

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, 2016, 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, 2016, 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, for the year ended October 31, 2016, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have changed their accounting policies for investment property and assets not used in operation for land from cost method to fair value method and have adopted Thai Financial Reporting Standards No. 10 “Consolidated Financial Statements” and Thai Financial Reporting Standards No. 13 “Fair Value Measurement” for the first time. The corresponding figures thus have been retrospectively restated to be in accordance with those new accounting policies.

BANGKOK
December 23, 2016

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2016

| | Notes | Consolidated Financial Statements | | | Separate Financial Statemen | |
|--------------------------------|-------|-----------------------------------|--|--|------------------------------|--|
| | | As at October 31, 2016 | "Restated" As at October 31, 2015 | "Restated" As at November 1, 2014 | As at October 31, 2016 | "Restated" As at October 31, 2015 |
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | 5.2 | 82,310,755 | 168,021,065 | 168,015,601 | 20,856,186 | 42,206,281 |
| Temporary investments | | 2,724,766 | 6,839,374 | 22,680 | - | - |
| Trade and other receivables | 7 | 1,407,276,153 | 2,119,293,957 | 1,969,276,652 | 980,114,240 | 2,395,815,409 |
| Short-term loans | 8 | 1,273,097,453 | 1,096,635,110 | 1,234,193,233 | 2,484,005,635 | 1,784,395,560 |
| Inventories | 9 | 2,551,548,641 | 3,393,616,627 | 3,992,219,482 | 1,298,017,899 | 2,192,591,140 |
| Other current assets | | 84,752,393 | 91,550,865 | 94,442,391 | 45,495,595 | 46,749,922 |
| Total Current Assets | | <u>5,401,710,161</u> | <u>6,875,956,998</u> | <u>7,458,170,039</u> | <u>4,828,489,555</u> | <u>6,461,758,312</u> |
| NON-CURRENT ASSETS | | | | | | |
| Investments in an associate | 10 | 386,600,371 | 356,860,049 | 295,220,687 | 136,747,288 | 194,147,191 |
| Investments in subsidiaries | 11 | - | - | - | 5,786,096,202 | 6,060,380,805 |
| Other long-term investments | 12 | 370,795,300 | 373,504,062 | 368,761,947 | 370,324,775 | 370,324,775 |
| Long-term loans | 13 | 358,063,846 | 480,477,523 | 444,975,728 | 4,395,437,803 | 4,409,737,929 |
| Deferred cane plantation costs | 14 | 407,243,810 | 517,926,022 | 542,706,897 | 21,987,184 | 24,811,146 |
| Investment property | 15 | 4,496,183,778 | 3,354,562,730 | 3,140,506,422 | 1,499,684,003 | 1,013,557,788 |
| Property, plant and equipment | 16 | 26,029,478,729 | 24,757,851,146 | 25,182,992,604 | 7,937,194,075 | 7,453,238,364 |
| Intangible assets | | 46,275,784 | 47,683,415 | 49,133,013 | 34,016,422 | 36,109,081 |
| Deferred tax assets | 22.2 | 2,830,109 | 9,939,697 | 5,748,635 | - | - |
| Other non-current assets | 17 | 875,649,203 | 742,293,886 | 642,607,804 | 7,597,329 | 6,193,878 |
| Total Non-Current Assets | | <u>32,973,120,930</u> | <u>30,641,098,530</u> | <u>30,672,653,737</u> | <u>20,189,085,081</u> | <u>19,568,500,957</u> |
| TOTAL ASSETS | | <u><u>38,374,831,091</u></u> | <u><u>37,517,055,528</u></u> | <u><u>38,130,823,776</u></u> | <u><u>25,017,574,636</u></u> | <u><u>26,030,259,269</u></u> |

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

UNIT : BAHT

nents

"Restated"

As at

November 1,

2014

11,219,884

-

2,437,846,553

2,838,686,559

1,722,952,795

37,298,913

7,048,004,704

169,730,011

6,060,380,805

356,535,873

65,050,151

41,479,615

867,263,945

7,642,641,174

35,896,573

-

74,732,754

15,313,710,901

22,361,715,605

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT OCTOBER 31, 2016

UNIT : BAHT

| | Notes | Consolidated Financial Statements | | | Separate Financial Statements | | |
|---|-------|-----------------------------------|-----------------------|-----------------------|-------------------------------|-----------------------|-----------------------|
| | | | "Restated" | "Restated" | | "Restated" | "Restated" |
| | | As at | As at | As at | As at | As at | As at |
| | | October 31, 2016 | October 31, 2015 | November 1, 2014 | October 31, 2016 | October 31, 2015 | November 1, 2014 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| Short-term borrowings from | | | | | | | |
| financial institutions | 18 | 3,757,025,777 | 4,188,897,059 | 7,824,780,457 | 1,108,000,000 | 935,001,787 | 2,671,776,975 |
| Trade and other payables | 19 | 1,711,609,813 | 1,168,663,324 | 2,130,163,951 | 905,766,039 | 695,977,401 | 971,302,109 |
| Current portion of long-term | | | | | | | |
| debentures | 20 | 2,999,307,425 | 999,908,704 | 1,499,889,247 | 2,999,307,425 | 999,908,704 | 1,499,889,247 |
| Current portion of long-term | | | | | | | |
| borrowings | 21 | 2,011,633,330 | 1,511,593,330 | 2,038,294,420 | 1,205,833,330 | 705,833,330 | 705,833,330 |
| Short-term borrowings | | 6,900,000 | 6,100,000 | 3,200,000 | 482,900,000 | 1,265,100,000 | 680,200,000 |
| Current income tax payable | | 25,325,610 | 59,596,131 | 36,133,604 | - | - | - |
| Other current liabilities | | 78,797,513 | 93,307,260 | 116,730,358 | 12,846,457 | 22,642,763 | 4,619,512 |
| Total Current Liabilities | | <u>10,590,599,468</u> | <u>8,028,065,808</u> | <u>13,649,192,037</u> | <u>6,714,653,251</u> | <u>4,624,463,985</u> | <u>6,533,621,173</u> |
| NON-CURRENT LIABILITIES | | | | | | | |
| Long-term debentures | 20 | 6,993,762,810 | 9,989,250,923 | 5,992,852,842 | 6,993,762,810 | 9,989,250,923 | 5,992,852,842 |
| Long-term borrowings | 21 | 3,055,833,330 | 4,517,466,660 | 4,000,166,140 | 2,203,833,330 | 2,859,666,660 | 1,765,499,990 |
| Deferred tax liabilities | 22.3 | 739,563,386 | 247,190,427 | 393,060,588 | 148,274,515 | 64,697,497 | 142,129,457 |
| Employee benefit obligations | 23 | 261,286,846 | 217,435,891 | 213,195,388 | 107,426,505 | 91,774,405 | 93,649,401 |
| Other non-current liabilities | | 83,354,128 | 75,332,319 | 83,667,563 | 29,186,820 | 27,577,630 | 37,756,627 |
| Total Non-Current Liabilities | | <u>11,133,800,500</u> | <u>15,046,676,220</u> | <u>10,682,942,521</u> | <u>9,482,483,980</u> | <u>13,032,967,115</u> | <u>8,031,888,317</u> |
| TOTAL LIABILITIES | | <u>21,724,399,968</u> | <u>23,074,742,028</u> | <u>24,332,134,558</u> | <u>16,197,137,231</u> | <u>17,657,431,100</u> | <u>14,565,509,490</u> |

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT OCTOBER 31, 2016

UNIT : BAHT

| | Notes | Consolidated Financial Statements | | | Separate Financial Statements | | |
|--|-------|-----------------------------------|---------------------|---------------------|-------------------------------|---------------------|---------------------|
| | | | "Restated" | "Restated" | | "Restated" | "Restated" |
| | | As at | As at | As at | As at | As at | As at |
| | | October 31, 2016 | October 31, 2015 | November 1, 2014 | October 31, 2016 | October 31, 2015 | November 1, 2014 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | |
| (CONTINUED) | | | | | | | |
| SHAREHOLDERS' EQUITY | | | | | | | |
| SHARE CAPITAL | 24 | | | | | | |
| Authorized share capital | | | | | | | |
| 4,410,243,648 ordinary shares of Baht 0.50 each | | 2,205,121,824 | | 2,205,121,824 | | | |
| 4,009,312,522 ordinary shares of Baht 0.50 each | | 2,004,656,261 | | 2,004,656,261 | | | |
| 1,870,000,000 ordinary shares of Baht 1.00 each | | | 1,870,000,000 | | | 1,870,000,000 | |
| Issued and paid-up share capital | | | | | | | |
| 4,410,243,648 ordinary shares of Baht 0.50 each, fully paid | | 2,205,121,824 | | 2,205,121,824 | | | |
| 4,009,312,407 ordinary shares of Baht 0.50 each, fully paid | | 2,004,656,204 | | 2,004,656,204 | | | |
| 1,704,646,884 ordinary shares of Baht 1.00 each, fully paid | | | 1,704,646,884 | | | 1,704,646,884 | |
| SHARE PREMIUM ACCOUNT | | | | | | | |
| - ORDINARY SHARES | | 2,946,439,199 | 2,946,439,199 | 2,946,439,199 | 2,946,439,199 | 2,946,439,199 | |
| RETAINED EARNINGS | | | | | | | |
| Appropriated | | | | | | | |
| Legal reserve | | 220,512,200 | 200,466,000 | 187,000,000 | 220,512,200 | 187,000,000 | |
| Reserve for treasury stocks | | - | - | 433,153,677 | - | 433,153,677 | |
| Unappropriated | | 9,004,704,252 | 7,973,535,203 | 7,612,548,136 | 2,668,930,899 | 2,848,046,491 | |
| OTHER COMPONENTS OF EQUITY | | 1,789,332,672 | 866,269,876 | 878,656,247 | 779,433,283 | 441,811,057 | |
| | | 16,166,110,147 | 13,991,366,482 | 13,762,444,143 | 8,820,437,405 | 8,372,828,169 | |
| <u>Less</u> Treasury stocks (34,100,000 shares) | | - | - | (433,153,677) | - | (433,153,677) | |
| TOTAL EQUITY ATTRIBUTABLE | | | | | | | |
| TO OWNERS OF THE PARENT | | 16,166,110,147 | 13,991,366,482 | 13,329,290,466 | 8,820,437,405 | 8,372,828,169 | |
| NON-CONTROLLING INTERESTS | | 484,320,976 | 450,947,018 | 469,398,752 | - | - | |
| TOTAL SHAREHOLDERS' EQUITY | | 16,650,431,123 | 14,442,313,500 | 13,798,689,218 | 8,820,437,405 | 8,372,828,169 | |
| TOTAL LIABILITIES AND | | | | | | | |
| SHAREHOLDERS' EQUITY | | 38,374,831,091 | 37,517,055,528 | 38,130,823,776 | 25,017,574,636 | 26,030,259,269 | |

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, 2016

UNIT : BAHT

| | Notes | Consolidated | | Separate | |
|---|---------------|-----------------------------|---------------------------|---------------------------|---------------------------|
| | | Financial Statements | | Financial Statements | |
| | | | "Restated" | | "Restated" |
| | | 2016 | 2015 | 2016 | 2015 |
| Revenues from sales and revenues from services | | | | | |
| Revenues from the sales of goods | | 16,744,461,945 | 17,318,905,964 | 9,721,413,840 | 8,196,284,839 |
| Revenues from the rendering of services | | 166,710,882 | 156,420,296 | 142,929,351 | 138,806,824 |
| Total Revenues | | <u>16,911,172,827</u> | <u>17,475,326,260</u> | <u>9,864,343,191</u> | <u>8,335,091,663</u> |
| Costs of the sales of goods and the rendering of services | | | | | |
| Cost of the sales of goods | | (13,143,499,906) | (13,669,508,998) | (8,277,323,350) | (7,416,435,919) |
| Cost of the rendering of services | | (135,214,452) | (113,329,689) | (83,564,185) | (68,437,964) |
| Total Costs | | <u>(13,278,714,358)</u> | <u>(13,782,838,687)</u> | <u>(8,360,887,535)</u> | <u>(7,484,873,883)</u> |
| Gross profit | | 3,632,458,469 | 3,692,487,573 | 1,503,455,656 | 850,217,780 |
| Gain on sales of assets | | 21,260,048 | 1,168,754 | 91,086,897 | 7,220,300 |
| Gain on fair value adjustments of investment property | | 1,138,275,998 | 19,834,077 | 486,106,848 | 17,557,721 |
| Gain (Losses) on exchange rate | | 37,226,250 | (138,707,366) | (7,826,894) | (76,746,090) |
| Other incomes | | 301,103,361 | 640,848,879 | 640,414,395 | 1,573,663,267 |
| Selling expenses | | (1,691,459,467) | (1,775,333,336) | (811,426,011) | (689,158,910) |
| Administrative expenses | | (757,925,496) | (659,158,324) | (319,814,677) | (291,217,722) |
| Management benefit expenses | 26 | (141,312,434) | (140,227,076) | (48,566,150) | (52,506,029) |
| Loss on impairment of investments | | - | - | (744,534,596) | - |
| Loss on impairment of assets | | (75,747,704) | - | (16,782,135) | - |
| Finance costs | | (709,982,998) | (817,054,491) | (551,698,388) | (559,106,232) |
| Share of profit of investments in associates | | 56,881,078 | 55,114,675 | - | - |
| Profit before income tax (expenses) income | | <u>1,810,777,105</u> | <u>878,973,365</u> | <u>220,414,945</u> | <u>779,924,085</u> |
| Income tax (expenses) income | 22.1 | (370,517,011) | (39,096,364) | 13,873,224 | 58,552,363 |
| NET PROFIT FOR THE YEAR | | <u><u>1,440,260,094</u></u> | <u><u>839,877,001</u></u> | <u><u>234,288,169</u></u> | <u><u>838,476,448</u></u> |
| PROFIT ATTRIBUTABLE TO: | | | | | |
| Owners of the parent | | 1,426,152,258 | 861,680,298 | 234,288,169 | 838,476,448 |
| Non-controlling interest | | 14,107,836 | (21,803,297) | - | - |
| | | <u>1,440,260,094</u> | <u>839,877,001</u> | <u>234,288,169</u> | <u>838,476,448</u> |
| EARNINGS PER SHARE | 29 | | | | |
| Basic earnings per share | BAHT | 0.323 | 0.215 | 0.053 | 0.209 |
| Basic number of ordinary shares | SHARES | 4,410,243,648 | 4,009,312,522 | 4,410,243,648 | 4,009,312,522 |

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, 2016

UNIT : BAHT

| | Consolidated | | Separate | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Financial Statements | | Financial Statements | |
| | | "Restated" | | "Restated" |
| | 2016 | 2015 | 2016 | 2015 |
| Net profit for the year | 1,440,260,094 | 839,877,001 | 234,288,169 | 838,476,448 |
| Other comprehensive income (expense): | | | | |
| Items that will be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating financial statements | (23,408,245) | 79,343,440 | - | - |
| | (23,408,245) | 79,343,440 | - | - |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Gain on revaluation of assets | 1,059,868,715 | 18,010,944 | 452,466,717 | 16,073,080 |
| Actuarial losses | (44,304,844) | (10,517,060) | (16,412,041) | (6,927,609) |
| | 1,015,563,871 | 7,493,884 | 436,054,676 | 9,145,471 |
| Total other comprehensive income (expense) | 992,155,626 | 86,837,324 | 436,054,676 | 9,145,471 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>2,432,415,720</u> | <u>926,714,325</u> | <u>670,342,845</u> | <u>847,621,919</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO | | | | |
| Owners of the parent | 2,397,477,274 | 933,075,881 | 670,342,845 | 847,621,919 |
| Non-controlling interests | 34,938,446 | (6,361,556) | - | - |
| | <u>2,432,415,720</u> | <u>926,714,325</u> | <u>670,342,845</u> | <u>847,621,919</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, 2016

UNIT : BAHT

| Notes | 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 | | | | | | Treasury stocks | | | Total owners of the parent | | |
| | | | 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 the year ended October 31, 2015 | | | | | | | | | | | | | | | | |
| Beginning balance as at November 1, 2014 | | | | | | | | | | | | | | | | |
| - as previously reported | 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 | |
| Effects of the change in accounting policies and the adoption of new Thai Financial Reporting Standards | | | | | | | | | | | | | | | | |
| - Investment property | 4.1 | - | - | - | 698,892,560 | - | - | (137,594,795) | - | - | (137,594,795) | - | 561,297,765 | 7,829,124 | 569,126,889 | |
| - Assets not yet used in operation for land | 4.2 | - | - | - | 1,847,124 | - | - | 133,728,523 | - | - | 133,728,523 | - | 135,575,647 | 6,307,523 | 141,883,170 | |
| - Consolidated Financial Statements | 4.3 | - | - | - | (18,016,756) | - | 137,501 | (134,651,519) | 767,265 | (27,852,652) | (161,599,405) | - | (179,616,161) | (1,565,519,936) | (1,745,136,097) | |
| Beginning balance as at November 1, 2014 | | | | | | | | | | | | | | | | |
| - after adjustment | | 1,704,646,884 | 2,946,439,199 | 187,000,000 | 433,153,677 | 7,612,548,136 | (4,328,165) | 1,257,754,123 | (263,275,867) | (111,493,844) | 878,656,247 | (433,153,677) | 13,329,290,466 | 469,398,752 | 13,798,689,218 | |
| Changes in shareholders' equity during the year | | | | | | | | | | | | | | | | |
| - Treasury stock | | (34,100,000) | - | (433,153,677) | 34,100,000 | - | - | - | - | - | - | 433,153,677 | - | - | - | |
| - Dividends paid | 25 | - | - | - | (270,999,865) | - | - | - | - | - | - | - | (270,999,865) | (12,090,178) | (283,090,043) | |
| - Dividends stock | 25 | 334,109,320 | - | - | (334,109,320) | - | - | - | - | - | - | - | - | - | - | |
| - Legal reserve | 25 | - | - | 13,466,000 | - | (13,466,000) | - | - | - | - | - | - | - | - | - | |
| - Transfer of gain of asset revaluation | | - | - | - | 94,353,181 | - | - | (93,908,069) | - | - | (93,908,069) | - | 445,112 | (445,112) | - | |
| - Total comprehensive income (expense) for the year | | - | - | - | 851,109,071 | 63,510,753 | - | 18,010,945 | - | - | 81,521,698 | - | 932,630,769 | (5,916,444) | 926,714,325 | |
| Ending balance as at October 31, 2015 | | 2,004,656,204 | 2,946,439,199 | 200,466,000 | - | 7,973,535,203 | 59,182,588 | - | 1,181,856,999 | (263,275,867) | (111,493,844) | 866,269,876 | - | 13,991,366,482 | 450,947,018 | 14,442,313,500 |

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2016

UNIT : BAHT

| Notes | 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 | | | | | | | | Treasury stocks | Total owners of the parent | |
| | | | 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 reevaluation | | | | | | | | |
| | | | | | | | | | | | | | | | |
| For the year ended October 31, 2016 | | | | | | | | | | | | | | | |
| Beginning balance as at November 1, 2015 | | | | | | | | | | | | | | | |
| - as previously reported | 2,004,656,204 | 2,946,439,199 | 200,466,000 | - | 7,150,166,442 | 59,182,588 | (136,843) | 1,396,271,914 | (264,043,132) | (83,641,192) | 1,107,633,335 | - | 13,409,361,180 | 2,079,122,596 | 15,488,483,776 |
| Effects of the change in accounting policies and the adoption of new Thai Financial Reporting Standards | | | | | | | | | | | | | | | |
| - Investment property | 4.1 | - | - | - | 834,325,153 | - | - | (190,722,232) | - | - | (190,722,232) | - | 643,602,921 | 9,461,361 | 653,064,282 |
| - Assets not yet used in operation for land | 4.2 | - | - | - | 7,059,707 | - | - | 110,958,836 | - | - | 110,958,836 | - | 118,018,543 | 5,636,323 | 123,654,866 |
| - Consolidated Financial Statements | 4.3 | - | - | - | (18,016,099) | - | 136,843 | (134,651,519) | 767,265 | (27,852,652) | (161,600,063) | - | (179,616,162) | (1,643,273,262) | (1,822,889,424) |
| Beginning balance as at November 1, 2015 | | | | | | | | | | | | | | | |
| - after adjustment | | 2,004,656,204 | 2,946,439,199 | 200,466,000 | - | 7,973,535,203 | 59,182,588 | 1,181,856,999 | (263,275,867) | (111,493,844) | 866,269,876 | - | 13,991,366,482 | 450,947,018 | 14,442,313,500 |
| Changes in shareholders' equity during the year | | | | | | | | | | | | | | | |
| - Dividends paid | 25 | - | - | - | (222,733,609) | - | - | - | - | - | - | - | (222,733,609) | (1,564,488) | (224,298,097) |
| - Dividends stock | 25 | 200,465,620 | - | - | (200,465,620) | - | - | - | - | - | - | - | - | - | - |
| - Legal reserve | 25 | - | - | 20,046,200 | - | (20,046,200) | - | - | - | - | - | - | - | - | - |
| - Transfer of gain of asset revaluation | | - | - | - | 91,375,108 | - | - | (91,375,108) | - | - | (91,375,108) | - | - | - | - |
| - Total comprehensive income (expense) for the year | | - | - | - | 1,383,039,370 | (18,731,989) | - | 1,033,169,893 | - | - | 1,014,437,904 | - | 2,397,477,274 | 34,938,446 | 2,432,415,720 |
| Ending balance as at October 31, 2016 | | 2,205,121,824 | 2,946,439,199 | 220,512,200 | - | 9,004,704,252 | 40,450,599 | - | 2,123,651,784 | (263,275,867) | (111,493,844) | - | 16,166,110,147 | 484,320,976 | 16,650,431,123 |

