benefit obligations carried forward	<u>228,100</u>	<u>179,828</u>	<u>93,649</u>	<u>73,459</u>

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

	As at October 31, 2014	
	Consolidated	Separate
	Financial Statements	Financial Statements
	%	%
Discount rate	3.49 - 4.23	4.07 - 4.08
Expected rate of salary increase	6.00	6.00
Voluntary resignation rate (Depended on employee's age)		
- Monthly employees	9.00 - 100.00	9.00 - 100.00
- Daily employees	4.00 - 60.00	16.00 - 60.00
	As at October 31, 2013	
	Consolidated	Separate
	Financial Statements	Financial Statements
	%	%
Discount rate	3.49 - 4.44	4.07 - 4.12
Expected rate of salary increase	5.00 - 6.00	6.00
Voluntary resignation rate (Depended on employee's age)		
- Monthly employees	2.00 - 46.00	8.00 - 24.00
- Daily employees	8.00 - 81.00	19.00 - 67.00

23. SHARE CAPITAL AND WARRANTS

23.1 For the year ended period October 31, 2013, the Company issued 128.88 million new ordinary shares with a par value of Baht 1 each, totaling Baht 128.88 million to support the conversion of warrants at the exercise price of Baht 10 per ordinary share.

There were outstanding warrants in 352,510 units on March 15, 2013 which was the last warrant exercised date. Thus, such warrants were expired immediately.

Movements of share capital for the year ended October 31, 2013, are as follows:

	Par Value	2013	
	Per Share Baht	Number Million Shares	Amount Million Baht
Issued and paid-up share capital			
As at November 1	1	1,575.77	1,575.77
Issue of new shares during the year	1	128.88	128.88
		<u>1,704.65</u>	<u>1,704.65</u>
<u>Less Treasury shares</u>	12.702	<u>(34.10)</u>	<u>(433.15)</u>
As at October 31	1	<u>1,670.55</u>	<u>1,271.50</u>

23.2 Treasury stocks and reserve for treasury stocks

On January 25, 2013, the Board of Directors' meeting No. 1/ 2013 passed a resolution to approve the Company to repurchase treasury stocks in volume of 78,788,404 stocks (or equals to 5% of total issued and paid-up capital) by repurchase in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding the average closing stocks price prior to 5 working days on the date of purchase plus 15% of such average closing stocks price. The maximum amount for the stock repurchase is not exceeding Baht 1,000 million. The repurchase period started from March 1, 2013 to August 30, 2013. The Board of Directors would reconsider the procedures of stocks resell within 6 months from the date of complete repurchasing the stocks but not more than 3 years. The reselling price would not be less than 85 percent of the average closing stocks price prior to 5 working days on date of sale of treasury stocks.

As at October 31, 2014 and 2013, the Company had an outstanding treasury stocks of 34.10 million shares in the account with an average cost of Baht 12.702 per share. The total cost was Baht 433.15 million. The treasury stocks of 34.10 million shares calculated at a par value of Baht 1 per share, represented 2% of the paid-up capital. The Company can hold treasury stocks not longer than three years after repurchase period finished.

24. DIVIDENDS PAID AND LEGAL RESERVE

Dividends Paid	Approved by	Number of shares	Dividends Paid	Dividends Paid	Dividends Paid
		Million shares	Per share Baht	Million Baht	Date
- Dividends paid from the Company's result of operations from November 1, 2012 to October 31, 2013	Annual general meeting of shareholders No. 1/2557 held on February 26, 2014	1.67	0.35	584.69	March 26, 2014
- Dividends paid from the Company's result of operations from November 1, 2011 to October 31, 2012	Annual general meeting of shareholders No. 1/2556 held on February 28, 2013	1.62	0.50	811.70	March 28, 2013

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% of net earnings after deducting accumulated deficit brought forward (if any) until reserve reaches 10% of the authorized share capital and this reserve is not available for distribution as dividends.

As at October 31, 2014 and 2013, the Company's legal reserve reaches 10% of authorized share capital.

25. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses included the compensation paid to the directors of the Company and its subsidiaries in accordance to Section 90 of Public Company Act which do not include salaries and related benefits paid to the executive directors of the Company and its subsidiaries for the years ended October 31, are as follows:

	Consolidated		Unit : Million Baht Separate	
	Financial Statements 2014	Financial Statements 2013	Financial Statements 2014	Financial Statements 2013
For the years ended October 31,	20.50	20.70	9.38	8.82

26. 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 not to exceed the covenants of the loan agreements (see Notes 17 and 20).

As at October 31, debt with interest-to-equity and debt-to-equity ratios are as follows:

	Consolidated		Separate	
	Financial Statements 2014	Financial Statements 2013 "Restated"	Financial Statements 2014	Financial Statements 2013 "Restated"
Debt with interest-to-equity	1.48 : 1.00	1.39 : 1.00	1.80 : 1.00	1.88 : 1.00
Debt-to-equity	1.71 : 1.00	1.63 : 1.00	1.96 : 1.00	2.07 : 1.00

27. EXPENSES BY NATURE

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2014	2013	2014	2013
Salaries, wages and other employee benefits	1,315,395	1,170,146	473,523	322,560
Depreciation	1,127,167	920,651	312,949	231,061
Fuel costs	232,857	353,586	362,039	208,896
Fees paid to the Office of the Cane and Sugar Fund	991,773	1,033,098	408,706	424,393
Maintenance expenses	577,723	581,568	185,884	201,384
Transportation expenses	726,044	489,794	295,761	118,925
Raw material and supply used	11,512,860	11,867,108	4,323,806	3,268,716
Purchase finished goods	306,230	371,356	2,060,899	1,397,692
Changes in finished goods and goods in process	(950,410)	(450,360)	(151,780)	(379,272)
Loss from bagasse damage	3,210	24,355	-	-
Loss for diminution on value of inventories (reversal)	93,664	(16,037)	338	(23,609)
Management benefit expenses	193,074	181,910	48,704	42,947
Finance costs	834,339	671,946	494,639	372,148
Other operating expenses	762,130	726,160	268,529	265,014
Total	<u>17,726,056</u>	<u>17,925,281</u>	<u>9,083,997</u>	<u>6,450,855</u>

28. EARNINGS PER SHARE

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

2014

	Consolidated Financial Statements			Separate Financial Statements		
	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	1,626,216	1,670,547	<u>0.973</u>	1,189,617	1,670,547	<u>0.712</u>

2013

	Consolidated Financial Statements			Separate Financial Statements		
	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	1,676,078	1,660,017*	<u>1.010</u>	1,138,609	1,660,017*	<u>0.686</u>

As at October 31, 2014 and 2013, the number of shares being used in the calculation of basic earnings per share is the number of ordinary shares adjusted with the number of treasury stock of 34.10 million shares. The Company does not have any ordinary share equivalents outstanding which would have a dilutive effect on earnings per share.

* Represented the weighted average number of ordinary shares based on the proportion of time of issuance of ordinary shares during the period.

29. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS

The Group presented the segment information in respect of the Group's business segments. The primary format in segment information report is based on the Group's management and internal reporting structure.

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

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

Manufacture and Distribution of Alcohol

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

Manufacture and Sale of Electricity

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

Real Estate Rental

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

Manufacture and Distribution of Wheat Flour

Produce and distribute wheat flour to industrial enterprises.

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, 2014 and 2013, the Group has revenue with a single external customer in electricity sector in the amount of Baht 1,140.84 million and Baht 1,028.61 million, respectively, of the Group's total revenue.

