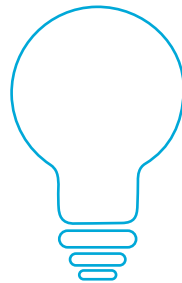
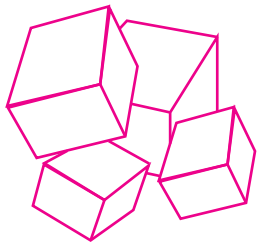


Khon Kaen Sugar Industry PCL.

Annual Report 2014



FROM **NATURE** TO **GREEN ENERGY**

SUGAR | ETHANOL | ELECTRICITY | BIO FERTILIZER





SUGAR



ETHANOL



ELECTRICITY



BIO FERTILIZER

VISION

To become the leader in the sugar and related renewable energy industries and to develop a strong business with a sustainable future.

MISSION

Create income for farmers through efficient processes and high quality agricultural yields.

Continuous improvement on technology and R&D to efficiently increase agricultural yields.

Create an environment that mutually benefits our partners of success.

Develop downstream businesses to maximize the usage of raw materials, byproducts, and other resources.

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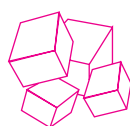
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GENERAL COMPANY INFORMATION

Khon Kaen Sugar Industry Public Company Limited

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, High Pol Sugar, White Sugar and Refined Sugar

Public Company No. : 01075747000214

Head Office : 503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 191-9 Fax. +66 2 6426 097

Factory (Branch 1) : 43 Moo 10, Nampong-Kranuan Rd., Nampong, Khon Kaen Province 40140, Thailand

Tel. +66 43 432 902-6 Fax. +66 43 441 056

Factory(Branch 2) : 255 Moo 4 Nong Ya Plong Sub-district, Wangsaphung District, Loei Province 42130, Thailand Tel. & Fax. +66 42 810 - 931

Homepage : www.kslsugar.com

■ Sugar Business Information : Tamaka Sugar Industry Co.,Ltd.

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, White Sugar and Refined Sugar

Head Office: 503 KSL TOWER 21st Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 229-39 Fax. +66 2 6426 228

Factory : 14/1 Moo 10, Saengchooto Rd., Tamaka Sub-district, Tamaka District, Kanchanaburi Province 71120, Thailand

Tel. +66 34 543 201-3 Fax. +66 34 640 208

■ Sugar Business Information : New Krung Thai Sugar Factory Co.,Ltd.

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, White Sugar and Refined Sugar

Head Office : 503 KSL TOWER 21st Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 229-39 Fax. +66 2 6426 228

Factory : 99 Moo 6, Lumlang Sub-district, Boploy District, Kanchanaburi Province 71160, Thailand

Tel. +66 34 615 350 Fax. +66 34 615 399

■ Sugar Business Information : New Kwang Soon Lee Sugar Factory Co., Ltd.

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, High Pol Sugar, White Sugar and Refined Sugar

Head Office : 503 KSL TOWER 21st Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 229-39 Fax. +66 2 6426 228

Factory : 24 Moo 1, Ban-Nhongbua Rd., Mon-Nang Sub-district, Panutnikom District, Chonburi Province 20140, Thailand

Tel. +66 38 788-203-5 Fax. +66 38 462 431-2

■ Sugar Business Information : Savannakhet Sugar Corporation (SSC)

Type of Business : Sugar Cane Plantation and Sugar Mill

Main Product : Raw Sugar and By products

Head Office & Factory : Rd. No. 9, KM. 81 Lianxay Village, Atsapangthong District Savannakhet Province, Lao P.D.R

Tel. (856) 41 666 002-3 Fax. (856) 41 666 001

■ Sugar Business Information : Koh Kong Plantation Co., Ltd. (KPT)

Type of Business : Sugar Cane Plantation

Head Office : Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Tel. (855) 35 399 333

■ Sugar Business Information : Koh Kong Sugar Industry Co., Ltd. (KSI)

Type of Business : Sugar Mill and Terminal

Main Product : Raw Sugar and By products

Head Office & Factory : Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Tel. (855) 35 399 888

■ Support Business Information : Thai Sugar Terminal Public Co., Ltd.

Type of Business : Terminal and Warehouse

Head Office : 90 Moo 1, Soi Siamsoi, Poochaosamingprai Rd., Pheapraeng District, Samut Prakarn Province 10130, Thailand

Tel. +66 2 3942 340-9 Fax. +66 2 3842 261, 3842 263

■ Support Business Information : KSL Export Trading Co., Ltd.

Type of Business : Sugar and Related products exporting activities

Head Office : 503 KSL TOWER 21st Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 203-6 Fax. +66 2 6426 207



■ **Sugar Business Information :**
KSL Agro and Trading Co., Ltd.

Type of Business : Trading domestic sugar and operating agricultural businesses

Head Office : 503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 191-9 Fax. +66 2 6426 097

Branch Office : 83 Moo 2, Wattanakorn Sub - District , Wattanakorn District, Sakaew Province 27160, Thailand

Tel. +66 37 262-236 Fax. +66 37 262-235

■ **Sugar Business Information :**
Wynn In Trading Co., Ltd.

Type of Business : Trading and consultancy service

Head office : 10th Floor, Raffles Tower, 19 Cyber City Ebene, Republic of Mauritius.

■ **Energy and Chemical Business Information :**
Khon Kaen Alcohol Co.,Ltd.

Type of Business : Producing Alcohol for gasohol and Producing Biofertilizer

Head Office : 503 KSL TOWER 17th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

Factory (Branch 1) : 88 Moo 10, Nampong-Kranuan Rd., Nampong District, Khon Kaen Province 40140, Thailand

Tel. +66 43 441 141, 441 084 Fax. +66 43 441 204

Factory (Branch 2) : 99/2 Moo 6, Lumlang Sub - District, Boploy District, Kanchanaburi Province 71160, Thailand

Tel. +66 34 615 351-3 Fax. +66 34 615 354

■ **Energy and Chemical Business Information :**
Khon Kaen Sugar Power Plant Co.,Ltd.

Type of Business : Electricity Production

Head Office : 503 KSL TOWER 17th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

Factory (Branch 1) : 43 Moo 10, Nampong-Kranuan Rd., Nampong District , Khon Kaen Province 40140, Thailand

Tel. +66 43 441 051-2 Fax. +66 43 441 244

Factory (Branch 2) : 99/1 Moo 6, Tumbon Lumlang Amphur Boploy, Kanchanaburi Province 71160, Thailand

Tel: +66 34 615 356-7 Fax : +66 34 615 359

Factory (Branch 3) : 255/1-2 Moo 4 Nong Ya Plong Sub-district, Wangsaphung District, Loei Province 42130, Thailand Tel. & Fax. +66 42 810 - 931

■ **Energy and Chemical Business Information**
KSL Chemical Co.,Ltd.

Type of Business : Chemical Trading

Head Office : 503 KSL TOWER 17th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

■ **Other Business : KSL Real Estate Co., Ltd.**

Type of Business : Real Estate Development and Training Center

Head Office : 503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 221-3 Fax. +66 2 6426 224

■ **Other Business : Champion Fermentation Co.,Ltd.**

Type of Business : To invest in Starch Factory

Head Office : 503 KSL TOWER 20th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 210-19 Fax. +66 2 6426 220

■ **References : Company Register**

Thailand Securities Depository Co., Ltd.

62 The Stock Exchange of Thailand Building,

Rachadapisek Rd., Klongtoey District,

Bangkok 10110, Thailand

Tel. +66 2 2292 800 Fax. +66 2 3591 259

■ **References : Auditor**

Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.

Rajanakarn Bldg. 25th Floor

183 South Sathorn Rd., Yannawa Sub-District, Sathorn District, Bangkok, 10120 Thailand

Tel. + 66 2 676 5700 Fax. + 66 2 676 5757



FINANCIAL SUMMARY

Income Statement Highlight (Million THB)	2014	2013	% Change	2012
Sales and Services	19,185	18,941	1%	22,212
Cost of Sales and Service	(14,440)	(14,961)	-3%	(16,479)
Gross Profit from Sales & Services	4,744	3,980	19%	5,734
Other Incomes	447	777	-42%	493
Gross Profit from other Income	5,191	4,756	9%	6,226
Selling Expense	(623)	(474)	31%	(535)
Administration Expense	(644)	(603)	7%	(701)
Management Remuneration	(193)	(182)	6%	(163)
Proceeds to Fund	(992)	(1,033)	-4%	(1,064)
Gain (Loss) from Derivatives				
Total cost	(2,451)	(2,292)	7%	(2,463)
EBIT	2,740	2,464	11%	3,763
Financial cost	(834)	(672)	24%	(556)
Share of Profit of Associated Company	(11)	(0)		(8)
Corporate Income Tax	(109)	(132)	-17%	(726)
Minority and others	(159)	16		(118)
Net Profit	1,626	1,676	-3%	2,354
EPS	0.97	1.01	-4%	1.50
Gross Margin from Sales & Service	24.73%	21.01%		25.81%
Net Profit Margin	8.48%	8.85%		10.60%
Balance Sheet Highlight (Million THB)	2014	2013	% Change	2012
Cash & Short Term Investment	256	212	21%	290
Account Receivable	1,657	881	88%	836
Farmers Account Receivable	768	696	10%	755
Short Term Loan to Farmers	1,234	1,027	20%	748
A/R sugarcane & sugar fund	-	-	n/a	39
Inventories	4,348	3,647	19%	3,493
Deferred Cane Plantation Cost	543	480	13%	570
Net PP&E	27,088	25,138	8%	21,424
Net Asset not used in Operation	-	-	n/a	289
Total Asset	40,134	36,017	11%	29,617
Current Liabilities	14,322	13,466	6%	12,323
Non-Current Liabilities	10,979	8,848	24%	5,262
Total Liabilities	25,301	22,315	13%	17,585
Total Shareholder's Equity	14,833	13,703	8%	12,032
Book Value per share	7.93	7.35		6.54
D/E Ratio	1.71	1.63		1.46
IBD/E Ratio	1.48	1.39		1.17
Cash Flow Highlight (Million THB)	2014	2013	% Change	2012
Net Profit + Depre. + Non Cash	3,875	3,370	15%	4,781
Change in Working Capital	(2,278)	(1,604)		(1,070)
from Operating Activities	1,598	1,766	-10%	3,711
Invest in PP&E	(2,650)	(4,242)	-38%	(4,249)
from Investing Activities	(3,195)	(6,294)	-49%	(4,415)
from Financing Activities	1,708	4,431	-61%	709
Change in Cash Flow	57	(91)		9
Ending Cash	256	199		289
EBIT	2,740	2,464	11%	3,763
Depreciation	1,131	950	19%	833
EBITDA	3,871	3,414	13%	4,596

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



Mr. Manu Leopaiprote
Chairman of the
Board of Directors

Khon Kaen Sugar Industry Public Company Limited, or KSL, is one of the major sugar manufacturers in Thailand under the management of Chinthammit family. The group is one of the oldest sugar manufacturers, which was founded in 1945 and has kept growing to celebrate the 70th anniversary in 2015. Today KSL Group consists of 5 sugar mills in Thailand with a total cane crushing capacity of 110,000 Tons per day. There are 2 ethanol plants with a total production capacity of 350,000 liters per day and 3 power plants. KSL Group is the first sugar business that initiated the integrated business by creating value added by-products and waste substances, such as production of ethanol from molasses and biogas, production of fertilizer from waste water fermentation, and power production using bagasses as main fuel. KSL Group's policy is to optimize sugar cane utilization along with environmental protection (zero waste). This concept brings about continuous investment in food business and alternative energy business concurrently. KSL Group is at the forefront of alternative energy investment. Our ethanol plant in Nampong District, Khon Kaen Province is the first ethanol plant invested by a sugar business in Thailand. Success in alternative energy, both ethanol and power, forms half of KSL business profit while the other half comes from food business.

The economic integration in the form of ASEAN Economic Community (AEC) will have positive impact on the economic change. Envisaging the business opportunity, KSL Group has invested in sugar cane plantation project and sugar plant construction in Lao PDR and Cambodia. The investment is meant to increase potential of competitive edge and business dealing channels.

Over 70 years from generation to generation, KSL Group which was based on solid business foundation had grown sustainably from family business operating 4 sugar mills to become a public company limited which was listed in the Stock Exchange of Thailand. Throughout 10 years in the stock exchange, we become a leading business group in food and alternative energy, with the total assets of 40,000 million Baht and A ranking by TRIS Rating. The success is attributed to our commitment to good business ethics and corporate governance as well as to the implementation of Sufficiency Economy Principles. We also take responsibility to the society and environment through CSR projects, which promote activities along with the business operation. KSL group is proud to be the first company in sugar business which respectfully applies the Sufficiency Economy Principles both to conduct our business and to nurture sustainable growth for surrounding community. In the occasion of our 70th anniversary in 2015, the companies under KSL Group have implemented the project "70 Years Anniversary of KSL to 70 Sufficiency Economy Learning Center for Home, Temple, and school for employee and Economy Programs" in the communities around each plant, with the objective to introduce, through various activities, His Majesty the King's Sufficiency Economy Principles to the communities such as Sufficiency Economy Learning Center for Home Temple and School, Sufficiency Economy Learning Center for employees, training of the King's Disciplines for shareholders, employees and interested people, etc. This project has been in good progress since 2014 and will continue until the projected achievement in 2015.

On behalf of the Board of Directors, I would like to thank all employees who join their hands and share their hearts for our steady growth, shareholders and business partners who keep on supporting us so well. We commit ourselves to the continual improvement and sustainable growth of our business under the concept **"From Nature to Green Energy"** along with the good care for society, community, and environment.



MESSAGE FROM THE PRESIDENT & CHIEF EXECUTIVE OFFICER



In 2014, Khon Kaen Sugar Industry Public Company Limited generated a net profit of THB 1,626 million, close to the operating result in the previous year of which the net profit is THB 1,676 million. The decline of profit was due mainly to the diminishing price of sugar in the world market, increasing depreciation and higher cost of interest incurred in various projects. However, there was a positive factor in 2014 as the procurement of cane for crushing increased from 8.02 million tons to 8.72 million tons. Such increment of sugar cane effectively secured more sugar production, more raw materials for the production of ethanol and electricity. As a result, the overall performance remained close to that of the preceding year.

In view of the sugar business over the past 3 years, sugar supply has been exceeding sugar consumption. Accordingly, sugar stock in the world market has accumulated. Although most research reveals that the sugar production would be lower than the consumption in 2015, the volume of sugar in the world market still remains high and would affect the price of sugar. However, such effect would gradually decline, due to the forecasted decrease of sugar production in 2014 and 2015 because of weather conditions against the demand which tends to increase every year. For the ethanol business in 2014, the utilization of ethanol in Thailand had steadily increased after the government ceased the use of regular gasoline (91octane) and promoted the blending of ethanol in gasoline at the proportion of 20% and 85% respectively. In addition, increasing number of cars purchased during the "first car policy" campaign and new car models, which accommodated gasoline with higher proportion of ethanol, also propelled the use of ethanol to more than 3.5 million liters per day. While the production capacity of ethanol factory was sufficient for the demand, some manufacturers hardly found reasonable incentive to operate at full capacity due to the pricing of ethanol which was not favorably responsive to the cost of production. Hence, the domestic demand and supply of ethanol in 2014 was tight. As for the electricity business, the company's sales volume of electricity increased from 301,135 megawatts per hour in 2013 to 324,099 megawatts per hour in 2014. Nevertheless, due to the limitation in respect of power grid, the company had not yet sold electricity at its full range.

Along with our normal business operation, our pride is in our participation of activities for society and environment every year; especially in the year 2014 when the company launched a Sufficiency Economy project called "70 years Anniversary of KSL to 70 Sufficiency Economy Programs", as part of our celebration of the company's 70th year anniversary in 2015. The 70th anniversary surely demonstrates our success as being a sustainable and long lasting business organization. Our success is partly attributed to the commitment to our vision and missions which leads us to the projected achievement in food industry and alternative energy and to the sustainable development under the King's "Sufficiency Economy Principles" as well as the optimization of resource utilization.

Khon Kaen Sugar Industry Public Company Limited would like to thank our shareholders, business partners, customers, employees, financial institutions, and relevant parties for their kind and continuing support. The company will keep applying his Majesty the King's "Sufficient Economy Principles" to the operation of our group of companies as well as to the promotion of quality of community living through various projects in all areas of our operation. It has always been our strong belief that such direction and implementation would strengthen our sustainable growth.



REPORT OF THE AUDIT COMMITTEE

The Audit Committee was appointed by the Board of Directors to be responsible for internal auditing, financial report auditing, and to promote and ensure the Company's compliance with the Code of Best Practices for Listed Companies enabling good corporate governance and the efficiency and effectiveness of the corporate risk management and internal audit system.

On October 23, 2014, the service term of the Audit Committee had come to an end and the Board of Directors has voted to renew the service term of the Audit Committee for a period of three years. The renewed Audit Committee shall consist of 4 members: Mr. Sitti Leelakasamelek, as the Chairman of the Audit Committee, and Ms. Nongluck Phinainitisart, Mr. Karun Kitasataporn, and Mr. Warapatr Todhanakasem as members.

All of the Audit Committee members do not hold any shares or executive positions that involved the daily management of the company, its subsidiaries, and its related businesses. They are not consultants or partners of the company and its subsidiaries and are therefore considered to be independent, a professional standard and a condition required by law.

In 2014, the Audit Committee had 6 meetings with the Management, the Internal Audit Unit, and the accounting auditor. The audit committee also made 4 joint reviews meeting of the financial report with the accounting auditors in absence of the Management to further ensure the independence and objectivity of the auditors. A summary of the important work performed by the Audit committee during the year 2014 and its opinions are as follow:

1. Accuracy and reliability of the company's financial report

The Audit Committee reviewed the financial report in conjunction with the auditor before the management presented it before the Board of Director's meeting for approval. The auditor did not find any inconsistency within the company's financial report. The Committee extensively reviewed the financial report and the items that incurred significant changes and/or items of major importance. The Committee also reviewed the appropriateness and sufficiency of the company's disclosure of financial information in order to be confident that the information provided is accurate, sufficient, and timely. The Committee deemed that the financial reports for 2014 were accurate, adequate, reliable, and in line with generally accepted accounting standards.

2. Good corporate governance

The Audit Committee reviewed the company's execution of the planned work process and found that the company conducts its operation ethically and according to the rule of law and the regulations of the Stock Exchange of Thailand. Additionally, the Committee conducted its own performance self-assessment.

3. Risk management

The Audit Committee reviewed and monitored the company's risk management effort every quarter in order to ensure that the management adequately managed risks to an acceptable level and accurately identified sufficient risk factors that are required information for the Internal Audit Unit. The committee deems that in 2014, the management had identified sufficient risk factors and was able to mitigate a certain level of risks for the company.

4. Sufficiency of internal control system

The Audit Committee, Auditor, and Internal Control Unit have collaboratively examined the corporate internal control system in every quarter. It has been deemed that the Company's internal control system is sufficient and can reasonably establish confidence in the Company's achievements in term of efficient and effective operations, reliability of the corporate financial reports, and compliance with applicable rules and policies.

5. Appropriate list of potential conflict of interests

The Audit Committee had examined the company's list of transactions and interrelated items that may cause potential conflict of interests. The committee deemed that the list of transactions and interrelated items for 2014 are items that were carried out for the good of the company as a whole and that they are in accordance with the normal business practice and pricing. There is transparency in the disclosure of financial budget that is accurate, complete, and in accordance with the guidance and requirements set by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

6. Compliance with the law and regulations of the Securities & Exchange Commission, the SET regulations, and the laws related to the Company's operation

The Audit Committee verified the Company's compliance with applicable laws cooperatively with the Legal Department, the Regulatory Compliance Unit, and Internal Control Unit. No matters of importance indicating that the Company had violated any laws, rules and requirements related to the Company's operations were found.

7. Suitability of the auditors

The Audit Committee deemed that the performance of the auditor from Deloitte Touche Tohmatsu (Thailand) Co. Ltd was independent and appropriate according to the auditing standards. Consequently, the committee has agreed to propose to the Board that the shareholder's meeting to continue appointing Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd. as its auditor for the fifth year in 2015.

Additionally, the Audit Committee also conducted a self-assessment on its performance for the year 2014 based on the criteria set out by the Audit Committee Charter for good practice. The self-assessment results indicate that the Audit Committee has sufficiently and responsibly performed its duty within the scope assigned by the corporate Board with due diligence and independence. It is the Audit Committee's opinion that the Company had provided correct financial reports, operated under the efficient internal control system, had implemented effective risk management, complied with the laws, regulations, and requirements pertaining to corporate business operations, appropriately disclosed related party transactions, and sufficiently, transparently, and reliably operated according to good corporate governance guidelines.

On behalf of the Audit Committee,

Mr. Sitti Leelakasamelek
Chairman of the Audit Committee

THE BOARD OF DIRECTORS

01 Mr. Manu Leopaibrote

Chairman and
Independent Director



02 Mr. Chamroon Chinthammit

President and
Chief Executive Officer

03 Mr. Prapas Chutimavoraphand

Director and
Executive Director



04 Mr. Pornsin Thaemsirichai

Director and
Executive Director

05 Mr. Sukhum Tokaranyaset

Director and
Executive Director



06 Mr. Thawatchai Rojanachotikul

Director and
Executive Director

**07 Mrs. Intira Sukhanindr**

Director and
Executive Director

**08 Ms. Duangdao Chinthammit**

Director and Executive Director
Nomination and Remuneration
Committee

**09 Mr. Somchai Chinthammit**

Director and
Executive Director

**10 Ms. Duangkae Chinthammit**

Director and
Executive Director

**11 Mr. Somchart Chinthammit**

Director and Executive Director
Nomination and
Remuneration Committee

**12 Mr. Tachpong Pakornsiriwongse**

Director and
Executive Director

**13 Mr. Chalush Chinthammit**

Director and
Executive Director
Risk Management Committee

**14 Mr. Chatri Chinthammit**

Director



**15 Mr. Pramoon Vichiensin**

Independent Director
Chairman of the Nomination
and Remuneration Committee

**16 Pol. Gen. Boonpen Bumpenboon**

Independent Director
Chairman of the Risk
Management Committee
Corporate Governance Committee

17 Mr. Sitti Leelakasamelurk

Independent Director
Chairman of the Audit Committee
Risk Management Committee

**18 Mr. Karun Kittisataporn**

Independent Director
Audit Committee
Corporate Governance Committee
Nomination and Remuneration
Committee

19 Mr. Worapatr Todhanakasem

Independent Director
Audit Committee
Risk Management Committee
Chairman of the Corporate
Governance Committee

**20 Ms. Nongluck Phinainitisart**

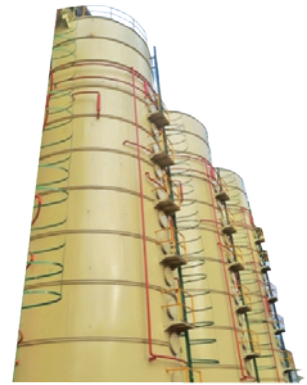
Independent Director
Audit Committee
Corporate Governance Committee

21 Mr. Trakarn Chunharojrit

Director and Executive Director



NATURE OF BUSINESS OPERATION



Business Objectives

Khon Kaen Sugar Industry Public Company Limited has the policy to operate its business ethically and responsibly towards its stakeholders, society, and the environment. It places emphasis on conducting transparent operations, respecting human rights standards, and safeguarding the interests of all stakeholders through the following vision, mission, and quality policy:

Vision

To become the leader in the sugar and related renewable energy industries and to develop a strong business with a sustainable future.