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, 2016

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 | | | | | |
| | | | | | | Gain (loss) on asset revaluation | | | | |
| "Restated" | | | | | | | | | | |
| For the year ended October 31, 2015 | | | | | | | | | | |
| Beginning balance as at November 1, 2014 - as previously reported | | 1,704,646,884 | 2,946,439,199 | 187,000,000 | 433,153,677 | 2,021,950,800 | 517,481,506 | 517,481,506 | (433,153,677) | 7,377,518,389 |
| Effects of the change in accounting policies | | | | | | | | | | |
| - Investment property | 4.1 | - | - | - | - | 493,498,484 | (101,316,839) | (101,316,839) | - | 392,181,645 |
| - Assets not yet used in operation for land | 4.2 | - | - | - | - | 859,691 | 25,646,390 | 25,646,390 | - | 26,506,081 |
| Beginning balance as at November 1, 2014 - after adjustment | | 1,704,646,884 | 2,946,439,199 | 187,000,000 | 433,153,677 | 2,516,308,975 | 441,811,057 | 441,811,057 | (433,153,677) | 7,796,206,115 |
| Changes in shareholders' equity during the year | | | | | | | | | | |
| - Treasury stock | | (34,100,000) | - | - | (433,153,677) | 34,100,000 | - | - | 433,153,677 | - |
| - Dividends paid | 25 | - | - | - | - | (270,999,865) | - | - | - | (270,999,865) |
| - Dividends stock | 25 | 334,109,320 | - | - | - | (334,109,320) | - | - | - | - |
| - Legal reserve | 25 | - | - | 13,466,000 | - | (13,466,000) | - | - | - | - |
| - Transfer of gain of asset revaluation | | - | - | - | - | 84,663,862 | (84,663,862) | (84,663,862) | - | - |
| - Total comprehensive income for the year | | - | - | - | - | 831,548,839 | 16,073,080 | 16,073,080 | - | 847,621,919 |
| Ending balance as at October 31, 2015 | | 2,004,656,204 | 2,946,439,199 | 200,466,000 | - | 2,848,046,491 | 373,220,275 | 373,220,275 | - | 8,372,828,169 |

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2016

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 | | | | | |
| | | | | | | Gain (loss) on asset revaluation | | | | |
| For the year ended October 31, 2016 | | | | | | | | | | |
| Beginning balance as at November 1, 2015 - as previously reported | | 2,004,656,204 | 2,946,439,199 | 200,466,000 | - | 2,250,746,494 | 517,481,506 | 517,481,506 | - | 7,919,789,403 |
| Effects of the change in accounting policies | | | | | | | | | | |
| - Investment property | 4.1 | - | - | - | - | 591,745,585 | (146,830,279) | (146,830,279) | - | 444,915,306 |
| - Assets not yet used in operation for land | 4.2 | - | - | - | - | 5,554,412 | 2,569,048 | 2,569,048 | - | 8,123,460 |
| Beginning balance as at November 1, 2015 - after adjustment | | 2,004,656,204 | 2,946,439,199 | 200,466,000 | - | 2,848,046,491 | 373,220,275 | 373,220,275 | - | 8,372,828,169 |
| Changes in shareholders' equity during the year | | | | | | | | | | |
| - Dividends paid | 25 | - | - | - | - | (222,733,609) | - | - | - | (222,733,609) |
| - Dividends stock | 25 | 200,465,620 | - | - | - | (200,465,620) | - | - | - | - |
| - Legal reserve | 25 | - | - | 20,046,200 | - | (20,046,200) | - | - | - | - |
| - Transfer of gain of asset revaluation | | - | - | - | - | 46,253,709 | (46,253,709) | (46,253,709) | - | - |
| - Total comprehensive income for the year | | - | - | - | - | 217,876,128 | 452,466,717 | 452,466,717 | - | 670,342,845 |
| Ending balance as at October 31, 2016 | | 2,205,121,824 | 2,946,439,199 | 220,512,200 | - | 2,668,930,899 | 779,433,283 | 779,433,283 | - | 8,820,437,405 |

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, 2016

UNIT : BAHT

| | Consolidated | | Separate | |
|--|-----------------------------|----------------------|-----------------------------|----------------------|
| | Financial Statements | | Financial Statements | |
| | | "Restated" | | "Restated" |
| | 2016 | 2015 | 2016 | 2015 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before income tax (expenses) income | 1,810,777,105 | 878,973,365 | 220,414,945 | 779,924,085 |
| Adjustments for: | | | | |
| Dividend income | - | - | (7,294,130) | (1,083,235,870) |
| Doubtful accounts - trade and other receivables (reversal) | 54,949,489 | 7,893,975 | 8,111,172 | (2,053,186) |
| Share of gain on investments in associates | (56,881,078) | (55,114,675) | - | - |
| Amortization of premium on bonds | 123,713 | 241,591 | - | 11,098 |
| Employee benefit expenses | 18,734,971 | 18,824,196 | 7,888,629 | 7,972,878 |
| Loss on damaged cane and adjustment to decrease the cane plantation costs | 28,785,818 | 15,453,118 | - | - |
| Loss on obsolete goods and supplies | 27,732,860 | - | 27,732,860 | - |
| Loss on diminution in value of inventories (reversal) | (159,699,008) | (14,651,941) | (24,898,270) | 24,897,931 |
| Depreciation and amortization | 1,118,207,447 | 1,139,043,809 | 401,528,504 | 391,034,363 |
| Gain on disposal and write off of assets | (21,042,914) | (970,846) | (91,086,897) | (7,220,010) |
| Loss on impairment of investments in subsidiaries | - | - | 744,534,596 | - |
| Loss on impairment of assets | 75,747,704 | - | 16,782,135 | - |
| Gain on sale of investment in an associate | (45,223,547) | - | (10,700,000) | - |
| Gain on sale of other long-term investments | - | (5,346,000) | - | - |
| Gain on fair value adjustments of investment property | (1,138,275,998) | (19,834,077) | (486,106,848) | (17,557,721) |
| Unrealized loss on exchange rate | 3,581,135 | 3,429,909 | 20,215,078 | 3,445,684 |
| Interest expenses | 706,072,390 | 813,472,028 | 547,787,780 | 555,523,769 |
| Finance costs | 3,910,608 | 3,582,463 | 3,910,608 | 3,582,463 |
| | <u>2,427,500,695</u> | <u>2,784,996,915</u> | <u>1,378,820,162</u> | <u>656,325,484</u> |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | 701,204,966 | (180,836,769) | 317,053,667 | (187,958,459) |
| Inventories | 1,036,745,724 | 613,254,796 | 891,738,651 | (494,536,276) |
| Other current assets | 6,112,628 | 12,402,696 | 6,864,872 | (990,276) |
| Deferred cane plantation costs | 106,857,247 | 72,693,475 | 2,935,579 | 16,816,918 |
| Other non-current assets | 86,130,263 | 3,749,270 | (1,403,451) | 6,695,410 |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 552,693,576 | (822,832,312) | 225,529,539 | (232,712,784) |
| Other current liabilities | (14,960,057) | (23,423,098) | (9,796,306) | 18,023,251 |
| Employee benefit obligations | (30,057,765) | (27,655,944) | (12,751,580) | (18,507,384) |
| Other non-current liabilities | 8,472,119 | (8,335,244) | 1,609,190 | (10,178,997) |
| Cash received from (paid for) operating activities | 4,880,699,396 | 2,424,013,785 | 2,800,600,323 | (247,023,113) |
| Interest paid and finance costs | (715,519,611) | (804,057,613) | (554,720,660) | (542,646,831) |
| Income tax expense paid | (152,889,462) | (153,565,480) | (5,610,545) | (8,460,733) |
| Net cash provide by (used in) operating activities | <u>4,012,290,323</u> | <u>1,466,390,692</u> | <u>2,240,269,118</u> | <u>(798,130,677)</u> |

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2016

UNIT : BAHT

| | Consolidated | | Separate | |
|--|------------------------|----------------------|------------------------|------------------------|
| | Financial Statements | | Financial Statements | |
| | | "Restated" | | "Restated" |
| | 2016 | 2015 | 2016 | 2015 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Cash payments from purchases of temporary investments | (343) | (400) | - | - |
| (Increase) decrease in short-term loans to related parties | - | - | (544,035,302) | 950,838,115 |
| (Increase) decrease in short-term loans to farmers and others | (156,580,156) | 79,818,424 | (162,172,599) | 48,945,640 |
| Cash payments for investments in subsidiaries and associates | (16,400,096) | (24,417,180) | (486,650,090) | (24,417,180) |
| Cash received from sales of investment in an associate | 84,500,000 | - | 84,500,000 | - |
| Cash payments for purchases of other long-term investments | - | (20,000,000) | - | (20,000,000) |
| Cash received from redemption and sales of other long-term investments | 6,700,000 | 13,546,000 | - | 6,200,000 |
| Decrease (increase) in loans for cane plantation development | 21,480,370 | 22,434,874 | (25,350,000) | (6,943,362) |
| Decrease (increase) in long-term loans to related parties and others | 33,333,334 | - | 33,333,334 | (4,283,237,172) |
| Cash received from dividends of subsidiaries and associate | 4,264,399 | 17,892,493 | 275,530,000 | 1,125,750,858 |
| Cash payments for purchases of property, plant and equipment | (1,660,554,129) | (581,945,974) | (472,417,769) | (216,588,984) |
| Cash received from sales of property, plant and equipment | 378,776,367 | 8,529,177 | 59,340,202 | 13,989,229 |
| Cash payments for purchase of investment property | (4,919,366) | (4,680,813) | (19,367) | - |
| Cash payments for purchases of assets not yet used in operation | (18,731,201) | (59,812,098) | - | - |
| Cash received from sales of assets not yet used in operation | 8,622,497 | 1,195,615 | - | - |
| Cash payments for purchases of intangible assets | (431,042) | (4,460,000) | (2,538,692) | (4,460,000) |
| Cash received from sales of intangible assets | 93,327 | - | - | - |
| Net cash used in investing activities | <u>(1,319,846,039)</u> | <u>(551,899,882)</u> | <u>(1,240,480,283)</u> | <u>(2,409,922,856)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Increase (decrease) in short-term borrowings from financial institutions | (434,869,495) | (3,639,108,210) | 170,000,000 | (1,740,000,000) |
| Increase in short-term borrowings from related parties | 800,000 | 2,900,000 | 235,800,000 | 758,899,984 |
| Cash payments for accounts payables on purchases of assets | (176,953,069) | (330,693,459) | (48,371,991) | (99,444,397) |
| Cash received from long-term debentures | - | 4,996,417,538 | - | 4,996,417,538 |
| Cash payments for long-term debentures | (1,000,000,000) | (1,500,000,000) | (1,000,000,000) | (1,500,000,000) |
| Cash received from long-term borrowings | 1,000,000,000 | 3,500,000,000 | 1,000,000,000 | 2,500,000,000 |
| Cash payments for long-term borrowings | (1,961,593,330) | (3,528,204,530) | (1,155,833,330) | (1,405,833,330) |
| Cash payments for dividends to the shareholders of the parent | (222,733,609) | (270,999,865) | (222,733,609) | (270,999,865) |
| Cash payments for non-controlling interests | (1,564,488) | (12,090,178) | - | - |
| Net cash provided by (used in) financing activities | <u>(2,796,913,991)</u> | <u>(781,778,704)</u> | <u>(1,021,138,930)</u> | <u>3,239,039,930</u> |
| Exchange differences on translation of cash of foreign subsidiaries | 18,759,397 | (132,706,642) | - | - |
| Net increase (decrease) in cash and cash equivalents | (85,710,310) | 5,464 | (21,350,095) | 30,986,397 |
| Cash and cash equivalents at the beginning of the year | 168,021,065 | 168,015,601 | 42,206,281 | 11,219,884 |
| Cash and cash equivalents at the end of the year | <u>82,310,755</u> | <u>168,021,065</u> | <u>20,856,186</u> | <u>42,206,281</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, 2016

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY

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

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

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

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

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

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

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

The Company’s major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 32.92% 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 2014) "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 except for the reassessment of control over the investees by the management of the Company which has effected to the change in the structure of the Group for the preparation of the consolidated financial statements (see Note 4.3) as follows:

| Company Name | Percentage of Shareholding | | Country of Incorporation | Type of Business |
|--|----------------------------|------------------------|--------------------------|---|
| | As at October 31, 2016 | As at October 31, 2015 | | |
| | % | % | | |
| Subsidiaries in which the Company holds shares directly | | | | |
| New Krung Thai Sugar Factory Company Limited | 95.78 | 95.78 | Thailand | Manufacture and distribution of sugar and molasses |
| Tamaka Sugar Industry Company Limited | 90.21 | 90.21 | Thailand | Manufacture and distribution of sugar and molasses |
| New Kwang Soon Lee Sugar Factory Company Limited | 98.61 | 98.61 | Thailand | Manufacture and distribution of sugar and molasses |
| KSL Material Supplys Co., Ltd. | 100.00 | 100.00 | Thailand | Manufacture and distribution of fertilizer and trading spare part of agricultural |
| Khon Kaen Sugar Power Plant Company Limited | 100.00 | 100.00 | Thailand | Production and distribution of electricity |
| KSL Green Innovation Public Company Limited (Formerly name Khon Kaen Alcohol Company Limited) | 100.00 | 100.00 | Thailand | Manufacture and distribution of alcohol or fuel from agricultural produce |
| KSL. Agro & Trading Company Limited | 100.00 | 100.00 | Thailand | Domestic sugar trading and agricultural business operation |
| WSP Logistic Company Limited | 100.00 | - | Thailand | Service transport and shipping goods |
| Savannakhet Sugar Corporation | 98.49 | 98.49 | Laos | Agricultural operation, manufacture and distribution of sugar and molasses |
| Koh Kong Sugar Industry Co., Ltd. | 80.00 | 80.00 | Cambodia | Manufacture and distribution of sugar and molasses |
| Wynn In Trading Co., Ltd. | 100.00 | 100.00 | Mauritius | Trading and consultancy services |
| Subsidiaries in which the Company holds shares indirectly | | | | |
| K.S.L. Export Trading Co., Ltd.* | 79.55 | 79.55 | Thailand | Export sugar as exporting agent |
| KSL Real Estate Company Limited** | 91.02 | 91.02 | Thailand | Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental |
| Subsidiary in which the Company holds the shares indirectly through Wynn In Trading Co., Ltd. | | | | |
| Koh Kong Plantation Company Limited | 80.00 | 80.00 | Cambodia | Agricultural operation |

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

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

The accounting period of subsidiaries ended the same date as the Company (accounting period ended on October 31) except for 4 subsidiaries whose accounting periods ended December 31, as follows:

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

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

2.3.1 Adoption of new and revised Thai Financial Reporting Standards

Since November 1, 2015, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by The Federation of Accounting Professions, which are effective for the accounting period beginning on or after January 1, 2015 onwards, in the preparation and presentation of this interim financial information as follows:

Thai Accounting Standards (TAS)

| | |
|---------------------------|--|
| TAS No. 1 (Revised 2014) | Presentation of Financial Statements |
| TAS No. 2 (Revised 2014) | Inventories |
| TAS No. 7 (Revised 2014) | Statement of Cash Flows |
| TAS No. 8 (Revised 2014) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS No. 10 (Revised 2014) | Events after the Reporting Period |
| TAS No. 11 (Revised 2014) | Construction Contracts |
| TAS No. 12 (Revised 2014) | Income Taxes |
| TAS No. 16 (Revised 2014) | Property, Plant and Equipment |
| TAS No. 17 (Revised 2014) | Leases |
| TAS No. 18 (Revised 2014) | Revenue |
| TAS No. 19 (Revised 2014) | Employee Benefits |
| TAS No. 20 (Revised 2014) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS No. 21 (Revised 2014) | The Effects of Changes in Foreign Exchange Rates |
| TAS No. 23 (Revised 2014) | Borrowing Cost |
| TAS No. 24 (Revised 2014) | Related Party Disclosures |
| TAS No. 26 (Revised 2014) | Accounting and Reporting by Retirement Benefit Plans |
| TAS No. 27 (Revised 2014) | Consolidated and Separate Financial Statements |
| TAS No. 28 (Revised 2014) | Investments in Associates and Joint Ventures |
| TAS No. 29 (Revised 2014) | Financial Reporting in Hyperinflationary Economics |
| TAS No. 33 (Revised 2014) | Earnings per Share |
| TAS No. 34 (Revised 2014) | Interim Financial Reporting |
| TAS No. 36 (Revised 2014) | Impairment of Assets |
| TAS No. 37 (Revised 2014) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS No. 38 (Revised 2014) | Intangible Assets |
| TAS No. 40 (Revised 2014) | Investment Property |

Thai Financial Reporting Standards (TFRS)

| | |
|---------------------------|--|
| TFRS No. 2 (Revised 2014) | Share-based Payment |
| TFRS No. 3 (Revised 2014) | Business Combinations |
| TFRS No. 4 (Revised 2014) | Insurance Contracts |
| TFRS No. 5 (Revised 2014) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS No. 6 (Revised 2014) | Exploration for and Evaluation of Mineral Resources |
| TFRS No. 8 (Revised 2014) | Operating Segment |
| TFRS No. 10 | Consolidated Financial Statements |
| TFRS No. 11 | Joint Arrangements |
| TFRS No. 12 | Disclosure of Interests in Other Entities |
| TFRS No. 13 | Fair Value Measurement |

Thai Accounting Standard Interpretations (TSIC)

| | |
|----------------------------|---|
| TSIC No. 10 (Revised 2014) | Government Assistance - No specifies Relation to Operating Activities |
| TSIC No. 15 (Revised 2014) | Operating Leases - Incentives |
| TSIC No. 25 (Revised 2014) | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |
| TSIC No. 27 (Revised 2014) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC No. 29 (Revised 2014) | Disclosure : Service Concession Arrangement |
| TSIC No. 31 (Revised 2014) | Revenue - Exchange Items for Advertising Service |
| TSIC No. 32 (Revised 2014) | Intangible Assets - Website Costs |

Thai Financial Reporting Interpretations (TFRIC)

| | |
|-----------------------------|--|
| TFRIC No. 1 (Revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC No. 4 (Revised 2014) | Determining Whether an Arrangement Contains a Lease |
| TFRIC No. 5 (Revised 2014) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC No. 7 (Revised 2014) | Applying the Restatement Approach under TAS 29 (Revised 2014) Financial Reporting in Hyperinflationary Economies |
| TFRIC No. 10 (Revised 2014) | Interim Financial Reporting and Impairment |
| TFRIC No. 12 (Revised 2014) | Service Concession Arrangement |
| TFRIC No. 13 (Revised 2014) | Customer Loyalty Programmers |
| TFRIC No. 14 | The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 Employee Benefits |
| TFRIC No. 15 (Revised 2014) | Agreements for the Construction of Real Estate |
| TFRIC No. 17 (Revised 2014) | Distributions of Non-cash Assets to Owners |
| TFRIC No. 18 (Revised 2014) | Transfers of Assets from Customers |
| TFRIC No. 20 | Stripping Costs in the Production Phase of a Surface Mine |

The Group has applied the aforementioned financial reporting standards. However, the Group's management assessed and believe that the application of those financial reporting standards has no significant effects to the financial statements being presented, except TFRS 10, "Consolidated Financial Statements" and TFRS 13, "Fair Value Measurement" as disclosed in Notes 4.3 and 4.4.

In addition, the Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2015), which was announced in the Royal Gazette and effective from November 6, 2015 onwards to replace the Conceptual Framework for Financial Reporting (Revised 2014).