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

Consolidated Statements of Income

For the years ended October 31, 2014 and 2013

	Unit : Million Baht																	
	Manufacture and Distribution of Sugar and Molasses		Manufacture and Distribution of Alcohol		Manufacture and Distribution of Electricity		Real Estate Rental		Wheat Flour		Others Business		Inter-Transaction		Total			
	2014		2013		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Thai	Overseas	"Restated"		Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	"Restated"		Thai	Thai
Net revenue from operation - external	13,211	282	11,737	794	2,391	2,344	1,141	1,029	436	294	1,039	958	685	1,785	-	-	19,185	18,941
Net revenue from operation - internal	5,787	143	5,542	245	-	-	1,353	1,123	65	72	17	20	1,324	458	(8,689)	(7,460)	-	-
Total	18,998	425	17,279	1,039	2,391	2,344	2,494	2,152	501	366	1,056	978	2,009	2,243	(8,689)	(7,460)	19,185	18,941
Profit (loss) from operations	4,223	41	3,790	162	718	739	1,192	1,092	333	305	180	195	88	(95)	(1,584)	(1,432)	5,191	4,756
Selling, administrative expenses and others																	(2,452)	(2,292)
Finance costs	(686)	(74)	(538)	(81)	(1)	(5)	(134)	(87)	(37)	-	(9)	(14)	(13)	(59)	120	112	(834)	(672)
Share of loss of investment in an associate																	(11)	-
Income tax expenses																	(109)	(132)
Net profit																	1,785	1,660
Add (less) (Profit) loss for the years of non-controlling interests																	(159)	16
Profit for the years attributable to the parent																	1,626	1,676
Interest income	180	8	191	8	4	-	-	-	-	-	-	-	1	1	(120)	(112)	73	88
Depreciation	632	95	551	99	59	56	256	180	38	17	66	67	38	33	(11)	(8)	1,173	995

Consolidated Statements of Financial Position

As at October 31, 2014 and 2013

Trade and other receivables	3,120	50	2,029	35	179	171	207	194	51	16	160	162	136	241	(1,721)	(1,582)	2,182	1,266
Inventories	2,534	287	2,004	128	353	297	128	56	-	-	356	307	705	863	(15)	(8)	4,348	3,647
Property, plant and equipment	14,039	3,233	13,071	3,102	939	890	6,852	6,506	864	751	731	404	961	1,012	(531)	(598)	27,088	25,138
Central assets	12,612	623	14,123	547	212	112	206	254	2,643	2,433	62	52	1,487	1,208	(11,329)	(12,763)	6,516	5,966
Total Assets	32,305	4,193	31,227	3,812	1,683	1,470	7,393	7,010	3,558	3,200	1,309	925	3,289	3,324	(13,596)	(14,951)	40,134	36,017
Total Liabilities	20,462	2,735	19,693	2,245	1,008	445	3,562	4,171	1,074	3	633	277	1,089	2,149	(5,262)	(6,668)	25,301	22,315

30. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2014 and 2013, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

30.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 3,516.85 million and Baht 2,686.83 million, respectively, and in the separate financial statements amounting to Baht 1,058.62 million and Baht 847.45 million, respectively.

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

	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	2014	2013	2014	2013
For the production season 2013/2014	-	831.67	-	132.15
For the production season 2014/2015	1,142.68	-	241.92	-

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

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khonkaen Province, for the period of 21 years commencing from the first month of electricity selling (December 2006) at the volume of 20 Megawatt at the voltage of 115 Kilovolts. For the second year until the year before last, 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 totalling 30 Megawatt at the voltage of 115 Kilovolts, at the mutually-agreed price as stipulated in the agreement, for the period commencing from July 1, 2014 to November 2, 2018.

30.4 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) when the Energy Industry Act B.E. 2550 was effective, for 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions of the license.

30.5 The consolidated and separate financial statements, as at October 31, have commitments, contingent liabilities and credit facilities as follows:

Unit : Million

	Consolidated Financial Statements						
	Currency	As at October 31, 2014			As at October 31, 2013		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	7,140.55	-	-	4,395.51	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	48.25	-	-	12.98	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	96.48	-	-	86.87	-
Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
Letters of credit and trust receipts	THB	2,281.51	222.97	2,058.54	1,453.56	153.67	1,299.89
Letters of credit	USD	23.35	3.02	20.33	17.11	1.02	16.09
Credit Facilities							
Overdraft and short-term borrowings	THB	21,657.13	5,017.60	16,639.53	19,140.05	6,614.21	12,525.84
Trust receipts payable	THB	150.49	150.49	-	168.44	168.44	-
Short-term borrowings	USD	50.50	30.53	19.97	50.50	31.55	18.95
Joint credit line in short-term borrowings	THB	2,860.87	1,563.55	1,297.32	3,089.95	1,603.00	1,486.95
Joint credit line in short-term borrowings	USD	20.00	10.00	10.00	-	-	-
Long-term borrowings	THB	6,701.46	6,286.86	414.60	6,923.32	6,923.32	-
Long-term borrowings	USD	6.09	6.09	-	6.09	6.09	-