Mission

- Create income for farmers through efficient processes and high quality agricultural yields.
- Continuous improvement on technology and R&D to efficiently increase agricultural yields.
- Create an environment that mutually benefits our partners of success.
- Develop down-stream businesses to maximize the usage of raw materials, byproducts, and other resources.



OVERVIEW OF BUSINESS OPERATION AND POLICY



Business Objectives

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- Develop down-stream businesses to maximize the usage of raw materials, byproducts, and other resources.

The company's long term goal is to be one of the leaders in sugar, by-product, and value added productions which can be shown in company's sugar policy: "production of quality sugar with high efficiency, prompt delivery, winning customers' trust, consumption safety". This policy has encouraged company's 5 sugar factories to be widely accepted as one of the most efficient and highest quality sugar production groups in Thailand. In addition, with the goal of being one of leading companies in by-product and value added production and with the vision on the potential growth in related – sugar businesses, such as ethanol business, power business, and organic fertilizer business, the company has made continuous investments in these sectors which to date has been successful and highly satisfactory.

The company's short term goal is to be one of the industry leaders that excels in cost management and productivity. The goal can be achieved by applying modern technology to the corporate production and management systems. Furthermore, the company is aware that its primary risk is the amount of cane it is able to procure for crushing. The sugar factories and other integrated businesses cannot be sustained without adequate cane crushed. The company, hence, aims to reduce the farmers' cane cultivation cost as well as to improve their productivity yields and efficiency. Its objective is to help the farmers sustain their living and receive higher return on their investment as well as to remain productive suppliers to our businesses.

Important Changes and Developments During the Past 3 Years

In 2011, the company decided to start the Loei Project that consisted of building 1 sugar factory with capacity to crush 16,000 tons of cane/day and building 1 electricity power plant that can generate 40 MW of electricity. The sugar factory started its test runs during the production season 2012/2013, and for the production season 2013/2014 was able to crush 1,072,245.69 tons of cane and produce 120,251.43 tons of sugar and 24,187.93 megawatt-hours of electricity

In 2012, after performing feasibility study and other required assessments, the company decided to make further investment to expand its electricity power plant and sugar factory in Nampong district of Khon Kaen province. Electricity power plant production capacity will be 65 MW, up from 30 MW and sugar crushing capacity will increased by 8,000 tons of cane sugar/ day, totalling to 35,000 tons of cane sugar/ day. The company expects the project to be fully operational by production season 2014/2015

In November 2013, TRIS credit rating agency has upgraded the company's rating score from A- to A which increases the company's ability to manage and secure loans and funds from financial institutions. In 2014, the company have issued corporate bond worth 5000 million THB.

Company Overview

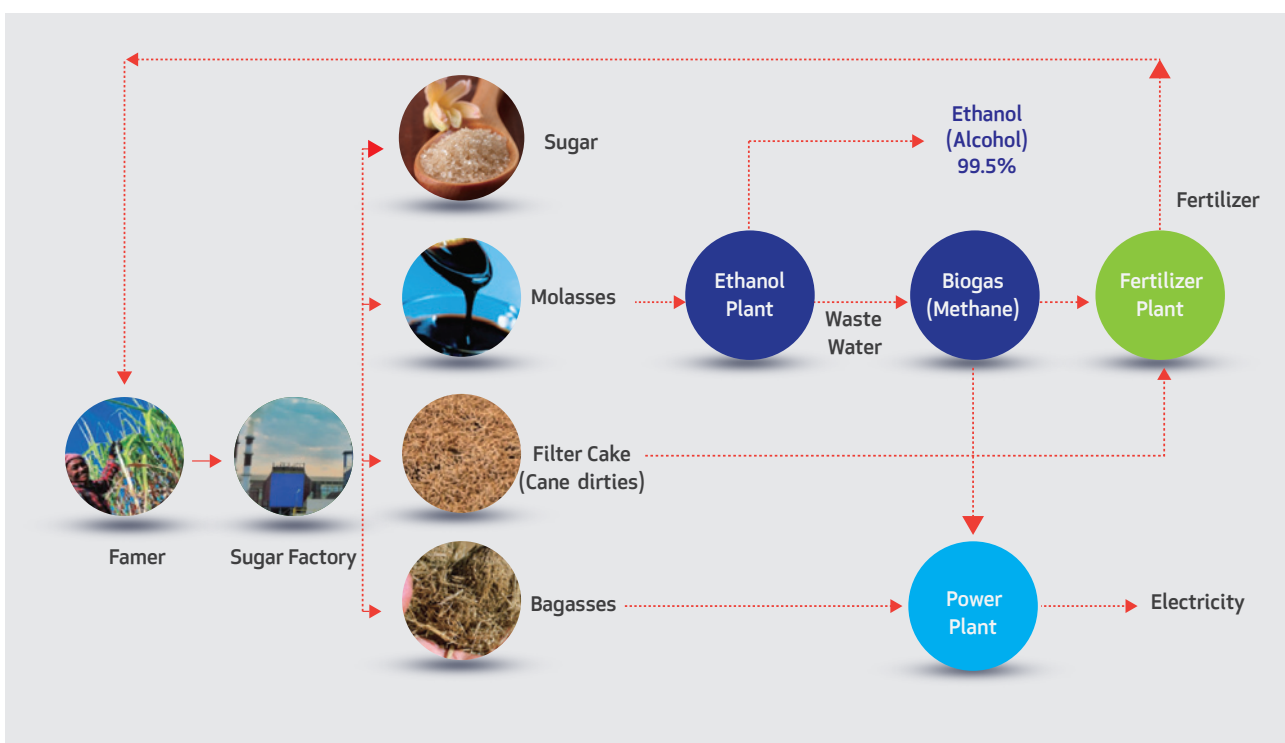
Khon Kaen Sugar Industry Public Company and its subsidiaries, under KSL, are Thailand 4th largest sugar producer group. The company has 5 sugar factories in the group, located in three different regions, as follows:

- Northeastern Region: Khon Kaen Sugar Industry Public Company Limited Nampong branch in Khon Kaen province and Wansapung branch in Loei province.
- Western Region: New Krung Thai Sugar Factory Co.,Ltd. and Tamaka Sugar Industry Co.,Ltd. in Kanchanaburi province
- Eastern Region: New Kwang Soon Lee Sugar Factory Co.,Ltd. in Choburi province

The core products which the company produces are sugar which can be categorized to be 4 types: (a) raw sugar (b) high pol sugar (c) white sugar and (d) refined sugar. The company also has other products related to sugar production process, such as molasses, bagasses and filter cake. According to these kinds of products, the company has a plan to invest in value added projects, as followings: (shown on Figure 1)

- Ethanol plant: Ethanol is mixed with gasoline, and the mixture is used as fuel for vehicles. Raw materials used in the Group's ethanol production include molasses and sugarcane juice
- The biogas plant uses waste water from ethanol production process as a raw material. Biogas produced through fermentation of the raw material is used as a supplementary fuel for the corporate power plant.
- The organic fertilizer plant uses waste from the sugar production process (filter cake) and wastewater from biogas and ethanol production as raw materials.
- The power plant uses waste from the sugar production process (bagasse) and biogas from the biogas plant as fuel sources for producing electricity and steam sold to plants in the Group and the EGAT.

Figure 1 : The Relationship between KSL's Existing Sugar Production and KSL's Value Added Project





As of October 31, 2014, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have the investment in subsidiaries and affiliates, as followings:

Business Unit/Company Name	Paid - Up Capital (THB Million)	Proportion Of Investment	Nature of Main Business
Sugar Business			
Tamaka Sugar Industry Co.,Ltd.	600.00	90.21%	Produce and distribute sugar
New Krung Thai Sugar Factory Co.,Ltd.	1000.00	95.78%	Produce and distribute sugar
New Kwang Soon Lee Sugar Factory Co.,Ltd	500.00	98.61%	Produce and distribute sugar
Savannakhet Sugar Corporation	684.76	98.49%	Sugar cane Plantation and Sugar Factory in Laos
Koh Kong Plantation Co.,Ltd.*	936.98	80.00%	Sugar cane Plantation in Cambodia
Koh Kong Sugar Industry Co.,Ltd.	1167.66	80.00%	Sugar Factory in Cambodia
Supporting Business			
Thai Sugar Terminal Public Company Limited**	145.20	23.82%	Terminal, Warehouses, Real estate, produce and distribute wheat flour and palm oil
KSL Export Trading Co.,Ltd.	20.00	79.55%	Sugar and Related products Exporting Activities
KSL Agro and Trading Co., Ltd.	300.00	100.00%	Trading domestic sugar and operating agricultural businesses
Wynn In Trading Co., Ltd.	487.497	100.00%	International trading and consulting
Energy and Chemical Business			
Khon Kaen Alcohol Co.,Ltd.	610.00	100.00%	Producing and distributing ethanol or agri-fuel and bio-fertilizer or organic fertilizer
Khon Kaen Sugar Power Plant Co.,Ltd.	800.00	100.00%	Power Plant (SPP)
KSL Material Supply Co.,Ltd.***	10.00	100.00%	Raw Material Sourcing
Other Business			
KSL Real Estate Co.,Ltd.	840.00	91.02%	Real Estate Development and Training Center
Champion Fermentation Co.,Ltd.	200.00	32.50%	Joint Venture with the business partner to invest 60% in Chantaburi Starch Co.,Ltd. - Starch Factory by using cassava as raw material

Note

Proportion of investment shown above includes both direct and indirect shareholdings

* Previously named KSL Chemical Co., Ltd

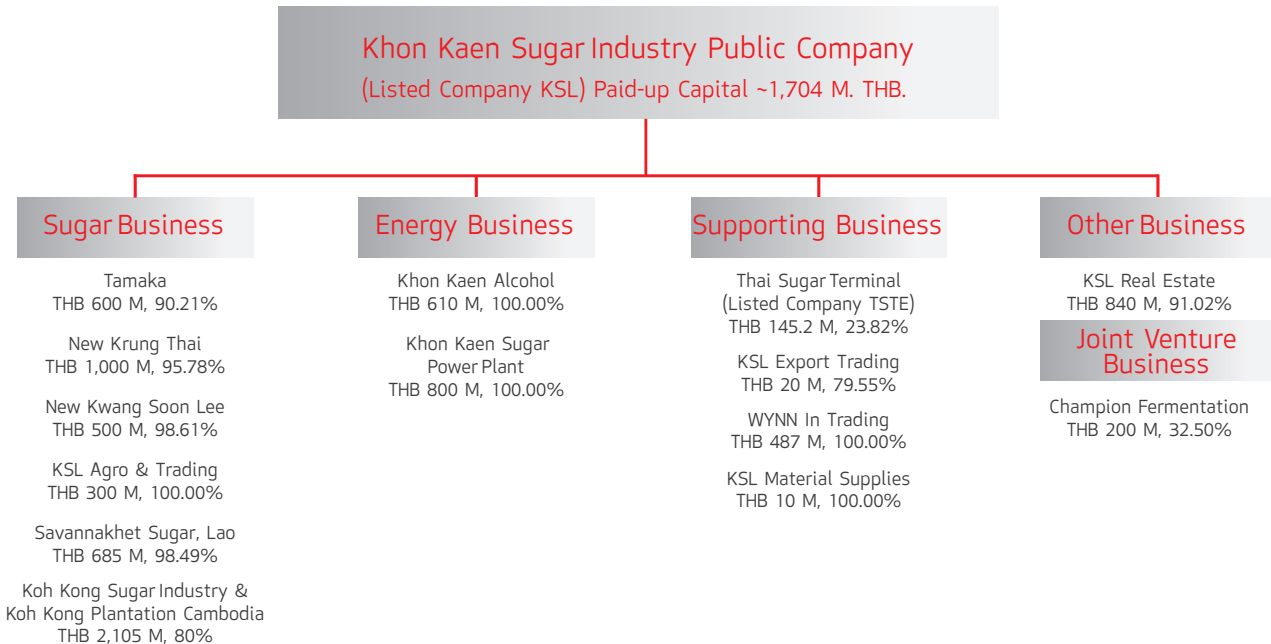
** Indirect shareholding through Wynn In Trading Co., Ltd.

*** Thai Sugar Terminal Public Company Limited, a KSL subsidiary listed in the Stock Exchange of Thailand as TSTE, has 5 subsidiaries :

- TSG Assets Company Limited operates real estate rentals. TSTE holds 23.11% shares.
- TS Oil Industry Company Limited (formerly known as TSG Property Company Limited) trades, leases, develop real estate, and operate a palm oil refinery plant. TSTE holds 28.48% shares.
- TS Flour Mill Company Public Company Limited rents out real estate and manufactures wheat flour. TSTE holds 16.59% shares and itself was listed in the Stock Exchange of Thailand as TMILL.
- TS Warehouse Company Limited stores and transfers goods. TSTE holds 19.30% shares.
- TS Transport and Logistics Company Limited provides transport and security services. It also manufactures plastic sacks. TSTE holds 30.58% shares directly and indirectly. For further details, refer to Listed Company Information on Thai Sugar Terminal Public Company Limited (TSTE) and TS Flour Mill Company Public Company Limited (TMILL).



Organization of KSL Group on October 31, 2014 shown on the following chart:



The details of Khon Kaen Sugar Industry Public Company Limited, subsidiaries and affiliates are as follows:

Sugar Business

Khon Kaen Sugar Industry Public Company Limited

The nature of business is to produce and distribute sugar and other by-products. The first branch is located in Nampong district, Khon Kaen province with the maximum crushing capacity of 27,000 ton cane per day (under-construction to enhance maximum crushing capacity to 35,000 ton cane per day) and the second branch is located in Wangsapung district, Loei province with the maximum crushing capacity of 16,000 ton cane per day. Both of them have the capability to produce raw sugar, high pol sugar, white sugar and refined sugar. The company' headquarter is located at KSL Tower, Sriyudhya Road, Rajathevi, Bangkok.

Tamaka Sugar Industry Co.,Ltd.

The nature of business is to produce and distribute sugar and other by-products. The factory is located in Tamaka district, Kanchanaburi province with the maximum crushing capacity of 35,000 ton cane per day and the capability to produce raw sugar, white sugar and refined sugar.

New Krung Thai Sugar Factory Co.,Ltd.

The company produces and distributes sugar and other by-products. The factory, which was originally located in Tamaka district, Kanchanaburi province, was relocated to Bo Ploy district, Kanchanaburi province. The production capacity was expanded to the maximum crushing capacity of 36,000 tons of cane per day. Construction has already completed, the factory is capable of producing raw sugar, white sugar, and refined sugar.

New Kwang Soon Lee Sugar Factory Co.,Ltd.

The enterprise produces and distributes sugar and other by-products. The factory located in Panutnikom district, Chonburi province, has the maximum crushing capacity of 3,000 tons of cane per day. The cane crushing capacity decreased due to the fact that some of the machines had been moved to Laos and Cambodia. The factory is capable of producing raw sugar, high pol sugar, white sugar, and refined sugar.



Savannakhet Sugar Corporation

The company received sugarcane plantation concession that covers approximately 10,000 hectares (62,500 rai) from the Lao government. Sugarcane cultivation is undertaken by the company itself. The sugar factory in Savannakhet has the maximum crushing capacity of 3,000 tons of cane per day. Its output includes raw sugar and other byproducts.

Koh Kong Plantation Co.,Ltd. and Koh Kong Sugar Industry Co.,Ltd.

The company received sugarcane plantation concession that covers approximately 20,000 hectares (125,000 rai) from the Cambodian government. Sugarcane cultivation is undertaken by the company itself. The sugar factory in Koh Kong has the maximum crushing capacity of 6,000 tons of cane per day. Its output includes raw sugar and other byproducts.

Energy and Chemical Business

Khon Kaen Alcohol Co.,Ltd.

Established in early 2004, the company runs the business of producing alcohol (Ethanol) from molasses, sugarcane and others with the licenses of 150,000 liters per day granted by Ministry of Industry for the purpose of producing alcohol for blending with gasoline, so-called "gasohol", using as fuel in vehicles. In addition, the company produces fertilizers as a downstream project to the alcohol plant, which uses waste water generated from alcohol plant and filter cake, waste products from sugar processing. The company has a second branch of ethanol production facility as part of the Boploy Renewable Energy Project. It has already operated commercially in 2012 which increase the production capacity from 150,000 liters per day to 350,000 liters per day.

Khon Kaen Sugar Power Plant Co.,Ltd.

Established late in 2003, the company operates renewable power plants that can produce electricity and steam by using bagasses as raw material. The power produced at the plants can supply the factories within the group and any additional power generated are then sold to EGAT (Grid). Currently, the company operates 3 power plants all locating nearby its sugar factories. The first branch is closed to Khon Kaen Sugar Factory in Nampong district of Khon Kaen province. The second branch is closed to New Krung Thai Factory in Kamnanaburi province (part of the Boploy Renewable Energy Project). The third branch is located next to Khon Kaen Sugar Factory in Wangsamong district of Loei province (The Loei Project). Currently, the total capacity of all three branches can produce up to 160 MW of electricity. The total capacity of the three branches will reach 195 MW of electricity once the plant expansion project in Loei is completed.

KSL Material Supply Co.,Ltd.

Previously named KSL Chemical Co.Ltd, KSL Material Supply Co.Ltd. now operate business relating to sourcing and selling raw materials and materials related to agriculture such as biofertilizers and related services.

Supporting Business

KSL Export Trading Co.,Ltd.

Established in 1992, the company performs as a licensed exporting company, according to cane and sugar act 1984, which provides services of exporting activities to the sugar companies in KSL Group and also other sugar factories.

Thai Sugar Terminal Public Company Limited (TSTE)

The company is a listed company in the Stock Exchange of Thailand. Its businesses involve warehouse leasing, loading and discharging sea freight, port operations, and freight forwarding. The terminal and warehouse are located in Prapadang, Samutprakarn, on the Chopraya River bank. Customers are primarily sugar companies in the KSL Group, other sugar factories owned by strategic partners, and general customers. In addition, Thai Sugar Terminal Public Company Limited (TSTE) is the mother company of 5 subsidiaries, which mainly deal with real estate trading and leasing, wheat flour production, plastic sack manufacturing, and palm oil refinery plant operations. (For details, refer to listed company profiles section: Thai Sugar Terminal Public Company Limited (TSTE)).

KSL Agro and Trading Co.,Ltd.

The company, formerly known as KSL Agro Co.,Ltd., was established in 2006. It deals with sugar cane cultivation on corporate land and promotes cane cultivation among farmers. Currently this company trades domestic sugar and operates agricultural businesses.



Wynn In Trading Co.,Ltd

The nature of business is international trading and international investment consulting. Khon Kaen Sugar Industry Public Company held 100.00% share of Wynn In Trading Co.,Ltd.

Other Businesses

KSL Real Estate Co.,Ltd.

The company is involved in the business of property rental and resort ownership in Kanchanaburi, near the River Kwai, under the name of "River Kwai Park and Resort" This company provides the accommodation and facilities for holiday vacation and training center for employees of the KSL group and other general customers. Additionally, the company has acquired a commercial rental property, The Liberty Square Building that is located in the heart of Silom Road that is one of the busiest business area of Bangkok with approximately 19,151 sqm of rental space consisting of 22 floors and 6 levels of underground parking.

Champion Fermentation Co.,Ltd.

The company is a joint venture business between Khon Kaen Sugar Industry Public Company and business partners with 32.5% of share hold by Khon Kaen Sugar Industry. The joint venture company has the investment about 60% of share in Chantaburi Starch Co.,Ltd which operate a starch producing factory in Chantaburi province (Eastern of Thailand), using cassava as raw material.

Regarding the policy to regulate and monitor the operation of subsidiaries and affiliates, Khon Kaen Sugar Industry has categorized its subsidiaries and affiliates which have the similar nature of business to be a group together under the same team of management. 4 sugar companies are under the same board of executive directors. For supporting business, energy and chemical business and other business, Khon Kaen Sugar Industry will assign its own representatives to join as a position of company directors for policy making or as a position of top management for operation directing, which will make consistency in policies from parent company, subsidiaries and affiliates.

Description of Each Business Operation

Company	% of Shareholding 2014	2012 Revenue (Million THB)	%	2013 Revenue (Million THB)	%	2014 Revenue (Million THB)	%
1. Khon Kaen Sugar Industry Public Company	Mother Company	7,529.47	26%	6,022.13	23%	8,668.09	31%
2. Tamaka Sugar Industry Co.,Ltd.	90.21%	4,004.90	14%	3,021.98	11%	3,196.84	11%
3. New Krung Thai Sugar Factory Co.,Ltd.	95.78%	4,717.00	16%	4,548.89	17%	4,540.44	16%
4. New Kwang Soon Lee Sugar Factory	98.61%	1,083.23	4%	733.42	3%	744.15	3%
5. Thai Sugar Terminal Public Company	23.82%	3,201.89	11%	2,471.65	9%	1,538.84	6%
6. KSL Export Trading Co.,Ltd.	79.55%	19.29	0%	15.00	0%	13.15	0%
7. Khon Kaen Alcohol Co.,Ltd	100.00%	1,872.56	6%	2,437.42	9%	2,472.01	9%
8. Khon Kaen Sugar Power Plant Co.,Ltd.	100.00%	1,854.11	6%	2,151.97	8%	2,493.81	9%
9. KSL Material Supplies Co.,Ltd.*	100.00%	16.01	0%	2.95	0%	20.56	0%
10.Savannahet Sugar Corporation	98.49%	272.71	1%	246.94	1%	211.21	1%
11.Koh Kong Plantation Co.,Ltd.**	80.00%	245.66	1%	136.21	1%	128.73	0%
12.Koh Kong Sugar Co.,Ltd.	80.00%	364.29	1%	667.43	3%	89.36	0%
13.KSL Agro and Trading Co., Ltd.	100.00%	4,092.25	14%	3843.20	15%	3,605.85	13%
14.KSL Real Estate Co.,Ltd.	91.02%	9.48	0%	102.17	0%	150.34	1%
15.Wynn In Trading Co.,Ltd.	100.00%	-	-	-	-	-	-
Total		29,282.84	100%	26,401.38	100%	27,873.38	100%
Minus Interrelated items		-7,070.54		-7,460.22		-8,688.53	
Total Revenues		22,212.30		18,941.16		19,184.84	

* Formerly name KSL Chemical Co.,Ltd. ** Indirect shareholding through Wynn In Trading Co., Ltd.