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

The Federation of Accounting Professions issued the Notifications regarding Thai Financial Reporting Standards (TFRS), which are effective for the accounting period beginning on or after January 1, 2016 onwards as follows:

Thai Accounting Standards (TAS)

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

Thai Financial Reporting Standards (TFRS)

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

Thai Accounting Standard Interpretations (TSIC)

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

Thai Financial Reporting interpretations (TFRIC)

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

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

Thai Accounting Standards (TAS)

| | |
|---------------------------|--|
| TAS No. 1 (Revised 2016) | Presentation of Financial Statements |
| TAS No. 2 (Revised 2016) | Inventories |
| TAS No. 7 (Revised 2016) | Statement of Cash Flows |
| TAS No. 8 (Revised 2016) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS No. 10 (Revised 2016) | Events after the Reporting Period |
| TAS No. 11 (Revised 2016) | Construction Contracts |
| TAS No. 12 (Revised 2016) | Income Taxes |
| TAS No. 16 (Revised 2016) | Property, Plant and Equipment |
| TAS No. 17 (Revised 2016) | Leases |
| TAS No. 18 (Revised 2016) | Revenue |
| TAS No. 19 (Revised 2016) | Employee Benefits |
| TAS No. 20 (Revised 2016) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS No. 21 (Revised 2016) | The Effects of Changes in Foreign Exchange Rates |
| TAS No. 23 (Revised 2016) | Borrowing Costs |
| TAS No. 24 (Revised 2016) | Related Party Disclosures |
| TAS No. 26 (Revised 2016) | Accounting and Reporting by Retirement Benefit Plans |
| TAS No. 27 (Revised 2016) | Separate Financial Statements |
| TAS No. 28 (Revised 2016) | Investments in Associates and Joint Ventures |
| TAS No. 29 (Revised 2016) | Financial Reporting in Hyperinflationary Economies |
| TAS No. 33 (Revised 2016) | Earnings per Share |
| TAS No. 34 (Revised 2016) | Interim Financial Reporting |
| TAS No. 36 (Revised 2016) | Impairment of Assets |
| TAS No. 37 (Revised 2016) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS No. 38 (Revised 2016) | Intangible Assets |
| TAS No. 40 (Revised 2016) | Investment Property |
| TAS No. 41 (Revised 2016) | Agriculture |

Thai Financial Reporting Standards (TFRS)

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

Thai Accounting Standard Interpretations (TSIC)

| | |
|------------------------|---|
| TSIC 10 (Revised 2016) | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 15 (Revised 2016) | Operating Leases - Incentives |
| TSIC 25 (Revised 2016) | Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders |
| TSIC 27 (Revised 2016) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSIC 29 (Revised 2016) | Disclosures : Service Concession Arrangements |
| TSIC 31 (Revised 2016) | Revenue - Barter Transactions Involving Advertising Services |
| TSIC 32 (Revised 2016) | Intangible Assets - Web Site Costs |

Thai Financial Reporting interpretations (TFRIC)

| | |
|-------------------------|--|
| TFRIC 1 (Revised 2016) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (Revised 2016) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (Revised 2016) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 7 (Revised 2016) | Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies |
| TFRIC 10 (Revised 2016) | Interim Financial Reporting and Impairment |
| TFRIC 12 (Revised 2016) | Service Concession Arrangements |
| TFRIC 13 (Revised 2016) | Customer Loyalty Programmes |
| TFRIC 14 (Revised 2016) | The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2015) Employee Benefits |
| TFRIC 15 (Revised 2016) | Agreements for the Construction of Real Estate |
| TFRIC 17 (Revised 2016) | Distributions of Non-cash Assets to Owners |
| TFRIC 18 (Revised 2016) | Transfers of Assets from Customers |
| TFRIC 20 (Revised 2016) | Stripping Costs in the Production Phase of a Surface Mine |
| TFRIC 21 (Revised 2016) | The Money Remitted State |

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Temporary investments

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

3.3 Trade receivables, farmer receivables, and other receivables

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

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

3.4 Inventories

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

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

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

3.5 Investments

- 3.5.1 Investments in an associate 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 Investments in marketable debts 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 amortization amount 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. The amortization is calculated using the straight-line method over the useful life of each harvest cycle approximately 3 years. 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 that is held for rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group.

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

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

3.8 Property, plant and equipment

Land is stated at the revalued amount less allowance for impairment (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 is calculated from the cost using the straight-line method over their estimated useful lives, (except for machineries of the Company and subsidiaries which are in the business relating to the sugar and molasses manufacture and distribution) as follows:

| | | |
|---------------------------------------|--------|-------|
| Land improvement | 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 as follows computer software and land concession are stated at cost less accumulated depreciation and the allowance for impairment (if any).

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

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

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

3.10 Assets not used in operation

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

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

3.11 Impairment of assets

Impairment of assets is assessed at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount will be estimated. When the carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognized in the statements of 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 economics benefits resulting to settle such obligations and these amounts to be paid can be estimated reliably. If there is expectation to recover payment toward estimated liabilities certainly by all or part, the returned payment will be recognized as separate asset but its amount must not be more than related estimated liabilities and the expense related to liability estimates is shown in the statement of 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

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

- 3.18.1 Revenues from sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.
- 3.18.2 Revenues from services, which the lengths of the services are short-term, are recognized when services are rendered.
- 3.18.3 Revenues from rental are recognized over the term of the lease.
- 3.18.4 Revenues from sale of land are recognized when the land ownership has already been transferred to the purchaser.
- 3.18.5 Revenues from 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.

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

3.27 Financial assets and liabilities

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

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

3.28 Fair Value Measurement

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

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

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

3.29 Use of accounting estimates

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

4. THE CHANGES IN ACCOUNTING POLICIES AND THE ADOPTIONS OF NEW FINANCIAL REPORTING STANDARDS

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

4.1 The change in accounting policy of "Investment Property"

For the year ended October 31, 2016, the management of the Company and subsidiaries changed the accounting policy of investment property from valuation using the cost method to fair value which is measured by independent professional appraiser as disclosure in Note 3.7 because the Group's management considered that the valuation using the cost method does not reflect the current existing value of assets. The Company and subsidiaries' consolidated financial statements and the Company's financial statements for the year ended October 31, 2015, and the Company and subsidiaries' consolidated statement of financial position and the Company's statement of financial position as at November 1, 2014, presented herein for comparison, have been retrospectively adjusted for the effects of such change in accordance with the new accounting policy.

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

| | | Unit : Thousand Baht | | | |
|---|-----------------------|----------------------|-------------|----------------------|-------------|
| | | Consolidated | | Separate | |
| | | Financial Statements | | Financial Statements | |
| | | As at | As at | As at | As at |
| | | October 31, | November 1, | October 31, | November 1, |
| | | 2015 | 2014 | 2015 | 2014 |
| Statements of financial position | | | | | |
| Investment in an associate | Increased | 11,305 | 11,305 | - | - |
| Investment property | Increased | 725,912 | 645,357 | 508,144 | 457,508 |
| Deferred tax assets | (Decreased)/Increased | (4,510) | 1,571 | - | - |
| Deferred tax liabilities | Increased | 79,642 | 89,107 | 63,228 | 65,326 |
| Retained earnings - unappropriated | Increased | 834,326 | 698,892 | 591,746 | 493,499 |
| Other components of equity | Decreased | (190,722) | (137,595) | (146,830) | (101,317) |
| Non-controlling interests | Increased | 9,461 | 7,829 | - | - |

| | | Unit : Thousand Baht | |
|---|-----------|-------------------------------------|----------------------|
| | | Consolidated | Separate |
| | | Financial Statements | Financial Statements |
| | | For the year ended October 31, 2015 | |
| Statements of comprehensive income | | | |
| Cost of rendering of services | Decreased | (27,591) | - |
| Gain on Assets Disposal | Increased | 1,069 | 7,220 |
| Gain from fair value adjustments | | | |
| on investment property | Increased | 19,834 | 17,558 |
| Other income | Decreased | (1,069) | (7,220) |
| Administrative | Decreased | (4,232) | (4,232) |
| Income tax expense | Increased | 4,039 | 3,512 |
| Net profit for the year | Increased | 47,618 | 18,278 |
| Profit attributable to: | | | |
| Owners of the parent | Increased | 46,213 | 18,278 |
| Non-controlling interest | Increased | 1,405 | - |
| Basic earnings attributable to owners of | | | |
| the parent per share (Baht per share) | Increased | 0.012 | 0.005 |

4.2 The change in accounting policy of “Assets not used in operation for land”

For the year ended October 31, 2016, the management of the Company and subsidiaries changed the accounting policy of assets not used in operation for land which was included in other non-current assets from valuation using the cost method to revalued method which is measured by independent professional appraiser as disclosure in Note 3.10 because the Group’s management considered that the valuation using the cost method does not reflect the current existing value of assets. The Company and subsidiaries’ consolidated financial statements and the Company separate financial statements for the year ended October 31, 2015, and the Company and subsidiaries’ consolidated statement of financial position and the Company’s separate statement of financial position as at November 1, 2014, have been retrospectively adjusted for the effects of such change in accordance with the new accounting policy.

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

| | | Unit : Thousand Baht | | | |
|---|-----------------------|----------------------|-------------|----------------------|-------------|
| | | Consolidated | | Separate | |
| | | Financial Statements | | Financial Statements | |
| | | As at | As at | As at | As at |
| | | October 31, | November 1, | October 31, | November 1, |
| | | 2015 | 2014 | 2015 | 2014 |
| Statements of financial position | | | | | |
| Property, plant and equipment | (Decreased)/Increased | (5,432) | - | 3,211 | - |
| Deferred tax assets | Decreased | (3,053) | (1,571) | - | - |
| Other non-current assets | Increased | 152,914 | 177,354 | - | 33,133 |
| Deferred tax liabilities | Increased/(Decreased) | 20,774 | 33,899 | (4,912) | 6,627 |
| Retained earnings - unappropriated | Increased | 7,060 | 1,847 | 5,554 | 860 |
| Other components of equity | Increased | 110,959 | 133,729 | 2,569 | 25,646 |
| Non-controlling interests | Increased | 5,636 | 6,308 | - | - |

| | | Unit : Thousand Baht | | | |
|---|-----------|-------------------------------------|-----|----------------------|---|
| | | Consolidated | | Separate | |
| | | Financial Statements | | Financial Statements | |
| | | For the year ended October 31, 2015 | | | |
| | | | | | |
| Statements of comprehensive income | | | | | |
| Gain on Assets Disposal | Increased | | 100 | - | - |
| Income tax expense | Increased | | 20 | - | - |
| Net profit for the year | Increased | | 80 | - | - |
| Profit attributable to: | | | | | |
| Owners of the parent | Decreased | | 80 | - | - |
| Non-controlling interest | Increased | | - | - | - |
| Basic earnings attributable to owners of | | | | | |
| the parent per share (Baht per share) | Decreased | | - | - | - |

4.3 The adoption of TFRS 10, “The Consolidated Financial Statements” commencing on November 1, 2015 onwards

TFRS 10 has defined the elements of control principle including the requirements on how to apply the control principle to be basis in considering whether the investor controls an investee. The Company controls an investee if the Company has power over the investee in which the rights that give the Company’s current ability to direct the relevant activities that significantly affect the investee’s returns, and has exposure or rights to variable returns from its involvement with the investee. The significant requirements of this TFRS require the Group’s management to exercise their significant judgment in reassessment whether the Company controls investee and therefore which investee shall be consolidated.

The Company previously consolidated Thai Sugar Terminal Public Company Limited and its subsidiaries comprising T S G Assets Co., Ltd., T S Oil Industry Co., Ltd., T S Flour Mill Public Company Limited, T S Warehouse Co., Ltd. and T S Transport and Logistic Co., Ltd. (“TSTE Group”) because the Company and TSTE Group had mutual certain key management personnel. However, the Company’s management have reassessed the principle of control in accordance with TFRS mentioned above, and believe that having mutual key management personnel has not caused the Company to have control but only have significant influence over TSTE Group since the date of the Company has become involved with TSTE Group. Consequently, TSTE Group is classified as associate which is no longer consolidated in preparation of the Company’s consolidated financial statements. The Company accounted for its investments in TSTE Group using equity method in its consolidated financial statements as if it has been practiced in accordance with this IFRS since the date of the Company has become involved with TSTE Group. The Company retrospectively adjusted the effects to the annual period immediately preceding the date of initial application as required by such TFRS.

The effects on the comparative information from retrospective adjustments from the changes in accounting policies as Notes 4.1 and 4.2 and the adoption of new financial reporting standard as Note 4.3 are summarized as follows:

Unit : Thousand Baht

| | Consolidated Financial Statements | | | | | |
|-------------------------------|-----------------------------------|-------------|---------------------|------------------------|-------------|---------------------|
| | As at October 31, 2015 | | | As at November 1, 2014 | | |
| | Before adjustment | Adjustment | After Adjustment | Before adjustment | Adjustment | After adjustment |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 287,479 | (119,458) | 168,021 | 255,985 | (87,969) | 168,016 |
| Trade and other receivables | 2,365,663 | (246,369) | 2,119,294 | 2,182,175 | (212,898) | 1,969,277 |
| Inventories | 4,108,923 | (715,306) | 3,393,617 | 4,348,341 | (356,122) | 3,992,219 |
| Other current assets | 237,438 | (145,888) | 91,550 | 217,335 | (122,893) | 94,442 |
| Other | 1,103,475 | - | 1,103,475 | 1,234,216 | - | 1,234,216 |
| Total current assets | 8,102,978 | (1,227,021) | 6,875,957 | 8,238,052 | (779,882) | 7,458,170 |
| Non-current assets | | | | | | |
| Investment in associates | 38,658 | 318,202 | 356,860 | 25,664 | 269,557 | 295,221 |
| Other long-term investments | 375,716 | (2,212) | 373,504 | 373,379 | (4,618) | 368,761 |
| Investment property | 3,026,197 | 328,366 | 3,354,563 | 2,897,976 | 242,530 | 3,140,506 |
| Property, plant and equipment | 26,975,972 | (2,218,121) | 24,757,851 | 27,087,550 | (1,904,557) | 25,182,993 |
| Intangible assets | 49,256 | (1,573) | 47,683 | 51,169 | (2,036) | 49,133 |
| Deferred tax assets | 17,502 | (7,562) | 9,940 | 5,749 | - | 5,749 |
| Other non-current assets | 591,464 | 150,830 | 742,294 | 466,482 | 176,126 | 642,608 |
| Other | 998,404 | - | 998,404 | 987,683 | - | 987,683 |
| Total non-current assets | 32,073,169 | (1,432,070) | 30,641,099 | 31,895,652 | (1,222,998) | 30,672,654 |
| Total assets | 40,176,147 | (2,659,091) | 37,517,056 | 40,133,704 | (2,002,880) | 38,130,824 |

Unit : Thousand Baht

Consolidated Financial Statements (Continued)

| | As at October 31, 2015 | | | As at November 1, 2014 | | |
|---|------------------------|--------------------|---------------------|------------------------|--------------------|---------------------|
| | Before adjustment | Adjustment | After Adjustment | Before adjustment | Adjustment | After adjustment |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| Short-term borrowings from | | | | | | |
| financial institutions | 4,789,743 | (600,846) | 4,188,897 | 8,043,273 | (218,492) | 7,824,781 |
| Trade and other payables | 1,472,786 | (304,123) | 1,168,663 | 2,380,251 | (250,087) | 2,130,164 |
| Current portion of long-term | | | | | | |
| debentures | 999,909 | - | 999,909 | 1,499,889 | - | 1,499,889 |
| Current portion of long-term | | | | | | |
| borrowings | 1,693,253 | (181,660) | 1,511,593 | 2,207,754 | (169,460) | 2,038,294 |
| Short-term borrowings | 6,100 | - | 6,100 | 3,200 | - | 3,200 |
| Current income tax payable | 68,276 | (8,680) | 59,596 | 50,360 | (14,226) | 36,134 |
| Other current liabilities | 125,849 | (32,541) | 93,308 | 137,528 | (20,798) | 116,730 |
| Total current liabilities | <u>9,155,916</u> | <u>(1,127,850)</u> | <u>8,028,066</u> | <u>14,322,255</u> | <u>(673,063)</u> | <u>13,649,192</u> |
| Non-current liabilities | | | | | | |
| Long-term debentures | 9,989,251 | - | 9,989,251 | 5,992,853 | - | 5,992,853 |
| Long-term borrowings | 4,946,390 | (428,923) | 4,517,467 | 4,277,014 | (276,848) | 4,000,166 |
| Deferred tax liabilities | 263,830 | (16,640) | 247,190 | 372,425 | 20,636 | 393,061 |
| Employee benefit obligations | 236,553 | (19,117) | 217,436 | 228,100 | (14,905) | 213,195 |
| Other non-current liabilities | 95,724 | (20,392) | 75,332 | 108,241 | (24,573) | 83,668 |
| Total non-current liabilities | <u>15,531,748</u> | <u>(485,072)</u> | <u>15,046,676</u> | <u>10,978,633</u> | <u>(295,690)</u> | <u>10,682,943</u> |
| Total liabilities | <u>24,687,664</u> | <u>(1,612,922)</u> | <u>23,074,742</u> | <u>25,300,888</u> | <u>(968,753)</u> | <u>24,332,135</u> |
| Shareholders' equity | | | | | | |
| Retained earnings-Unappropriated | 7,150,166 | 823,370 | 7,973,536 | 6,929,825 | 682,723 | 7,612,548 |
| Other components of equity | 1,107,633 | (241,364) | 866,269 | 1,044,122 | (165,466) | 878,656 |
| Other | 5,151,562 | - | 5,151,562 | 4,838,087 | - | 4,838,087 |
| Total equity attributable to | | | | | | |
| owners of the parent | 13,409,361 | 582,006 | 13,991,367 | 12,812,034 | 517,257 | 13,329,291 |
| Non-controlling interests | 2,079,122 | (1,628,175) | 450,947 | 2,020,782 | (1,551,384) | 469,398 |
| Total shareholders' equity | <u>15,488,483</u> | <u>(1,046,169)</u> | <u>14,442,314</u> | <u>14,832,816</u> | <u>(1,034,127)</u> | <u>13,798,689</u> |
| Total liabilities and shareholders' | | | | | | |
| equity | <u>40,176,147</u> | <u>(2,659,091)</u> | <u>37,517,056</u> | <u>40,133,704</u> | <u>(2,002,880)</u> | <u>38,130,824</u> |

Unit : Thousand Baht

| | Separate Financial Statements | | | | | |
|---|-------------------------------|------------|---------------------|------------------------|------------|---------------------|
| | As at October 31, 2015 | | | As at November 1, 2014 | | |
| | Before adjustment | Adjustment | After Adjustment | Before adjustment | Adjustment | After adjustment |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 42,206 | - | 42,206 | 11,220 | - | 11,220 |
| Trade and other receivables | 2,395,815 | - | 2,395,815 | 2,437,847 | - | 2,437,847 |
| Inventories | 2,192,591 | - | 2,192,591 | 1,722,953 | - | 1,722,953 |
| Other current assets | 46,750 | - | 46,750 | 37,299 | - | 37,299 |
| Other | 1,784,396 | - | 1,784,396 | 2,838,686 | - | 2,838,686 |
| Total current assets | 6,461,758 | - | 6,461,758 | 7,048,005 | - | 7,048,005 |
| Non-current assets | | | | | | |
| Investment in associates | 73,800 | 120,347 | 194,147 | 73,800 | 95,930 | 169,730 |
| Investments in subsidiaries | 6,180,728 | (120,347) | 6,060,381 | 6,156,311 | (95,930) | 6,060,381 |
| Other long-term investments | 370,325 | - | 370,325 | 356,536 | - | 356,536 |
| Investment property | 505,414 | 508,144 | 1,013,558 | 409,756 | 457,508 | 867,264 |
| Property, plant and equipment | 7,450,027 | 3,211 | 7,453,238 | 7,642,641 | - | 7,642,641 |
| Intangible assets | 36,109 | - | 36,109 | 35,897 | - | 35,897 |
| Other non-current assets | 6,194 | - | 6,194 | 41,600 | 33,133 | 74,733 |
| Other | 4,434,549 | - | 4,434,549 | 106,529 | - | 106,529 |
| Total non-current assets | 19,057,146 | 511,355 | 19,568,501 | 14,823,070 | 490,641 | 15,313,711 |
| Total assets | 25,518,904 | 511,355 | 26,030,259 | 21,871,075 | 490,641 | 22,361,716 |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| Short-term borrowings from financial institutions | 935,002 | - | 935,002 | 2,671,777 | - | 2,671,777 |
| Trade and other payables | 695,977 | - | 695,977 | 971,302 | - | 971,302 |
| Current portion of long-term debentures | 999,909 | - | 999,909 | 1,499,889 | - | 1,499,889 |
| Current portion of long-term borrowings | 705,833 | - | 705,833 | 705,833 | - | 705,833 |
| Short-term borrowings | 1,265,100 | - | 1,265,100 | 680,200 | - | 680,200 |
| Other current liabilities | 22,643 | - | 22,643 | 4,620 | - | 4,620 |
| Total current liabilities | 4,624,464 | - | 4,624,464 | 6,533,621 | - | 6,533,621 |
| Non-current liabilities | | | | | | |
| Long-term debentures | 9,989,251 | - | 9,989,251 | 5,992,853 | - | 5,992,853 |
| Long-term borrowings | 2,859,667 | - | 2,859,667 | 1,765,500 | - | 1,765,500 |
| Deferred tax liabilities | 6,381 | 58,316 | 64,697 | 70,177 | 71,952 | 142,129 |
| Employee benefit obligations | 91,774 | - | 91,774 | 93,649 | - | 93,649 |
| Other non-current liabilities | 27,578 | - | 27,578 | 37,757 | - | 37,757 |
| Total non-current liabilities | 12,974,651 | 58,316 | 13,032,967 | 7,959,936 | 71,952 | 8,031,888 |
| Total liabilities | 17,599,115 | 58,316 | 17,657,431 | 14,493,557 | 71,952 | 14,565,509 |
| Shareholders' equity | | | | | | |
| Retained earnings-Unappropriated | 2,250,746 | 597,301 | 2,848,047 | 2,021,951 | 494,359 | 2,516,310 |
| Other components of equity | 517,482 | (144,262) | 373,220 | 517,482 | (75,670) | 441,812 |
| Other | 5,151,561 | - | 5,151,561 | 4,838,085 | - | 4,838,085 |
| Total equity attributable to owners of the parent | 7,919,789 | 453,039 | 8,372,828 | 7,377,518 | 418,689 | 7,796,207 |
| Non-controlling interests | - | - | - | - | - | - |
| Total shareholders' equity | 7,919,789 | 453,039 | 8,372,828 | 7,377,518 | 418,689 | 7,796,207 |
| Total liabilities and shareholders' equity | 25,518,904 | 511,355 | 26,030,259 | 21,871,075 | 490,641 | 22,361,716 |