Unit : Million

	Separate Financial Statements						
	Currency	As at October 31, 2014			As at October 31, 2013		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	3,788.55	-	-	4,395.51	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	31.63	-	-	5.34	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	1.33	-	-	1.33	-
Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
Credit Facilities							
Overdraft and short-term borrowings	THB	7,752.13	1,278.00	6,474.13	7,130.05	4,711.00	2,419.05
Short-term borrowings	USD	10.50	-	10.50	30.50	30.00	0.50
Joint credit line in short-term borrowings	THB	2,860.87	1,563.55	1,297.32	3,089.95	1,603.00	1,486.95
Joint credit line in short-term borrowings	USD	20.00	10.00	10.00	-	-	-
Long-term borrowings	THB	2,471.33	2,471.33	-	3,327.17	3,327.17	-
Joint credit line in long-term borrowings	THB	-	-	-	1,000.00	1,000.00	-

As at October 31, 2014 and 2013, short-term borrowings from financial institutions carried interest rate at 1.68% - 3.58% per annum and 1.75% - 4.55% per annum, respectively.

The above credit facilities are partially secured by land with structure, machineries, subsidiary's leasehold right for the land where the factory is located, and share certificates of a related company held by the shareholders of subsidiary. The inter-guarantee was also offered between the Company and its subsidiaries, and benefits arisen from insurance policy for structure and machineries were transferred to the lenders. For certain credit facilities, if the facility is utilized, certain inventories of the Company and its subsidiaries will be used as collateral. As at October 31, 2014 and 2013, such facilities have not been used by the Company and its subsidiaries.

In addition, for joint commitments and long-term borrowings, the Company and its subsidiaries are required to be complied with certain financial conditions including maintaining the debt with interest-to-equity ratio, maintaining the shareholding ratio 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.

30.6 As at October 31, the commitments under the various contracts are as follows:

Unit : Million					
Consolidated Financial Statements					
2014					
2013					
	Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	829.95	179.32	428.56	81.33
	USD	0.11	0.10	5.00	4.00
Machine and equipment purchase agreement:	THB	664.16	156.40	1,476.69	364.07
	USD	33.77	18.89	29.43	10.43
Rental agreements	THB	28.48	7.82	27.96	14.36
Materials purchase agreements	THB	-	-	121.93	34.58
	USD	2.74	2.74	7.63	7.63

Unit : Million					
Separate Financial Statements					
2014					
2013					
	Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	666.72	118.19	278.49	47.79
Machine and equipment purchase agreement:	THB	456.13	53.17	1,302.04	336.95
Rental agreements	THB	25.18	6.44	27.96	14.36

As at October 31, the commitments under rental agreements to be paid in the following years are as follows:

	Unit : Million Baht Consolidated Financial Statements	
	2014	2013
Within one year	3.55	7.00
Over one year but less than 5 years	2.89	7.36
Total	<u>6.44</u>	<u>14.36</u>

30.7 Other significant agreements

- 30.7.1 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 30 years which can be extended for another 20 years if approved by the counter party. As at October 31, 2014 and 2013, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.
- 30.7.2 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 19,100 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1 - 4 per hectare per annum. As at October 31, 2014 and 2013, the subsidiaries have already utilized the area of 10,481.76 hectares.
- 30.7.3 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 May 31, 2007 and June 1, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at October 31, 2014 and 2013, the remaining amount of the advance lease fee paid are USD 0.44 million and USD 0.45 million, respectively.