Description of each products

Sugar : Production and Characteristics

The company is a group of sugar manufacturers whose quality management system is certified by SQF 2000, ISO 9001: 2000, and Hazardous Analysis and Critical Control Point (HACCP) accreditations. Sugar produced by the KSL group can be divided into four categories according to their types and levels of purity as follows:

Raw sugar – Raw sugar has a color index higher than 1,500 ICUMSA. It is dark brown, and has a high dirt index and a low purity index. Transfer is done in bulk without the use of sacks. This type of sugar cannot be consumed until it is refined or purified, turning into white sugar or refined sugar.

High pol sugar – High pol sugar has a color index between 1,000 – 1,500 ICUMSA. It can be consumed without any further process needed. Generally, the sugar is put in sacks before being transported. It is priced lower than white sugar and refined sugar.

White sugar – White sugar has a color index between 46 – 200 ICUMSA with a degree of polarization not lower than 99.50. It is widely consumed among households and used as a raw material in food industries where moderate purity is required.

Refined sugar – Refined sugar has a color index that does not exceed 45 ICUMSA. It is especially high in purity. The sugar is used in certain industries where highly pure sugar is needed, such as pharmaceutical industry, carbonated beverage industry, and energy drink industry.

After sugar manufacturing there is a residue called "molasses" that its sugar content is so low that any further sugar extracting is uneconomical. Molasses is a valuable by-product obtained from sugar production. It contains 20% water, 30% sucrose, 32% invert sugar, 12% non-sugar organic substance, and 6% ash. From one ton of sugarcane, the corporate sugar factories have capacity to manufacture between 45–50 kilograms of molasses. An amount of molasses produced in a year depends on a quantity of sugarcane crushed in the year. Molasses can be widely used in such biochemistry industries as alcohol and distilling industry, yeast industry, monosodium glutamate industry, animal food industry (where molasses is mixed with cassavas and bagasse), vinegar industry, and soy sauce and seasoning sauce brewing industry.

Other residues from sugar manufacturing process that are also useful include bagasse and filter cake. Bagasse is the fibrous material remaining after the last extraction of juice from sugarcane. Now the company burned bagasse as a source of energy for electricity and steam generation used in sugar manufacturing process. Part of the electricity generated is sold to the EGAT. Filter cake is a residue from vacuum filtration. It can be used as a raw material for general-purpose fertilizer. In the past, the company gives away filter cake to sugarcane farmers to promote sugarcane plantation in nearby areas.

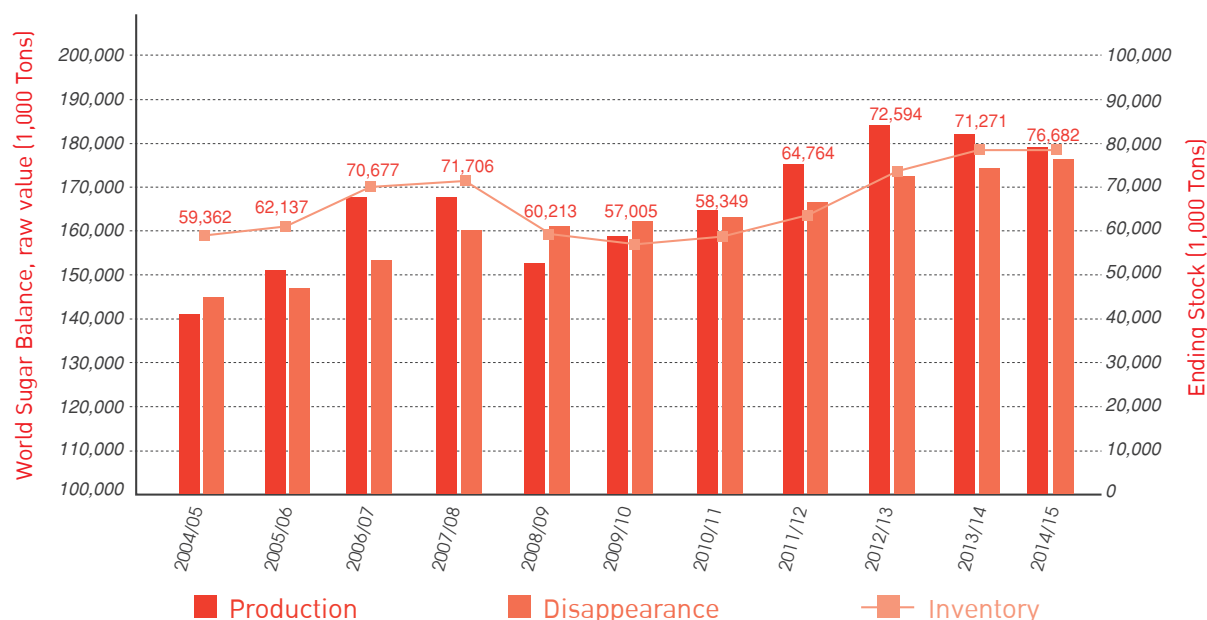
After the company's subsidiary has continuously operated alcohol and chemical production, wastewater from the factory can be mixed with filter cake and bio-decomposed to produce organic fertilizer that is suitable for sugarcane plantation. This completes the corporate value-added product ranges.

Sugar : Market and Competition

International Market and Industry Overview

The world sugar market: In 2013/14 approximately 181.4 million tons of raw sugar was produced worldwide, representing a decrease of 3 million tons or 2% from the previous year. The world's total consumption demand rose to 175.2 million tons, a 3 million tons increase or about 2% growth compared to that of 2012/13. However, the ending stock increases from 72.6 million tons in 2012/13 to 77.3 million tons in 2013/14 (see Chart 2). The stock represented 44% of the total demand, or an equivalent of 5 months sugar consumption.

Figure 2: World Sugar Balance (Millions Tons, centrifugal sugar, raw value, OCT/SEP)



Note: 2014/15 is forecasted number

Source: F.O.Licht, updated 30-10-2014

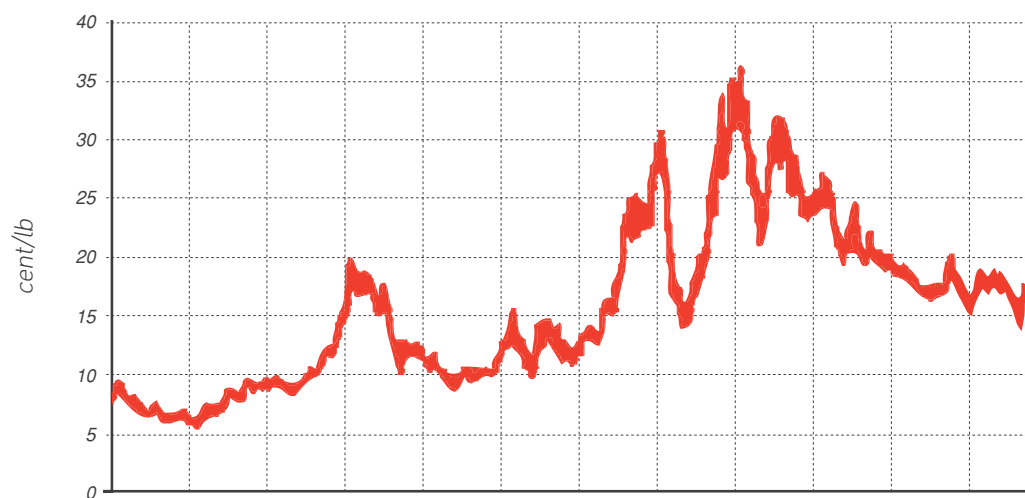
According to F.O. Licht's forecast on October 30, 2014, the 2014/15 output will decrease by 1%, from 181.4 million tons to 178.7 million tons. Consumption will increase by 1% from 175.2 million tons to 176.8 million tons. Consequently, ending stock will decrease from 77.3 million tons to 76.7 million tons. In Asia, it is forecasted that demand for sugar within the region will overtake supply, causing a shortage of 16 million tons. However, this figure is subject to changed in demand, supply, and many other external factors.

The world price of sugar is affected by the quantity of sugar produced each year, the demand, the existing stock, and uncontrollable changes in climates and government regulations. Climate uncertainties such as flooding, drought, or severe cold in countries where sugar is produced can have a significant impact on the quantity of sugar priced and consequently on the price of sugar sold. Similarly, government regulations regarding sugar export license and sugar import quotas can exert pressure on the price of sugar sold.

For a trend in sugar price can also depends on output quantities from Europe and from major producer countries, such as Brazil, Australia and Thailand. As the largest sugar and ethanol producer in the world, Brazil's production level and sugar-ethanol parity can have a significant impact on world sugar price. When Brazilian producers can gain more profit from selling ethanol, they will convert more cane into ethanol production and less for sugar production and vice versa. Nonetheless, the capability for Brazilian producers to switch production between sugar and ethanol is limited between 40-60% as their factories are not designed to run 100% for either product. Other factors that affect world sugar price can be from changes in oil price, exchange rate, global economic outlook, and from investment funds whose activities may include shifting investing strategies from commodity to other assets. In combination, the factors contributed to the volatility of the world sugar price (shown in figure 3).



Figure 3: World Sugar Price (NYBOT#11) During Last 10 Years



YEAR	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Max	9.07	9.32	11.84	19.30	12.37	15.02	24.64	34.39	35.31	26.50	19.94	18.32
Average	7.13	7.07	9.31	14.83	10.16	11.86	17.26	22.34	26.88	21.58	17.84	16.38
Min	5.89	5.36	8.22	9.75	8.45	9.52	11.38	13.67	20.47	18.54	16.00	13.50

Unit : cent/lb, Conversion to US\$/Ton by multiplied by 22.0462

Year : Nov/Oct, date updated until December 18, 2014

Export channels of Thai sugar manufacturers are divided into:

- Thai sugar manufacturers sell their sugar through major traders such as Cargill, Tate & Lyle, Kerry, etc. The traders then sell the sugar to other overseas buyers. Risk of failure to collect payments and complications in export management are minimized. Thai sugar manufacturers' only responsibility is to transport their sugar to ports of exports, such as FOB ports of Bangkok and Lamchabang.
- Thai sugar manufacturers export their products to neighboring countries, such as Laos and Cambodia, through borders. A small amount of sugar is sold to vendors at borders.
- Thai sugar manufacturers sell to manufacturers who use sugar in production of their exports. When domestic sugar prices are higher than those in international markets, the export manufacturers who use sugar as a production material lose their competitiveness in the world market. To promote investment in the food industry and competitiveness, the government allows those who manufacture exports to buy sugar at the world' market prices conditionally.

Domestic Marketing and Industry Overview

Domestic sugarcane and sugar industries are governed by Thai Sugarcane and Sugar Industry Act B.E. 2527. Office of the Cane and Sugar Board is in charge of ensuring adequacy of sugar for the domestic demand. Every year the board estimates the domestic sugar consumption amount and determines quotas for sugar factories according to their capacity. Domestic sugar prices are controlled by Goods and Services Act B.E. 2542. Current domestic sugar price are mandated that:

- (1) Prices of regular white sugar purchased at sugar factories do not exceed Baht 1,900 per 100-kilogram sack.
- (2) Prices of refined white sugar purchased at sugar factories do not exceed Baht 2,000 per 100-kilogram sack.
- (3) Wholesale prices of regular white sugar at all domestic wholesale businesses do not exceed Baht 1,965 per 100-kilogram sack, and those of refined white sugar do not exceed Baht 2,065 per 100-kilogram sack.



- (4) Retail prices of regular white sugar at retail businesses in Bangkok, Nonthaburi, Paphumthani, Samutprakarn, and Samutsakorn do not exceed Baht 21.50 per kilogram; and those of refined white sugar do not exceed Baht 22.50 per kilogram. (included VAT)

The price control does not apply to sugar cubes in boxes or packets that do not weigh over 10 grams.

Competition

In 2014, there are 50 operating sugar factories (exclude non-operating and new license sugar factories which is not yet constructed) in Thailand with sugarcane crushing capacity of 103 million tons/year and sugar manufacturing capacity of 11.3 million tons/year (depending on yearly sugarcane amounts in the crushing process and sugarcane quality). The crushing process lasts about 4 – 6 months each year due to small amounts of sugarcanes entering the process. It begins in November and ends in April or May. The numbers of sugar factories are under government control. Licenses from Office of the Cane and Sugar Board and Department of Industrial Works, Ministry of Industry, are required for sugar factories in increasing capacity, moving factories, or operating new sugar factories.

In 2014, all 50 sugar factories are opened for operation. Most of these factories are part of the five major groups of sugar manufacturers and only a handful of small manufacturers operate independently. The KSL Group is the 4th largest sugar producer in Thailand, with 8 % market share. It has 5 factories (In 2012, KSL operates 4 factories since the new one just finish construction) located in three regions: the Northeast (2 factories), Central Thailand (2 factories), and the East (1 factory). Table 1 shows sales of different types of sugar in the past 3 years as well as ratios of sales in export markets to domestic markets.

Table 1 : Sales of Different Types of Sugar and Ratio of Domestic Sugar to Total Sugar Sales in the Past 3 Years

Sale Volume & Price	2014			2013			2012		
	Volume Unit	Avg. Price THB/unit	Value M THB	Volume Unit	Avg. Price THB/unit	Value M THB	Volume Unit	Avg. Price THB/unit	Value M THB
Sugar	836,701	15,721	13,154	720,318	17,226	12,408	792,816	19,543	15,494
Domestic	177,057	19,887	3,521	192,331	19,935	3,834	197,975	19,973	3,954
Export	659,644	14,603	9,633	527,987	16,239	8,574	594,841	19,400	11,540
% Domestic Sale									
Total Sale	21%			27%			25%		

Sugar : Product and Service Provision

Raw Material Provision Policy

Providing raw materials for manufacturing is a vital process for sugar producers. As the total capacity of the Thai sugar industry exceeds domestic sugarcane produce, all the sugar factories need to ensure that the maximum amount of cane is provided for their production in order to reduce their fixed cost per unit. The main solution employed by most sugar manufacturers is providing financial support to farmers, which is known as the "Geaw" system. Agreements of the sugar producers' advance purchase of sugarcanes from the contract farmers are made, allowing the farmers to apply for loans from the sugar manufacturers. The loans are used for sugarcane cultivation. Harvested sugarcanes, then, are delivered to the factories and the sugarcane costs are deducted from the loans.

The company's strategy is giving long-term benefits as incentives to the sugarcane farmers providing their crops to the corporate factories. This promotes both the growth of the farmers' incomes and the company. The main policy "Prosperity of farmers is prosperity of the factory", especially employed in the northeast, emphasizes creating and promoting a sustainable way to make a living for sugarcane farmers, as well as eliminating middlemen known as "Quota Heads". This effort allows the company to learn about problems experienced by the farmers and provide them suitable assistance. Also, the company provides the farmers equipment, knowledge and production support, such as providing loans for purchasing trucks; giving them filter cakes for making fertilizers free of charge; and providing experts in sugarcane cultivation, and prevention and elimination of crop pests. The support enhances good relationships between the farmers and the company, as well as systematic growth.



Production policy

The company focuses on maximizing the volume of white sugar and refined white sugar manufactured, as the two products have the highest selling prices with the highest profit. It also focuses on the improvement of production efficiency. Production efficiency that is higher than the average of the industry will help reduce unit cost. As a result, the company will be more competitive.

Marketing policy

Due to the fact that sugar prices in domestic consumer markets are controlled by the Government, the company emphasizes direct sale to industries with product quality and on-time delivery promises. Most of the customers are businesses in beverage and confectionary industries.

The company, moreover, emphasizes the sale of its sugar products to food product re-exporters, as it allows the sale of C quota sugar which yields better profit than regular exports while requires lower transport cost.

Environmental effects

The sugar manufacturing process causes wastewater and dust from ash in the steamer's burning process. The company is well aware of such effects and has employed appropriate measures to prevent environmental problems, in compliance with standards issued by Ministry of Industry.

Sugar : Works Not Submitted

- None -

Ethanol : Product Characteristics

Khon Kaen Alcohol Co., Ltd., a subsidiary of Khon Kaen Sugar Industry Public Company Limited, produces and sells ethanol to oil companies. The ethanol is combined with gasoline at 10, 20 and 85 % to produce the final product commonly called gasohol.

Ethanol : Marketing and Competition

Domestic Marketing and Industry Overview

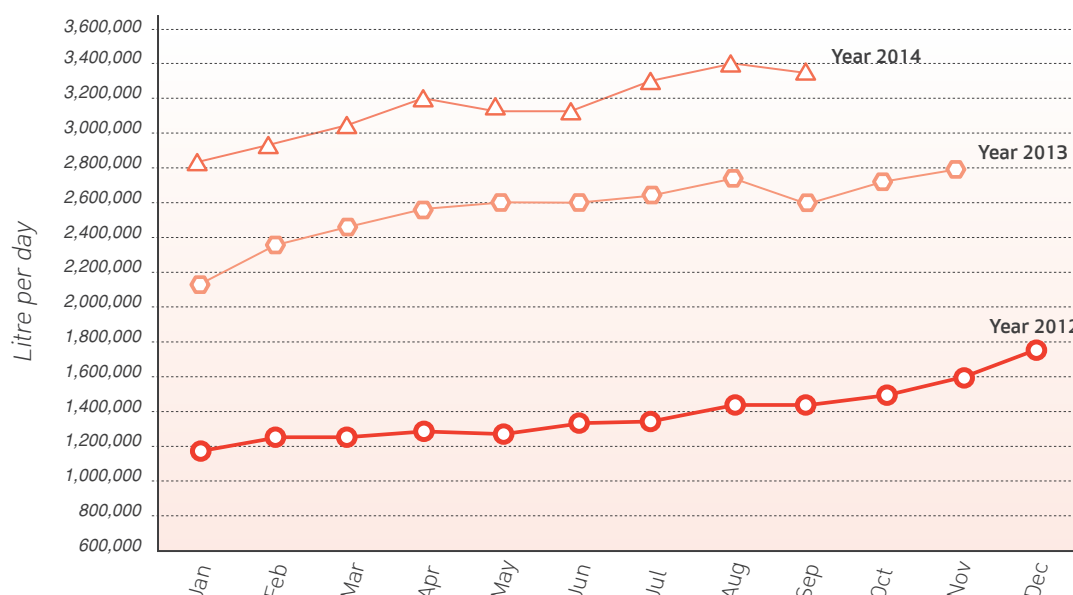
Domestic demand for ethanol depends on the amount of domestic consumption of gasohol that is a mixture of gasoline and ethanol. Gasohol was first introduced for public use in 2006. The blend contains 10 % of ethanol (E 10). In 2008, oil prices exceeded 100 USD per barrel which prompted the Thai government to support the use of gasohol as car fuels through providing tax relief and contributing fund. These factors made the gasohol prices lower than gasoline, as shown in Table 2. The promotion of the use of gasohol as an alternative energy source allowed continuous growth for the ethanol market. Currently, average 3.3 million liters of ethanol per day is mixed in gasoline. The amounts of ethanol used to mix with gasoline for gasohol production is shown in Figure 4.

Table 2: Selling Price Structure of Gasohol

THB/Litre	EX	TAXES	OIL FUND(1)	CONSV. FUND	WHOLE SALE+VAT	MARKET MARGIN	VAT	RETAIL PRICE
ULG 95 R	15.51	6.16	9.15	0.25	33.24	3.85	0.27	37.36
GASSOHOL 95 E10	16.85	5.54	3.65	0.25	28.13	2.03	0.14	30.30
GASSOHOL 95 E20	18.10	4.93	0.20	0.25	25.12	1.74	0.12	26.98
GASSOHOL 91 E10	16.62	5.54	1.95	0.25	26.07	2.06	0.14	28.28
GASSOHOL E85	25.32	0.92	-8.23	0.25	19.54	2.75	0.19	22.48

Source : Energy Policy and Planning Office, Ministry of Energy

Figure 4: Quantity of Ethanol Used to Mix with Gasoline as Gasohol



Source : Energy Policy and Planning Office, Ministry of Energy

International Marketing and Industry Overview

Brazil is the world's major ethanol producer and exporter. Primarily, ethanol is produced from sugarcane. It can be used as fuel for car by mixing with gasoline at the ratio of 20-25 % or purely 100 % with specially designed cars. The Brazilian government has a policy to promote the use and manufacture of cars that run with ethanol 100 %. There is a control over the production and demand for ethanol through changing the amount of ethanol content in gasoline.

Competition

In 2014, domestic consumption of ethanol rose dramatically as the government ban the sale of normal gasoline (91 Octane). Most petrol station installed gasohol in their premises, which helps smooth this transition. Although many factories has the capacity to produce ethanol to satisfy demand, they are prevented from running their production to full capacity as the sale price of ethanol do not correlates with the price of its raw material. As a result, in 2014, the demand and supply of ethanol is somewhat stagnated. However, for the company, we gain competitive advantage over other ethanol producers as our raw material for ethanol is a by-product that is sourced from our sugar factory. Table 3 shows the sales volume and average selling price of ethanol.

Table 3 : Sales Volume and Average Selling Price of Ethanol in the Past 3 Years

	2014	2013	2012
Sale Volume (Liters)	91,606,665	301,136	267,452
Avg. Selling price (Baht/Liter)	25.92	3,416	3,215

Ethanol : Product and Service Provision

Raw material provision policy

The company's ethanol plants purchase the raw material, molasses, from sugar factories of KSL (the holding company) at the market price. A one-year agreement is made in advance. If the KSL factories do not have enough molasses, the raw material is purchased from nearby sugar factories. For more flexible raw material management the company invested in facilities that allow the production of ethanol from cassava flour and other cassava-related products. This is to ensure that there is sufficient raw material and that production cost is manageable. If the world's sugar prices drop, sugarcane juice from the KSL group's sugar factories can be used as raw material in ethanol production.



Production policy

The company minimizes its costs by ensuring economy of scale, flexibility in using cheap raw materials and cost reduction. Expenses are minimized, such as using wastewater in producing organic fertilizer. Corporate resources are shared, such as personnel of sugar factory, or the Group purchasing energy from its own power plant. Leasing molasses storage tanks reduces the cost of investing them. Purchasing molasses at the factories helps save transport costs.

Being able to produce the raw material, molasses, within the group allows the consistency of the quality of the material and more production effectiveness. Contaminants are reduced. Molasses storage tanks are appropriately temperature controlled, allowing highly effective production.

Marketing policy

Ethanol is an industrial product. It is used as a material in producing gasohol. Consistency in quality, standard, and availability are very important. The company ensures that its production meets those requirements by exercising quality assurance. Part of the ethanol produced is stored in tanks for sale during the period when the operation is ceased for annual machinery repair and maintenance.

Environmental effects

The production of ethanol generates wastewater. The company uses the wastewater from ethanol production process to mix with filter cake from the group's sugar factories to make organic fertilizer. The fertilizer is then sold to farmers. Hence, the company is able to minimize its negative impact on the environment.

Ethanol: Works Not Submitted

- None -

Electricity and Steam Product Characteristic

The project has been undertaken by Khon Kaen Sugar Power Plant Co., Ltd who sells electricity and steam to factories within the group. Any excess electricity produced is sold to Electricity Generating Authority of Thailand (EGAT). Currently, the group operates 3 power plant, all of which located near to its sugar factories. The first power plant is located near to Khon Kaen Sugar Factory in Nampong district of Khon Kaen province. It can produce up to 30 MW, 20 MW of which is sold to EGAT. The second power plant is located near to New Krungthai Sugar Factory in BoPloy, Kamjanaburi. It can produce up to 90 MW, 30 MW of which is sold to EGAT. The third power plant is located near to Khon Kaen Sugar Factory in Wangsapong, Loei province. It has the capacity to produce 40 MW and is under expansion.