| | Consolidated Statement of income | | | Separated Statement of income | | |
|---|-------------------------------------|-------------|--------------|-------------------------------------|------------|-------------|
| | For the year ended October 31, 2015 | | | For the year ended October 31, 2015 | | |
| | Before | Adjustment | After | Before | Adjustment | After |
| | Adjustment | | Adjustment | Adjustment | | Adjustment |
| Unit: Thousand Baht | | | | | | |
| Revenues from sales and revenues from rendering of services | | | | | | |
| Revenues from sales | 18,377,537 | (1,058,631) | 17,318,906 | 8,196,285 | - | 8,196,285 |
| Revenues from rendering of services | 488,301 | (331,881) | 156,420 | 173,983 | (35,176) | 138,807 |
| Total Income | 18,865,838 | (1,390,512) | 17,475,326 | 8,370,268 | (35,176) | 8,335,092 |
| Costs of sales of goods and rendering of services | | | | | | |
| Costs of sales of goods | (14,581,843) | 912,334 | (13,669,509) | (7,451,612) | 35,176 | (7,416,436) |
| Costs of rendering of services | (254,675) | 141,345 | (113,330) | (68,438) | - | (68,438) |
| Total Costs | (14,836,518) | 1,053,679 | (13,782,839) | (7,520,050) | 35,176 | (7,484,874) |
| Gross profit | 4,029,320 | (336,833) | 3,692,487 | 850,218 | - | 850,218 |
| Gain on disposal of assets | - | 1,169 | 1,169 | - | 7,220 | 7,220 |
| Gain on fair value adjustments of investment property | - | 19,834 | 19,834 | - | 17,558 | 17,558 |
| Gain (Loss) on exchange rate | (140,956) | 2,249 | (138,707) | (76,746) | - | (76,746) |
| Other incomes | 661,151 | (20,302) | 640,849 | 1,580,883 | (7,220) | 1,573,663 |
| Share of profit of investment in an associate | 13,579 | 41,536 | 55,115 | - | - | - |
| Selling expenses | (1,752,042) | (23,292) | (1,775,334) | (689,159) | - | (689,159) |
| Administrative expenses | (722,879) | 63,721 | (659,158) | (295,450) | 4,232 | (291,218) |
| Management benefit expenses | (197,197) | 56,970 | (140,227) | (52,506) | - | (52,506) |
| Finance costs | (848,766) | 31,711 | (817,055) | (559,106) | - | (559,106) |
| Profit before income tax expenses | 1,042,210 | (163,237) | 878,973 | 758,134 | 21,790 | 779,924 |
| Income tax expenses | (92,699) | 53,603 | (39,096) | 62,064 | (3,512) | 58,552 |
| Net profit for the period | 949,511 | (109,634) | 839,877 | 820,198 | 18,278 | 838,476 |
| Other comprehensive income : | | | | | | |
| Exchange differences on translating financial statements | 79,343 | - | 79,343 | - | - | - |
| Gain on remeasuring available-for-sale investments | 3 | (3) | - | - | - | - |
| Gain on revaluation of assets | - | 18,011 | 18,011 | - | 16,073 | 16,073 |
| Actuary loss | (13,839) | 3,322 | (10,517) | (6,927) | - | (6,927) |
| Total comprehensive income for the period | 1,015,018 | (88,304) | 926,714 | 813,271 | 34,351 | 847,622 |
| Profit (loss) attributable to : | | | | | | |
| Owners of the parent | 815,387 | 46,293 | 861,680 | 820,198 | 18,278 | 838,476 |
| Non-controlling interests | 134,124 | (155,927) | (21,803) | - | - | - |
| | 949,511 | (109,634) | 839,877 | 820,198 | 18,278 | 838,476 |
| Total comprehensive income (expense) attributable to : | | | | | | |
| Owners of the parent | 868,328 | 64,748 | 933,076 | 813,271 | 34,351 | 847,622 |
| Non-controlling interests | 146,690 | (153,052) | (6,362) | - | - | - |
| | 1,015,018 | (88,304) | 926,714 | 813,271 | 34,351 | 847,622 |

4.4 The adoption of TFRS 13, “Fair Value Measurement” commencing on November 1, 2015 onwards

TFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of TFRS 13 is broad; the fair value measurement requirements of TFRS 13 apply to both financial instrument items and non-financial instrument items for which other TFRSs require or permit fair value measurements and disclosures about fair value measurements, except for leasing transactions that are within the scope of TAS 17 (Revised 2014) “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

TFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under TFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, TFRS 13 includes extensive disclosure requirements. The Company had defines accounting policies about fair value measurements as disclosed in Note 3.28.

TFRS 13 requires prospective application for the financial statements for the periods beginning on or after January 1, 2015 onwards. The application of TFRS 13 has not had any material effect on the amounts recognised in the financial statements except for disclosure of additional information in Notes 15, 16, 17 and 32.

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 | |
| | 2016 | 2015 “Restated” | 2016 | 2015 |
| Transfer of depreciation to deferred cane plantation costs | 30,018 | 33,189 | 112 | 148 |
| Purchases of property, plant and equipment which have not yet been paid | 179,651 | 182,253 | 42,562 | 43,598 |
| Transfer of trade and other receivables to other non-current assets | - | 19,299 | - | 12,082 |
| Transfer of other current assets to inventories | 62,712 | - | - | - |
| Transfer of property, plant and equipment to investment property and assets not used in operations | 5,095 | 210,280 | - | - |
| Transfer of assets not used in operations as an investment property | - | 43,391 | - | 99,889 |
| Transfer of asset not used to property, plant and equipment | - | 236 | - | - |
| Transfer of investment property to property, plant and equipment and assets not used in operations | 2,676 | 31,731 | - | - |
| Transfer of equipment to intangible assets | 4,398 | - | - | - |
| Decrease in short-term borrowings from subsidiaries by offsetting against dividend received | - | - | 815,000 | 174,000 |
| Decrease in short-term borrowings from subsidiaries by offsetting against other receivables | - | - | 203,000 | - |
| Transfer short-term and long-term loans to trade and other receivables | - | 60,000 | - | - |
| Transfer of other non-current liabilities to other current liabilities | 450 | - | - | - |

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

| Type of Transactions | Consolidated | | Unit : Thousand Baht | |
|--------------------------------------|----------------------|--------------------|----------------------|---------------|
| | Financial Statements | | Separate | |
| | 2016 | "Restated" 2015 | 2016 | 2015 |
| Cash | 3,214 | 3,215 | 2,070 | 939 |
| Current accounts deposits | 16,593 | 20,439 | 7,854 | 7,907 |
| Savings accounts deposits | 62,504 | 134,367 | 10,932 | 33,360 |
| Fixed deposits with 3 month maturity | - | 10,000 | - | - |
| Total | <u>82,311</u> | <u>168,021</u> | <u>20,856</u> | <u>42,206</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 | |
|---|----------------------|--------------------|---------------------|--------------------|
| | Financial Statements | | Separate | |
| | 2016 | "Restated" 2015 | 2016 | "Restated" 2015 |
| Trade and other receivables | | | | |
| Subsidiaries | - | - | 275.67 | 204.05 |
| Associates | 1.30 | 0.69 | 1.27 | 0.69 |
| Related parties | 0.03 | 2.20 | 0.03 | 0.21 |
| Total | <u>1.33</u> | <u>2.89</u> | <u>276.97</u> | <u>204.95</u> |
| Accrued dividend receivable (included in other receivables) (Note 7) | | | | |
| Subsidiaries | - | - | - | 1,083.24 |
| Short-term loans (Note 8) | | | | |
| Subsidiaries | - | - | 2,136.23 | 1,588.02 |
| Other current assets | | | | |
| Subsidiaries | - | - | 40.00 | 37.70 |
| Related parties | 0.43 | 1.24 | 0.23 | 0.38 |
| Total | <u>0.43</u> | <u>1.24</u> | <u>40.23</u> | <u>38.08</u> |
| Long-term loans | | | | |
| Subsidiaries | - | - | 4,266.96 | 4,283.24 |
| Other non-current assets | | | | |
| Subsidiaries | - | - | 0.02 | - |
| Trade and other payables | | | | |
| Subsidiaries | - | - | 100.79 | 67.00 |
| Associates | 3.54 | 0.47 | 2.38 | 0.35 |
| Related parties | 2.58 | 0.17 | 0.23 | 0.15 |
| Total | <u>6.12</u> | <u>0.64</u> | <u>103.40</u> | <u>67.50</u> |

| Type of Balances | Unit : Million Baht | | | |
|--|--------------------------------------|--------------------|----------------------------------|--------------------|
| | Consolidated Financial Statements | | Separate Financial Statements | |
| | 2016 | "Restated" 2015 | 2016 | "Restated" 2015 |
| Other accrued expenses (included in other payables) | | | | |
| Subsidiaries | - | - | 0.49 | 3.66 |
| Associates | - | 0.23 | - | - |
| Related parties | 0.02 | 0.12 | - | 0.07 |
| Total | <u>0.02</u> | <u>0.35</u> | <u>0.49</u> | <u>3.73</u> |
| Short-term borrowings | | | | |
| Subsidiaries | - | - | 476.00 | 1,259.00 |
| Related parties | 6.90 | 6.10 | 6.90 | 6.10 |
| Total | <u>6.90</u> | <u>6.10</u> | <u>482.90</u> | <u>1,265.10</u> |
| Other current liabilities | | | | |
| Subsidiaries | - | - | 0.02 | - |
| Related parties | 0.02 | 0.59 | 0.02 | 0.59 |
| Total | <u>0.02</u> | <u>0.59</u> | <u>0.04</u> | <u>0.59</u> |
| Other non-current liabilities - others | | | | |
| Subsidiaries | - | - | 0.58 | 0.58 |
| Related parties | 1.32 | 1.39 | 1.30 | 1.34 |
| Total | <u>1.32</u> | <u>1.39</u> | <u>1.88</u> | <u>1.92</u> |

As at October 31, 2016 and 2015, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 1.90% - 3.60% per annum and 2.00% - 3.64% per annum, respectively.

As at October 31, 2016 and 2015, long-term loans to subsidiaries represented loans with maturity date within 2018 and 2020 carrying the interest rates at 2.03% - 3.73% per annum, equal for both years.

As at October 31, 2016 and 2015, short-term borrowings from related parties represented promissory notes payable on demand, carrying the interest rates at 1.90% - 3.60% per annum and 2.00% - 3.64% per annum, respectively.

On August 30, 2016, the Company purchased building and machineries with structure from a related party for Baht 54.18 million, which is the revalued amount by independent professional appraisers in accordance with the resolution of the Board of Directors Meeting No. 10/2016 on August 26, 2016.

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 | |
| | “Restated” | | “Restated” | |
| | 2016 | 2015 | 2016 | 2015 |
| Revenues from sales and services | | | | |
| Subsidiaries | - | - | 3,605.26 | 3,093.21 |
| Related parties | 3.02 | 27.52 | 1.07 | 26.93 |
| Total | <u>3.02</u> | <u>27.52</u> | <u>3,606.33</u> | <u>3,120.14</u> |
| Cost of sales and services | | | | |
| Subsidiaries | - | - | 2,038.77 | 2,111.49 |
| Associates | 8.24 | 16.38 | 8.24 | 16.38 |
| Related parties | 6.41 | 0.46 | 0.74 | 0.46 |
| Total | <u>14.65</u> | <u>16.84</u> | <u>2,047.75</u> | <u>2,128.33</u> |
| Other income | | | | |
| Subsidiaries | - | - | 505.78 | 1,227.54 |
| Associates | 7.89 | 18.68 | 6.43 | 18.68 |
| Related parties | 15.34 | 5.28 | 15.33 | 5.01 |
| Total | <u>23.23</u> | <u>23.96</u> | <u>527.54</u> | <u>1,251.23</u> |
| Selling expenses | | | | |
| Subsidiaries | - | - | 7.74 | 5.89 |
| Associates | 53.81 | 17.74 | 32.56 | 17.74 |
| Total | <u>53.81</u> | <u>17.74</u> | <u>40.30</u> | <u>23.63</u> |
| Administrative expenses | | | | |
| Subsidiaries | - | - | 5.52 | 1.65 |
| Related parties | 17.91 | 15.55 | 7.18 | 6.33 |
| Related juristic person | 11.57 | 11.40 | 10.19 | 9.95 |
| Total | <u>29.48</u> | <u>26.95</u> | <u>22.89</u> | <u>17.93</u> |
| Financial cost | | | | |
| Subsidiaries | - | - | 13.49 | 19.81 |
| Related juristic person | 0.13 | 0.17 | 0.13 | 0.17 |
| Total | <u>0.13</u> | <u>0.17</u> | <u>13.62</u> | <u>19.98</u> |
| Management compensation | | | | |
| Short-term employee benefits | 141.31 | 140.23 | 48.57 | 52.51 |
| Post-employment benefits | 5.10 | 5.06 | 2.19 | 2.22 |
| Total | <u>146.41</u> | <u>145.29</u> | <u>50.76</u> | <u>54.73</u> |

POLICIES OF INTER-PRICE SETTING

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

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 party | Same group of shareholder and Mutual directors |
| On Nuj Construction Co., Ltd. | Related party | Same group of shareholder and Mutual directors |
| Raja Ceramics Co., Ltd. | Related party | Same group of shareholders |
| K.K. Wood Industry Co., Ltd. | Related party | Same group of shareholders |
| Amarco Co., Ltd. | Related party | Same group of shareholders |
| Thai Fermentation Industry Co., Ltd. | Related party | Same group of shareholders |
| KSL Tower Juristic Person office | Related Juristic Person | Shared owner of office building |

All of the aforementioned related entities are incorporated in Thailand.

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

7. TRADE AND OTHER RECEIVABLES

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

| | Consolidated | | Unit : Thousand Baht | |
|---|----------------------|------------------|----------------------|------------------|
| | Financial Statements | | Separate | |
| | "Restated" | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Trade receivables | 943,453 | 985,076 | 765,798 | 652,451 |
| Farmer receivables | 309,238 | 332,715 | 130,431 | 193,882 |
| Receivables from the Office of the Cane and Sugar Fund | - | 652,138 | - | 383,350 |
| Other receivables | 15,689 | 34,750 | 12,123 | 19,967 |
| Prepaid expenses | 37,652 | 31,318 | 17,232 | 9,128 |
| Advance payment | 16,574 | 21,247 | 4,767 | 5,793 |
| Accrued dividend receivable | - | - | - | 1,083,236 |
| Accrued income | 84,670 | 62,050 | 49,763 | 48,008 |
| Total trade and other receivables | <u>1,407,276</u> | <u>2,119,294</u> | <u>980,114</u> | <u>2,395,815</u> |

7.1 Trade receivables as at October 31, consisted of:

| | Consolidated | | Unit : Thousand Baht | |
|---|----------------------|----------------|----------------------|----------------|
| | Financial Statements | | Separate | |
| | "Restated" | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Related parties | 2 | 99 | 266,621 | 196,419 |
| Others | 945,255 | 986,781 | 499,177 | 456,032 |
| Total | <u>945,257</u> | <u>986,880</u> | <u>765,798</u> | <u>652,451</u> |
| <u>Less</u> Allowance for doubtful accounts | <u>(1,804)</u> | <u>(1,804)</u> | <u>-</u> | <u>-</u> |
| Total trade receivables | <u>943,453</u> | <u>985,076</u> | <u>765,798</u> | <u>652,451</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 | |
| | "Restated" | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Domestic trade receivables | | | | |
| Not yet due | 2 | 99 | 239,955 | 190,623 |
| Overdue not over 3 months | - | - | 26,666 | 5,796 |
| Total | <u>2</u> | <u>99</u> | <u>266,621</u> | <u>196,419</u> |

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

7.1.2 Trade receivables - others

| | Consolidated | | Unit : Thousand Baht | |
|--|----------------------|----------------|----------------------|----------------|
| | Financial Statements | | Separate | |
| | 2016 | 2015 | 2016 | 2015 |
| Business are to manufacture and distribute sugar and molasses | | | | |
| Domestic trade receivables | | | | |
| Not yet due | 181,966 | 152,848 | 58,378 | 57,141 |
| Overdue not over 3 months | 59,742 | 64,477 | 21,541 | 31,913 |
| Overdue over 9 months but not over 12 months | - | 80 | - | - |
| Overdue over 12 months | - | 1,333 | - | - |
| Total | <u>241,708</u> | <u>218,738</u> | <u>79,919</u> | <u>89,054</u> |
| Foreign trade receivables | | | | |
| Not yet due | 442,321 | 550,410 | 417,908 | 358,562 |
| Overdue not over 3 months | 1,350 | 8,416 | 1,350 | 8,416 |
| Total | <u>443,671</u> | <u>558,826</u> | <u>419,258</u> | <u>366,978</u> |
| Total of business are to manufacture and distribute sugar and molasses | <u>685,379</u> | <u>777,564</u> | <u>499,177</u> | <u>456,032</u> |
| Manufacture and distribution of alcohol and electricity | | | | |
| Domestic trade receivables | | | | |
| Not yet due | 187,547 | 146,896 | - | - |
| Overdue not over 3 months | 61,813 | 54,206 | - | - |
| Total of business of manufacturing and distributing of alcohol and electricity | <u>249,360</u> | <u>201,102</u> | <u>-</u> | <u>-</u> |
| Other business | | | | |
| Domestic trade receivables | | | | |
| Not yet due | 3,279 | 1,461 | - | - |
| Overdue not over 3 months | 678 | 48 | - | - |
| Overdue over 12 months | 6,559 | 6,606 | - | - |
| Total other business | <u>10,516</u> | <u>8,115</u> | <u>-</u> | <u>-</u> |
| Total | <u>945,255</u> | <u>986,781</u> | <u>499,177</u> | <u>456,032</u> |
| <u>Less</u> Allowance for doubtful accounts | <u>(1,804)</u> | <u>(1,804)</u> | <u>-</u> | <u>-</u> |
| Total trade receivables - others | <u>943,451</u> | <u>984,977</u> | <u>499,177</u> | <u>456,032</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 | |
| | 2016 | 2015 | 2016 | 2015 |
| | | "Restated" | | |
| Cane receivables | | | | |
| Before Season 2012/2013 | 45,833 | 48,520 | 6,615 | 6,986 |
| Season 2012/2013 | 27,923 | 28,583 | 6,465 | 6,774 |
| Season 2013/2014 | 40,946 | 44,257 | 6,844 | 7,120 |
| Season 2014/2015 | 54,698 | 66,293 | 13,088 | 15,586 |
| Season 2015/2016 | 79,180 | - | 22,345 | - |
| Total cane receivables | <u>248,580</u> | <u>187,653</u> | <u>55,357</u> | <u>36,466</u> |
| Advance payment | | | | |
| Season 2015/2016 | - | 168,934 | - | 163,646 |
| Season 2016/2017 | 95,891 | - | 93,021 | - |
| Total advance payment for purchases of cane | <u>95,891</u> | <u>168,934</u> | <u>93,021</u> | <u>163,646</u> |
| Receivables from fuel oil, fertilizer and other services | <u>8,607</u> | <u>12,969</u> | <u>8,418</u> | <u>12,844</u> |
| Total | <u>353,078</u> | <u>369,556</u> | <u>156,796</u> | <u>212,956</u> |
| Less Allowance for doubtful accounts | <u>(43,840)</u> | <u>(36,841)</u> | <u>(26,365)</u> | <u>(19,074)</u> |
| Total farmer receivables | <u>309,238</u> | <u>332,715</u> | <u>130,431</u> | <u>193,882</u> |

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

7.3 Receivable from the Office of the Cane and Sugar Fund

For the harvest season 2014/2015, harvesting year the final sugar cane price and the final compensation for the production and distribution for sugar were lower than the initial sugar cane price. In accordance with Section 56 of the Cane and Sugar Act B.E. 2527, the Cane and Sugar Fund is to pay compensation to the Company and its subsidiaries which are in the business relating to the sugar manufacture and distribution at an amount equal to the difference, and the sugar can planters do not have to return the excessive amount of the sugar cane price received. As at October 31, 2015, the Company and its subsidiaries had compensation to be received from the office of the Cane and Sugar Fund which recorded as receivables from the office of the Cane and Sugar Fund in the consolidated and separate financial statements of Baht 652.14 million and Baht 383.35 million, respectively. In the third quarter of 2016, the Company and its subsidiaries already received the full amounts of compensation.

8. SHORT-TERM LOANS

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

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|--|--------------------------------------|------------------|--|------------------|
| | "Restated" | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Short-term loans to subsidiaries (see Note 6.1) | - | - | 2,136,233 | 1,588,016 |
| Short-term loans to farmers | 965,448 | 808,869 | 247,908 | 85,736 |
| Current portion of long-term loans to others | 41,333 | 60,000 | 41,333 | 60,000 |
| Current portion of loans for cane plantation development | 266,316 | 227,766 | 58,532 | 50,643 |
| Total short-term loans | <u>1,273,097</u> | <u>1,096,635</u> | <u>2,484,006</u> | <u>1,784,395</u> |

Short-term loans to farmers represent loans in the form of discounted checks purchase for post-dated checks which the Company and its subsidiaries issued to the farmers from purchasing of sugar cane, which the farmers discounted sale to the Company and its subsidiaries with interest rates based on average lending rates of commercial banks.