31. 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 as at October 31, with the details mainly as follows:

2014

	Unit : Thousand Baht				
	Consolidated Financial Statements				
	Fixed Interest Rate			Floating	Total
	Within	More than	More than	Interest Rate	
	1 year	1 year	5 years		
		to 5 years			
Financial Assets					
Saving accounts deposits	-	-	368	210,615	210,983
Fixed account deposits	10,023	-	-	-	10,023
Short-term loans to others	120,000	-	-	-	120,000
Loans for cane plantation development	223,357	427,413	17,165	2,548	670,482
Short-term loans to farmers and others	830,332	-	-	58,355	888,687
Other long-term investments	-	18,836	-	-	18,836
Total	<u>1,183,712</u>	<u>446,249</u>	<u>17,533</u>	<u>271,518</u>	<u>1,919,011</u>
Financial Liabilities					
Short-term borrowings from financial institutions	6,051,853	-	-	597,642	6,649,496
Other short-term borrowings	1,393,777	-	-	-	1,393,777
Long-term debentures	1,499,889	5,992,853	-	-	7,492,742
Long-term borrowings	911,393	2,177,160	-	3,396,215	6,484,768
Liabilities from long-term lease agreements	3,555	8,003	-	-	11,558
Total	<u>9,860,467</u>	<u>8,178,016</u>	<u>-</u>	<u>3,993,857</u>	<u>22,032,341</u>

2013

Unit : Thousand Baht

	Consolidated Financial Statements				Total
	Fixed Interest Rate			Floating	
	Within	More than	More than	Interest Rate	
	1 year	1 year	5 years		
	to 5 years				
Financial Assets					
Saving accounts deposits	-	-	-	142,056	142,056
Fixed account deposits	13,022	-	-	-	13,022
Loans for cane plantation development	189,144	414,148	33,117	2,118	638,527
Short-term loans to farmers and others	780,097	1,011	-	46,326	827,434
Other long-term investments	500	20,201	-	-	20,701
Total	982,763	435,360	33,117	190,500	1,641,740
Financial Liabilities					
Short-term borrowings from financial institutions	6,951,145	-	-	451,210	7,402,355
Other short-term borrowings	1,990,096	-	-	-	1,990,096
Long-term debentures	-	2,497,644	-	-	2,497,644
Long-term borrowings	941,393	3,008,553	-	3,162,601	7,112,547
Liabilities from long-term lease agreements	1,696	6,575	-	-	8,271
Total	9,884,330	5,512,772	-	3,613,811	19,010,913

Risk on exchange rates

Risk on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and imports 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			
	2014		2013		2014		2013	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	38.75	755.54	3.07	50.30	19.69	-	0.02	0.74
YEN	-	6.51	-	2.52	-	-	-	-
RIEL	677.74	178.82	698.55	163.14	-	-	-	-
LAK	181.58	-	-	572.67	-	-	-	-

As at October 31, the Company and its subsidiaries entered into forward contracts 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, which are not due over 12 months 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	
	2014	2013	2014	2013		2014	2013	2014	2013
USD	68.05	49.29	-	-	THB	2,246.26	1,517.99	-	-

Net fair values of financial derivatives of the Company and its subsidiaries as at October 31, are as follows:

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Net fair values of forward exchange contracts	(1.88)	25.50	-	-

Risk on fluctuation of sugar and cane prices

The cane and sugar industry in Thailand is under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production. To manage risk on the fluctuation of gross profit, the Company and its subsidiaries have hedged the risk by entering into commodity swap contracts for the periods not over 2 years. Gain or loss is recognized in the statement of income 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:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements 2014	2013	Financial Statements 2014	2013
Gain on investments in derivative instruments	57.06	245.88	36.74	87.02

Net fair values of financial derivatives as at October 31, of the Company and its subsidiaries are as follows:

	Currency	Unit : Million Baht	
		Consolidated/Separate	
		Financial Statements 2014	2013
Net fair values for commodity swap contracts	USD	2.63	(0.10)
	THB	5.31	-

The fair values of the commodity swap contracts calculated using raw sugar price and white sugar price from The Exchange and Bloomberg at the statements of financial position dates as though the Company and its subsidiaries have settled those contracts on the statement of financial position dates.

Credit risk

The Company and its subsidiaries have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans to farmers, loans to related parties and other receivables. 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. It believes that the risk of default by receivables is low.