Electricity and Steam Market and Competition

The electricity and steam generated is first sold to the KSL Group's plants so that it can be used to produce sugar and ethanol. The excess electricity produced is then sold to Electricity Generating Authority of Thailand (EGAT) through contract in advance and therefore has limited number of competitor and reliable customer. A 100% of electricity and steam produce is sold domestically.

Table 4 : Sales Volume and Average Selling Price of Electricity in the Past 3 Years

	2014	2013	2012
Sale Volume (MW-hour)	301,136	267,452	172,879
Agv. selling price (THB/MW-hour)	3,416	3,215	2,793

**Electricity and Steam : Product and Service Provision****Raw material provision policy**

Raw material procurement is crucial in operating the electricity generating business. The corporate power plant is mainly fueled by bagasse. Each year, the amount of sugarcane crushed by the Group fluctuates. A limited amount of crushed sugarcane may affect the fuel amount available for the power plant's electricity generation. Thus, Khon Kaen Sugar Power Plant has prepared purchasing biomass fuel sources, such as bagasse, eucalyptus bark and scrap wood, from nearby plants.

Production policy**(1) Cost Management**

The Khon Kaen Sugar Power Plant committed to minimize its production cost. Costs of electricity generating and steam energy production include fuel and depreciation. Fuel efficiency is, hence, crucial. The company also ensures economy of scale to reduce its unit cost.

(2) Improving and Developing Production Effectiveness

The quality of fuel is effectively controlled, as the company uses its own bagasse. Fuel efficiency is ensured by controlling moisture in bagasse using such methods as bagasse dryer system and setting up roofs to protect the material from the rain.

Marketing policy

The long-term agreement between the company and EGAT allows the electricity produced to be priced based on natural gas prices and exchange rates. The sale unit price increases at the time when EGAT's demand for electricity is high. Electricity sold to the companies in the KSL Group is priced at the same rate as that sold to EGAT.

Environmental effects

Extensive Environmental Impact Assessment (EIA) has been carried out. The facilities in Khon Kaen has been registered with CDM Executive Board as a CDM project (under the Kyoto Protocol). The company has the right to sell its carbon credits if and when the UNFCCC officially count and certify the amount of carbon it help reduced.

Electricity & Steam: Works Not Submitted

- None -



RISK FACTORS



Significant risk factors in the operation of the sugar business of the company, which may have affect on the return on investment by the shareholders, can be summarized as follows.

1. Risk factors in Raw Material Sourcing - Sugarcane

The company's business is to run factories to produce sugar which use sugarcane as raw material. The company has also invested in other related projects, which use by products and wastes generated from the sugar manufacturing process, to create added value. Therefore, the quantity of sugarcane available for crushing is the most important factor affecting the operations of the company.

There are two main reasons that cause fluctuations in the quantity of sugarcane, viz. (1) changes in the acreage under sugarcane plantation which may depend on the price agreed for the cane and whether it is worthwhile for the farmers to grow sugarcane compared to other agricultural crops as well as the promotional policies of the Government and (2) changes in the yield of sugarcane (ton(s) of cane per rai) which may occur due to climate change conditions, such as drought and flood, caused by global warming.

When the quantity of sugarcane crushed reduces, the effect on the company is that the quantity of sugar produced decreases, the unit cost, especially the fixed cost per unit, increases, the profit per unit reduces and the company's overall profit is reduced. In addition, in those years when the sugarcane crushed is low, there is increased competition among sugar factories to purchase the sugar cane locating in the neighborhood area. Therefore, in order to protect their crushing quantities, sugar factories have to vie by paying more than the price established by revenue sharing system. This increases the overall raw material cost for the company.

Thailand is one of the world's leading sugar exporters and is the leading sugar supplier to the Asian region. Decreased amounts of cane crushed in Thailand result in lower sugar quantities available for exportation. Export prices, consequently, increase. Such increase relieves the impact of decreased quantities of cane crushed and burden of increased costs. The company, furthermore, values stability of sugarcane supplies. To ensure steady supplies, the company offers assistance to sugarcane farmers, such as loans for planting sugarcane crop, support in procuring inputs for farming, providing irrigation systems, introducing technology to increase yields and efficiency in cultivation, and reducing the influence of middle men in sugarcane sales and purchase deals. All the assistance is provided for the farmers in an attempt to help them improve their lives.

2. Risk from Sugar Price Fluctuation in the World Market

While considering sugar trade in the world markets, it can be said that sugar has high price fluctuations when compared with other agricultural products. The world sugar prices depend on several factors, such as demand and supply of countries that are producers, consumers, exporters and importers. Traders' speculations are in relation to climatic conditions facilitating cultivation in each of the respective countries. Government policies on promoting, interfering, exporting and importing sugar, particularly in developed countries also determine pricing in the industry. At present, sugar prices are also interrelated to oil prices. Both sugar-cane and molasses can be used to produce a type of alcohol called ethanol. Ethanol can be blended with gasoline to produce fuel. All the above factors cause high fluctuations in the world sugar prices.

Generally, sugar companies in Thailand are bound to meet the domestic demand first. The remaining balance of sugar can then be exported. Every year, the Office of the Cane and Sugar Board estimates the quantity of domestic demand for sugar, called Quota A, and allocates this Quota to all the sugar factories based on their respective sugar production. The ratio of domestic sales to exports of all sugar factories is therefore quite similar, usually in the range of 30:70 to 40:60 depending on the sugarcane available for crushing all over the country. The sales of the sugar industry fluctuate according to world sugar prices in the 65 - 75% range. However, regarding on the cost of production, the cane price is the major cost, calculated by the formula based on the revenue sharing system 70:30. This means that when the sugar price has decreased 100 THB, the farmer should get the 70% impact in term of lower sugar cane price and the sugar factory should get 30% impact.



During the past 3-4 years, the world sugar price was very volatile. Sugar price fluctuates from 15 cents/lb and goes up to 32 cents/lb and then fell down to 25 cents/lb to 20 cents/lb and now at 15 cents/lb once again. With severe price fluctuations, if the company were not able to establish a selling price that was higher than the price level for setting cane prices, the corporate operating results would have been severely affected. To prevent the risk posed by sugar price volatility in the world market, the company entered into a sugar futures contract with financial institutions. The risk hedging procedure would allow the company to minimize the dependency of its profitability on the risk posed by sugar price volatility. However, this could affect profit and loss account recording, and there was a risk that the amount hedged through the sugar futures contract could exceed the actual volume of sugar exported. This oversold condition could result in a loss. For details, refer to topic 6. Other Related Information: Risk Hedging Procedure Against Sugar Price Volatility in the World Market.

Previously, the fluctuations in the world sugar price had a strong influence in the Company's operations and profitability as it focused its businesses mainly on sugar and molasses. Since the company invested in other related industries such as ethanol, bio-fertilizer, and power plant, the risks it faced from sugar price fluctuations is drastically reduced and allow the company to operate in businesses that are more profitable and less dependent on world market price.

3. Risk from Government Policy

The sugarcane and sugar industry in Thailand is under the supervision and control of the Office of the Cane and Sugar Board under the Cane and Sugar Act 1984. The Board regulates the amount of sugar produced by a quota system (Quota A for domestic sales, Quota B and C for sugar exports), controls the domestic price, regulates on the ratio of distribution of revenue from the sugar business between the farmers and sugar factories, with the revenues sharing in the ratio of 70:30, controls on the entry of new players in the sugar business etc. It is evident that the rules and regulations enacted by the Cane and Sugar Board have an impact on the production costs and the operations of the company. For example, the revenues sharing system 70:30 ratio determines the sugar cane price which the sugar factories must pay to the farmers. Changes in the domestic sugar prices or changes in regulation of entire sugar industry will have a definite impact on the operations of the company.

Overall, other government policies also have an impact on the company's business. For example, the decision to promote the renewable energy, such as ethanol, has secured the domestic sale volume. The policy to promote the planting of oil palm trees or price guarantees for cassava have negative impact on the company since the area under sugar cane plantation will reduce and farmers will switch to growing alternative crops with better returns.

The Company realizes the importance of government policies in shaping directions of cane and sugar industry. Hence, it has collaborated with three sugar factories associations and associations of sugarcane farmers to enhance the government understanding of cane and sugar industry and its significance. The industry is a precursor of the food and processed food industries. Ethanol derived from sugar production can be used as fuel energy. Ethanol is a pure alcohol that can also be used as a starting point for production of other chemicals. Exporting sugar brings in foreign income and almost does not require import costs and expenses. This differentiates the sugar industry from other industries. Sugarcane is Thailand's important economic crop in which every part of it can be utilized. Communication, explanation and understanding between the government and the sugar industry can reduce the risk potentially posed by government policies affecting directions of sugarcane and sugar industries.

4. Risk of Bad Debts Arising from Credit Given to Farmers (Advance Credit)

In the running of a sugar factory, the factories extend loans or other kinds of financial support to sugarcane farmers as working capital to plant sugarcane crop, or what is called "sugarcane credit", thereby reserving the sugarcane for crushing. After the sugarcane crop is ready for harvesting and the sugar factories are ready to start crushing the cane, the farmers harvest the cane and send it to the sugar factories and receive payment for the value of the cane supplied after the loans advanced and other financial support given is deducted. The risks that are generated from such sugarcane credit can come from reduced production in any year due to drought conditions, losses from crop disease and pestilence, farmers refusing to send the cane to the sugar factories etc. Such liabilities, arising from sugarcane credit, can adversely affect the company's operations requiring higher amounts of provisioning for bad debts.



However, by track record, level of bad debt is low because the company not only concerns the above risk factors but also improves in the sugarcane credit system. The company has bought a satellite monitoring system (Global Positioning System - GPS) to survey the sugarcane plantation areas, which helps in reducing the problems of ownership of sugarcane fields. The system is also used to plan for sourcing more sugarcane. The company also encourages farmers to deposit assets as collateral for the loans advanced. All this has resulted in the company having a low bad debt situation at present and the major debts are adequately covered with the pledged assets.

5. Risks of Investing in Corporate Ventures

The company has undertaken 2 projects during the past 3 years which are investment in sugar factory and power plant in Loei province and investment in power plant capacity expansion and crushing efficiency enhancement of sugar factory in Khon Kaen province. The project risks are explained as follows:

Investment in Sugar Factory and Power Plant in Loei province

This project transferred some idle capacity of Khon Kaen Sugar Industry PCL. to build a new sugar factory and also expand crushing capacity to 24,000 tons cane / day in Loei province. The Board of Directors meeting on May 9, 2010 and approved this investment in sugar factory and power plant in Loei province. The total investment value is approximately THB 3,800 million. The project consists of one sugar factory with capacity of 16,000 tons cane / day and one power plant with capacity of 40 Megawatt. The project was under a test run for the production season 2012/2013 and has commercially operated for the production season 2013/2014. Since the test run was successful, it reduces mechanical risks involved in setting up the new sugar factory. However, the company is still facing some risks of sourcing sufficient quantity of cane to support the increase of production capacity. The company had foreseen this risk, and tries to mitigate it by supporting local farmers to grow more cane even before the start of the expansion project.

Investment in Power Plant Capacity Expansion and Improvement to Crushing Efficiency of Sugar Factory in Khon Kaen province

The Board of Directors meeting on November 9, 2012, has approved the Company to make an investment in power plant capacity expansion by investing in additional 35 Megawatt capacity from its existing 30 Megawatt capacity, resulting in 65 Megawatt in total and efficiency enhancement of sugar factory by adding 8,000 tons cane/day capacity to its existing 27,000 Tons cane / day capacity. The total investment value is approximately THB 3,360 million and is completed in 2014. The project costs a lot of investment budget and still has some funding concern. However the company has partially solved funding risk by using internal cash flow and retained earnings of Khon Kaen Sugar Industry PCL. to fund the project.

6. Exchange Rate Risk

The company exports about 65-75% of the sugar produced and hence, it is exposed to the risk of fluctuating foreign exchange rates. However, the company operates under the 70:30 revenue sharing scheme, which hedges the risk from exchange rate variations since, lower revenues due to lower exchange rates cause the sugarcane price to be lower under this scheme. This means that sales revenues and major raw material cost of the company are directly linked to the exchange rate (Natural Hedge).

7. Risk of having major shareholders controlling the votes of at the Shareholders' meeting

The Chinthammit and their family company hold more than 60% of total paid up share capital of the company. Therefore, the Chinthammit Group and their company can control all the proceedings of the shareholders meetings whether it is the appointment of Directors or whether it is to seek approvals on other matters that require majority votes, except for special agendas which, by law or by the articles of association of the company, require three quarters of the vote in shareholders' meetings. Therefore, it is difficult for other shareholders to collect enough votes to investigate or counterbalance the issues raised by the majority shareholders.

However, for the company's transparency and power balancing, the company has appointed 7 independent committee members to oversee the operations of the company. Thus, power balancing for operation in the company is reasonable. In addition, the company also has also set up an independent internal control team which reports directly to the audit committee.



8. Risk from the World's Economic and Financial Situations

The US and EU financial crises caused by credit problems have spread widely to other regions, affecting liquidity and economic systems around the world. As the mentioned issues have been affecting economies worldwide, there is no guarantee that these issues and similar circumstances in the future will not affect sugar businesses, demand for sugar, and/or the world's sugar prices. The lack of liquidity among financial institutions may also affect the Group's sources of loans and financing costs.

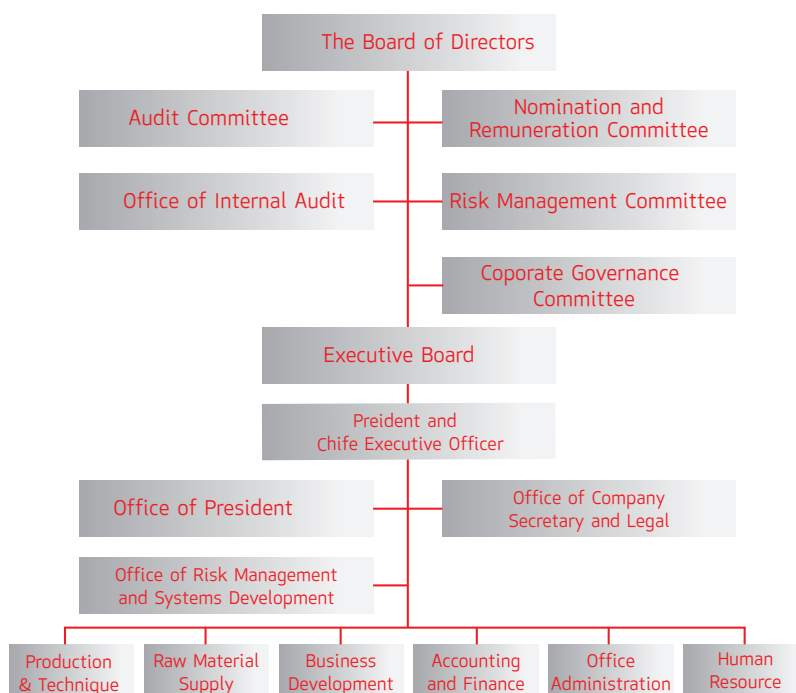
KSL has implemented its financial policies well. Its D/E has been at an appropriate level. The company has maintained good relationships with all the banks that are long-term corporate business partners. All the corporate businesses will be handled carefully in order to minimize the future probable effect of the world's financial and economic conditions on the company.

9. Risk from Laos & Cambodia Projects

The projects in both countries are part of the first offshore sugar business in which the Company is granted the concession area for cane plantation from the government and permitted to construct sugar factories. But land condition in concession area has low quality, lack of technology for huge plantation, lack of infrastructure and human resources therefore the projects take longer time to develop than originally planned. Consequently the productions still not reach break-even point and in 2012 both projects incurred loss. However the Company has witnessed and solved various problems throughout the years. The company hired consultants to develop not only planting technology but also management system to control budget. Moreover the company provides loan to local farmers and suppliers to expand more plantation. After continuously developing infrastructures and land condition in the past, the projects show improvement and potential for good return on investment in the future. Additionally, there are risks associated with doing projects abroad which extend beyond agricultural risks relating to cane growing and sugar production and include risks from political turmoil and instability, local community dispute, and different law and regulations that often changed and are somewhat ambiguous. The Company is aware of these risks and is trying to manage it most efficiently.



MANAGEMENT AND SHAREHOLDING STRUCTURE



Securities

As of October 31, 2014, The Company's registered capital consisted of 1,870 million THB at a par value of THB 1.00, or a total of 1,870 million shares and the company's registered paid-up capital consisted of 1,704,646,884 million shares or THB 1,704,646,884 million.

Shareholders

Top 10 major shareholders of the company in the past 3 years are as follow: (In 2013, calculation excluded treasury stock)

As of Oct 31,2012				As of Oct 31,2013				As of Oct 31,2014			
Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total
1.	KSL Sugar Holding Company Limited	520,000,000	33.00	1.	KSL Sugar Holding Company Limited	550,000,000	32.92	1.	KSL Sugar Holding Company Limited	553,958,700	33.16
2.	Mr.Chanachai Chutimavoraphand	42,533,465	2.70	2.	Thai NVDR Company Limited	47,913,478	2.87	2.	Thai NVDR Company Limited	46,999,502	2.81
3.	Thai NVDR Company Limited	42,329,343	2.69	3.	Mr.Chanachai Chutimavoraphand	44,363,465	2.66	3.	Mr.Chanachai Chutimavoraphand	43,695,265	2.62
4.	CREDIT SUISSE AG, SINGAPORE BRANCH	36,507,900	2.32	4.	CREDIT SUISSE AG, SINGAPORE BRANCH	38,502,900	2.30	4.	CREDIT SUISSE AG, SINGAPORE BRANCH	38,409,400	2.30
5.	Ms.Duangkae Chinthammit	36,100,956	2.29	5.	Ms.Duangdao Chinthammit	37,720,089	2.26	5.	Ms.Duangdao Chinthammit	37,720,089	2.26
6.	Ms.Duangdao Chinthammit	36,038,790	2.29	6.	Ms.Duangkae Chinthammit	37,595,956	2.25	6.	Ms.Duangkae Chinthammit	37,698,956	2.25
7.	Mr.Kamondanai Chinthammit	34,196,000	2.17	7.	Mr.Somchai Chinthammit	36,449,139	2.18	7.	Mr.Kamondanai Chinthammit	37,261,070	2.23
8.	Mr.Piripon Chinthammit	33,819,260	2.15	8.	Mr.Kamondanai Chinthammit	36,038,870	2.16	8.	Mr.Somchai Chinthammit	36,449,139	2.18
9.	Mr.Somchai Chinthammit	31,949,139	2.03	9.	Mr.Piripon Chinthammit	35,057,870	2.10	9.	Mr.Piripon Chinthammit	35,093,570	1.97
10.	Chinnakij Company Limited	30,910,000	1.96	10.	Chinnakij Company Limited	32,901,000	1.97	10.	Chinnakij Company Limited	32,901,000	1.97
	Total for Top ten major shareholders	844,384,853	53.59		Total for Top ten major shareholders	896,542,767	53.67		Total for Top ten major shareholders	900,186,691	53.89
11.	Others	731,383,230	46.41	11.	Others	774,004,117	46.33	11.	Others	770,360,193	46.11
	Total paid-up registered capital	1,575,768,083	100.00		Total paid-up registered capital	1,670,546,884	100.00		Total paid-up registered capital	1,670,546,884	100.00

Chinnakij Co., Ltd. is owned by the Chinthammit family. The family members hold most of the shares. None of the shareholders holds shares more than 30 % of the authorized share capital



The registered capital and paid up capital of KSL SUGAR HOLDING COMPANY LIMITED consists of 100 million shares at par value of THB 10.00 per share or THB 1,000 million.

Top 10 major shareholders in company's shareholder record are as followings:

As of Oct 31,2012				As of Oct 31,2013				As of Oct 31,2014			
Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total
1.	Ms.Nareerat Chinthammit	12,105,268	12.11	1.	Ms.Nareerat Chinthammit	12,105,268	12.11	1.	Ms.Nareerat Chinthammit	12,105,268	12.11
2.	Ms.Duangdao Chinthammit	7,847,944	7.85	2.	Ms.Duangdao Chinthammit	7,847,944	7.85	2.	Ms.Duangdao Chinthammit	7,847,944	7.85
3.	Ms.Duangkae Chinthammit	7,764,650	7.76	3.	Ms.Duangkae Chinthammit	7,764,650	7.76	3.	Ms.Duangkae Chinthammit	7,764,650	7.76
4.	Mr.Chanachai Chutimavoraphand	6,971,788	6.97	4.	Mr.Chanachai Chutimavoraphand	6,971,788	6.97	4.	Mr.Chanachai Chutimavoraphand	6,971,788	6.97
5.	Mr.Chamroon Chinthammit	5,370,580	5.37	5.	Mr.Chamroon Chinthammit	5,370,580	5.37	5.	Mr.Chamroon Chinthammit	5,370,580	5.37
6.	Mr.Somchai Chinthammit	5,169,890	5.17	6.	Mr.Somchai Chinthammit	5,169,890	5.17	6.	Mr.Somchai Chinthammit	5,169,890	5.17
7.	Mr.Sarun Chinthammit	4,246,828	4.25	7.	Mr.Sarun Chinthammit	4,246,828	4.25	7.	Mr.Sarun Chinthammit	4,246,828	4.25
8.	Mr.Kamondanai Chinthammit	2,906,000	2.91	8.	Mr.Kamondanai Chinthammit	2,906,000	2.91	8.	Mr.Kamondanai Chinthammit	2,906,000	2.91
9.	Mr.Piripon Chinthammit	2,906,000	2.91	9.	Mr.Piripon Chinthammit	2,906,000	2.91	9.	Mr.Piripon Chinthammit	2,906,000	2.91
10.	Ms.Yaovanuth Dejvitak	2,900,000	2.90	10.	Ms.Yaovanuth Dejvitak	2,900,000	2.90	10.	Ms.Yaovanuth Dejvitak	2,900,000	2.90
	Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90		Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90		Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90
Total for Top ten major shareholders		61,088,948	61.09	Total for Top ten major shareholders		61,088,948	61.09	Total for Top ten major shareholders		61,088,948	61.09
11.	Others	38,911,052	38.91	11.	Others	38,911,052	38.91	11.	Others	38,911,052	38.91
Total paid-up paid-up registered		100,000,000	100.00	Total paid-up paid-up registered		100,000,000	100.00	Total paid-up paid-up registered		100,000,000	100.00

Note : The 10th major shareholders are Ms. Yaovanuth Dekvitak and Ms. Yaovaluck Chutimavoraphand who both hold equal number of shares.