9. INVENTORIES

Inventories as at October 31, consisted of:

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|--|--------------------------------------|------------------|--|------------------|
| | "Restated" | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Sugar and molasses | 1,560,120 | 2,522,032 | 771,747 | 1,670,640 |
| Alcohol and bio-fertilizer | 182,593 | 318,219 | - | - |
| Bagasse | 93,279 | 49,888 | - | - |
| Real estate development | 62,712 | 17,112 | - | - |
| Factory supplies | 179,693 | 188,522 | 141,252 | 159,027 |
| Machine maintenance supplies | 510,827 | 467,485 | 418,881 | 393,951 |
| | <u>2,589,224</u> | <u>3,563,258</u> | <u>1,331,880</u> | <u>2,223,618</u> |
| <u>Less</u> Allowance for obsolete inventories | (33,862) | (6,129) | (33,862) | (6,129) |
| Allowance for diminution in value of inventories | (3,813) | (163,512) | - | (24,898) |
| Total inventories | <u>2,551,549</u> | <u>3,393,617</u> | <u>1,298,018</u> | <u>2,192,591</u> |

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

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|---|--------------------------------------|----------------|--|----------------|
| | "Restated" | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Beginning balance | (6,129) | (6,129) | (6,129) | (6,129) |
| <u>Add</u> Increase during the years - recognized as cost of sales for the years | (27,733) | - | (27,733) | - |
| Ending balance | <u>(33,862)</u> | <u>(6,129)</u> | <u>(33,862)</u> | <u>(6,129)</u> |

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

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|---|--------------------------------------|------------------|--|-----------------|
| | "Restated" | | | |
| | 2016 | 2015 | 2016 | 2015 |
| Beginning balance | (163,512) | (178,164) | (24,898) | (338) |
| <u>Add</u> Increase during the years - recognized as cost of sales for the years | (22,681) | (111,873) | - | (24,898) |
| <u>Less</u> Reversal during the years | 182,380 | 126,525 | 24,898 | 338 |
| Ending balance | <u>(3,813)</u> | <u>(163,512)</u> | <u>-</u> | <u>(24,898)</u> |

For the years ended October 31, 2016 and 2015, cost of inventories recognized as cost of sales in the consolidated financial statements were Baht 13,162.67 million and Baht 13,524.79 million, respectively, and in the separate financial statements were Baht 8,277.32 million and Baht 7,426.71 million, respectively.

10. INVESTMENTS IN ASSOCIATES

Investments in associates as at October 31, consisted of:

Consolidated Financial Statements

| Company Name | Paid-up | | Percentage of | | 2016 | | Unit : Thousand Baht "Restated" | | | |
|--|---------------|---------|---------------|-------|----------------|----------------|------------------------------------|----------------|----------------|---------------|
| | Share Capital | | Shareholding | | Investment | | Dividend | Investment | | Dividend |
| | 2016 | 2015 | % | % | Cost | Equity | for | Cost | Equity | for |
| | | | 2016 | 2015 | | | the period | | | the year |
| Thai Sugar Terminal Public Company Limited | 191,664 | 145,200 | 23.82 | 23.82 | 90,267 | 340,157 | 4,227 | 81,967 | 279,837 | 17,292 |
| T S G Assets Co., Ltd.* | 50,000 | 50,000 | 4.11 | 4.11 | 2,061 | 2,061 | - | 2,061 | 2,061 | - |
| T S Oil Industry Co., Ltd.* | 500,000 | 500,000 | 0.62 | 0.62 | 3,089 | 3,089 | - | 3,089 | 3,089 | - |
| T S Flour Mill Public Company Limited* | 342,051 | 285,000 | 0.07 | 0.07 | 313 | 276 | 37 | 313 | 298 | 16 |
| T S Warehouse Co., Ltd.* | 12,500 | 12,500 | 4.02 | 4.02 | 509 | 509 | - | 509 | 509 | - |
| T S Transport and Logistic Co., Ltd.* | 400,000 | 320,000 | 10.12 | 10.12 | 40,508 | 40,508 | - | 32,408 | 32,408 | - |
| Champion Fermentation Co., Ltd. | 200,000 | 200,000 | 32.50 | 32.50 | - | - | - | 73,800 | 38,658 | 585 |
| Total | | | | | <u>136,747</u> | <u>386,600</u> | <u>4,264</u> | <u>194,147</u> | <u>356,860</u> | <u>17,893</u> |

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

Separate Financial Statements

| Company Name | Paid-up | | Percentage of | | Investment Cost | | Unit : Thousand Baht Dividends | |
|--|---------------|---------|---------------|-------|-----------------|----------------|-----------------------------------|---------------|
| | share Capital | | Shareholding | | "Restated" | | For the year ended | |
| | 2016 | 2015 | % | % | 2016 | 2015 | 2016 | 2015 |
| | | | 2016 | 2015 | | | | |
| Thai Sugar Terminal Public Company Limited | 191,664 | 145,200 | 23.82 | 23.82 | 90,267 | 81,967 | 4,227 | 17,292 |
| T S G Assets Co., Ltd.* | 50,000 | 50,000 | 4.11 | 4.11 | 2,061 | 2,061 | - | - |
| T S Oil Industry Co., Ltd.* | 500,000 | 500,000 | 0.62 | 0.62 | 3,089 | 3,089 | - | - |
| T S Flour Mill Public Company Limited* | 342,051 | 285,000 | 0.07 | 0.07 | 313 | 313 | 37 | 16 |
| T S Warehouse Co., Ltd.* | 12,500 | 12,500 | 4.02 | 4.02 | 509 | 509 | - | - |
| T S Transport and Logistic Co., Ltd.* | 400,000 | 320,000 | 10.12 | 10.12 | 40,508 | 32,408 | - | - |
| Champion Fermentation Co., Ltd. | 200,000 | 200,000 | 32.50 | 32.50 | - | 73,800 | - | 585 |
| Total | | | | | <u>136,747</u> | <u>194,147</u> | <u>4,264</u> | <u>17,893</u> |

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

In July 2015, T S Transport and Logistic Co., Ltd., an associate, increased its authorized share capital to Baht 400.00 million which the Company increased its investment in proportion to their existing shareholding and last called for the paid-up at Baht 25.00 per share in the first quarter of 2016.

In accordance to the Extraordinary Meeting No. 1/2014, of T S Flour Mill Public Company Limited dated August 27, 2015, has resolution to increase of registered capital of the Company at the amount The newly issued shares of the Company in the number of not exceeding 57,000,000 shares with the par value of Baht 1.00, shall be allotted for the existing shareholders in proportion to their shareholding (the Right Offering), at an offering ratio of 5 existing ordinary shares to 1 new ordinary shares, at the offering price of Baht 3.00 per share to capital increase totaling amount of Baht 342.00 million. On October 8, 2015, the Company increased its investment in proportion to their existing shareholding at 0.07% amounting to Baht 117,180.

The Board of Directors' Meeting No. 5/2016 of the Company held on June 24, 2016 had a resolution to approve the sales the Company's investment in Champion Fermentation Co., Ltd., an associate, at sales price of Baht 1,300 per share, totally Baht 84.50 million, to related party. The Company sold investment on July 21, 2016, and recognized gain from sale of investment in the consolidated financial statements and the separate financial statements for the year ended October 31, 2016 amounting to Baht 45.22 million and Baht 10.70 million, respectively.

In accordance to the minute of Extraordinary General Meeting of Shareholders No.1/2016 of Thai Sugar Terminal Public Company Limited held on August 8, 2016, has resolution to increase of registered capital and modified a memorandum of association totaling amount of Baht 191,663,805.00 by newly issued ordinary shares totaling amount 34,847,965 shares at the par value of Baht 0.50 by allocation newly issued ordinary share to the existing shareholders in proportion to their shareholding at an offering ratio of 10 existing ordinary shares to 1 new ordinary shares, at the offering price of Baht 1.00 per share. On September 2, 2016, the Company increased its investment in proportion to their existing shareholding at 23.82% amounting to Baht 8,300,096.

11. INVESTMENTS IN SUBSIDIARIES

Investments subsidiaries as at October 31, consisted of:

Separate Financial Statements

| Company Name | Paid-up Share Capital | | Percentage of Shareholding | | Investment Cost | | Unit : Thousand Baht Dividends For the year ended October 31, | |
|---|-----------------------|-----------|----------------------------|--------|-----------------|-----------------|---|-----------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | "Restated" 2015 | 2016 | "Restated" 2015 |
| | | | % | % | | | | |
| 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 | - | 108,257 |
| New Kwang Soon Lee Sugar Factory Company Limited | 500,000 | 500,000 | 98.61 | 98.61 | 569,284 | 569,284 | - | - |
| K.S.L. Real Estate Company Limited | 840,000 | 840,000 | 40.77 | 40.77 | 319,134 | 319,134 | - | - |
| K.S.L. Export Trading Company Limited | 20,000 | 20,000 | 33.88 | 33.88 | 6,775 | 6,775 | 3,049 | 678 |
| KSL Material Supplys Company Limited | 480,000 | 10,000 | 100.00 | 100.00 | 479,119 | 9,119 | - | - |
| Khon Kaen Sugar Power Plant Company Limited | 800,000 | 800,000 | 100.00 | 100.00 | 799,972 | 799,972 | - | - |
| KSL Green Innovation Public Company Limited (Old name Khon Kaen Alcohol Company Limited) | 610,000 | 610,000 | 100.00 | 100.00 | 609,986 | 609,986 | 304,993 | 914,978 |
| KSL. Agro & Trading Company Limited | 300,000 | 300,000 | 100.00 | 100.00 | 300,000 | 300,000 | - | 60,000 |
| KSL WSP Logistic Company Limited | 250 | - | 100.00 | - | 250 | - | - | - |
| Savannakhet Sugar Corporation | 684,757 | 684,757 | 98.49 | 98.49 | 674,178 | 674,178 | - | - |
| Koh Kong Sugar Industry Company Limited * | 1,167,660 | 1,167,660 | 80.00 | 80.00 | 932,589 | 932,589 | - | - |
| Wynn In Trading Company Limited * | 487,497 | 487,497 | 100.00 | 100.00 | 487,497 | 487,497 | - | - |
| Total | | | | | 6,536,515 | 6,066,265 | 308,042 | 1,083,913 |
| Less: Allowance for impairment of investments | | | | | (750,419) | (5,884) | - | - |
| Total investments subsidiaries | | | | | 5,786,096 | 6,060,381 | 308,042 | 1,083,913 |

* 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, 2016 and 2015. Furthermore, Koh Kong Plantation Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year. As at October 31, 2016, loss of Koh Kong Plantation Company Limited does not exceed 75% of the registered share capital.

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

| | Unit : Thousand Baht Separate Financial Statements “Restated” | |
|---|--|------------------|
| | 2016 | 2015 |
| Beginning balance | 6,060,381 | 6,060,381 |
| Additional investments | | |
| KSL Material Supplys Company Limited | 470,000 | - |
| KSL WSP Logistic Company Limited | 250 | - |
| Allowance for impairment of investments | | |
| Savannakhet Sugar Corporation | (402,557) | - |
| Koh Kong Sugar Industry Company Limited | (341,978) | - |
| Ending balance | <u>5,786,096</u> | <u>6,060,381</u> |

As at October 31, 2016, in consistent with Thai Accounting Standard No. 36 “Impairment of Assets”, the Company has made an assessment of impairment loss to investment in Savannakhet Sugar Corporation and Koh Kong Sugar Industry Company Limited, the forecasted cash flows covering a period of 20 years and using the discounted rates at 9.30% - 9.70% p.a. and recorded impairment loss of investments in subsidiaries amounting to Baht 744.53 million in the separate statements of profit or loss and other comprehensive income for the year ended October 31, 2016.

However, the Company firmly believes that the subsidiaries could be carried according to plan and remain the potential for further growth in the future.

In accordance to the minute of Extraordinary General Meeting of Shareholders No.1 of the annual 2016 of KSL Material Supplys Company Limited held on October 13, 2016, has resolution to increase of registered capital totaling amount of Baht 470,000,000 by newly issued ordinary shares totaling amount 47,000,000 shares at the par value of Baht 10.00 totaling amount of Baht 480,000,000. The subsidiary company has registered and articles of association letter with the Commercial Business Development Department of the Ministry of Commerce, on October 31, 2016. The Company directly invested 100%.

The Board of Directors Meeting No. 5/2016 on June 24, 2016 has approved the establishment of a new subsidiary, KSL WSP Logistic Company Limited, to operate the transportation and logistics. With authorized share capital of Baht 1,000,000 (100,000 shares at par value of Baht 10.00 each) which Baht 2.50 per share totaling Baht 250,000, was called and paid-up. Such subsidiary incorporated with the Ministry of Commerce on August 23, 2016. The Company directly invested 100%.

12. OTHER LONG-TERM INVESTMENTS

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

| | Percentage of Shareholding | | Consolidated | | Unit : Thousand Baht | |
|---|----------------------------|------|----------------------|---------|----------------------|---------|
| | Direct and indirect | | Financial Statements | | Separate | |
| | 2016 | 2015 | “Restated” | | 2016 | 2015 |
| | % | % | 2016 | 2015 | 2016 | 2015 |
| 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 | 9.46 | 350,000 | 350,000 | 350,000 | 350,000 |
| - TISCO ESG Investment Fund for Society | | | 20,000 | 20,000 | 20,000 | 20,000 |
| Total | | | 370,795 | 370,795 | 370,325 | 370,325 |
| Held-to-maturity debt securities - government bonds | | | 2,724 | 9,815 | - | - |
| <u>Less</u> Amortization | | | (22) | (289) | - | - |
| Current portion | | | (2,702) | (6,817) | - | - |
| Net | | | - | 2,709 | - | - |
| Total other long-term investments | | | 370,795 | 373,504 | 370,325 | 370,325 |

13. LONG-TERM LOANS

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

| | Consolidated | | Unit : Thousand Baht | |
|--|----------------------|-----------|----------------------|-----------|
| | Financial Statements | | Separate | |
| | “Restated” | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Long-term loans to subsidiaries (see Note 6.1) | - | - | 4,266,963 | 4,283,238 |
| Long-term loans to others | 86,667 | 120,000 | 86,667 | 120,000 |
| Loans for cane plantation development | 645,950 | 667,430 | 151,375 | 126,025 |
| <u>Less</u> Current portion (included as part of short-term loans, see Note 8) | (307,649) | (287,766) | (99,865) | (110,643) |
| Total | 424,968 | 499,664 | 4,405,140 | 4,418,620 |
| <u>Less</u> Allowance for doubtful debts | (66,904) | (19,186) | (9,702) | (8,882) |
| Total long-term loans | 358,064 | 480,478 | 4,395,438 | 4,409,738 |

As at October 31, 2016 and 2015, most of long-term loans to others is loan to individual of Baht 80.00 million and Baht 120.00 million, respectively, which is under lending limit of Baht 120.00 million on August 31, 2015 principal installment payable every six months on the last working day of February and August of each year for 4 installments at Baht 30.00 million each. The first installment must be made in February 2016. The interest rate is 7.00% per annum. The interest is payable at the end of each month. Such loans are guaranteed by the shares and the land of two companies which the borrowers are the directors. Subsequently, in 2016 the agreement is amended to pay for 6 installments at Baht 20 million, and the first installment is February 2017.

As at October 31, 2016 and 2015, loans for cane plantation development included in the consolidated and separate financial statements included loans to other personals and parties of Baht 21.65 million and Baht 28.24 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 loan is secured by such agricultural machineries.

As at October 31, 2016 and 2015, 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 7.25% - 8.00% per annum and 5.50% - 8.50% per annum, respectively, which the farmers mostly use land and vehicles as collateral.

14. 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 | |
| | 2016 | 2015 | 2016 | 2015 |
| Beginning book value - net | 517,926 | 542,707 | 24,811 | 41,480 |
| Additional costs during the years | | | | |
| - Costs of cane plantation | 220,519 | 284,556 | 22,038 | 21,790 |
| - Transfers of depreciation | 30,018 | 33,189 | 112 | 148 |
| Accumulated cost of cane planted | 768,463 | 860,452 | 46,961 | 63,418 |
| - Amortization of cane plantation costs during the year | (327,376) | (357,006) | (24,974) | (38,363) |
| Ending book value | 441,087 | 503,446 | 21,987 | 25,055 |
| Reversal (loss) from impairment | 1,032 | (3,658) | - | - |
| Loss from damaged cane | (29,818) | (12,039) | - | (244) |
| Exchange differences on translating financial statements | (5,057) | 30,177 | - | - |
| Ending book value - net | 407,244 | 517,926 | 21,987 | 24,811 |

As at October 31, 2016 and 2015, certain deferred cane plantation costs in the consolidated financial statements of Baht 366.59 million and Baht 467.58 million, respectively, belong to two subsidiaries which grow cane plantation on lease land as follows:

- For the first subsidiary, amounting to Baht 152.76 million and Baht 157.85 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 31.7.2.
- For the second subsidiary, amounting to Baht 213.83 million and Baht 309.73 million, respectively, represent costs of cane plantation on the land leased from the Government of the Kingdom of Cambodia as referred to in Note 31.7.3.

15. INVESTMENT PROPERTY

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

2016

| | Consolidated Financial Statements | | | Unit : Thousand Baht Separate Financial Statements | | |
|--|-----------------------------------|--------------------------------|-----------|--|--------------------------------|-----------|
| | Land | Buildings and Warehouses | Total | Land | Buildings and Warehouses | Total |
| | Fair value : | | | | | |
| As at November 1, 2015 | 1,644,150 | 1,710,413 | 3,354,563 | 529,088 | 484,470 | 1,013,558 |
| Adjustment and reclassification | (1,574) | - | (1,574) | - | - | - |
| Purchases | 4,900 | 19 | 4,919 | - | 19 | 19 |
| Gain (Loss) from fair value adjustments on investment property | 969,673 | 168,603 | 1,138,276 | 398,867 | 87,240 | 486,107 |
| As at October 31, 2016 | 2,617,149 | 1,879,035 | 4,496,184 | 927,955 | 571,729 | 1,499,684 |

“Restated”
2015

| | Consolidated Financial Statements | | | Unit : Thousand Baht Separate Financial Statements | | |
|--|-----------------------------------|--------------------------------|-----------|--|--------------------------------|-----------|
| | Land | Buildings and Warehouses | Total | Land | Buildings and Warehouses | Total |
| | Fair value : | | | | | |
| As at November 1, 2014 | 1,430,094 | 1,710,412 | 3,140,506 | 382,794 | 484,470 | 867,264 |
| Adjustment and reclassification | 155,373 | 34,168 | 189,541 | 128,736 | - | 128,736 |
| Purchases | - | 4,682 | 4,682 | - | - | - |
| Gain (Loss) from fair value adjustments on investment property | 58,683 | (38,849) | 19,834 | 17,558 | - | 17,558 |
| As at October 31, 2015 | 1,644,150 | 1,710,413 | 3,354,563 | 529,088 | 484,470 | 1,013,558 |

For the years ended October 31, 2016 and 2015, the Company and its subsidiaries recognized rental income from investment property of Baht 195.51 million and Baht 179.72 million, respectively, in the consolidated statements of income, and of Baht 47.98 million and Baht 43.42 million, respectively, in the separate statements of income.