32. PROVIDENT FUND

The Company and twelve subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The group companies and their employees monthly contribute to the fund at the rate of 2% of basic salary. The fund, which is managed by Ayudhya Fund Management Co., Ltd. and Siam Commercial Fund Management Co., Ltd., will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2014 and 2013, the Company and its subsidiaries contributed in amounts of Baht 13.22 million and Baht 11.26 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 5.22 million and Baht 3.74 million, respectively, in the separate financial statements.

33. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

Three domestic subsidiaries received 8 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 :

<u>Certificate No.</u>	<u>Sections Privilege</u>	<u>Date</u>	<u>Promoted activity types</u>	<u>Commenced date of revenues generated</u>	<u>Expire date</u>
1929(2)/2547	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	November 2, 2004	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste - Production of biological fertilizers or organic fertilizers	January 8, 2006 March 30, 2006	January 7, 2014 January 7, 2014
1062(2)/2552	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	January 30, 2009	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste - Production of biological fertilizers or organic fertilizers	Income not yet derived Income not yet derived	
1063(2)/2552	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	January 30, 2009	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste - Production of biological fertilizers or organic fertilizers	December 6, 2011 December 30, 2011	December 31, .2019 December 31, .2019
2364(1)/2554	25, 26, 28, 31, 34, 35(1), 35(2), and 35(3)	September 20, 2011	- Production of biological - Production of biological	February 29, 2012 February 28, 2013	December 31, .2019 February 28, 2021
1258(2)/2548	25, 26, 28, 31(3), 31(4), 34, and 35(3)	March 29, 2005	- Production of electricity power and steams	December 22, 2006	December 21, 2014
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
1657(2)/2552	25, 26, 28, 31(1), 31(3), 31(4) and 34	August 25, 2009	- Production of pure vegetable oil and /or semi-pure vegetable oil	June 5, 2010	June 4, 2018

Furthermore, in accordance with the Promotion Certificate No. 1063(2)/2552, 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 the Promotion Certificate No. 1657(2)/2552, 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.

Three foreign subsidiaries are granted by foreign investment certificate and tax privilege from Lao People's Democratic Republic (the 1st Certificate) and from Kingdom of Cambodia (the 2nd - 4th Certificates) which the details are as follows:

- 1) Foreign Investment Certificate No. 017-06/ Khor Lor Tor includes tax privilege for exemption from income tax for 5 years from the date of first receiving revenue from sales of sugar, thereafter, the subsidiary shall pay income tax at the rate of 20%. The revenue is first derived on July 21, 2010 and will expire on July 20, 2015.
- 2) Foreign Investment Certificate No. 4420/06 Ghor. Wor. Ghor. dated December 15, 2006 issued by the Council for the Development of Cambodia, the subsidiary is granted by tax privilege for exemption from import the duties for machinery for manufacturing and construction materials.
- 3) Foreign Investment Certificate No. 1641/09 Ghor. Wor. Ghor. and No. 1642/09 Ghor. Wor. Ghor. dated July 28, 2009 issued by the Council for the Development of Cambodia, the subsidiary is granted tax privilege for exemption from income tax for the period of 8 years and 9 years, respectively, including priority period commencing from the period when subsidiary is operated (year 2006).
- 4) Tax Exemption Certificate for agriculture-industrial (sugar cane) No. 2299 dated April 12, 2012 issued by the Ministry of Economy and Finance, Cambodia, grants the privilege to charge value-added tax at 0% for sales of sugar cane to manufacture sugar for export. This certificate is valid for the period of 1 year from July 29, 2010 to July 31, 2011. The subsidiary is currently waiting for the renewed certificate covering the period from last expiration date to current fiscal year which it has submitted for.

34. EVENTS AFTER REPORTING PERIOD

- 34.1 On November 10, 2014, the Company has registered with the Ministry of Commerce to reduce the issued and paid up capital of Baht 1,704,646,884 to Baht 1,670,546,884 by reducing the treasury stock of 34,100,000 shares at par value of Baht 1 per share, totaling of Baht 34,100,000.
- 34.2 The Company and subsidiaries have been granted the factory operation permit (RorNgor 4) for both sugar and power businesses for investment projects at Amphur Wangsaphung, Loei Province by the Ministry of Industry on November 28, 2014, and September 2, 2014, respectively.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 23, 2014.