Dividend Payment Policy

The company pays dividends at a rate of not less than 50 % of its net income after tax and legal reserves of separate financial statement if there is no necessity for the use of the money, and if the dividend payment does not have an adverse effect on corporate operations significantly. Factors that are considered include corporate operation results, financial position, liquidity, and business expansion plans. The dividend payment requires approval from corporate shareholders and/or the Board of Directors. Dividend payment of the subsidiaries and associates to Khon Kaen Sugar Industry Public Company depends on their cash flow, liquidity, suitability, and necessity for the use of the money. No minimum rate is specified.

Board of Directors

As of October 31, 2014, the Company's Board of Directors comprises of:

1. Mr. Manu	Leopairote	Chairman and Independent Director
2. Mr. Chamroon	Chinthammit	Director
3. Mr. Prapas	Chutimavoraphand	Director
4. Mr. Pornsin	Thaemsirichai	Director
5. Mr. Sukhum	Tokaranyaset	Director
6. Mr. Thawatchai	Rojanachotikul	Director
7. Mrs. Intira	Sukhanindr	Director
8. Ms. Duangdao	Chinthammit	Director
9. Mr. Somchai	Chinthammit	Director
10. Ms. Duangkae	Chinthammit	Director
11. Mr. Chalush	Chinthammit	Director
12. Mr. Chatri	Chinthammit	Director
13. Mr. Somchat	Chinthammit	Director
14. Mr. Tachpong	Pakornsiriwongse	Director
15. Mr. Pramoon	Vichiensin	Independent Director



16. Pol. Gen. Boonpen	Bumpenboon	Independent Director
17. Mr. Sitti	Leelakasamelurk	Independent Director
18. Mr. Karun	Kittisataporn	Independent Director
19. Mr. Worapatr	Todhanakasem	Independent Director
20. Ms. Nongluck	Phinainitisart	Independent Director
21. Mr. Trakarn	Chunharojrit	Director/Company Secretary (Ended 28/03/2014)

Executive Directors

As of 31 October 2014, the corporate top executives include:

1. Mr. Chamroon	Chinthammit	President and CEO
2. Mr. Prapas	Chutimavoraphand	Senior Vice President – Administration
3. Mr. Pornsin	Thaemsirichai	Senior Vice President – Production & Technique
4. Mr. Sukhum	Tokaranyaset	Senior Vice President – Accounting & Finance
5. Mr. Thawatchai	Rojanachotikul	Senior Vice President – Administration
6. Ms. Intira	Sukhanindr	Senior Vice President – Business Development
7. Ms. Duangdao	Chinthammit	Vice President – Human Resource
8. Mr. Chalush	Chinthammit	Vice President – Raw Material Supply
9. Mr. Chanachai	Chutimavoraphand	Vice President – Accounting & Finance
10. Mr. Theera	Sanguandeekul	Vice President – Office of President
11. Mr. Dhajjai	Subhapholsiri	Vice President – Office of Company Secretary and Legal (From 28/03/2015)

Scope of Duties and Responsibilities of President and CEO:

1. Decide on important matters related to the Company. Determine the corporate missions, objectives, guidelines, and policies. Supervise the overall work. Be responsible for the Board of Directors.
2. Have the power to employ, appoint, and transfer personnel as necessary and appropriate to be the management or staff members for corporate operations. Define appropriate functions, responsibilities, and remunerations of employees. Have the power to dismiss, lay off, and discharge employees as appropriate.
3. Have the power to determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.
4. Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.
5. Approve the appointment of advisors needed in the corporate operations.
6. Deal with affairs concerning the Company's general operations.

The functions and responsibilities of President and CEO shall comply with legislation and the Company's regulations. The approval of President and CEO does not apply to approval of transactions that would allow President and CEO and related persons to have interest or cause conflict of interests affecting the Company and its subsidiaries.

A summary of approved financial amounts of transactions according to the Company's authorization manual

Approved Financial Amounts for Important Transactions	BOD	EXB	PSD
1. Approval of Annual Budget	More than THB 500 Million	Not over THB 500 Million	Not over THB 100 Million
2. Approval of Changing/Increasing of Annual Budget or Investment Budget	More than THB 100 Million	More than THB 100 Million	Not over THB 100 Million

Note : (1) The power to approve the financial amounts mentioned is governed by legislation and regulations of the company, the Stock Exchange of Thailand and Securities, and Exchange Commission.

(2) BOD : Board of Director, EXC : Executive Board, PSD : President and CEO Number of Meeting Attended



Number of Meeting Attended

No.	Name-Surname	Position	Board of Directors		Executive Board		Audit Committee		Nomination & Remuneration Committee		Risk Management Committee		Corporate Governance Committee	
			Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total
1.	Mr.Manu Leopaioote	Chairman	6	6										
2.	Mr.Chamroon Chinthammit	Executive Director	6	6	12	12								
3.	Mr.Prapas Chutimavoraphand	Executive Director	6	6	12	12								
4.	Mr.Pornsin Thaemsirichai	Executive Director	5	6	10	12								
5.	Mr.Somchai Chinthammit	Executive Director	5	6	11	12								
6.	Mr.Trakam Chunharojit	Executive Director	6	6	11	12								
7.	Ms.Duangkae Chinthammit	Executive Director	6	6	12	12								
8.	Ms.Duangdao Chinthammit	Executive Director/ Nomination & Remuneration Committee	6	6	11	12			2	2				
9.	Mr.Tachpong Pakornsiriwongse	Director	6	6	11	12								
10.	Mr.Chattri Chinthammit	Director	6	6										
11.	Mr.Chalush Chinthammit	Executive Director/ Risk Management Committee	6	6	11	12					3	3		
12.	Mr.Sukhum Tokaranyaset	Executive Director	6	6	12	12								
13.	Mr.Thawatchai Rojanachotikul	Executive Director	6	6	12	12								
14.	Mr.Somchat Chinthammit	Independent Director/ Chairman of Nomination & Remuneration Committee	5	6					1	2				
15.	Mr.Pramoon Vichiensin	Independent Director/ Chairman of Nomination & Remuneration Committee	6	6					2	2				
16.	Pol.Gen.Boonpen Bumpenboon	Independent Director/ Chairman of the Risk Management Committee/ CG Committee	6	6							3	3	2	2
17.	Mr.Sitti Leelakasamelek I	Independent Director/ Chairman of the Audit Committee/ Risk Management Committee	6	6			6	6			3	3		
18.	Mr.Karun Kittisataporn	Independent Director/ Audit Committee/ Nomination & Remuneration Committee/ CG Committee	6	6			6	6	2	2			2	2
19.	Mr.Warapatr Todhanakasem	Independent Director/ Risk Management Committee/ Chairman of the CG Committee	6	6			5	6			1	3	2	2
20.	Ms.Nongluck Phinainitisart	Independent Director/ Audit Committee/ CG Committee	6	6			6	6					2	2
21.	Mrs.Intira Sukhanindr	Executive Director	6	6	12	12								



1. Remuneration To Directors

The board of directors determines clear policies and guidelines for payment of directors' remunerations. For transparency, the remunerations are proposed to shareholders annually. They are adequate and motivational so that the company is able to keep highly qualified directors. Directors serving in committees receive appropriate remunerations corresponding to more duties and responsibilities. Remunerations are divided into 3 categories:

1. Regular remunerations are paid for non-executive directors monthly with/without board meetings.
2. Meeting remunerations are paid for directors who attend a board meeting.
3. Annual extra remunerations are paid for directors in accordance with the corporate annual operating results.

2. Remuneration to the Managing Director

Currently, the company is considering criteria for determining the managing director's remuneration corresponding with operating results, corporate size, and amounts offered by businesses operating in the same industry. The remuneration is a motive for the managing director's developing the company's continuous and sustainable growth.

3. Remuneration to the Board of Directors

The Company has specified remuneration for its directors with approval from the shareholder meeting on February 26, 2014 as follows:

	Not Exceed to The amount of THB per year
1. Remuneration for Chairman of Board of Directors	540,000 THB
2. Remuneration for Chairman of Audit Committee	540,000 THB
3. Remuneration for 19 directors THB 25,000 / person / month + bonus	8,550,000 THB
4. Meeting allowances executive directors attending THB 500 / person / meeting	
5. Meeting allowances for audit committee, nomination and remuneration committee, risk management committee, corporate governance committee who attend the meeting THB 5,000 / person / meeting, for chairman of each committee THB 6,000 / meeting.	

In 2014, the Company paid remuneration to the directors within the approved budget as details below.

** Note : The Company does not provide any other types of remuneration other than cash to the directors and the directors' remuneration are exclusive of the remunerations from subsidiary companies.*

4. Remuneration to the Management

Remunerations for the Management are in line with the Company's procedures and policies, and in relation to corporate operation results and each individual's performance. Amounts of the remunerations are motivational and enable the company to achieve loyalty among the competent Management.



Remuneration To Directors and Executives

1. Remuneration Paid to Board of Directors and Executive Directors in 2014

No.	Name of Directors	Position in Board of Directors	THB in Year 2014 Remuneration				THB in Year 2013 Remuneration			
			Yearly Salary	Bonus	Meeting Allowance	Total (THB)	Yearly Salary	Bonus	Meeting Allowance	Total (THB)
1.	Mr.Manu Leopaiprote	Chairman	360,000.00	120,000.00	-	480,000.00	360,000.00	150,000.00	-	510,000.00
2.	Mr.Chamroon Chinthammit	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	125,000.00	5,500.00	430,500.00
3.	Mr.Prapas Chutimavoraphand	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	125,000.00	6,000.00	431,000.00
4.	Mr.Pornsini Thaemsirichai	Executive Director	300,000.00	100,000.00	5,000.00	405,000.00	300,000.00	125,000.00	6,000.00	431,000.00
5.	Mr.Somchai Chinthammit	Executive Director	300,000.00	100,000.00	5,500.00	405,500.00	300,000.00	125,000.00	6,000.00	431,000.00
6.	Ms.Duangkae Chinthammit	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	125,000.00	6,000.00	431,000.00
7.	Ms.Duangdao Chinthammit	Executive Director/ Nomination & Remuneration Committee	300,000.00	100,000.00	16,000.00	416,000.00	300,000.00	125,000.00	16,000.00	441,000.00
8.	Mr.Tachpong Pakornsiriwongse	Director	300,000.00	100,000.00	5,500.00	405,500.00	300,000.00	125,000.00	6,000.00	431,000.00
9.	Mr.Trakarn Chunharojit	Executive Director	300,000.00	100,000.00	5,500.00	405,500.00	300,000.00	125,000.00	6,000.00	431,000.00
10.	Mr.Chatri Chinthammit	Director	300,000.00	100,000.00	-	400,000.00	300,000.00	125,000.00	-	425,000.00
11.	Mr.Chalush Chinthammit	Executive Director/ Risk Management Committee	300,000.00	100,000.00	20,500.00	420,500.00	300,000.00	125,000.00	20,500.00	445,500.00
12.	Mr.Sukhum Tokaranyaset	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	125,000.00	5,500.00	430,500.00
13.	Mr.Thawatchai Rojanachotikul	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	125,000.00	5,500.00	430,500.00
14.	Mr.Somchat Chinthammit	Independent Director/ Nomination & Remuneration Committee	300,000.00	100,000.00	5,000.00	405,000.00	300,000.00	125,000.00	10,000.00	435,000.00
15.	Mr.Pramoon Vichiensin	Independent Director/ Chairman of Nomination & Remuneration Committee	300,000.00	100,000.00	12,000.00	412,000.00	300,000.00	125,000.00	12,000.00	437,000.00
16.	Pol.Gen.Boonpen Bumpenboon	Independent Director/ Chairman of the Risk Management Committee/ CG Committee	300,000.00	100,000.00	28,000.00	428,000.00	300,000.00	125,000.00	30,000.00	455,000.00
17.	Mr.Sitti Leelakasamelek	Independent Director/ Chairman of the Audit Committee/ Risk Management Committee	360,000.00	120,000.00	33,000.00	513,000.00	360,000.00	150,000.00	55,000.00	565,000.00
18.	Mr.Karun Kittisatoporn	Independent Director/ Audit Committee/ Nomination & Remuneration Committee/ CG Committee	300,000.00	100,000.00	35,000.00	435,000.00	300,000.00	125,000.00	40,000.00	465,000.00
19.	Mr.Warapatr Todhanakasem	Independent Director/ Audit Committee/ Chairman of the CG Committee	300,000.00	100,000.00	27,000.00	427,000.00	300,000.00	125,000.00	51,000.00	476,000.00
20.	Ms.Nongluck Phinainitisart	Independent Director/ Audit Committee/ CG Committee	300,000.00	100,000.00	25,000.00	425,000.00	300,000.00	125,000.00	25,000.00	450,000.00
21.	Mrs.Intira Sukhanindr	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	125,000.00	6,000.00	431,000.00
Total			6,420,000.00	2,140,000.00	259,000.00	8,819,000.00	6,420,000.00	2,675,000.00	318,000.00	9,413,000.00

* Note : the directors' remunerations do not include the remunerations from subsidiary companies.



2. Remuneration Paid to Executive Directors in 2014

Remunerations for 11 executives (listed as corporate top executives) include salaries, bonuses and allowances amounted to THB 39.30 million.

Other Remunerations

-None-

Directorships and Executive Development

The Company has provided training and human resources development programs for all of its personal through internal and external training. Corporate directors and executives have participated in training courses organized by various accredited institutions, such as Chairman Program, Director Accreditation Program (DAP), and Director Certification Program (DCP) provided by Thai Institute of Directors (IOD), also basic courses for the audit committee, courses offered by the Stock Exchange of Thailand, and cutting-edge management courses offered by other professional institutions. In 2014, directors and executive directors attended training courses such as Internal Audit Topics for Audit Committee Consideration, Fundamental Practice for Corporate Secretary: FPCS, Corporate Governance for Executives (CGE), Company Secretary Program (CSP), Audit Committee Forum 2014 (IOD), and THAILAND HR FORUM organized by the Thai Institute of Directors (IOD) and related organisations.

New directors are required to complete training and orientation providing important knowledge and skills that are crucial for their directorships. Once there are business expansions or new ventures, the company invites corporate directors to visit the sites and monitor the progress regularly. This is to enhance confidence among shareholders. During 2014, there were no new directors.

Succession Plans

The corporate board of director realizes that succession plans become necessary in case the managing director or top executives are not able to work. To ensure readiness for the circumstance, the Company has prepared its human resources to be able to take on different responsibilities assigned in order to appropriately cover for their colleagues or fulfill their new positions. Executives are given opportunities to learn about the work outside their fields. This is to enable them to fill in assignments for their colleagues who are unable to take on the responsibilities. The board of directors has assigned the nomination and remuneration committee to research and coordinate with accredited consulting firms and professional institutions during development and revision of succession plans.

Supervision of Use of Inside Information

The company prohibits its directors and the Management from using inside information concerning important matters including trading of securities, information of before publication for personal gains and/or that of others. Preventive measures against the use of inside information are as follows:

1. Under the above policy, the company establishes code of ethics that concern good corporate governance and protection of the company's asset, use of inside information, trading of the company's securities, and information communicated to the press and the public
2. The company informs executives about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
3. Circular notices are sent to executives advising those who receive important inside information that affects prices of securities not to trade corporate securities within that one month and not to disclose the important inside information before the corporate financial statements or the particular information is publicized.
4. Should there be any changes in security holdings of the company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.



5. Important inside information and confidential documents saved as hard copies or soft files are stored in a safe place and access is limited to top executives only when necessary. If any inside information needs to be disclosed to corporate employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses corporate confidential information will be penalized.
6. To monitor irregularity in corporate operating results, random examination is done to security trade, the company's information system and outside information sources.

Personnel

Information concerning the company's personnel as of October 31, 2014 is as follows:

	Consolidated		Parent company	
	2014	2013	2014	2013
Average Number of Employees (Persons)				
During Production Season	6,694	6,133	2,158	1,960
During Normal Period	5,280	4,121	1,704	1,564
Expenses related to employees (Million THB)	1,508.47	1,352.06	522.22	365.51

As of 31 October 2014, the company had no significant labor disputes that may have a potential negative impact on its operations.

Personnel Development Policy

The company has always valued its human resources. Policies on continuous training and human resource management have been established. The aims are to help employees reach their potential, ensure effectiveness at work, and allow them to advance in their fields. All employees are required to receive training that is in line with the company's direction and strategies. Training is well planned and always financially supported by the company which are held in the company and outside by other institutions. Also, the Company encourages the communication to transfer and share knowledge between employees in the organization (Knowledge Management).

In addition, the company has focused on developing better quality of life of employees. Also, the company has focused more on developing employees' knowledge and understanding about health and environmental safety in the workplace.



CORPORATE GOVERNANCE

Policy of Corporate Governance

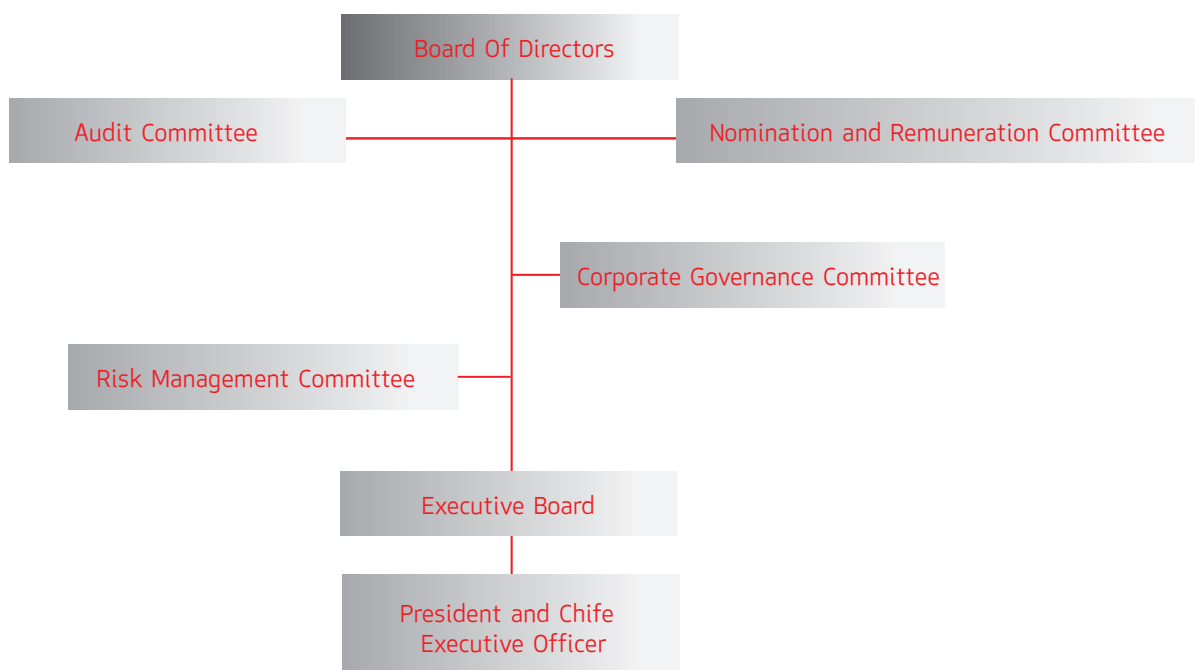
The Company set the policy of Corporate Governance includes Rights of shareholders, Equitable treatment of shareholders, Role of stakeholders, Disclosure and transparency, and Role and Responsibilities of the Board of Directors which include organization structure, qualification and structure of the Board of Directors and other committees such as the Board of Executive Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance Committee. Also, this policy covers the board meetings, board self-assessment, and remuneration for directors and executives.

In addition, the Board of Directors has approved the issuance of corporate governance manual which details procedure for reporting misconduct, fraud, investigation of fraudulent activities, and protection of informants. In 2014, the Office of Risk Management and System Development has used the manual to further the knowledge and understanding of the Company's management and employees through training at all seven sites of operation. Both the Corporate Governance Committee and the Office of the Company Secretary and Legal will take the advice and suggestions from the Thailand's Stock Exchange and the Thai Institute of Directors (IOD) into consideration and when applicable, will make necessary suggestions for improvement to the Board of Directors.

Anti-Corruption Process

On 26 September 2014 the Chairman of the Board of Directors had signed a letter of intent and acknowledged the commitment terms set by the Private Sector Collective Action Coalition Against Corruption group that seeks to deter all types of corruption activities within the private sector. At the moment, the Company is in the process of improving its manual, documents, and work processes to the alignment of the said commitment terms and its self-assessment guideline. The Company will submit its improvements to the Private Sector Collective Action Coalition Against Corruption Council (CAC) for further consideration and endorsement.

Organization Structure





The Board of Directors

As of October 31, 2014, the Company's Board of Directors comprises of:

1. Mr. Manu	Leopairote	Chairman and Independent Director
2. Mr. Chamroon	Chinhammit	Director
3. Mr. Prapas	Chutimavoraphand	Director
4. Mr. Pornsin	Thaemsirichai	Director
5. Mr. Sukhum	Tokaranyaset	Director
6. Mr. Thawatchai	Rojanachotikul	Director
7. Mrs. Intira	Sukhanindr	Director
8. Ms. Duangdao	Chinhammit	Director
9. Mr. Somchai	Chinhammit	Director
10. Ms. Duangkae	Chinhammit	Director
11. Mr. Chalush	Chinhammit	Director
12. Mr. Chatri	Chinhammit	Director
13. Mr. Somchat	Chinhammit	Director
14. Mr. Tachpong	Pakornsiriwongs	Director
15. Mr. Pramoon	Vichiensin	Independent Director
16. Pol. Gen. Boonpen	Bumpenboon	Independent Director
17. Mr. Sitti	Leelakasamelurk	Independent Director
18. Mr. Karun	Kittisataporn	Independent Director
19. Mr. Worapatr	Todhanakasem	Independent Director
20. Ms. Nongluck	Phinainitisart	Independent Director
21. Mr. Trakarn	Chunharojrit	Director/ Company Secretary (Ended 28/03/2015)

The company has 21 directors, of which 9 are non-executive directors and 7 are independent directors. The Board of Directors is in charge of managing and governing the company's operations according to law, rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, Capital Market Supervisory Board, and the company's objectives and requirements. The Board performs their duties with integrity and diligence.

The Board of Directors is appointed by the company's shareholders. The Board has established the Corporate Secretary Office to recommend and assist the Board to conduct their duties in compliance with relevant rules, regulations and corporate governance. The office also coordinates and ensures that corporate shareholders receive appropriate treatment.

Duties and Responsibilities of the Board of Directors

1. Administer the Company for the best interests of the shareholders and perform duties with care, loyalty, obedience to law, objectives, Articles of Association and resolutions of shareholders' meeting as well as disclose information to shareholders in an accurate, complete and transparent manner.
2. Assign or change the authorized directors.
3. Determine policies, strategies, and directions of the Company; supervise the Management to comply with the policies, strategies, and directions determined with effectiveness and efficiency in order to maximize shareholders' wealth and sustainable growth.
4. Consider and make decisions concerning significant matters, for instance, business plans, budgets, major investment projects, administrative power, and any other articles required by laws.
5. Evaluate the Management's performance and determine the Management's remunerations.
6. Be accountable for operation results and performance of the Management or, at the least, of the President.
7. Establish an accounting system, financial reports, and reliable audits, procedures for evaluation of internal control and internal audits, risk management, financial reports, and follow-ups.