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

16. PROPERTY, PLANT AND EQUIPMENT

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

2016

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, 2015 | 730,353 | 1,454,203 | 6,140,642 | 21,724,413 | 1,848,115 | 273,335 | 938,710 | 33,109,771 |
| Adjustment and reclassification | (500) | (7,067) | (20,232) | (9,884) | 5 | (274) | 11,013 | (26,939) |
| Purchases | 160,112 | 85,494 | 126,850 | 125,477 | 45,910 | 11,456 | 1,302,335 | 1,857,634 |
| Disposals/written off | (39,740) | (84,982) | (117,919) | (167,959) | (67,177) | (3,435) | (2,217) | (483,429) |
| Transfer in (out) | - | 84,186 | 91,673 | 393,132 | 1,497 | 11,075 | (581,563) | - |
| Translation of financial statements differences | - | (9,317) | (9,846) | (24,520) | (4,104) | (278) | (200) | (48,265) |
| As at October 31, 2016 | 850,225 | 1,522,517 | 6,211,168 | 22,040,659 | 1,824,246 | 291,879 | 1,668,078 | 34,408,772 |
| Accumulated depreciation : | | | | | | | | |
| As at November 1, 2015 | - | (365,637) | (1,081,699) | (7,032,202) | (1,047,354) | (213,442) | - | (9,740,334) |
| Adjustment and reclassification | - | (3,440) | 2,419 | 3,748 | - | 585 | - | 3,312 |
| Depreciation for the year | - | (32,731) | (160,673) | (831,436) | (90,659) | (26,583) | - | (1,142,082) |
| Disposals/written off | - | 19,274 | 18,185 | 87,048 | 57,618 | 3,008 | - | 185,133 |
| Translation of financial statements differences | - | 3,060 | 1,651 | 3,619 | 2,466 | 257 | - | 11,053 |
| As at October 31, 2016 | - | (379,474) | (1,220,117) | (7,769,223) | (1,077,929) | (236,175) | - | (10,682,918) |
| Differences on revaluation of assets : | | | | | | | | |
| As at November 1, 2015 | 1,412,609 | - | - | - | - | - | - | 1,412,609 |
| Adjustment and reclassification | (14,314) | - | - | - | - | - | - | (14,314) |
| Increased | 1,007,588 | - | - | - | - | - | - | 1,007,588 |
| Disposals | (66,355) | - | - | - | - | - | - | (66,355) |
| As at October 31, 2016 | 2,339,528 | - | - | - | - | - | - | 2,339,528 |
| Allowance for impairment of assets : | | | | | | | | |
| As at November 1, 2015 | (12,400) | - | (6,363) | - | - | - | - | (18,763) |
| Adjustment and reclassification | 2,350 | - | - | - | - | - | - | 2,350 |
| Increased | (22,582) | - | - | - | - | - | - | (22,582) |
| Disposals | 3,092 | - | - | - | - | - | - | 3,092 |
| As at October 31, 2016 | (29,540) | - | (6,363) | - | - | - | - | (35,903) |
| Net book value : | | | | | | | | |
| As at October 31, 2016 | 3,160,213 | 1,143,043 | 4,984,688 | 14,271,436 | 746,317 | 55,704 | 1,668,078 | 26,029,479 |

**“Restated”
2015**

Consolidated Financial Statements

| | Land | Land Improvement | Buildings and Construction | Machinery and Equipment | Motor Vehicle and Labor Saving Tools | Furniture and Office Equipment | Construction in progress | Total |
|--|-------------|-----------------------------|---|--|---|---|-------------------------------------|--------------|
| Cost : | | | | | | | | |
| As at November 1, 2014 | 804,611 | 1,273,811 | 5,445,265 | 18,105,979 | 1,803,970 | 253,626 | 4,569,884 | 32,257,146 |
| Adjustment and reclassification | (110,006) | 3,644 | (520,722) | 503,798 | 405 | 12,640 | (42,061) | (152,302) |
| Purchases | 40,534 | 534 | 4,111 | 78,744 | 8,698 | 10,013 | 628,964 | 771,598 |
| Disposals/written off | (4,786) | - | (2,100) | (1,764) | (4,923) | (7,923) | - | (21,496) |
| Transfer in (out) | - | 127,024 | 1,162,726 | 2,908,112 | 17,763 | 3,557 | (4,219,182) | - |
| Translation of financial statements differences | - | 49,190 | 51,362 | 129,544 | 22,202 | 1,422 | 1,105 | 254,825 |
| As at October 31, 2015 | 730,353 | 1,454,203 | 6,140,642 | 21,724,413 | 1,848,115 | 273,335 | 938,710 | 33,109,771 |
| Accumulated depreciation : | | | | | | | | |
| As at November 1, 2014 | - | (317,394) | (917,311) | (6,170,710) | (945,686) | (183,239) | - | (8,534,340) |
| Adjustment and reclassification | - | 728 | 152 | 7,842 | - | (7,993) | - | 729 |
| Depreciation for the year | - | (33,604) | (156,958) | (853,711) | (93,284) | (28,779) | - | (1,166,336) |
| Disposals/written off | - | - | 131 | 1,693 | 4,054 | 7,871 | - | 13,749 |
| Translation of financial statements differences | - | (15,367) | (7,713) | (17,316) | (12,438) | (1,302) | - | (54,136) |
| As at October 31, 2015 | - | (365,637) | (1,081,699) | (7,032,202) | (1,047,354) | (213,442) | - | (9,740,334) |
| Differences on revaluation of assets : | | | | | | | | |
| As at November 1, 2014 | 1,478,714 | - | - | - | - | - | - | 1,478,714 |
| Adjustment and reclassification | (71,537) | - | - | - | - | - | - | (71,537) |
| As at October 31, 2015 | 1,407,177 | - | - | - | - | - | - | 1,407,177 |
| Allowance for impairment of assets : | | | | | | | | |
| As at November 1, 2014 | (12,164) | - | (6,363) | - | - | - | - | (18,527) |
| Adjustment and reclassification | (236) | - | - | - | - | - | - | (236) |
| As at October 31, 2015 | (12,400) | - | (6,363) | - | - | - | - | (18,763) |
| Net book value : | | | | | | | | |
| As at October 31, 2015 | 2,125,130 | 1,088,566 | 5,052,580 | 14,692,211 | 800,761 | 59,893 | 938,710 | 24,757,851 |

Accumulated depreciation as at October 31,

| | | |
|-----------------|----------------------|------------------|
| 2016 | Thousand Baht | <u>1,142,082</u> |
| 2015 “Restated” | Thousand Baht | <u>1,166,336</u> |

2016

Unit : Thousand Baht

| | Separate Financial Statements | | | | | | | Total |
|---|-------------------------------|------------------|----------------------------|-------------------------|--------------------------------------|--------------------------------|--------------------------|-------------|
| | Land | Land Improvement | Buildings and Construction | Machinery and Equipment | Motor Vehicle and Labor Saving Tools | Furniture and Office Equipment | Construction in progress | |
| Cost : | | | | | | | | |
| As at November 1, 2015 | 397,162 | 300,409 | 1,659,379 | 6,997,942 | 605,812 | 112,563 | 313,149 | 10,386,416 |
| Adjustment and reclassification | - | - | 960 | (962) | 2 | - | (4,238) | (4,238) |
| Purchases | 23,821 | 974 | 21,233 | 57,555 | 17,839 | 5,760 | 392,036 | 519,218 |
| Disposals/written off | (13,846) | - | (177,795) | (21) | (11,856) | (236) | - | (203,754) |
| Transfer in (out) | - | 16,902 | 20,624 | 143,370 | 813 | 3,423 | (185,132) | - |
| As at October 31, 2016 | 407,137 | 318,285 | 1,524,401 | 7,197,884 | 612,610 | 121,510 | 515,815 | 10,697,642 |
| Accumulated depreciation : | | | | | | | | |
| As at November 1, 2015 | - | (30,395) | (354,503) | (2,588,738) | (335,280) | (83,467) | - | (3,392,383) |
| Adjustment and reclassification | - | - | (878) | 878 | - | - | - | - |
| Depreciation for the year | - | (10,422) | (46,766) | (301,358) | (24,928) | (13,535) | - | (397,009) |
| Disposals/written off | - | - | 63,881 | 21 | 11,856 | 231 | - | 75,989 |
| As at October 31, 2016 | - | (40,817) | (338,266) | (2,889,197) | (348,352) | (96,771) | - | (3,713,403) |
| Differences on revaluation of assets : | | | | | | | | |
| As at November 1, 2015 | 463,313 | - | - | - | - | - | - | 463,313 |
| Purchases | 557,232 | - | - | - | - | - | - | 557,232 |
| Disposals | (46,253) | - | - | - | - | - | - | (46,253) |
| As at October 31, 2016 | 974,292 | - | - | - | - | - | - | 974,292 |
| Allowance for impairment of assets : | | | | | | | | |
| As at November 1, 2015 | (7,319) | - | - | - | - | - | - | (7,319) |
| Purchases | (16,782) | - | - | - | - | - | - | (16,782) |
| Disposals | 2,764 | - | - | - | - | - | - | 2,764 |
| As at October 31, 2016 | (21,337) | - | - | - | - | - | - | (21,337) |
| Net book value : | | | | | | | | |
| As at October 31, 2016 | 1,360,092 | 277,468 | 1,186,135 | 4,308,687 | 264,258 | 24,739 | 515,815 | 7,937,194 |

2015

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, 2014 | 378,586 | 198,572 | 1,281,555 | 5,138,303 | 608,838 | 112,141 | 2,425,673 | 10,143,668 |
| Adjustment and reclassification | (1,968) | - | 1,195 | (825) | - | (370) | - | (1,968) |
| Purchases | 25,330 | - | - | 44,953 | 1,249 | 4,082 | 184,573 | 260,187 |
| Disposals/written off | (4,786) | - | (2,100) | - | (4,275) | (4,310) | - | (15,471) |
| Transfer in (out) | - | 101,837 | 378,729 | 1,815,511 | - | 1,020 | (2,297,097) | - |
| As at October 31, 2015 | 397,162 | 300,409 | 1,659,379 | 6,997,942 | 605,812 | 112,563 | 313,149 | 10,386,416 |
| Accumulated depreciation : | | | | | | | | |
| As at November 1, 2014 | - | (20,708) | (308,568) | (2,293,556) | (315,346) | (75,972) | - | (3,014,150) |
| Adjustment and reclassification | - | - | (1,195) | 403 | - | 792 | - | - |
| Depreciation for the year | - | (9,687) | (44,871) | (295,585) | (24,209) | (12,583) | - | (386,935) |
| Disposals/written off | - | - | 131 | - | 4,275 | 4,296 | - | 8,702 |
| As at October 31, 2015 | - | (30,395) | (354,503) | (2,588,738) | (335,280) | (83,467) | - | (3,392,383) |
| Differences on revaluation of assets : | | | | | | | | |
| As at November 1, 2014 | 520,205 | - | - | - | - | - | - | 520,205 |
| Adjustment and reclassification | (53,681) | - | - | - | - | - | - | (53,681) |
| As at October 31, 2015 | 466,524 | - | - | - | - | - | - | 466,524 |
| Allowance for impairment of assets : | | | | | | | | |
| As at November 1, 2014 | (7,082) | - | - | - | - | - | - | (7,082) |
| Adjustment and reclassification | (237) | - | - | - | - | - | - | (237) |
| As at October 31, 2015 | (7,319) | - | - | - | - | - | - | (7,319) |
| Net book value : | | | | | | | | |
| As at October 31, 2015 | 856,367 | 270,014 | 1,304,876 | 4,409,204 | 270,532 | 29,096 | 313,149 | 7,453,238 |

Accumulated depreciation as at October 31,

| | | |
|------|---------------|---------|
| 2016 | Thousand Baht | 397,009 |
| 2015 | Thousand Baht | 386,935 |

As at October 31, 2016 and 2015, buildings and structure and building under construction of two foreign subsidiaries at book value of Baht 487.43 million and Baht 501.12 million, respectively, in the consolidated financial statements, are located on the concessional and which the ownership will be transferred to the lesser when the agreements are expired (see Note 31.7.3)

As at October 31, 2016 and 2015, assets at cost of Baht 4,013.62 million and Baht 3,559.99 million, respectively, in the consolidated financial statements, and of Baht 2,260.77 million and Baht 2,046.86 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2016 and 2015, land which is recorded at revaluation method with the net value of Baht 3,160.21 million and Baht 2,130.56 million, respectively, in the consolidated financial statements and Baht 1,360.09 million and Baht 853.16 million, respectively, in the separate financial statements represented fair value of land which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using the market approach which is hierarchy level 3. As at October 31, 2016 and 2015, land net book value at the cost method of Baht 850.23 million and Baht 730.35 million, respectively, in the consolidated financial statements, and of Baht 407.14 million and Baht 397.16 million, respectively, in the separate financial statement.

17. OTHER NON-CURRENT ASSETS

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

| | Consolidated | | Unit : Thousand Baht | |
|----------------------------------|----------------------|--------------------|----------------------|--------------|
| | Financial Statements | | Separate | |
| | 2016 | “Restated” 2015 | 2016 | 2015 |
| Assets not yet used in operation | | | | |
| - Land | 718,125 | 484,140 | - | - |
| - Machinery and Equipment | 35,862 | 50,361 | - | - |
| Other non-current assets | 121,662 | 207,793 | 7,597 | 6,194 |
| Total other non-current assets | <u>875,649</u> | <u>742,294</u> | <u>7,597</u> | <u>6,194</u> |

As at October 31, 2016 and 2015, a subsidiary had assets not yet used in operation of Baht 718.12 million and Baht 484.14 million, respectively, represented fair value of land which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using the market approach which is hierarchy level 3. As at October 31, 2016 and 2015, land net book value at the cost method of Baht 328.40 million and Baht 340.80 million, respectively, in the consolidated financial statements.

18. 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 | |
| | 2016 | “Restated” 2015 | 2016 | 2015 |
| Promissory notes | 3,757,026 | 3,291,895 | 1,108,000 | 38,000 |
| Bills of exchange | - | 897,002 | - | 897,002 |
| Total short-term borrowings from financial institutions | <u>3,757,026</u> | <u>4,188,897</u> | <u>1,108,000</u> | <u>935,002</u> |

As at October 31, 2016 and 2015, promissory notes have maturity period ranging from 1 - 6 months. Part of the promissory notes in the consolidated financial statements of Baht 1.30 million from one commercial bank by a subsidiary and of Baht 948.45 million from three commercial banks by three subsidiaries, respectively, are the borrowings denominated in US dollar carrying interest rates between LIBOR+2.00% and LIBOR+1.50% to LIBOR+2.00% per annum, respectively. The remaining are borrowings denominated in Baht, carrying interest rates at 1.90% - 2.70% per annum and 2.00% - 2.70% per annum, respectively. Promissory notes, in the separate financial statements, are borrowings denominated in Baht, carrying interest rates at 1.90% - 2.01% per annum and 2.00% per annum, respectively.

As at October 31, 2015, bills of exchange in the consolidated and the separate financial statements represented the borrowings denominated in Baht, carrying interest rates at 1.82% per annum.

19. TRADE AND OTHER PAYABLES

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

| | Consolidated | | Unit : Thousand Baht | |
|---|----------------------|------------------|----------------------|----------------|
| | Financial Statements | | Separate | |
| | "Restated" | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Trade payables - related parties | 2,325 | - | 87,341 | 10,394 |
| Trade payable - others | | | | |
| - Payables for cane purchases | 724,238 | 132,146 | 230,566 | 27,977 |
| - Other trade payables | 61,470 | 44,666 | 21,687 | 30,181 |
| Advances received for sales of goods | 20,442 | 45,061 | 13,714 | 58,746 |
| Accrued fees payable to the Office of the Cane and Sugar Fund | 38,842 | 53,410 | 5,456 | 11,746 |
| Accrued stabilization function payment to the Office of the Cane and Sugar Fund | - | 53,363 | - | 28,175 |
| Other accrued expenses | 178,212 | 230,909 | 109,894 | 156,991 |
| Payables on purchases of assets | 242,030 | 239,331 | 45,541 | 51,351 |
| Other payables | 444,051 | 369,777 | 391,567 | 320,416 |
| Total trade and other payables | <u>1,711,610</u> | <u>1,168,663</u> | <u>905,766</u> | <u>695,977</u> |

As at October 31, 2016, the Company and its three subsidiaries purchased canes for the production season 2015/2016 using the initial cane price for production season 2015/2016 announced by the Cane and Sugar Board in the Royal Gazette dated November 23, 2015. The price is Baht 808.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 48.48 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 2015/2016. 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, 2016 from the estimate made by the management of the Company and its subsidiaries at cane price of Baht 1,022.09 - 1,055.19 per ton with average sweetness level at 10.69 - 12.00 c.c.s.

20. LONG-TERM DEBENTURES

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

| | Unit : Thousand Baht | |
|----------------------------------|---|------------------|
| | Consolidated Financial Statements/ Separate Financial Statements | |
| | 2016 | 2015 |
| Unsecured senior debt debentures | 9,993,070 | 10,989,160 |
| <u>Less</u> Current portion | <u>(2,999,307)</u> | <u>(999,909)</u> |
| Net | <u>6,993,763</u> | <u>9,989,251</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, 2016 | | | | | | | | | |
| Bond Set No. | Symbol | Term | Maturity Date | Interest Rate per annum | Number of Units Issued | Total Value | Deferred debenture issuance cost | Net | Fair Value |
| 1 | KSL172A | 3 years | February 27, 2017 | 3.84 | 1,000,000 | 1,000,000 | 138 | 999,862 | 1,006,885 |
| 2 | KSL174A | 3 years | April 30, 2017 | 3.63 | 1,000,000 | 1,000,000 | 335 | 999,665 | 1,009,388 |
| 3 | KSL175A | 3 years | May 16, 2017 | 3.60 | 1,000,000 | 1,000,000 | 220 | 999,780 | 1,009,869 |
| 4 | KSL185A | 3 years | May 7, 2018 | 2.88 | 2,000,000 | 2,000,000 | 1,395 | 1,998,605 | 2,030,127 |
| 5 | KSL189A | 3 years | September 25, 2018 | 2.50 | 1,000,000 | 1,000,000 | 974 | 999,026 | 1,007,599 |
| 6 | KSL198A | 5 years | August 5, 2019 | 4.25 | 1,000,000 | 1,000,000 | 979 | 999,021 | 1,050,787 |
| 7 | KSL199A | 5 years | September 18, 2019 | 4.07 | 1,000,000 | 1,000,000 | 993 | 999,007 | 1,046,245 |
| 8 | KSL203A | 5 years | March 13, 2020 | 3.48 | 2,000,000 | 2,000,000 | 1,896 | 1,998,104 | 2,066,557 |
| Total long-term debentures | | | | | <u>10,000,000</u> | <u>10,000,000</u> | <u>6,930</u> | <u>9,993,070</u> | <u>10,227,457</u> |

| | | | | | | | | | Unit : Thousand Baht |
|--|---------|---------|--------------------|-------------------------|------------------------|-------------------|----------------------------------|-------------------|----------------------|
| Consolidated Financial Statements/Separate Financial Statements as at October 31, 2015 | | | | | | | | | |
| Bond Set No. | Symbol | Term | Maturity Date | Interest Rate per annum | Number of Units Issued | Total Value | Deferred debenture issuance cost | Net | Fair Value |
| 1 | KSL15DA | 3 years | December 4, 2015 | 3.87 | 1,000,000 | 1,000,000 | 91 | 999,909 | 1,001,978 |
| 2 | KSL172A | 3 years | February 27, 2017 | 3.84 | 1,000,000 | 1,000,000 | 566 | 999,434 | 1,025,344 |
| 3 | KSL174A | 3 years | April 30, 2017 | 3.63 | 1,000,000 | 1,000,000 | 780 | 999,220 | 1,025,262 |
| 4 | KSL175A | 3 years | May 16, 2017 | 3.60 | 1,000,000 | 1,000,000 | 651 | 999,349 | 1,024,570 |
| 5 | KSL185A | 3 years | May 7, 2018 | 2.88 | 2,000,000 | 2,000,000 | 2,318 | 1,997,682 | 2,024,829 |
| 6 | KSL189A | 3 years | September 25, 2018 | 2.50 | 1,000,000 | 1,000,000 | 1,477 | 998,523 | 1,003,138 |
| 7 | KSL198A | 5 years | August 5, 2019 | 4.25 | 1,000,000 | 1,000,000 | 1,246 | 998,754 | 1,052,950 |
| 8 | KSL199A | 5 years | September 18, 2019 | 4.07 | 1,000,000 | 1,000,000 | 1,250 | 998,750 | 1,047,394 |
| 9 | KSL203A | 5 years | March 13, 2020 | 3.48 | 2,000,000 | 2,000,000 | 2,461 | 1,997,539 | 2,041,477 |
| Total long-term debentures | | | | | <u>11,000,000</u> | <u>11,000,000</u> | <u>10,840</u> | <u>10,989,160</u> | <u>11,246,942</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 | |
|--------------------------------------|--|--|----------------------|-------------------|
| | | | 2016 | 2015 |
| Beginning book value | | | 10,989,160 | 7,492,742 |
| Debentures issuance during the years | | | - | 5,000,000 |
| Redemptions during the years | | | (1,000,000) | (1,500,000) |
| Amortized debenture issuance cost | | | 3,910 | (3,582) |
| Ending book value | | | <u>9,993,070</u> | <u>10,989,160</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 in every year ratio not exceed 2 : 1 the entire term.

As at October 31, 2016 and 2015, the debts with interest to equity ratio is 1.13 : 1.00 and 1.47 : 1.00 (Restated), respectively.

- In case the credit rating of the debentures is lower than the current Company's rating, the Company shall pledge assets as collateral for the debenture holders or proceed to correct the credit rating of the debentures to be at the same level or better than the credit rating of the Company. As at October 31, 2016, the credit rating of the debentures was not lower than the Company's credit rating.