8. Prevent any conflict of interest between interested persons and the Company.
9. Supervise the performance with ethics and with integrity.
10. Issue relevant rules and regulations of the Company.
11. Provide a report of responsibility on financial statements to be presented the audited financial statements in and other significant matters in line with the SET Code of Best Practice for Directors of Listed Companies.
12. Appoint any individual or committees to perform the Company's operation under the Board's supervision or authorize such persons to act within a period of time as the Board deems appropriate; provided that such grant of power may be terminated, canceled, changed, or amended.
13. Supervise the Company's normal operations.

The Board of Executive Directors

As of October 31, 2014, the Company's Board of Executive Directors consists of:

1. Mr. Chamroon	Chinhammit	Chairman
2. Mr. Prapas	Chutimavoraphand	Executive Director
3. Mr. Pornsin	Thaemsirichai	Executive Director
4. Mr. Sukhum	Tokaranyaset	Executive Director
5. Mr. Thawatchai	Rojanachotikul	Executive Director
6. Ms. Duangdao	Chinhammit	Executive Director
7. Mr. Somchai	Chinhammit	Executive Director
8. Ms. Duangkhae	Chinhammit	Executive Director
9. Mr. Chalush	Chinhammit	Executive Director
10. Mr. Trakarn	Chunharojrit	Executive Director
11. Mrs. Intira	Sukhanindr	Executive Director
12. Mr. Tachpong	Pakornsiriwongse	Executive Director

The Chairman of the Board of Executive Directors appoints the secretary of the Company's Board of Executive Directors.

Duties and Responsibilities of the Board of Executive Directors

1. Determine policies, directions, strategies, and significant management structures for the Company's operations that are consistent with and supportive to the economy and competition, as having informed the shareholders, for approval by the Board of Directors.
2. Determine business plans, budgets, and the Company's administrative power for approval by the Board of Directors
3. Establish organizational structures and manpower policy including overviews of recruitment, training, employment, supporting young management team, and performance evaluation and remuneration criteria for all corporate employees.
4. Examine and monitor policies and management plans to ensure their effectiveness and suitability for the corporate operations.
5. Monitor the Company's performance to ensure compliance with the approved business plans.
6. Consider major investment projects of the Company in accordance with the provided guidelines for project approval.
7. Conduct financial activities with financial institutions involving account opening, borrowing, pledge, mortgage, guarantee, and other activities including property disposal and land ownership registration according to specified objectives and within the scope of power in order to facilitate the Company's operation.
8. Monitor the development of managing system and risk management of each division.
9. Perform other tasks as assigned by the Board of Directors.



Any power of attorney given to the Board of Directors must be controlled by related legislation and the Company's regulations. Any activities that benefit/may benefit or affect interest of any executive director or individual, or that may lead to conflicts of interest (according to the SEC), are required to be presented by the Board of Executive Directors to the Board of Directors for consideration. The particular executive director and interested individuals are not allowed to vote in the Board of Directors' meeting concerning the issue. In 2014, the committee had 12 meetings.

Audit Committee

As of October 31, 2014, the Audit Committee comprises of:

- | | | |
|-----------------|-----------------|----------|
| 1. Mr. Sitti | Leelakasamelurk | Chairman |
| 2. Mr. Karun | Kittisataporn | Director |
| 3. Mr. Worapatr | Todhanakasem | Director |
| 3. Ms. Nongluck | Phinainitisart | Director |

The Chairman of the Audit Committee shall appoint the secretary of the audit committee.

Duties and Responsibilities of Audit Committee

1. Review to ensure accurate and adequate disclosure of financial statements.
2. Review to ensure the establishment of appropriate and effective internal control and internal audit systems.
3. Review to ensure that the Company's operations are in compliance with the rules and regulations of SEC and SET, as well as relevant laws.
4. Consider, elect and nominate the external auditor and also propose the external auditor's remuneration.
5. Consider the accurate and complete disclosure of related transactions or transactions that may lead to any conflict of interest.
6. Perform any duties as assigned by the Board of Directors and agreed upon by the Audit Committee such as to review the financial management and risk management policy, review compliance with business ethics of the management and review with the management the important reports required for disclosure to the public according to the laws, i.e. Management Discussion and Analysis, etc.
7. Prepare the Audit Committee's Report for disclosure in the company's Annual Report in which has been signed by the Chairman of the Audit Committee and consisting of at least :
 - 7.1 opinion on appropriateness and completeness and reliability of the Company's Financial Statement;
 - 7.2 opinion on sufficiency of the Company's internal control system
 - 7.3 opinion on compliance with the rules and regulations of SEC and SET as well as relevant laws;
 - 7.4 opinion on appropriateness of the auditors;
 - 7.5 opinion report which may cause conflict of interest;
 - 7.6 number of Audit Committee Meetings and attendances of each member;
 - 7.7 opinion or overview observation, which the Audit Committee has obtained by performing its tasks in compliance with the charter;
 - 7.8 Any report which is deemed appropriate to be reported to the shareholders and other general investors under the scope of works and responsibility as assigned by the Board of Directors.
8. Report all activities as scheduled in order that the Board of Directors can acknowledge the Committee's activities as follows:
 - 8.1 The Audit Committee's minutes of meetings clearly specifying the committee's comment in various issues;
 - 8.2 The report of the Committee's comment on financial statement, internal audit and internal audit process;
 - 8.3 Any report which is deemed appropriate for acknowledgement of the Board of Directors;



9. During performing their duties, if the Committee finds any doubtful transactions or behaviors as shown below which may cause a significant impact to the Company's financial status and operating result, the Committee should report to the Board of Directors for further improvement as deem appropriate.

- 9.1 Transactions in respect of conflict of interest;

- 9.2 Any suspicion or presumption of corruption, abnormality or flaw which are material to internal audit system;

- 9.3 Any suspicion that there are non-compliance with rules and regulation of SEC and SET or relevant laws.

In case that the abovementioned report has been already submitted to the Board of Directors and the discussion among the Board of Directors, the Committee and the Company's management has been made for further improvement and the Committee later finds that the rectification is ignored without appropriate reason, any member of the Committee can further report this matter to SEC and SET.

10. In case that the auditor finds any doubtful acts which are non compliance with the laws done by director, manager or any person who is responsible for the Company's operation and the matters of fact has been reported to the Committee for acknowledgement and prompt inspection, the Committee shall report the outcome of preliminary inspection to the SEC and SET as well as the auditor for acknowledgement within 30 days after being informed by the auditor. Any doubtful acts required to be reported including the procedures to obtain the facts shall be in accordance with the Capital Market Commission's regulation.
11. Invite directors, management, department heads or employees for discussion or clarification on the Committee's inquiry.
12. Review the scope of works and responsibility as well as evaluate the Committee's performance on yearly basis.

The Audit Committee is required to hold at least four meetings a year and serve a three-year term.

The Audit Committee: Qualifications of the Audit Committee are in line with relevant SET requirements. All Audit Committee members are independent directors. Mr. Sitti Leelakasamelurk, Chairman of the Audit Committee, possesses sound knowledge, understanding, professional experience in accounting and finance. In 2014, the committee had 6 meetings, and reports on their work were regularly completed.

Nomination and Remuneration Committee

As of October 31, 2014, the Nomination and Remuneration Committee consists of:

- | | | |
|-----------------|----------------|----------|
| 1. Mr. Pramoon | Vichiensin | Chairman |
| 2. Mr. Karun | Kittisathaporn | Director |
| 3. Mr. Somchat | Chinthammit | Director |
| 4. Ms. Duangdao | Chinthammit | Director |

The Chairman of the Nomination and Remuneration committee shall appoint the secretary of the Nomination and Remuneration committee.

Duties and Responsibilities of Nomination and Remuneration Committee

1. Determine policies, regulations, and procedures for nomination of directors and consider remunerations which suit their responsibility and the operating results of the Company and each director; provided that the criteria is generally accepted in the same industries and in accordance with the Board of Directors' policy.
2. Select and nominate qualified personnel to the Board of Directors for consideration and appointment of directors and members in sub-committees
3. Review the organization structure, size and composition of the Board of Directors and give recommendations to the Board of Director matters that should be adjusted.
4. Develop guidelines for performance evaluation of directors annually by taking into account their duties, responsibilities, and risks.
5. Supervise the disclosure of reports of the Nomination and Remuneration Committee in the annual report.



The Nomination and Remuneration Committee is delegated a three-year term and required to be held at least two meetings in a year.

The Nomination and Remuneration Committee: The Company required that the Remuneration Committee and Nomination Committee be combined. The Chairperson and the majority of the committee members shall be independent directors. Directors serve in this committee have expertise in several fields, such as governance, law, and human resource management. In 2014, the Nomination and Remuneration Committee had 2 meetings, and reports on their work were regularly completed.

Risk Management Committee

As of October 31, 2014, the Risk Management Committee comprises of:

- | | | |
|----------------------|-----------------|----------|
| 1. Pol. Gen. Boonpen | Bumpenboon | Chairman |
| 2. Mr. Sitti | Leelakasamelurk | Director |
| 3. Mr. Worapatr | Todhanakasem | Director |
| 4. Mr. Chalush | Chinthammit | Director |

As its position, the head of Risk Management Office is a secretary of the Risk Management Committee.

Duties and Responsibilities of Risk Management Committee

1. Develop risk management policies and prescribe management policy framework regarding the overall corporate risk management that covers the Company's major risks, such as market risk, liquidity risk, management risk, investment risk, and reputation risk.
2. Design strategies in line with risk management policies and to evaluate, monitor and control the overall risk at acceptable level.
3. Encourage cooperation of overall risk management and review the adequacy of risk management policies and system, as well as effectiveness of the system and policy implementation.
4. Provide systematic and continual evaluation and analysis of probable damage within normal situation and critical circumstances to ensure that the risk survey covers all steps of business operation.
5. Support and develop the establishment of continual risk management within the Company to be consistent with international standards.
6. Report periodically to the Board of Directors the matters that need improvement to be in line with the prescribed policies and strategies.
7. Employ external consultant to give advice with corporate expense with prior approval from the Board of Directors
8. Perform any other tasks as assigned by the Board of Directors.

The Risk Management Committee is delegated a three-year term and required to held at least two meetings per year.

The Risk Management Committee: The Board requires most of the Risk Management Committee members and the Chairperson to be independent directors. Directors serve in this committee have expertise in several fields, such as accounting and finance, management, investment, and corporate businesses. In 2014, the Risk Management Committee had 3 meetings, and reports on their work were regularly completed.

Corporate Governance Committee

As of October 31, 2014, the Corporate Governance Committee comprises of:

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| 1. Mr. Worapatr | Todhanakasem | Chairman |
| 2. Pol. Gen. Boonpen | Bumpenboon | Director |
| 3. Mr. Karun | Kittisataporn | Director |
| 4. Ms. Nongluck | Phinainitisart | Director |

The Chairman of the Nomination and Remuneration committee shall appoint the secretary of the Nomination and Remuneration committee.



Duties and Responsibilities of Corporate Governance Committee

1. Consider and recommend to the Board of Directors the governance policy, business ethics and other policies relating to corporate governance.
2. Consider and recommend to the Board of Directors the good practices of the Company, Board of Directors, Management, employees and other related parties which are consistent with the governance policy, business ethics and other policies relating to corporate governance.
3. Supervise and suggest as well as advise the Board of Directors and Management to perform their duties to fulfill the policy, business ethics and good practices of corporate governance.
4. Revise the governance policy and practices, at the least, once a year by comparing with international standards or other appropriate standards.
5. Appoint a secretary of the Committee, sub-committees or working groups with appropriate power and duties.
6. Perform any related tasks as assigned by the Board of Directors.

The Corporate Governance Committee is delegated a three-year term and required to be held at least two meetings in a year.

The Corporate Governance Committee: All of the Corporate Governance Committee members are independent directors. The Chairman has expertise in governance, management, and investment. In 2014, the Corporate Governance Committee had 2 meeting.

Qualifications of Independent Directors

Independent directors must possess all qualification as prescribed by the Capital Market Supervisory Board and must be able to protect the interests of all shareholders equally and to avoid conflict of interest. Independent directors must attend Board of Directors' meetings and express their opinions independently.

Pursuant to the Company's Governance Policy, the Independent directors must have the following qualifications.

1. An independent director must not hold more than 0.5% of the total voting shares of the Company, its subsidiaries, its affiliates, major shareholders, or persons having controlling power; provided that the number of shares held by persons related to the independent directors are also counted in aggregation.
2. An independent director is not and was not a director who involves in the management of the Company, an employee, staff, advisor who regularly receives salary or a person having controlling power over the Company, its subsidiaries, its affiliates or a major shareholder except that he/she has been discharged from such status for at least 2 (two) years prior to his/her appointment as an independent director. However, this requirement does not apply to the nominated persons who were government officials or advisors of the government units that are the major shareholders of the Company or have controlling power over the Company.
3. An independent director must not be related, by blood or by lawful registration, in a manner of being father, mother, spouse, brother and son/daughter including a spouse of executive, major shareholder, and person having controlling power or the person who is nominated an executive or a person having controlling power over the Company or its subsidiaries.
4. An independent director must not have any business relationship with the Company, its subsidiaries, and/or its affiliates, a major shareholder or a person having controlling power over the Company in a manner that is likely to hinder his/her independent consideration and is not or was not a shareholder or a controlling person of a person who has business relationship with the Company, its subsidiaries, its affiliates, a major shareholder or a person having controlling power of the Company, except that he/she has been discharged from such status for at least 2 (two) years prior to his/her appointment as an independent director.



6. An independent director is not and was not a professional service provider, including a legal advisor or a financial advisor who receives professional fee more than 2 (two) million Baht per year from the Company, its subsidiaries, its affiliates, a major shareholder or a person having controlling power over the Company and is not a shareholder, a controlling person or a partner of such professional firm, except that he/she has been discharged from such status for at least 2 (two) years prior to his/her appointment as independent director.
7. An independent director must not be appointed to represent a Company's director, a major shareholder, or a shareholder who is related person to a major shareholder.
8. An independent director must not operate the same type of business which is materially competitive with the Company or its subsidiaries or its affiliates and must not be a partner in a partnership or an executive director, employee, staff, advisor receiving regular salary, or a shareholder holding more than 1 (one) percent of the total voting shares of the other Company that operates the same type of business which is materially competitive with the Company or its subsidiaries.

Responsibilities of the Board of Directors

1. The structure of the Board consisted of 21 directors. 7 out of 21 are independent directors of which one is the Chairman of the Board but not the Managing Director. The company's Board of Directors possesses skills and expertise in various fields, such as accounting, finance, law, governance, production technology, personnel, purchasing, marketing, real estate, internal audit, and information technology. Detailed profiles, qualifications, experiences, and ownership of directors are included in Form 56-1.

No.	Name-Family Name		Category of Director			
			Shareholder Representatives	Non-Executive Director	Independent Director	Executive Director
1.	Mr. Manoo	Leopairote		/	/	
2.	Mr. Chamroon	Chinthammit	/			/
3.	Mr. Prapas	Chutimavoraphand	/			/
4.	Mr. Pornsin	Thaemsirichai	/			/
5.	Mr. Somchai	Chinthammit	/			/
6.	Mrs. Intira	Sukhanindr	/			/
7.	Mr. Trakarn	Chunharojrit	/			/
8.	Ms. Duangkae	Chinthammit	/			/
9.	Ms. Duangdao	Chinthammit	/			/
10.	Mr. Tachpong	Pakornsiriwongse	/			/
11.	Mr. Chatri	Chinthammit	/	/		
12.	Mr. Chalush	Chinthammit	/			/
13.	Mr. Sukhum	Tokaranyaset	/			/
14.	Mr. Thawatchai	Rojanachotikul	/			/
15.	Mr. Somchart	Chinthammit	/	/		
16.	Mr. Pramoon	Vichiensin		/	/	
17.	Pol.Gen. Boonpen	Bumpenboon		/	/	
18.	Mr. Sitti	Leelakasamelurk		/	/	
19.	Mr. Karun	Kittisataporn		/	/	
20.	Mr. Warapatr	Todhanakasem		/	/	
21.	Ms. Nongluck	Phinainitisart		/	/	
Total			14	9	7	12



2. It is required that during the annual general meeting, one third (1/3) or close to one third of corporate directors resign. Each director's term is three years. In case that the Board serves until the end of its term and the new Board has not yet been appointed, the former Board still continues to work until the new Board has been appointed. The company has not determined how many terms the Board can consecutively serve. The Nomination and Remuneration Committee is considering this matter in relation to feasibility of selecting personnel with experience specific to the company's business to serve in the Board.

3. The Board of Directors has established the following committees: the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee, as well as defined their functions and responsibilities. For transparency and independence in the work, the majority of the committee members are independent directors, and chairs of the committees are independent directors. To maintain true independence of the corporate committees, the Chair of the Board is not the chair or a member of those committees. The committees serve 2 years. In case that a committee serves until the end of its term and a new committee has not yet been appointed, the former committee still continues to work until a new committee has been appointed. At the end of their term, if a director is not re-elected, their position in their current committee shall end automatically. If there is a new director in a committee, that director shall remain in the position as long as the committee's term.

4. The board requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed in the annual general meeting before the appointment. The requirement is applied to corporate executives as well.

5. The company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency. The current corporate vision has been reshaped from being a sugar manufacturer to a producer of alternative energy which is environmentally friendly. The new vision is based on the idea that sugar is an energy source for human beings. Ethanol fuels automobiles. Fertilizer nourishes plants. Electricity energizes appliances. Corporate investments are in line with such vision.

6. The board has established corporate governance policy as follows: "The company is committed to corporate governance to build trust among shareholders, employees, and customers, as well as to create sustainable competitive advantage. It emphasizes internal control, internal audit, and risk management, as well as ensures that managements implement policies effectively in compliance with legislation and business ethics." The policy has been communicated throughout the Company. The company ensures that its personal understands and complies with the corporate governance. The work and corporate policies are always evaluated and reviewed annually.

7. The board has set a written ethics and codes of business conduct for the company's directors and employees, which cover key matters, such as honesty, integrity, conflicts of interest, and compliance with laws. Compliance to the codes is monitored, and penalties are defined. Each year the Company's human resources department evaluates, reviews, and revises the codes of conduct.

8. Conflicts of Interest Prevention, The board of directors thoroughly considers and deals with transactions with (potential) conflicts of interest. The audit committee considers related-party transactions according to the SET legislation and procedure. Stakeholders in transactions are not allowed to decide on those particular transactions, which are fully and accurately disclosed in annual reports and from 56-1.

9. Efficient Administrations and Internal Control, the company's internal control unit has been formed to ensure effective operations, accurate and reliable information, compliance with legislation, efficient and effective use of corporate resources, and protection and corporate assets. The corporate internal audit provides analyses, audits, evaluations, advice, and recommendations to support corporate activities. The audit committee independently reviews and audits adequacy and efficiency of the company's internal control and internal audit once a year. The opinions on the corporate internal control system are included in the annual report.

10. Risk Management, the risk management committee engages in establishing the total risk management. Adequacy and efficiency of the company's risk management system will be reviewed at least once a year. The early warning system will be in place for irregularity scanning.



11. The board of director sets at least 4 board meeting every 3 months, and 2 additional meetings: one is a meeting before one month of annual shareholders' meeting and the other one is a meeting for annual budget, each director of the board is notified in advance. For the flow of the company's operations, there are monthly executive meetings where the board entitles the meeting to make decisions. In every board meetings, the board of directors is informed about matters that have been approved by the Company's executive meeting to ensure that the board is able to supervise, control, and monitor the work of managements on a regular basis.

12. In board meetings, the chairman, managing director, and secretary consider agendas. This is to ensure that the agendas cover important matters. Each director may propose agendas independently.

13. The board's secretary sends meeting documents to each director in advance of the meeting date. The documents are concise. Confidential issues that cannot be disclosed in writing or prior to the meetings are brought to be discussed during the meetings.

14. In a board of directors meeting, the chairman of the board allocates adequate meeting time for managements' presentations and comprehensive directors' discussions. The chairman encourages careful consideration in the meeting. Directors pay attention to each issue presented in the meeting, including issues concerning governance of the company. Top executives from different departments attend the board meeting to present details on the issues that they are responsible for in order to facilitate the Board's decision-making. The Board also has a chance to know more about the top executives, as well as has access to important additional information through the top executives. Directors may request more information about issues in the meeting from the company's secretary.

15. Minutes of the board of directors' meetings include such important matters as dates, times, names of directors who are present and absent, summaries of proposals, summaries of discussions and remarks, resolutions, opinions from directors who disagree, names of people preparing minutes, and names of those approving minutes. The minutes are bound and easy to retrieve. They cannot be changed. Numbers of the board meetings and attendance are disclosed. The board sets a meeting every 3 months in a year, and the executive committee has monthly meetings concerning the company's operating results. Information from the executive committee meetings is presented to the corporate board of directors.

In 2014, the board evaluated its works according to the applicable SET evaluation criteria. Also, there were evaluations of directors in groups and individually. The board considered the evaluation results and put forward recommendations for improvement.

Selection of Directors and Management

1. The nomination and remuneration committee has determined that an independent director: (1) must possess an amount of shares that does not exceed 0.5% of the total of voting shares; (2) must not involve in corporate management and must not be an employee or advisor including an audit advisor, a legal advisor, or any other type of advisor receiving salary, or a person with controlling power over the company, its subsidiaries and associates, or a person who may have conflicts of interest or may hold a stake in that manner not less than 2 years; (3) must not have any business relationship, interest or stake both direct and indirectly; (4) must not be a close relative or have other type of relationship with management and major shareholders that might result in lack of independence. Such requirements, which are stricter than other general requirements, have been approved by the company's board.

2. In the last fiscal year, the independent directors did not have any business relationship or provide any professional services to the Company.

3. **Nomination of Directors and Top Management Executives** The Nomination and Remuneration Committee has determined policies, regulations, and procedures for nomination of directors in order to select and nominate qualified personnel to the Board of Director and shareholder for consideration in annual general shareholders' meeting. However, the criteria for consideration must be not less than the qualifications specified in Section 68 of the SEC ACT B.E. 2535 (including the revised version) and related announcements of the SEC. The election of directors is organized in line with the following Company's regulations:



1. The corporate Board of Directors consists of at least four directors, which not less than half of the number of directors must reside in the Kingdom. The directors must be qualified individuals who do not possess characteristics as prohibited by the laws.
2. The election of directors by the shareholder meeting is in line with the majority of votes, and the following regulations and procedure:
 - (a) One vote per share is allowed for a shareholder.
 - (B) Shareholders vote for each individual nominated as a director. The number of vote(s) received by each nominee does not exceed the number of share(s) held by the particular voter, as specified in (a). The shareholder cannot allot any of their share(s) to any other individual. Directors are those individuals receiving the highest votes. Should the individuals receive the same number of votes where only one place for a director remaining, the chairperson shall be granted the final vote.
3. In an annual general meeting, one third of the directors are required to resign. If the total number of directors does not allow such division, the number of directors to resign should be at the closest to one third of the total.