21. LONG-TERM BORROWINGS

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

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|-----------------------------|--------------------------------------|--------------------|--|------------------|
| | "Restated" | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Borrowings | 5,067,466 | 6,029,060 | 3,409,666 | 3,565,500 |
| <u>Less</u> Current portion | <u>(2,011,633)</u> | <u>(1,511,593)</u> | <u>(1,205,833)</u> | <u>(705,833)</u> |
| Long-term borrowings | <u>3,055,833</u> | <u>4,517,467</u> | <u>2,203,833</u> | <u>2,859,667</u> |

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

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|--|--------------------------------------|------------------|--|------------------|
| | "Restated" | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Beginning book value | 6,029,060 | 6,038,461 | 3,565,500 | 2,471,333 |
| Additional borrowings during the years | 1,000,000 | 3,500,000 | 1,000,000 | 2,500,000 |
| Repayment during the years | (1,961,594) | (3,528,205) | (1,155,834) | (1,405,833) |
| Exchange differences on translating financial statements | - | 18,804 | - | - |
| Ending book value | <u>5,067,466</u> | <u>6,029,060</u> | <u>3,409,666</u> | <u>3,565,500</u> |

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

| | Consolidated Financial Statements | | Separate Financial Statements | |
|----------------------------|--------------------------------------|-------------|----------------------------------|-------------|
| | "Restated" | | 2016 | 2015 |
| | 2016 | 2015 | | |
| | % | % | % | % |
| Borrowings - Baht currency | 2.00 - 4.25 | 2.00 - 4.65 | 2.00 - 3.86 | 2.00 - 4.50 |

Maturity of long-term borrowings were as follows:

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|--------------------------------|--------------------------------------|-----------|--|-----------|
| | "Restated" | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Within 1 year | 2,011,633 | 1,511,593 | 1,205,833 | 705,833 |
| Over 1 year and within 5 years | 3,055,833 | 4,517,467 | 2,203,833 | 2,859,667 |

| Credit Limit | Balances | | Interest rate % | Principal repayment | Interest payment | Commencing repayment | Maturity |
|------------------------|-------------------|--------------------|--------------------|------------------------|---------------------|-------------------------|---------------|
| | At as October 31, | | | | | | |
| | 2016 | "Restated" 2015 | | | | | |
| | Thousand Baht | Thousand Baht | | | | | |
| The Company | | | | | | | |
| 1. Baht 1,000 million | - | 400,000 | MLR - Fixed rate | Semi-annual | Monthly | January 2013 | July 2018 |
| 2. Baht 2,500 million | 850,000 | 1,300,000 | AMLR - Fixed rate | Semi-annual | Monthly | May 2013 | March 2019 |
| 3. Baht 1,500 million | 1,050,000 | 1,050,000 | AMLR - Fixed rate | Semi-annual | Quarterly | May 2015 | November 2019 |
| 4. Baht 1,000 million | 900,000 | - | AMLR - Fixed rate | Semi-annual | Quarterly | June 2016 | December 2020 |
| 5. Baht 1,000 million | 600,000 | 800,000 | AMLR - Fixed rate | Semi-annual | Monthly | April 2015 | October 2019 |
| 6. Baht 11.30 million | 2,000 | 4,000 | Fixed rate | Annual | Monthly | June 2012 | June 2017 |
| 7. Baht 23 million | 7,666 | 11,500 | Fixed rate | Annual | Annual | June 2013 | June 2019 |
| Total | <u>3,409,666</u> | <u>3,565,500</u> | | | | | |
| The subsidiaries | | | | | | | |
| 8. Baht 800 million | 200,000 | 400,000 | MLR - Fixed rate | Semi-annual | Monthly | February 2014 | February 2019 |
| 9. Baht 1,000 million | 600,000 | 800,000 | Fixed rate | Semi-annual | Monthly | April 2015 | October 2019 |
| 10. Baht 1,000 million | 400,000 | 600,000 | Fixed rate | Semi-annual | Monthly | March 2012 | June 2018 |
| 11. Baht 1,000 million | 452,000 | 652,000 | MLR - Fixed rate | Semi-annual | Monthly | August 2014 | February 2019 |
| 12. Baht 33.90 million | 5,800 | 11,560 | Fixed rate | Annual | Annual | June 2012 | June 2017 |
| Total | <u>1,657,800</u> | <u>2,463,560</u> | | | | | |
| Grand Total | <u>5,067,466</u> | <u>6,029,060</u> | | | | | |

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

In the consolidated and separate financial statements as at October 31, 2016 and 2015, most of the borrowings are guaranteed by the Company and subsidiaries. The subsidiaries insured certain structure and machine with transferring beneficial right to lenders, the commercial banks. The sixth, seventh and twentieth credit lines are borrowing for purchases of agricultural equipment with secured by the executive directors of the Company and guaranteed cheques of the Company.

In addition, the Company and its subsidiaries have to abide to certain financial conditions, such as maintaining of debt with interest-to-equity ratio, the shareholding ratio in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital and restriction on dividend payment of subsidiaries. As at October 31, 2016 and 2015, the Company and subsidiaries can maintain the ratios as stipulated in the agreements.

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

22.1 Income tax expense (income)

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

| | Consolidated | | Unit :Thousand Baht Separate | |
|--|----------------------|--------------------|---------------------------------|--------------------|
| | Financial Statements | | Financial Statements | |
| | 2016 | "Restated" 2015 | 2016 | "Restated" 2015 |
| <u>Current income tax</u> | | | | |
| Current income tax expense | 102,193 | 169,623 | - | - |
| <u>Deferred income tax</u> | | | | |
| Deferred income tax expense (income) and temporary differences | 268,324 | (130,527) | (13,873) | (58,552) |
| Total | <u>370,517</u> | <u>39,096</u> | <u>(13,873)</u> | <u>(58,552)</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 | |
| | "Restated" | | "Restated" | |
| | 2016 | 2015 | 2016 | 2015 |
| Profit before income tax expense (income) | | | | |
| - Promoted sector-exempted from income tax | 133,401 | 488,328 | - | - |
| - Non-promoted sector | 1,677,376 | 390,645 | 220,415 | 779,924 |
| Total profit before income tax expense (income) | 1,810,777 | 878,973 | 220,415 | 779,924 |
| Statutory tax rates (%) | 20 | 20 | 20 | 20 |
| Income tax expense | | | | |
| - Non-promoted sector | 335,475 | 78,129 | 44,083 | 155,985 |
| Total income tax | 335,475 | 78,129 | 44,083 | 155,985 |
| Effect on income tax from non-deductible taxable expense and exempted taxable income | (220,674) | 93,154 | (44,083) | (156,146) |
| | 114,801 | 171,283 | - | (161) |
| Prior year income tax expense (income) | (12,608) | (1,660) | - | 161 |
| Deferred income tax expense (income) | 268,324 | (130,527) | (13,873) | (58,552) |
| Income tax expense (income) | 370,517 | 39,096 | (13,873) | (58,552) |

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

| | Consolidated | | Unit :Thousand Baht | |
|--|----------------------|----------|---------------------|------|
| | Financial Statements | | Separate | |
| | "Restated" | | "Restated" | |
| | 2016 | 2015 | 2016 | 2015 |
| Deferred tax assets - net | | | | |
| Employee benefit obligations | 587 | 1,281 | - | - |
| Loss carried forward | 2,243 | 1,208 | - | - |
| Depreciation | - | (269) | - | - |
| Allowance for diminution in value of inventories | - | 11,655 | - | - |
| Gain on asset revaluation | - | (14,455) | - | - |
| Allowance for doubtful accounts | - | 361 | - | - |
| Change in fair value | - | 9,768 | - | - |
| Others | - | 391 | - | - |
| Deferred tax assets - net | 2,830 | 9,940 | - | - |

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

2016

| | Unit :Thousand Baht | | | | |
|---|--|--|---|---|------------------------------|
| | Consolidated Financial Statements | | | | |
| | “Restated” As at November 1, 2015 | Items as recognized in profit loss | Items as recognized in other comprehensive income | Items as recognized in shareholders’ equity directly | As at October 31, 2016 |
| Deferred tax assets - net | | | | | |
| Employee benefit obligations | 1,281 | (721) | 27 | - | 587 |
| Loss carried forward | 1,208 | 1,035 | - | - | 2,243 |
| Depreciation | (269) | 269 | - | - | - |
| Allowance for diminution in value of inventories | 11,655 | (11,655) | - | - | - |
| Gain on asset revaluation | (14,455) | - | 14,455 | - | - |
| Allowance for doubtful accounts | 361 | (361) | - | - | - |
| Change in fair value | 9,768 | (9,768) | - | - | - |
| Others | 391 | (391) | - | - | - |
| Deferred tax assets - net | <u>9,940</u> | <u>(21,592)</u> | <u>14,482</u> | <u>-</u> | <u>2,830</u> |

2015

| | Unit :Thousand Baht | | | | |
|---|--|--|---|---|--|
| | Consolidated Financial Statements | | | | |
| | “Restated” As at November 1, 2014 | Items as recognized in profit loss | Items as recognized in other comprehensive income | Items as recognized in shareholders’ equity directly | “Restated” As at October 31, 2015 |
| Deferred tax assets - net | | | | | |
| Employee benefit obligations | 1,257 | 212 | (188) | - | 1,281 |
| Loss carried forward | 76 | 1,132 | - | - | 1,208 |
| Depreciation | (228) | (41) | - | - | (269) |
| Allowance for diminution in value of inventories | 14,915 | (3,260) | - | - | 11,655 |
| Gain on asset revaluation | (10,707) | - | (3,748) | - | (14,455) |
| Allowance for doubtful accounts | 4 | 357 | - | - | 361 |
| Change in fair value | - | 9,768 | - | - | 9,768 |
| Others | 432 | (41) | - | - | 391 |
| Deferred tax assets - net | <u>5,749</u> | <u>8,127</u> | <u>(3,936)</u> | <u>-</u> | <u>9,940</u> |

Unrecognized deferred tax assets of three and two foreign subsidiaries, respectively, as at October 31, 2016 and 2015 are as follows:

| | Unit :Thousand Baht | |
|--|----------------------|----------------|
| | Consolidated | |
| | Financial Statements | |
| | 2016 | 2015 |
| The following deferred tax assets have not been recognized | | |
| Temporary differences | (154,717) | (27,480) |
| Loss carried forward | 284,058 | 133,019 |
| | <u>129,341</u> | <u>105,539</u> |

For the year ended October 31, 2016, the Company's management assess that the deferred tax assets will not be utilized in full amount because the future taxable profit of subsidiaries will not be sufficient to utilize such deferred tax assets. Net tax loss carried forward which is not recognize deferred tax asset of Baht 284.06 million, will be matured by the years 2017 and 2021 of Baht 61.09 million and Baht 222.97 million, respectively.

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

| | Consolidated | | Unit :Thousand Baht | |
|--|----------------------|--------------------|---------------------|--------------------|
| | Financial Statements | | Separate | |
| | 2016 | "Restated" 2015 | 2016 | "Restated" 2015 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (18,702) | (11,290) | (7,213) | (5,591) |
| Allowance for diminution in value of inventories | (1,226) | (20,386) | (1,226) | (4,980) |
| Allowance for impairment in subsidiary investments | - | - | (148,907) | - |
| Allowance for impairment in other long-term investments | (1,177) | (1,177) | (1,177) | (1,177) |
| Employee benefit obligations | (51,385) | (42,640) | (21,485) | (18,355) |
| Gain on asset revaluation | 551,270 | 294,692 | 194,858 | 93,305 |
| Loss carried forward | (178,919) | (229,712) | (94,696) | (89,776) |
| Depreciation | 37,383 | 124,765 | 5,595 | (3,525) |
| Change in fair value | 425,368 | 136,516 | 230,739 | 94,167 |
| Others | (23,049) | (3,578) | (8,213) | 629 |
| Deferred tax liabilities - net | <u>739,563</u> | <u>247,190</u> | <u>148,275</u> | <u>64,697</u> |

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

2016

| | Unit :Thousand Baht | | | |
|--|--|---|---|------------------------------|
| | Consolidated Financial Statements | | | |
| | "Restated" As at November 1, 2015 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | As at October 31, 2016 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (11,290) | (7,412) | - | (18,702) |
| Allowance for diminution in value of inventories | (20,386) | 19,160 | - | (1,226) |
| Allowance for impairment in other long-term investments | (1,177) | - | - | (1,177) |
| Employee benefit obligations | (42,640) | 2,096 | (10,841) | (51,385) |
| Gain on asset revaluation | 294,692 | - | 256,578 | 551,270 |
| Loss carried forward | (229,712) | 50,889 | (96) | (178,919) |
| Depreciation | 124,765 | (87,382) | - | 37,383 |
| Change in fair value | 136,516 | 288,852 | - | 425,368 |
| Others | (3,578) | (19,471) | - | (23,049) |
| Deferred tax liabilities - net | <u>247,190</u> | <u>246,732</u> | <u>245,641</u> | <u>739,563</u> |

2015

| | Unit :Thousand Baht | | | |
|--|--|---|---|--|
| | Consolidated Financial Statements | | | |
| | “Restated” As at November 1, 2014 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | “Restated” As at October 31, 2015 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (10,068) | (1,222) | - | (11,290) |
| Allowance for diminution in value of inventories | (20,002) | 558 | (942) | (20,386) |
| Allowance for impairment in other long-term investments | (1,180) | 3 | - | (1,177) |
| Employee benefit obligations | (41,857) | 1,971 | (2,754) | (42,640) |
| Gain on asset revaluation | 317,525 | - | (22,833) | 294,692 |
| Loss carried forward | (52,635) | (171,266) | (5,811) | (229,712) |
| Depreciation | 83,508 | 32,388 | 8,869 | 124,765 |
| Change in fair value | 122,918 | 13,598 | - | 136,516 |
| Others | (5,148) | 1,570 | - | (3,578) |
| Deferred tax liabilities - net | <u>393,061</u> | <u>(122,400)</u> | <u>(23,471)</u> | <u>247,190</u> |

2016

| | Unit :Thousand Baht | | | |
|--|--|---|---|------------------------------|
| | Separate Financial Statements | | | |
| | “Restated” As at November 1, 2015 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | As at October 31, 2016 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (5,591) | (1,622) | - | (7,213) |
| Allowance for diminution in value of inventories | (4,980) | 3,754 | - | (1,226) |
| Allowance for impairment in subsidiary investments | - | (148,907) | - | (148,907) |
| Allowance for impairment in other long-term investments | (1,177) | - | - | (1,177) |
| Employee benefit obligations | (18,355) | 972 | (4,102) | (21,485) |
| Gain on asset revaluation | 93,305 | - | 101,553 | 194,858 |
| Loss carried forward | (89,776) | (4,920) | - | (94,696) |
| Depreciation | (3,525) | 9,120 | - | 5,595 |
| Change in fair value | 94,167 | 136,572 | - | 230,739 |
| Others | 629 | (8,842) | - | (8,213) |
| Deferred tax liabilities - net | <u>64,697</u> | <u>(13,873)</u> | <u>97,451</u> | <u>148,275</u> |

2015

| | Unit : Thousand Baht | | | |
|---|--|---|---|--|
| | Separate Financial Statements | | | |
| | “Restated” As at November 1, 2014 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | “Restated” As at October 31, 2015 |
| Deferred tax liabilities - net | | | | |
| Allowance for doubtful accounts | (5,180) | (411) | - | (5,591) |
| Allowance for diminution in value of inventories | - | (4,980) | - | (4,980) |
| Allowance for impairment in other long-term investments | (1,177) | - | - | (1,177) |
| Employee benefit obligations | (18,730) | 2,107 | (1,732) | (18,355) |
| Gain on asset revaluation | 110,453 | - | (17,148) | 93,305 |
| Loss carried forward | (19,237) | (70,539) | - | (89,776) |
| Depreciation | (13,276) | 9,751 | - | (3,525) |
| Change in fair value | 90,655 | 3,512 | - | 94,167 |
| Others | (1,379) | 2,008 | - | 629 |
| Deferred tax liabilities - net | <u>142,129</u> | <u>(58,552)</u> | <u>(18,880)</u> | <u>64,697</u> |

23. 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 Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|----------------------|--------------------------------------|---------------|--|--------------|
| | “Restated” | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Current service cost | 10,245 | 9,872 | 4,269 | 4,032 |
| Interest cost | 8,490 | 8,953 | 3,620 | 3,941 |
| Total | <u>18,735</u> | <u>18,825</u> | <u>7,889</u> | <u>7,973</u> |

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

| | Consolidated Financial Statements | | Unit : Thousand Baht Separate Financial Statements | |
|---|--------------------------------------|----------------|--|---------------|
| | “Restated” | | 2016 | 2015 |
| | 2016 | 2015 | | |
| Employee benefit obligations brought forward | 217,436 | 213,195 | 91,774 | 93,649 |
| Current service cost | 10,245 | 9,872 | 4,269 | 4,032 |
| Interest cost | 8,490 | 8,953 | 3,620 | 3,941 |
| Actuarial loss on the estimation of the obligations | 55,174 | 13,072 | 20,515 | 8,660 |
| Benefit paid during the year | (30,058) | (27,656) | (12,751) | (18,508) |
| Employee benefit obligations carried forward | <u>261,287</u> | <u>217,436</u> | <u>107,427</u> | <u>91,774</u> |

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

| | Consolidated Financial Statements | | Separate Financial Statements | |
|--|--------------------------------------|-------------------------|----------------------------------|----------------|
| | 2016 % | “Restated” 2015 % | 2016 % | 2015 % |
| Discount rate | 1.70 - 2.74 | 3.12 - 4.12 | 1.90 - 2.17 | 3.79 - 3.82 |
| Expected rate of salary increase | 6.00 | 6.00 | 6.00 | 6.00 |
| Voluntary resignation rate (Depended on employee’s age) | | | | |
| - Monthly employees | 10.00 - 100.00 | 10.00 - 100.00 | 10.00 - 100.00 | 10.00 - 100.00 |
| - Daily employees | 4.00 - 100.00 | 2.00 - 100.00 | 12.00 - 46.00 | 12.00 - 54.00 |

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at October 31, 2016 are as follows:

| | Consolidated financial statements | Unit : Million Baht Separate financial statements |
|--|--------------------------------------|---|
| <u>Discount rate</u> | | |
| Discount rates, decrease of 0.5 percent | 0.04 - 109.27 | 109.27 |
| Discount rates, increase of 0.5 percent | 0.03 - 105.68 | 105.68 |
| <u>Salary growth rates</u> | | |
| Salary growth rates, decrease of 0.5 percent | 0.03 - 107.43 | 107.43 |
| Salary growth rates, increase of 0.5 percent | 0.04 - 109.14 | 109.14 |
| <u>Turnover rates</u> | | |
| Turnover rates, decrease of 1 percent | 0.04 - 111.13 | 111.13 |
| Turnover rates, increase of 1 percent | 0.03 - 104.13 | 104.13 |

24. SHARE CAPITAL

The meeting of annual general shareholders for 2015 No. 1/2016 of the Company held on February 26, 2016, passed the following resolutions:

- 24.1 The reduction of registered capital from Baht 2,004,656,261 (4,009,312,522 ordinary shares at par value of Baht 0.50 each) to Baht 2,004,656,203.50 (4,009,312,407 ordinary shares at par value of Baht 0.50 each). The Company registered the reduction in capital with the Ministry of Commerce on February 29, 2016.
- 24.2 The increase of registered capital and allocation such shares to support the stock dividend of 400,931,241 shares at par value of Baht 0.50 each (see Note 25) resulting in the change in the share capital from Baht 2,004,656,203.50 (4,009,312,407 ordinary shares at par value of Baht 0.50 each) to Baht 2,205,121,824 (4,410,243,648 ordinary shares at par value of Baht 0.50 each). The Company registered the increase in capital with the Ministry of Commerce on March 1, 2016.

25. DIVIDENDS PAID AND LEGAL RESERVE

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

The meeting of annual general shareholders for 2015 No. 1/2016 of the Company held on February 26, 2016, passed the resolution of the appropriation of profit for dividend payment of year 2015 in form of cash at Baht 0.06 per share to 4,009 million shares, at the amount not exceeding Baht 222.74 million, and in form of share at the ratio of 10 existing shares to 1 dividend share at par value of Baht 0.50 each, totaling 400.93 million shares at the value not exceeding Baht 200.47 million, totaling dividend valuing Baht 0.05 per share including the payment of cash dividend and stock dividend of Baht 0.11 per share. The total dividend payment shall be at the value not exceeding Baht 423.21 million, to the shareholders whose names are included in the shareholder register on March 11, 2016 and the dividend payment shall be made on March 25, 2016. In addition, the profit in the amount of Baht 20.05 million is appropriated as legal reserve. The dividend payment was made on March 25, 2016.

As at October 31, 2016, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.

26. 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 | |
|---------------------------------|----------------------|--------------------|---------------------|------|
| | Financial Statements | | Separate | |
| | 2016 | 2015 "Restated" | 2016 | 2015 |
| For the years ended October 31, | 9.01 | 8.92 | 9.01 | 8.92 |

27. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt with interest-to-equity ratio in the consolidated financial statements not to exceed the covenants of the debenture issuances (see Note 20) and the loan agreements (see Note 21).

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

| | 2016 | "Restated" 2015 |
|--|------------------------------|--------------------|
| | Debt with interest-to-equity | 1.13 : 1.00 |

28. EXPENSES BY NATURE

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

| | Consolidated | | Unit : Thousand Baht | |
|--|----------------------|--------------------|----------------------|--------------------|
| | Financial Statements | | Separate | |
| | 2016 | "Restated" 2015 | 2016 | "Restated" 2015 |
| Salaries, wages and other employee benefits | 1,420,095 | 1,320,412 | 523,696 | 505,839 |
| Depreciation | 1,145,046 | 1,166,776 | 401,352 | 391,254 |
| Fees paid to the Office of the Cane and Sugar Fund | 1,149,835 | 1,157,118 | 506,900 | 377,624 |
| Maintenance expenses | 785,324 | 698,809 | 244,860 | 230,683 |
| Transportation expenses | 629,153 | 780,848 | 305,228 | 359,241 |
| Raw material and supply used | 8,774,409 | 9,795,020 | 4,691,630 | 5,109,094 |
| Purchase finished goods | 23,491 | 33,349 | 1,585,074 | 1,645,174 |
| Changes in finished goods and goods in process | 1,084,842 | 566,525 | 819,989 | (492,555) |
| Loss from obsolete supplies and spare parts | 27,733 | - | 27,733 | - |
| Loss on impairment of investments in subsidiaries | - | - | 744,534 | - |
| Loss on impairment of assets | 75,748 | - | 16,782 | - |
| Loss on exchange rate | - | 138,707 | 7,827 | 76,746 |
| Management benefit expenses | 141,312 | 140,227 | 48,566 | 52,506 |
| Finance costs | 709,983 | 817,054 | 551,698 | 559,106 |
| Other operating expenses | 688,171 | 698,474 | 385,667 | 338,897 |
| Total | <u>16,655,142</u> | <u>17,313,319</u> | <u>10,861,536</u> | <u>9,153,609</u> |

29. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share were based on dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares held by the outsiders outstanding during the period. Basic earnings per share for the years ended October 31, 2016 and 2015 are as follows:

2016

| | Consolidated Financial Statements | | | Separate Financial Statements | | |
|--|--|---|-------------------------------|--|---|---------------------------|
| | Net profit for the period Thousand Baht | Number of shares Thousand Shares | Earnings per share Baht | Net loss for the period Thousand Baht | Number of shares Thousand Shares | Loss per share Baht |
| <u>Basic and diluted earnings per share</u> For the year ended to ordinary equity holders | 1,426,152 | 4,410,244 | <u>0.323</u> | 234,288 | 4,410,244 | <u>0.053</u> |

2015 (Restated)

| | Consolidated Financial Statements | | | Separate Financial Statements | | |
|--|--|---|-------------------------------|--|---|---------------------------|
| | Net profit for the period Thousand Baht | Number of shares Thousand Shares | Earnings per share Baht | Net loss for the period Thousand Baht | Number of shares Thousand Shares | Loss per share Baht |
| <u>Basic and diluted earnings per share</u> For the year ended to ordinary equity holders | 861,680 | 4,009,313 | <u>0.215</u> | 838,476 | 4,009,313 | <u>0.209</u> |

30. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS

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

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

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

Manufacture and 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 and development

Operate office building for rent and develop and holiday resort for training and seminar center. At the present, there is no revenue from sales of houses together with land.

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, 2016 and 2015, the Group has revenue with a single external customer in electricity sector in the amount of Baht 808.69 million and Baht 1,011.26 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, 2016 and 2015

| | Manufacture and Distribution of Sugar and Molasses | | Manufacture and Distribution of Alcohol | | Manufacture and Sale of Electricity | | Real Estate Rental | | Others Business | | Inter-Transaction | | Total | | | |
|---|--|--------------|---|--------------|-------------------------------------|--------------|--------------------|--------------|-----------------|--------------|-------------------|--------------|-----------------|-----------------|---------------|---------------|
| | “Restated” | | “Restated” | | “Restated” | | “Restated” | | “Restated” | | “Restated” | | “Restated” | | | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | | |
| | Thai | Overseas | Thai | Overseas | Thai | Thai | Thai | Thai | Thai | Thai | Thai | | | | | |
| Net revenue from operation - external | 12,677 | 896 | 13,036 | 352 | 2,023 | 2,510 | 809 | 1,014 | 158 | 146 | 348 | 417 | - | - | 16,911 | 17,475 |
| Net revenue from operation - internal | 6,147 | 167 | 6,048 | 117 | - | - | 1,716 | 1,981 | - | - | 1,366 | 1,320 | (9,396) | (9,466) | - | - |
| Total | 18,824 | 1,063 | 19,084 | 469 | 2,023 | 2,510 | 2,525 | 2,995 | 158 | 146 | 1,714 | 1,737 | (9,396) | (9,466) | 16,911 | 17,475 |
| Profit (loss) from operations | 3,715 | 31 | 3,933 | (78) | 360 | 633 | 617 | 943 | 969 | 140 | 125 | 129 | (687) | (1,346) | 5,130 | 4,354 |
| Selling, administrative expenses and others | | | | | | | | | | | | | | | (2,666) | (2,713) |
| Finance costs | (687) | (84) | (725) | (78) | (36) | (27) | (75) | (103) | (30) | (33) | (3) | (9) | 205 | 158 | (710) | (817) |
| Share of profit of investment in an associate | | | | | | | | | | | | | | | 57 | 55 |
| Income tax expenses | | | | | | | | | | | | | | | (371) | (39) |
| Net profit | | | | | | | | | | | | | | | 1,440 | 840 |
| (Less) Profit for the nine-month period of non-controlling interest | | | | | | | | | | | | | | | (14) | 22 |
| Profit for the period | | | | | | | | | | | | | | | 1,426 | 862 |
| Interest income | 291 | 7 | 231 | 8 | 6 | 12 | - | - | - | - | 3 | 10 | (205) | (158) | 102 | 103 |
| Depreciation | (645) | (91) | (685) | (86) | (40) | (41) | (327) | (316) | - | - | (45) | (44) | - | - | (1,148) | (1,172) |
| Consolidated Statements of Financial Position | | | | | | | | | | | | | | | | |
| As at October 31, 2016 and 2015 | | | | | | | | | | | | | | | | |
| Trade and other receivables | 1,452 | 72 | 3,091 | 148 | 198 | 229 | 168 | 100 | 12 | 8 | 166 | 121 | (661) | (1,578) | 1,407 | 2,119 |
| Inventories | 1,423 | 145 | 2,119 | 388 | 334 | 201 | 62 | 43 | - | - | 637 | 667 | (49) | (24) | 2,552 | 3,394 |
| Property, plant and equipment | 14,418 | 3,275 | 13,627 | 3,368 | 907 | 1,033 | 7,041 | 6,686 | 1 | - | 757 | 529 | (370) | (485) | 26,029 | 24,758 |
| Central assets | 17,361 | 513 | 16,489 | 621 | 15 | 699 | 104 | 190 | 3,635 | 2,845 | 455 | 1,263 | (13,696) | (14,861) | 8,387 | 7,246 |
| Total Assets | 34,654 | 4,005 | 35,326 | 4,525 | 1,454 | 2,162 | 7,375 | 7,019 | 3,648 | 2,853 | 2,015 | 2,580 | (14,776) | (16,948) | 38,375 | 37,517 |
| Total Liabilities | 21,467 | 2,907 | 22,889 | 3,218 | 948 | 1,821 | 2,363 | 2,470 | 964 | 1,040 | 461 | 560 | (7,386) | (8,923) | 21,724 | 23,075 |

31. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2016 and 2015, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

31.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 1,455.67 million and Baht 3,316.88 million, respectively, and in the separate financial statements amounting to Baht 816.63 million and Baht 2,650.94 million, respectively.

31.2 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 has not been received from the farmers as at October 31, as follows:

| | Consolidated | | Unit : Million Baht Separate | |
|-------------------------------------|----------------------|----------|---------------------------------|--------|
| | Financial Statements | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| For the production season 2015/2016 | - | 1,011.55 | - | 218.84 |
| For the production season 2016/2017 | 1,106.95 | - | 370.17 | - |

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

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

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

Unit : Million

| | Consolidated Financial Statements | | | | | | |
|--|-----------------------------------|------------------------|----------|-----------|------------------------|----------|-----------|
| | Currency | As at October 31, 2016 | | | As at October 31, 2015 | | |
| | | Total | Utilized | Remaining | Total | Utilized | Remaining |
| Commitments | | | | | | | |
| Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | THB | - | 3,417.35 | - | - | 5,199.77 | - |
| Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | USD | - | 1.97 | - | - | 27.15 | - |
| Contingent Liabilities | | | | | | | |
| Letters of guarantees (unspecified credit limit) | THB | - | 81.45 | - | - | 74.45 | - |
| Notes acceptance | THB | - | - | - | 30.00 | - | 30.00 |
| Letters of credit and trust receipts | THB | 170.00 | - | 170.00 | 120.00 | - | 120.00 |
| Letters of credit | USD | 11.90 | 1.90 | 10.00 | 14.35 | - | 14.35 |
| Letters of credit | EURO | 2.01 | 2.01 | - | - | - | - |
| Overdraft and short-term borrowings | THB | 21,512.20 | 2,720.73 | 18,791.47 | 20,941.20 | 2,183.45 | 18,757.75 |
| Short-term borrowings | USD | 50.50 | 0.04 | 50.46 | 50.50 | 20.64 | 29.86 |
| Joint credit line in short-term borrowings | THB | 2,365.00 | 1,035.00 | 1,330.00 | 1,490.00 | 160.00 | 1,330.00 |
| Joint credit line in short-term borrowings | USD | 20.00 | - | 20.00 | 20.00 | 6.00 | 14.00 |
| Long-term borrowings | THB | 5,067.47 | 5,067.47 | - | 6,029.06 | 6,029.06 | - |

Unit : Million

| | Separate Financial Statements | | | | | | |
|--|-------------------------------|------------------------|----------|-----------|------------------------|----------|-----------|
| | Currency | As at October 31, 2016 | | | As at October 31, 2015 | | |
| | | Total | Utilized | Remaining | Total | Utilized | Remaining |
| Commitments | | | | | | | |
| Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | THB | - | 1,642.85 | - | - | 2,508.97 | - |
| Contract to guarantee of debt repayment of subsidiary for all contingent liabilities | USD | - | 1.93 | - | - | 26.51 | - |
| Contingent Liabilities | | | | | | | |
| Letters of guarantees (unspecified credit limit) | THB | - | 4.13 | - | - | 4.13 | - |
| Letters of credit and trust receipts | THB | 30.00 | - | 30.00 | 30.00 | - | 30.00 |
| Letters of credit | EURO | 2.01 | 2.01 | - | - | - | - |
| Overdraft and short-term borrowings | THB | 9,545.20 | 1,108.00 | 8,437.20 | 9,120.20 | 38.00 | 9,082.20 |
| Short-term borrowings | USD | 10.50 | - | 10.50 | 10.50 | - | 10.50 |
| Joint credit line in short-term borrowings | THB | 2,365.00 | 1,035.00 | 1,330.00 | 1,490.00 | 160.00 | 1,330.00 |
| Joint credit line in short-term borrowings | USD | 20.00 | - | 20.00 | 20.00 | 6.00 | 14.00 |
| Long-term borrowings | THB | 3,409.67 | 3,409.67 | - | 3,565.50 | 3,565.50 | - |

The above credit facilities are partially secured between the Company and its subsidiaries, and transfer of benefits arisen from insurance policy for structure and machineries to the lenders. For certain credit facilities, if the facility is utilized, certain inventories of the Company and its subsidiaries will be used as collateral.

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

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

| Unit : Million | | | | | |
|---|------|------------------------|---|------------------------|---|
| Consolidated Financial Statements | | | | | |
| “Restated” | | | | | |
| | | As at October 31, 2016 | | As at October 31, 2015 | |
| Currency | | Contractual Amount | Outstanding Contractual Commitments | Contractual Amount | Outstanding Contractual Commitments |
| Construction and subcontract agreements | THB | 1,070.15 | 207.36 | 889.95 | 152.10 |
| | USD | - | - | 0.05 | 0.03 |
| Machine and equipment purchase agreement: | THB | 317.72 | 49.65 | 304.59 | 40.46 |
| | USD | 13.60 | 1.42 | 19.60 | 14.33 |
| | EURO | 2.88 | 2.01 | - | - |
| Rental agreements | THB | 31.83 | 17.48 | 34.66 | 18.25 |
| Leased concessions agreements | USD | 13.45 | 12.54 | 13.45 | 12.70 |

| Unit : Million | | | | | |
|---|------|------------------------|---|------------------------|---|
| Separate Financial Statements | | | | | |
| | | As at October 31, 2016 | | As at October 31, 2015 | |
| Currency | | Contractual Amount | Outstanding Contractual Commitments | Contractual Amount | Outstanding Contractual Commitments |
| Construction and subcontract agreements | THB | 704.01 | 98.22 | 665.24 | 107.15 |
| Machine and equipment purchase agreement: | THB | 304.59 | 40.46 | 304.59 | 40.46 |
| | EURO | 2.88 | 2.01 | - | - |
| Rental agreements | THB | 31.83 | 17.48 | 34.66 | 18.25 |

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

| | Unit : Million Baht | |
|-------------------------------------|----------------------------------|--------------|
| | Consolidated and separate | |
| | Financial Statements | |
| | 2016 | 2015 |
| Within one year | 5.68 | 6.40 |
| Over one year but less than 5 years | 11.80 | 11.85 |
| Total | <u>17.48</u> | <u>18.25</u> |

31.7 Other significant agreements

- 31.7.1 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) as a replacement when the Energy Industry Act B.E. 2550 was effective, for the period of 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions according to the license.
- 31.7.2 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 40 years which can be extended for another 20 years if approved by the counter party. As at October 31, 2016 and 2015, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate.
- 31.7.3 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 19,100 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1 - 4 per hectare per annum. As at October 31, 2016 and 2015, the subsidiaries have already utilized the area of 9,398.69 hectares and 10,481.76 hectares, respectively. Buildings and structure and building under construction of subsidiaries, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 16).
- 31.7.4 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person to build port and land awaiting development dated June 1, 2007 and May 21, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at October 31, 2016 and 2015, the balances of the advance lease fee paid are USD 0.43 million and USD 0.44 million, respectively, which is presented as part of other non-current assets.

32. FINANCIAL INSTRUMENTS

Risk management policies

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

Risk on interest rate

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

| Unit : Thousand Baht | | | | | |
|---|---------------------|---------------------|----------------------|----------------|-------------------|
| Consolidated Financial Statements | | | | | |
| As at October 31,2016 | | | | | |
| | Fixed Interest Rate | | | Floating | Total |
| | Within 1 year | More than 1 year | More than 5 years | Interest Rate | |
| | | to 5 years | | | |
| Financial Assets | | | | | |
| Saving accounts deposits | - | - | - | 62,504 | 62,504 |
| Fixed account deposits | 23 | - | - | - | 23 |
| Loans for cane plantation development | 257,821 | 314,656 | 1,815 | 4,754 | 579,046 |
| Short-term loans to farmers | 896,631 | 8,814 | - | 60,004 | 965,449 |
| Long-term loans to others | 41,333 | 45,334 | - | - | 86,667 |
| Other long-term investments | 2,702 | - | - | - | 2,702 |
| Total | <u>1,198,510</u> | <u>368,804</u> | <u>1,815</u> | <u>127,262</u> | <u>1,696,391</u> |
| Financial Liabilities | | | | | |
| Short-term borrowings from financial institutions | 3,757,026 | - | - | - | 3,757,026 |
| Other short-term borrowings | 6,900 | - | - | - | 6,900 |
| Long-term debentures | 2,999,307 | 6,993,763 | - | - | 9,993,070 |
| Long-term borrowings | 1,409,733 | 2,805,734 | - | 852,000 | 5,067,467 |
| Liabilities from long-term lease agreements | 1,323 | - | - | - | 1,323 |
| Total | <u>8,174,289</u> | <u>9,799,497</u> | <u>-</u> | <u>852,000</u> | <u>18,825,786</u> |

Unit : Thousand Baht

| Consolidated Financial Statements "Restated" As at October 31, 2015 | | | | | |
|---|---------------------|---------------------|----------------------|------------------|-------------------|
| | Fixed Interest Rate | | | Floating | Total |
| | Within 1 year | More than 1 year | More than 5 years | Interest Rate | |
| Financial Assets | | | | | |
| Saving accounts deposits | - | - | - | 134,350 | 134,350 |
| Fixed account deposits | 10,023 | - | - | - | 10,023 |
| Loans for cane plantation development | 227,493 | 401,276 | 18,646 | 829 | 648,244 |
| Short-term loans to farmers | 742,566 | 13,751 | - | 52,552 | 808,869 |
| Long-term loans to others | 60,000 | 60,000 | - | - | 120,000 |
| Other long-term investments | 6,816 | 2,709 | - | - | 9,525 |
| Total | <u>1,046,898</u> | <u>477,736</u> | <u>18,646</u> | <u>187,731</u> | <u>1,731,011</u> |
| Financial Liabilities | | | | | |
| Short-term borrowings from financial institutions | 4,143,447 | - | - | 45,450 | 4,188,897 |
| Other short-term borrowings | 6,100 | - | - | - | 6,100 |
| Long-term debentures | 999,909 | 9,989,251 | - | - | 10,989,160 |
| Long-term borrowings | 1,111,593 | 3,665,467 | - | 1,252,000 | 6,029,060 |
| Liabilities from long-term lease agreements | 1,721 | 1,323 | - | - | 3,044 |
| Total | <u>6,262,770</u> | <u>13,656,041</u> | <u>-</u> | <u>1,297,450</u> | <u>21,216,261</u> |

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 "Restated" | | | | Separate Financial Statements | | | |
|----------|---|-------------|--------|-------------|-------------------------------|-------------|--------|-------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| USD | 15.60 | 2.58 | 24.44 | 60.22 | 11.91 | - | 10.31 | - |
| YEN | - | 2.50 | - | 2.50 | - | - | - | - |
| RIEL | 711.48 | 92.03 | 634.81 | 137.43 | - | - | - | - |
| LAK | 252.97 | 489.34 | 131.33 | 384.19 | - | - | - | - |

As at October 31, 2016 and 2015, the Company and its subsidiaries entered into forward contracts and cross currency swap with commercial banks to hedge against exchange rate risk from receipts and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liabilities in the consolidated and separate financial statements.

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

| Currency | Amount fixed in contract | | | | Currency | Amount earned in contract | | | |
|----------|--------------------------|-------|----------------------|-------|----------|---------------------------|--------|----------------------|----------|
| | Consolidated | | Separate | | | Consolidated | | Separate | |
| | Financial Statements | | Financial Statements | | | Financial Statements | | Financial Statements | |
| | "Restated" | | | | | "Restated" | | | |
| | 2016 | 2015 | 2016 | 2015 | | 2016 | 2015 | 2016 | 2015 |
| USD | 30.99 | 17.74 | 47.74 | 27.74 | THB | 1,098.04 | 637.51 | 1,693.00 | 1,000.00 |

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

| | Consolidated | | Unit : Million Baht Separate | |
|---|----------------------|---------|---------------------------------|---------|
| | Financial Statements | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Net Gain (loss) on fair values of contracts | (6.35) | (12.79) | (13.33) | (16.76) |

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:

| | Consolidated | | Unit : Million Baht Separate | |
|----------------------------------|----------------------|--------|---------------------------------|--------|
| | Financial Statements | | Financial Statements | |
| | 2016 | 2015 | 2016 | 2015 |
| Gain on commodity swap contracts | 26.49 | 170.67 | 14.32 | 100.27 |

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 | |
|--|----------|--|--------|
| | | 2016 | 2015 |
| | | Net fair values for commodity swap contracts | USD |
| | THB | - | (1.33) |

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. The Group's management of the Company and its subsidiaries believes that the risk of default by receivables is low.

Fair value

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

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

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

| | Consolidated / Separate Financial Statement | | Fair value Hierarchy | Valuation technique of fair value |
|-------------------------------|--|-------------------------------|-------------------------|---|
| | Carrying amount Million Baht | Fair value Million Baht | | |
| As At October 31, 2016 | | | | |
| Financial liabilities | | | | |
| Long-term debentures | 9,993 | 10,227 | Level 2 | Calculated from the closing price of the last Bond Market Association Thailand at the last day. |
| As At October 31, 2015 | | | | |
| Financial liabilities | | | | |
| Long-term debentures | 10,989 | 11,247 | Level 2 | Calculated from the closing price of the last Bond Market Association Thailand at the last day. |

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

33. 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. For the years ended October 31, 2016 and 2015, the group companies and their employees monthly contribute to the fund at the rate of 3% - 5% of basic salary. The fund, which is managed by Ayudhya Fund Management Co., Ltd. will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2016 and 2015, the Company and its subsidiaries contributed in amounts of Baht 30.08 million and Baht 25.69 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 12.30 million and Baht 10.65 million, respectively, in the separate financial statements.

34. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

Four domestic subsidiaries received 5 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> |
|------------------------|---|--------------------|--|--|--|
| 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 | February 29, 2012 February 28, 2013 | December 31, 2019 February 28, 2021 |
| 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 |

Furthermore, in accordance with the Promotion Certificate No. 2364(1)/2554, 1432(2)/2552, and 1349(2)/2556 the subsidiary receives the privilege in 50% income tax reduction of the regular rate for the period of 5 years commencing from the expiration date of income tax exemption and under all Promotion Certificates, the subsidiary is granted privilege for exemption of import duties for approved machinery and exemption from income tax on dividend on profit from promoted businesses during the period in which the Company is granted exemption from corporate income tax.

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 expired 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 (VAT) at 0% for sales of sugar cane to manufacture sugar for export. This certificate is valid for the period of 1 year from August 1, 2015 to July 31, 2016. The Ministry of Economy and Finance, Kingdom of Cambodia had announced the execution of VAT on the supply of agricultural products has not adapted to exempt VAT announced by April 2016.

35. EVENT AFTER THE REPORTING DATE

On November 18, 2016, the Office of the Cane and Sugar Board has notification letter to the Company clarifying the fact of stabilization function payment which the Company and three subsidiaries paid to the Cane and Sugar Fund for the Seasons 1999/2000 to the Seasons 2002/2003 of Baht 132.99 million. This is caused by the judgment of the Central Administrative Court in September and November 2016 ruling the Cane and Sugar Board and the Canes and Sugar Fund to return the stabilization function payment of Baht 114.71 million with interest to the Company and two subsidiaries (one subsidiary's case is still in the Central Administrative Court). However, the Company's management is still negotiating the return of such stabilization function payment with the Cane and Sugar Board for refundable of the stabilization function payment. Currently, the result of negotiation has not yet been concluded.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 23, 2016.