Company Secretary

On 28 March 2014, the Board of Directors had appointed Mr. Dhajjai Subhapholsiri as the Company Secretary whose duties includes legal advisory to the directors and the responsibilities of the directors in arranging board of director meeting, shareholder meeting, and meeting reports and all other works required by the law. The Board of Directors believed that Mr. Subhapholsiri is capable and qualified for the appointed position of Vice President- Office of Company Secretary and Legal. Additionally, the supported the Company Secretary to gain more knowledge and training in law and company secretary duties as well as disclosing his qualifications and experiences within the Company's annual report.

Governance for Subsidiaries and Associates Performance

1. In order to comply with governance and protect the Company's investment, the Board appoints the director as agent to be the director in subsidiaries and associates as to the shareholding portion which pass the Board meeting resolution.
2. The directors who act as agent of the Company shall participate in decision of policy such as investment.

Use of Inside Information

According to Corporate Governance policy, the Company prohibits its directors, the executives, and employees from using inside information concerning important matters including trading of securities before publication for others or personal gains. Directors, executives, and employees have the right to trade corporate a security within one month before the corporate financial statements is publicized.

Auditor Fee

In 2014, the Auditor fee of the Company and subsidiaries shall be the amount of THB 7,190,000.- and other fees shall be the amount of 200,000 baht

Good Corporate Governance Practices

The Board of Directors considers the importance of corporate governance and understands its functions, duties, and responsibilities to the Company, shareholders and stakeholders, as well as observes the Stock Exchange of Thailand's Code of Best Practice for the Director's of Listed Companies as follows:

Rights of Shareholders and Equitable Treatments of Shareholders

1. The Company always respects rights of its shareholders: basic shareholder rights as prescribed the law, ownership right through appointment of the Board of Directors, and other rights as appropriate. The Company takes care of its shareholders more than legal requirements, such as provision of information, news, updates through the corporate website. Important news for shareholders is notified by letters. Shareholders are welcome to visit the Company by request.



2. The Company provides shareholders, prior to a meeting, with information on the date, time, venue, and all agenda items concerning issues to be decided. A notice of a meeting and support documents are sent to corporate shareholders at least 7 days in advance. The notice for the 2014 shareholders meeting was posted on the Company's website so that shareholders could study all the information prior to receiving the notice in documentation.

3. The Company's website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is www.kslsugar.com. Inquiries and requests for further information may be e-mailed to ir@kslgroup.com.

4. The Company facilitates and encourages its shareholders to exercise their rights and votes. There are two closing times of the transfer book. The transfer book is closed for shareholders' right to attend a shareholders' meeting, allowing the shareholders to consider and approve the annual dividend payment. The book is closed again for shareholders' right to receive dividends, allowing the shareholders to choose whether they will hold the stocks for the dividends or not. Shareholders meetings are organized at convenient venues. The Company has chosen to hold annual general meetings at hotel in the middle of Bangkok, near the Company's head office. The meetings are notified in newspapers. Shareholders can register about one hour prior to each meeting. Should a shareholder not be able to physically present at a meeting, they may appoint their proxy or an independent director as their proxy to attend and vote in the meeting.

5. The Company held the Annual General Meeting 1/2014 on February 26, 2012, where all 21 directors were present. Corporate shareholders were given opportunities to directly inquire the corporate directors and committees. The Company does not deprive its shareholders of access to corporate information. All important information, for instance, is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings.

6. The Company allows its shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, there shall be at least 5% of total shares. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting shareholders' proposals. After proposals are accepted, the Board of Directors' meeting will consider and select the proposals. Shareholders will be informed about the Board's meeting resolutions and reasons in detail regarding the proposals through the Company's website and corporate shareholders did not propose any additional matters to be included in the shareholders' meeting agendas. Moreover, the Company encourages its shareholders to electronically submit the Board their inquiries related to shareholders' meeting agendas via its website prior to shareholders' meeting dates.

7. The Company has facilitated nomination of candidates for corporate directors by shareholders. Guidelines for the procedure and criteria have been provided. For instance, registered mail can be used for shareholders' submission of their nominations to the Company's Secretarial Division. Periods of time for accepting shareholders' director nominations are defined. Forms for nominees' profiles are provided. The procedure for nominees' declaration of their consent is explained. Detailed information regarding the nomination is posted on the Company's website. After nominations are accepted, the board of directors' meeting will consider the nominations. However, up to the present there has been no nomination from corporate shareholders.

8. The Company provides information on a shareholders' meeting for its shareholders on the corporate website. Hard copies of the same information are also sent to corporate shareholders. Shareholders' meeting notices and support documents are sent to shareholders at least 14 days in advance.

9. In the annual shareholders meeting notice, the Company informed its shareholders about rules and procedure of attending the shareholders' meeting. It nominated corporate independent directors: Mr. Sitti Leelakasamelurk and Mr. Pramoon Vichiensin as the shareholders' proxies. Shareholders were provided with standard proxy forms for indicating their opinions in voting.

10. Agenda of the 2013 Annual General Meeting 1/2014 annual shareholders' meeting notice covered appointments of directors, consideration of directors' remuneration, appointment of an independent auditor and determination of their remuneration, dividend payment, and other important matters, such as the issuance and offering of the Company's warrants, and allocation of new ordinary shares. Necessary information for shareholders' decision was presented.



11. In the 2013 Annual General Meeting 1/2014, the Chair informed corporate shareholders about procedures relevant to the meeting including voting procedure. The shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statements and operating results. In director appointment, the shareholders voted on each nominated director. Voting cards were used. The meeting was recorded on video.

12. In minutes of the 2013 Annual General Shareholders' Meeting 1/2014, names of all the directors physically present/absent were shown. All corporate directors were present. Summaries of clarifications, questions, answers, opinions, the voting procedure, and the vote count procedure were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the corporate website within 14 days after the AGM.

13. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for personal gain (see more details under Inside Information).

14. The Company requires that a director shall not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the Company's direct and indirect competition, unless the information about their position(s) is disclosed to the shareholders' meeting before the appointment. Directors shall inform the Company immediately about their direct and indirect conflicts of interest arising in any corporate contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the Company or its subsidiaries between fiscal years. The Company encourages its directors, Management and those related to the Board to disclose information about their interests as part of the Board's meeting agendas. Directors who have interests in any issues being considered are not allowed to vote on those particular issues.

Role of Stakeholders

Besides protecting the benefits and rights of its shareholders, the Company realizes the significance of other stakeholders contributing to its financial stability and sustainability. These stakeholders include, for instance, customers, employees, trading partners, creditors, and the surrounding community. The Company has always ensured integrity and fair treatment for each stakeholder through its established business ethics, such as:

Rights of shareholders : They are defined in "Rights of Shareholders and Equitable Treatments of Shareholders" section.

Rights of employees : The Company respects its employees' legal rights according to the Labor Protection Act and related laws. It ensures fair and equal treatment for all employees regardless of their ranks, nationalities, religious beliefs, and gender. Employees are entitled to benefits according to their positions without discrimination. For transparency and fairness in employees' promotions and pay raises, the Company has established a committee comprising of Management of different departments. To support its growth, the Company encourages its employees' knowledge and skill development through in-house and outside training. Provident fund has been set for corporate employees' security. The Company upholds Thai Labor Standard (TLS 8001-2553) on human rights and social responsibility. It was given full and highest accreditation by the Department of Labor Protection and Welfare, Ministry of Labor, with the Thai Labor Standard (TLS: 8001-2553) for seven consecutive year.

Rights of customers : Apart from customers' rights specified in contracts, the Company cares about their satisfaction. Follow-up and customer satisfaction evaluating systems have been established. Follow-ups and satisfaction evaluations are done periodically in line with ISO 9001:2008 GMP, HACCP and HALAL. The aim is to promote long-term relationships between the Company and customers.

Rights of trading partners : Most of the Company's relationships with its trading partners are in the form of joint ventures. The Company always respects its trading partners' legal rights and rights as specified in joint venture agreements. It adheres to integrity, equality, and rights of benefits corresponding to their investments.

Rights of creditors : The creditors' rights specified in trade agreements are respected. The Company has earned trust among its creditors from ethical operations. Information and updates concerning the Company and its financial status are provided for the Company's creditors.



Rights of the community and environment : The Company has always been responsible to the society and environment. It strictly complies with applicable laws, such as environmental and factory laws. The Company collaborates with the government sector and agencies, helps developing public infrastructure, provides financial supports, and promotes social activities that bring understanding and sustainable development to the community. For instance, support and develop sustainable village demonstration in Kanchanaburi province; educational support to technique school in Savannaket, Lao PDR; donation to water supply village fund in Nampong, Khon Kaen province; support young plant and seedling to schools and villages in Nampong, Khon Kaen province; Public relations projects by sending medical team to check-up for villagers who live nearby the factory, Donate for the community in Khon Kaen and Loei province; moreover factory in Khon Kaen province received the Certificate of Green Industry by Industry Office in Loei (Ministry of Industry)

For projects that may have a potential impact on the community and environment, the company conducts public hearings and tries to minimize those effects. Specific procedures have been set for environmental and social factor studies, minimizing environmental and social impact, along with feasibility studies. For instance, sugar mill and power plant project in Loei province in which the company had conducted public hearings and analyses of impacts on the community and environment.

The company always realizes the importance of all groups of stakeholders as mentioned. It also values all suggestions, opinions, and comments that enable development, improvement and correction of the corporate operations. All stakeholders can contact the company to report improper incidents, complain, request for clarifications or correction, or make any suggestions via email: ir@kslgroup.com or faxing the internal audit office at 02-642-6092. In the previous year, there was no wrongdoing reported to the company.

Disclosure of Information and Transparency

The company ensures that corporate information is provided correctly, accurately, on time, and transparently through channels that are trustworthy and equally easy to access for the public. The followings are corporate practices:

1. Annual statements (Form 56-1) and annual reports are disclosed through the SET channels and corporate website, www.kslsugar.com. There are also updates related to the company and the industry posted on the website to facilitate decision-making of those involved.
2. In the previous year, the company's disclosure of information and transparency were approved by the Securities and Exchange Commission and the Stock Exchange of Thailand, as its practice was in accordance with disclosure requirements. Effectiveness of the corporate information disclosure procedure was evaluated by outsiders.
3. In the 2009 annual report, the company disclosed additional information including duties of the Board of Directors and committees, the director and executive remuneration policy, summarized corporate governance policy, environmental and social policies, the company's compliance with established policies, summarized business ethics, and directors' training background were disclosed.
4. A statement of the Board of Directors' responsibilities for the company's financial statements is provided along with the auditor's report in the corporate annual report. The contents include the certification that the company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations, and that the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Board Chairman and Managing Director.
5. Contents of the Company's website consist of organizational information, shareholding structure, the Board structure, vision/missions, businesses and products, corporate governance policies and compliance results, business ethics, information for investors, environmental and social policies, annual reports, financial statements, news and updates in both Thai and English.
6. The company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. A team set up to coordinate communications between the company, investors, and shareholders can be reached by email at ir@kslgroup.com or the following contacts:



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|----|---------------|------------------|----------------------------------|-------------------------------|
| 1. | Mr. Meechai | Piyavisadpat | Telephone: 02-642-6230, ext. 279 | Email: meechai@kslgroup.com |
| 2. | Mr. Chanachai | Chutimavoraphand | Telephone: 02-642-6230, ext. 294 | Email: chanachai@kslgroup.com |
| 3. | Mr. Chalush | Chinthammit | Telephone: 02-642-6230, ext. 291 | Email: chalush@kslgroup.com |

To promote better understanding of the company's businesses and facilitates the distribution of the information to interested investors, the company has produced an annual investor relations plan; held quarterly analyst meetings at corporate conference room. Additionally, meetings are organized for reporting the company's operating results at the Stock Exchange of Thailand in order to provide opportunities for small investors to access corporate information and ask questions about the operating results and progress of corporate projects. For 2014, the Company had participated in the SET IN THE CITY project organized by Thailand's Stock Exchange between November 20-23, 2014.

For foreign investors, the company collaborated with securities companies and financial analysts to prepare for various road shows presenting its operating results and project progress. In the previous year, the company attended conferences presenting corporate operating results and progress in Europe and Asia in conjunction with the Stock Exchange of Thailand. Visits to the company have been arranged for domestic and foreign investors. Appointments can be made in advance with the company's investor relations team.



DETAILS OF COMPANY'S DIRECTORS, EXECUTIVES, AUTHORIZED PERSON AND COMPANY SECRETARY

Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
1. Mr.Manu Leopaiprote (71 years old) - Chairman of the Board of Directors (Since 15 October 2004)	- BA in Economics (Honor), Thammasat University - M.Sc.(Economics) (Honor), University of Kentucky, USA. - Honorary Degree of Doctor of Business Administration, Thammasat University, Thailand - Diploma Industrial Development, Nagoya, Japan - Diploma, National Defence College Class 34 - Diploma, Chairman 2000 (3/2001) - Director Certification Program (DCP) (30/2003) - Director Accreditation Program (DAP)	-	- Chairman	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Chairman	- SME Bank
			- Permanent Secretary	- Ministry of Industry
			- Chairman	- TMC Industrial PLC. - ARIP PLC. - Polyplex (Thailand) PLC. - Jubilee Enterprise PLC.
			- Audit committee	- Thai Beverage PLC.
2. Mr.Chamroon Chinthammit (64 years old) - President and CEO (Authorized Director) (Since 26 February 2004)	- BBA in Business Administration (Honor) Chulalongkorn University - Director Accreditation Program (DAP) (17/2004) by IOD - Diploma, Chairman 2000 (10/2004) By IOD	1.785	- President and CEO	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- President	- Champion Fermentation Co., Ltd. - KSL Real Estate Co., Ltd. - Chengteh Chinaware (Thailand) Co., Ltd. - Thai Fermentation Industry Co., Ltd. - TFI Green Biotech Co., Ltd. - KSL Export Trading Co., Ltd. - Khon Kaen Sugar Power Plant Co., Ltd. - KSL Material Supply Co., Ltd. - Khon Kaen Alcohol Co., Ltd. - Koh Kong Sugar Industry Co., Ltd. - KSL. Agro and Trading Co., Ltd. - Savannakhet Sugar Corporation - Rajasolar Material Co., Ltd.
M.L. Charuvadhana Chinthammit Spouse		1.047	- Director	- Onnuch Construction Co., Ltd. - Thai Sugar Millers Corporation Limited - Chantaburi Starch Co., Ltd. - The Federation of Thai Industry (Sugar Industry Group) - The Cane and Sugar Board Ministry of Industry - Thai Listed Companies Association - The Federation of Thai Industry
3. Mr.Prapas Chutimavorphand (76 years old) - Director and Executive Director - Senior Vice President - Administration (Authorized Director) (Since 26 February 2004)	- Vocational Certificate, Chonradasodomumrung School - Director Accreditation Program (DAP) (17/2004) by IOD	0.368	- Director and Senior Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- Khon Kaen Sugar Power Plant Co.,Ltd.
			- CEO & Managing Director	- Thai Sugar Terminal PLC. and Affiliate companies
			- Managing Director	- Onnuch Construction Co.,Ltd.
			- CEO	- TS Flour Mill PLC.
Mrs. Sumitra Chutimavorphand Spouse		0.477		



Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
4. Mr. Pornsin Thaemsirichai (69 years old) - Director and Executive Director - Senior Vice President - Production & Technique (Authorized Director) (Since 26 February 2004)	- B.Eng. in Civil Chulalongkorn University - MS in Engineering North Dakota State University, USA. - MBA., The University of Southern Queensland, Australia - Director Accreditation Program (DAP) (18/2004) by IOD - Director Certification Program (DCP) (50/2004)	0.653	- Director and Senior Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Chairman	- Koh Kong Plantation Co., Ltd.
			- Managing Director	- Khon Kaen Sugar Power Plant Co., Ltd. - Khon Kaen Alcohol Co., Ltd.
			- Director	- KSL Material Supplies Co., Ltd. - Savannakhet Sugar Corporation - Koh Kong Sugar Industry Co., Ltd. - Sahamit Machinery PLC.
Mrs. Montanut Thaemsirichai Spouse		0.682		
5. Mr. Somchai Chinthammit (62 years old) - Director and Executive Director - Assistant Vice President (Since 26 February 2004)	- Diploma, Computer College, Germany - Certificate Mini MBA., Thammasat University - Director Accreditation Program (DAP) (17/2004) by IOD	2.138	- Director and Assistant Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- Khon Kaen Sugar Industry PLC. - Khon Kaen Sugar Power Plant Co., Ltd. - Champion Fermentation Co., Ltd. - Thai Fermentation Industry Co., Ltd. - KSL Agro and Trading Co., Ltd. - Thai Sugar Terminal PLC. and subsidiaries
Miss Natamont Chinthammit Minor Children		0.389		
6. Ms. Duangkae Chinthammit (58 years old) - Director and Executive Director - Assistant Vice President (Since 26 February 2004)	- Diploma from KATINKA School, England - Certificate Modern Managers Program (MMP), Chulalongkorn University - Director Accreditation Program (DAP) (17/2004) by IOD	2.212	- Director and Assistant	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- Sub Sri Thai Warehouse PLC.
7. Ms. Duangdao Chinthammit (56 years old) - Director and Executive Director - Vice President - Human Resources - Director of Nomination and Remuneration Committee (Authorized Director) (Since 26 February 2004)	- Master of Science, Agricultural Economics, University of Saskatchewan, Canada - Bachelor of Science, Computer Information System, Western Michigan University, USA. - BBA in Business Administration, Kasetsart University - Director Accreditation Program (DAP) (17/2004) by IOD - Director Accreditation Program (DAP) (71/2006) by IOD	2.213	- Director and Assistant Managing Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- KSL Real Estate Co., Ltd. - Onnuch Construction Co., Ltd. - KSL Material Supplies Co., Ltd. - KSL Agro and trading Co., Ltd. - Sub Sri Thai Warehouse PLC.
8. Mr. Tachpong Pakornsiriwongse (56 years old) - Director and Executive Director (Since 26 February 2004)	- Certificate in Financial Management, Chulalongkorn University - Director Accreditation Program (DAP) (21/2004) by IOD	0.004	- Director and Executive Director	- Khon Kaen Sugar Industry PCL.
			- Director and Managing Director	- Tamaka Sugar Industry Co., Ltd.
			- Director	- New Krung Thai Sugar Factory Co., Ltd. - Koh Kong Plantation Co., Ltd. - Koh Kong Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.



Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
9. Mr.Trakarn Chunharojrit (74 years old) - Director and Executive Director - Assistant Vice President - Company Secretary (Since 26 February 2004)	- Certificate in Accounting - Director Accreditation Program (DAP) (17/2004) by IOD	0.303	- Director and Executive Director - Executive Director - Director	- Khon Kaen Sugar Industry PCL. - New Krung Thai Sugar Factory Co.,Ltd. - Tamaka Sugar Industry Co.,Ltd. - KSL Agro and Trading Co., Ltd - Thai Fermentation Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd. - Khon Kaen Alcohol Co.,Ltd. - Khon Kaen Sugar Power Plant Co.,Ltd. - KSL Material Supplies Co.,Ltd. - KSL Real Estate Co.,Ltd. - KSL Sugar Holding Co.,Ltd.
Mrs. Rattana Chunharojrit Spouse		0.111		
10. Mr. Chatri Chinthammit (41 years old) - Director (Non - Executive Director) (Since 26 February 2004)	- BBA in Economics, University of The Thai Chamber of Commerce - Master of Science, Computer Science, Bellevue University, USA. - Director Accreditation Program (DAP) (21/2004) by IOD - Successful FORMULATION & Execution Program (SFE) (9/2010) by IOD - TLCA Executive Development Program (EDP) (1/2008) by TLCA	1.277	- Director - Deputy Managing Director (DMD) - Software Departmen	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories - KSL IT Center Co.,Ltd.
11. Mr.Chalush Chinthammit (46 years old) - Director and Executive Director - Vice President- Business Development - Risk Management Committee (Authorized Director) (Since 26 February 2004)	- BBA in Finance and Banking, Assumption University - MBA in Finance and Banking, Mercer University, USA. - Director Accreditation Program (DAP) (21/2004) by IOD - Capital Market Academy Program 10	0.962	- Director and Assistant Vice President - Managing Director - Director - Deputy Secretary-General	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories - KSL Real Estate Co.,Ltd. - Khon Kaen Alcohol Co.,Ltd. - KSL Agro and Trading Co., Ltd. - Savannakhet Sugar Corporation - KSL Export Trading Co.,Ltd. - Onnuch Construction Co.,Ltd. - The Cane and Sugar Act B.E.2527 Committee - Thai Sugar Miller Co.,Ltd. - Thai Sugar Terminal PLC. And subsidiaries - TS Flour Mill PLC. - Thai Sugar and Bio-Energy Producers Association
Mr. Chayapat Chinthammit Minor Children		0.246		
Mr. Chatchapee Chinthammit Minor Children		0.246		
Miss. Chollapim Chinthammit Minor Children		0.006		



Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present	
			Position	Company/Type of Business
12. Mr. Sukhum Tokaranyaset (67 years old) - Director and Executive Director - Senior Vice President - Accounting & Finance (Since 26 February 2004)	- Vocational Certificate , Kitti Commerce College - Director Accreditation Program (DAP) (18/2004) by IOD	1.570	- Director and Senior Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director/ Assistant Managing Director	- Thai Fermentation Industry Co.,Ltd.
			- Vice Chairman	- KSL Export Trading Co.,Ltd. - Rajaporcelain Co.,Ltd. - Raja Solar Material Co., Ltd.
			- Executive Director	- Raja Product Co., Ltd. - Raja Solar Material Co., Ltd. - KSL Real Estate Co.,Ltd. - Champion Fermentation Co.,Ltd.
			- Director	- Koh Kong Sugar Industry Co.,Ltd. - KSL. Agro and Trading Co., Ltd. - TFI Green Biotech Co.,Ltd.
			- Managing Director	- Chantaburi Starch Co., Ltd. - Chantaburi Starch and Power Co., Ltd.
13. Mr.Thawatchai Rojanachotikul (61 years old) - Director and Executive Director - Senior Vice President - Administration (Since 26 February 2004) Mrs. Kodchakon Rojanachotikul spouse	- BBA in Business Administration, Auckland Technical Institute, New Zealand - Director Accreditation Program (DAP) (17/2004) by IOD	1.243 0.396	- Director and Senior Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- Savannakhet Sugar Corporation - KSL. Agro and Trading Co., Ltd. - KSL Export Trading Co.,Ltd. - Champion Fermentation Co.,Ltd. - KSL Real Estate Co.,Ltd. - TFI Green Biotech Co.,Ltd. - Thai Fermentation Industry Co.,Ltd.
			- Director/ and Senior Vice President	- Thai Fermentation Industry Co.,Ltd.
14. Mr. Somchat Chinthammit (56 years old) - Director - Remuneration Committee (Non - Executive Director) (Since 26 February 2004)	- B.Eng in Mechanical, King Mongkut's University of Technology Thonburi - MIM in Marketing, Thammasat University - Director of Accreditation Program (DAP) (17/2004) by IOD - Directors Certification Program (DCP) (55/2005) by IOD - Audit Committee Program (ACP) (8/2005)	0.509	- Independent Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Independent Director	- UOB Kay Hian Securities (Thailand) PLC.
15. Mr. Pramoon Vichiensin (84 years old) - Independent Director - Chairman of Nomination and Remuneration Committee (Since 26 February 2004)	- LL.B., Thammasat University - Certificate in Executive Development from NIDA - Director of Accreditation Program (DAP) (11/2004) by IOD - Certificate in Audit Committee Program (ACP) (10/2005) by IOD - Improving The Quality of Financial Reporting (GFR) (4/2006) by IOD	-	- Independent Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Qualify person in Law	- Bangkok Metropolitan Administration
			- Advisor on President	- The Constitutional Court
			- Secretary on President	
			- Secretary on Judges	
			- Tax Law Specialist	- Revenue Department of Thailand
			- Subcommittee	- Office of The National Counter Corruption Commission



Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
16. Pol.Gen.Boonpen Bumpenboon (70 years old) - Independent Director - Chairman of Risk Management Committee - Corporate Governance Committee (Since 26 February 2004)	- LL.B., Sukhothai Thammathirat University - BBA in Public Administration, Royal Police Cadet Academy - Diploma, National Defence College (37) - MPA./ Public Administration, NIDA - Director Accreditation Program (DAP) (11/2004) by IOD	-	- Independent Director - Deputy Commissioner - General - Council of State	- Khon Kaen Sugar Industry PCL. - Royal Thai Police - Office of the Council of State
17. Mr. Sitti Leelakasamelurk (70 years old) - Independent Director - Chairman of Audit Committee - Risk Management Committee (Since 26 February 2004)	- BA in Accounting, Chulalongkorn University - Director Accreditation Program (DAP) (11/2004) by IOD	-	- Independent Director - Executive Vice President Support Line1 - Vice Chairman Committee and Member of the Remuneration Committee - Vice President - Director	- Khon Kaen Sugar Industry PCL. - Noble Development PLC. - Continental City Co.,Ltd. - BAN SUK SABAI Co., Ltd. - NK Energy Co., Ltd. - S&P Property Management Co.,Ltd. - Research and Consultant Co.,Ltd.
18. Mrs. Intira Sukhanindr (68 years old) - Director and Executive Director - Vice President - Business Development (Since 25 June 2010)	- Certificate of Secretary, Melbourne, Australia - Director Accreditation Program (DAP) (50/2006) by IOD	0.566	- Senior Vice President - Director - General Manager	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories - Champion Fermentation Co.,Ltd. - Khon Kaen Sugar Industry PLC. - Sub Sri Thai Warehouse PLC. - KSL Agro and Trading Co.,Ltd. - Khon Kaen Sugar Power Plant Co.,Ltd. - KSL Export Trading Co.,Ltd.
19. Mr. Karun Kittisataporn (67 years old) - Independent Director - Nomination and Remuneration Committee - Audit Committee - Corporate Governance Committee (Since 26 February 2010)	- Bachelor of Commerce & Administration Victoria University of Wellington, N.Z. (under Colombo Plan Scholarship) - M.A. (International Trade), Syracuse Univ USA. (under USAID Scholarship) - Commercial Policy Course, GATT, Geneva - Director Certificate Programme, Institute of Directors - Role of the Compensation Committee Program - Financial Statements for Directors Program - Audit Committee Program	-	- Independent Director - Independent Director - Chairman of Nomination and Remuneration Committee - Audit Committee - Permanent Secretary - Executive Chairman - Director	- Khon Kaen Sugar Industry PCL. - Bank of Ayuthaya PLC. - Central Pattana PLC - Sahamit Machinery PLC. - Ministry of Commerce - The Support Art and Crafts International Centre of Thailand - Council of State - The Insurance Commission



Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present	
			Position	Company/Type of Business
20. Mr. Warapatr Todhanakasem (84 years old) - Independent Director - Risk Management Committee - Audit Committee - Chairman Corporate Governance Committee (Since 26 February 2010)	- LL.B. Thammasat University - B.Econ. (1st Class Honor) Thammasat University - M.B.A. in Finance Kellogg School of Management, Northwestern University, Evanston, Illinois, USA. - M.S. in Economics University of Illinois, Urbana-Champaign, USA. - Northwestern University Evanston Illinois - Ph.D. in Business Economics University of Illinois, Urbana-Champaign, USA.	-	- Independent Director	- Khon Kaen Sugar Industry PCL.
			- Chairman and Independent	- Prinsiri PIC.
			- Director	- Amata VN PLC.
			- Director	- True Corporation Public Co., Ltd.
			- President	- Institute of Research and Development for Public Enterprises of Thailand (IRDP)
21. Ms. Nongluck Phinainitsart (55 years old) - Independent Director - Audit Committee - Corporate Governance Committee (Since 26 February 2010)	- Bachelor Degree in Electrical Engineering, Chulalongkorn University - Master Degree in Electrical Engineering, University of Missouri, U.S.A. - Doctorate Degree in Electrical Engineering, Chulalongkorn University - Director Accreditation Program (DAP) Class 4/2003 by IOD - Director Certification Program (DCP) Class 71/2006 by IOD - Executive Program, Harvard University, USA.	-	- Independent Director	- Khon Kaen Sugar Industry PCL.
			- Independent Director	- Government Savings Bank
			- Chairman of Risk Management	
			- Chairman and Independent	- Thailand Post
			- Chief Commercial Officer	- Thaicom PLC.
22. Mr. Chanachai Chutimavorphand (42 years old) - VP Accounting & Finance (Since 1 November 2012)	- CFA Charterholder, Association for Investment Management and Research (AIMR) - Director Accreditation Program (DAP 37/2005) - Bachelor Degree of Engineering Chulalongkorn University. - Bachelor of Law, Chulalongkorn University - Master Degree of Business Administration, Tennessee University, U.S.A. - Master Degree of Arts, Business Law. Chulalongkorn University.	2.563	- VP Accounting & Finance	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Executive Director/ Nomination & Remuneration Committee	- Thai Sugar Terminal PCL.
			- Director	- Khon Kaen Alcohol Co., Ltd. - Koh Kong Sugar Industry Co., Ltd. - Savannakhet Sugar Corporation - KSL Material Supplies Co., Ltd. - Onnuch Construction Co., Ltd. - KSL Material Supplies Co., Ltd. - KSL Real Estate Co., Ltd.
			- Executive Director	- T S Warehouse Co., Ltd. - T S G Asset Co., Ltd. - T S Oil Industry Co., Ltd. - T S Transport and Logistics Co., Ltd. - T S Flour Mill PCL



Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
23. Mr. Theera Sanguandeeikul (64 years old) - Vice President and Regional Director - Western Plant (since 1 November 2012)	- Bachelor BSc. Chemical Technology, Faculty of Science ,Chulalongkorn University 1974 - Master MSc. Chemical Engineering, University of Wisconsin ,Madison, USA, 1975 - University of Wisconsin, Madison, USA - Executive MBA, Kasetsart University, 1996	0.035	- Vice President and Regional Director - Western Plant - Regional Director - Western Plant - Director	- Khon Kaen Sugar Industry PCL. - Khon Kaen Sugar Industry PCL. - Khon Kaen Alcohol Co.,LTD - KSL Material Supplies Co.,LTD. - Koh Kong Sugar Industry Co., LTD (Cambodia) - Savannakhet Sugar Corporation (Lao PDR)
24. Mr. Dhajjai Subhapholsiri (58 years old) - Vice President, Office of Company Secretary and Legal - Company Secretary (since 28 March 2014)	- Bachelor of Laws, Chulalongkorn University - Institute of Legal Education, Thai Bar Association - Master of Laws, Harvard University, USA - UFS 12/2007 (IOD) - Fundamental Practice for Corporate Secretary (FPCS) 29/2014 - Corporate Governance for Executives (CGE) 2014 - Company Secretary Program (CSP 59/2014)	-	- Vice President, Office of Company Secretary and Legal - Company Secretary - SVP, Legal Department	- Khon Kaen Sugar Industry PCL. - Khon Kaen Sugar Industry PCL. - Bangkok Bank PCL.

Remark : Affiliate KSL Sugar Factories:

- Tamaka Sugar Industry Co.,Ltd.
- New Krung Thai Sugar Factory Co.,Ltd.
- New Kwang Soon Lee Sugar Factory Co.,Ltd.



PRINCIPLES FOR INFORMATION DISCLOSURE AND TRANSPARENCY

The disclosure of direct and indirect shareholding of directors in Annual Report

Direct and indirect shareholding of directors as of October 31, 2014 by comparing the end of October 31, 2013

No.	Name	Position	Number of shares (shares)		Increase Decrease the number of share 2013	Total percent of voting shares (%)	Remark
			Oct. 31 2014	Oct. 31 2014			
1.	Mr.Manu Leopaivate ●	Chairman of the Board of Directors	-	-	-	-	None
2.	Mr. Chamroon Chinthammit ¹ (Including Spouse and Children)	Director	48,282,178	47,282,178	1,000,000	2.832	100,000 company shares have been bought during 2014
3.	Mr.Prapas Chutimavoraphand ² (Including Spouse and Children)	Director	14,400,570	13,505,870	894,700	0.845	894,700 company shares have been bought
4.	Mr. Pornsin Thaemsirichai ³ (Including Spouse and Children)	Director	22,756,980	22,756,980	-	1.335	No transaction in 2014
5.	Mr.Sukhum Tokaranyaset	Director	26,762,070	26,762,070	-	1.570	No transaction in 2014
6.	Mrs.Intira Sukhanindr	Director	9,648,371	9,648,371	-	0.566	No transaction in 2014
7.	Mr.Chalush Chinthammit ⁴	Director	24,893,912	18,893,912	6,000,000	1.460	6,000,000 company shares have been transferred in 2014
8.	Ms.Duangdao Chinthammit	Director	37,720,089	37,720,089	-	2.213	No transaction in 2014
9.	Mr.Thawatchai Rojanachotikul ⁵ (Including Spouse and Children)	Director	27,930,910	27,930,910	-	1.639	No transaction in 2014
10.	Mr.Somchai Chinthammit ⁶ (Including Spouse and Children)	Director	43,084,321	43,084,321	-	2.527	No transaction in 2014
11.	Ms. Duangkhae Chinthammit		37,698,956	37,595,956	103,000	2.212	103,000 company shares have been bought in 2014
12.	Mr.Tachpong Pakornsiriwongse	Director	59,910	59,910	-	0.004	No transaction in 2014
13.	Mr. Chattri Chinthammit	Director	21,768,010	21,768,010	-	1.277	No transaction in 2014
14.	Mr. Somchat Chinthammit	Director	8,677,243	8,677,243	-	0.509	No transaction in 2014
15.	Mr. Sitti Leelakasamelur ●	Independent Director	-	-	-	-	None
16.	Pol.Gen.Boonpen Bumpenboon ●	Independent Director	-	-	-	-	None
17.	Mr. Pramoon Vichiensin ●	Independent Director	-	-	-	-	None
18.	Ms. Nongluck Phinainitisart ●	Independent Director	-	-	-	-	None
19.	Mr. Warapatr Todhanakasem ●	Independent Director	-	-	-	-	None
20.	Mr. Karun Kittisataporn ●	Independent Director	-	-	-	-	None
21.	Mr.Trakarn Chunharojrit ⁷ (Including Spouse and Children)	Director	7,050,060	7,050,060	-	0.414	No transaction in 2014
22.	Mr. Chanachai Chutimavoraphand	VP Accounting & Finance	43,695,265	44,363,465	(668,200)	2.563	Transfer company shares to mother total amount 668,200 shares on December 2013
23.	Mr. Dhajjai Subhapholsiri	Company Secretary	-	-	-	-	Appointed on March 28, 2014

Remark ● Independent Director

1	Mr. Chamroon Chinthammit	Shares Held	30,429,906	M.L. Charuvadhana Chinthammit (Spouse)	Shares Held	17,852,272	totalled	48,282,178	in 2014
2	Mr.Prapas Chutimavoraphand	Shares Held	6,268,600	Mrs. Sumitra Chutimavoraphand (Spouse)	Shares Held	8,131,970	totalled	14,400,570	in 2014
3	Mr. Pornsin Thaemsirichai	Shares Held	11,132,650	Mrs. Montanut Thaemsirichai (Spouse)	Shares Held	11,624,330	totalled	22,756,980	in 2014
4	Mr.Chalush Chinthammit	Shares Held	16,393,912	Mr. Chayapat Chinthammit (Minor Child)	Shares Held	4,200,000			
				Mr. Chatchapee Chinthammit (Minor Child)	Shares Held	4,200,000			
				Miss. Chollapim Chinthammit (Minor Child)	Shares Held	100,000	totalled	24,893,912	in 2014
5	Mr.Thawatchai Rojanachotikul	Shares Held	21,188,300	Mrs. Kodchakon Rojanachotikul (Spouse)	Shares Held	6,742,610	totalled	27,930,910	in 2014
6	Mr. Somchai Chinthammit	Shares Held	36,449,139	Miss Natamont Chinthammit (Minor Child)	Shares Held	6,635,182	totalled	43,084,321	in 2014
7	Mr.Trakarn Chunharojrit	Shares Held	5,159,760	Mrs. Rattana Chunharojrit (Spouse)	Shares Held	1,890,300	totalled	7,050,060	in 2014



THE DISCLOSURE OF DIRECTOR'S SHAREHOLDING BY SHOWING THE NUMBER OF SHARES HELD AT THE BEGINNING AND END OF THE YEAR, AND TRADED DURING THE YEAR IN 2014

ANNUAL REPORT

Asset holding of directors and senior management at the beginning and end of the year, and traded during 2014

No.	Name	Position	Number of Share (Shares) Oct. 31, 2013	During 2014				Number of end of the year Oct. 31, 2014	Total percent of voting shares(%)
				Purchase	Sell	Transfer in	Transfer Out		
1.	Mr.Manu Leopairote ●	Chairman of the Board of Directors		-				-	
2.	Mr. Chamroon Chinthammit ¹	President and CEO	29,429,906	1,000,000	-	-	-	30,429,906	1.785
	(Including Spouse and/or Minor Child)		17,852,272	-	-	-	-	17,852,272	1.047
3.	Mr.Prapas Chutimavoraphand ²	Executive Director and Senior Vice President	6,978,300	601,800	(172,100)		(1,139,400)	6,268,600	0.368
	(Including Spouse and/or Minor Child)		6,527,570	495,000		1,777,400	(668,000)	8,131,970	0.477
4.	Mr. Pornsin Thaemsirichai ³	Executive Director and Senior Vice President	11,132,650	-	-	-	-	11,132,650	0.653
	(Including Spouse and/or Minor Child)		11,624,330	-	-	-	-	11,624,330	0.682
5.	Mr. Sukhum Tokaranyaset	Executive Director and Senior Vice President	26,762,070	-	-	-	-	26,762,070	1.570
6.	Mrs. Intira Sukhanindr	Executive Director and Senior Vice President	9,648,371	-	-	-	-	9,648,371	0.566
7.	Mr.Chalush Chinthammit ⁴	Executive Director and Vice President	10,393,912	-	-	6,000,000	-	16,393,912	0.962
	(Including Spouse and/or Minor Child)		8,500,000					8,500,000	0.499
8.	Ms.Duangdao Chinthammit	Executive Director and Vice President	37,720,089	-	-	-	-	37,720,089	2.213
9.	Mr.Thawatchai Rojanachotikul ⁵	Executive Director and Senior Vice President	21,188,300	-	-	-	-	21,188,300	1.243
	(Including Spouse and/or Minor Child)		6,742,610	-	-	-	-	6,742,610	0.396
10.	Mr.Somchai Chinthammit ⁶	Executive Director and Assistant Vice President	36,449,139	-	-	-	-	36,449,139	2.138
	(Including Spouse and/or Minor Child)		6,635,182	-	-	-	-	6,635,182	0.389
11.	Ms. Duangkae Chinthammit	Executive Director and Assistant Vice President	37,595,956	103,000				37,698,956	2.212
12.	Mr.Tachpong Pakornsiriwongse	Director	59,910	-	-	-	-	59,910	0.004
13.	Mr. Chatri Chinthammit ●	Director	21,768,010	-	-	-	-	21,768,010	1.277
14.	Mr. Somchat Chinthammit ●	Director	8,677,243	-	-	-	-	8,677,243	0.509
15.	Mr. Sitti Leelakasamelurk ●	Independent Director	-	-	-	-	-	-	-
16.	Pol.Gen.Boonpen Bumpenboon ●	Independent Director	-	-	-	-	-	-	-
17.	Mr. Pramoon Vichiensin ●	Independent Director	-	-	-	-	-	-	-
18.	Ms. Nongluck Phinainitisart ●	Independent Director	-	-	-	-	-	-	-
19.	Mr. Warapatr Todhanakasem ●	Independent Director	-	-	-	-	-	-	-
20.	Mr. Karun Kittisataporn ●	Independent Director	-	-	-	-	-	-	-
21.	Mr.Trakarn Chunharojrit ⁷	Executive Director and Assistant Vice President	5,159,760	-	-	-	-	5,159,760	0.303
	(Including Spouse and/or Minor Child)		1,890,300	-	-	-	-	1,890,300	0.111
22.	Mr. Chanachai Chutimavoraphand	VP Accounting & Finance	44,363,465				(668,200)	43,695,265	2.563
23.	Mr. Dhajjai Subhapholsiri	Company Secretary	-	-	-	-	-	-	-

Remark ● Independent Director

1. Mr. Chamroon Chinthammit	Shares Held	30,429,906	M.L. Charuvadhana Chinthammit (Spouse)	Shares Held	17,852,272	totalled 48,282,178 in 2014
2. Mr.Prapas Chutimavoraphand	Shares Held	6,268,600	Mrs. Sumitra Chutimavoraphand (Spouse)	Shares Held	8,131,970	totalled 14,400,570 in 2014
3. Mr. Pornsin Thaemsirichai	Shares Held	11,132,650	Mrs. Montanur Thaemsirichai (Spouse)	Shares Held	11,624,330	totalled 22,756,980 in 2014
4. Mr.Chalush Chinthammit	Shares Held	16,393,912	Mr. Chayapat Chinthammit (Minor Child)	Shares Held	4,200,000	
			Mr. Chatchapee Chinthammit (Minor Child)	Shares Held	4,200,000	
			Miss. Chollapim Chinthammit (Minor Child)	Shares Held	100,000	totalled 24,893,912 in 2014
5. Mr.Thawatchai Rojanachotikul	Shares Held	21,188,300	Mrs. Kodchakon Rojanachotikul (Spouse)	Shares Held	6,742,610	totalled 27,930,910 in 2014
6. Mr. Somchai Chinthammit	Shares Held	36,449,139	Miss Natamont Chinthammit (Minor Child)	Shares Held	6,635,182	totalled 43,084,321 in 2014
7. Mr.Trakarn Chunharojrit	Shares Held	5,159,760	Mrs. Rattana Chunharojrit (Spouse)	Shares Held	1,890,300	totalled 7,050,060 in 2014



NAME OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATES OF KHON KAEN SUGAR INDUSTRY PCL.

on Oct 31, 2014

			Position													
			Khon Kaen Sugar Industry PLC.				Subsidiaries and Associates									
Name			1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Mr.Manu	Leopairote	Chairman	X	X	X											
2. Mr.Chamroom	Chinthammit	Director/ President and CEO	//	//	//		X	X	X	X	X	X	X			X
3. Mr.Prapas	Chutimavoraphand	Director / Executive Director	//	//	//	//		/			/					
4. Mr.Pornsini	Thaemsirichai	Director / Executive Director	//	//	//			/	/	/				/	X	
5. Mr.Sukhum	Tokaranyaset	Director / Executive Director	//	//	//		/				/	/	/			/
6. Mr.Thawatchai	Rojanachotikul	Director / Executive Director	//	//	//		/				/	/	/	/		
7. Mrs.Intira	Sukhanindr	Director / Executive Director	//	//	//			/			/	/	/			
8. Ms.Duangdao	Chinthammit	Director / Executive Director/ Nomination and Remuneration Committee	//	//	//					/	/		/			
9. Mr.Somchai	Chinthammit	Director / Executive Director	//	//	//	/		/	/		/					
10. Ms.Duangkae	Chinthammit	Director / Executive Director	//	//	//											
11. Mr.Somchart	Chinthammit	Director / Nomination and Remuneration Committee	/	/	/											
12. Mr.Tachpong	Pakornsiriwongse	Director / Executive Director	//	//	//											
13. Mr.Chalush	Chinthammit	Director / Executive Director/ Risk Management Committee	//	//	//	/	/	/	/	/	/	/	/	/	/	/
14. Mr.Chatari	Chinthammit	Director	/	/	/											
15. Mr.Trakarn	Chunharojrit	Executive Director	//	//	//		/	/	/	/	/	/	/			
16. Mr.Pramoon	Vichiensin	Independent Director /Chairman Nomination and Remuneration Committee														
17. Pol.Gen.Boonpen Bumpenboon		Independent Director /Chairman Risk Management Committee/CG Committee														
18. Mr.Sitti	Leelakasemlurk	Independent Director/Chairman of Audit Committee/Risk Management Committee														
19. Mr.Karun	Kittisataporn	Independent Director/ Audit Committee / Nomination and Remuneration Committee/ CG Committee														
20.Mr.Warapatr	Todhanakasem	Independent Director/Risk Management Committee/Chairman CG Committee / Audit Committee														
21. Ms.Nongluck	Phinainitisart	Independent Director/Audit Committee/ CG Committee														
22. Mr.Chanachai	Chutimavoraphand	Vice President				//		/	/		/	/	/	/	/	/
23. Mr.Theera	Sanguandeekul	Vice President						/	/			/	/	/	/	/
24. Mr.Wiraj	Chunfong	Assistant Vice President							/			/	/	/	/	/
25. Mr.Narong	Jitnomrat	Assistant Vice President										/	/	/	/	/
26. Mr.Piripon	Chinthammit	Assistant Plant Director									/	/	/	/	/	/
27. Mr.Thirapong	Nacasakseevee	Senior Sales Manager / Manging Director										/	/	/	/	/

*Note : 1) Symbols Position

X Chairman, / Executive Director, // Director

2) Name of Subsidiaries and Associates

1. Tamaka Sugar Industry Co.,Ltd. 2. New Krung Thai Sugar Factory Co.,Ltd. 3. New Kwang Soon Lee Sugar Factory Co.,Ltd. 4. Thai Sugar Terminal PLC.
5. KSL Export Trading Co.,Ltd. 6. Khon Kaen Sugar Power Plant Co.,Ltd. 7. Khon Kaen Alcohol Co.,Ltd. 8. KSL Material Supplies Co.,Ltd.
9. KSL Real Estate Co.,Ltd. 10. Champion Fermentation Co.,Ltd. 11. KSL Agro and Trading Co.,Ltd. 12. Savannakhet Sugar Corporation
13. Koh Kong Plantation Co.,Ltd. 14. Koh Kong Sugar Industry Co.,Ltd



CORPORATE SOCIAL RESPONSIBILITIES

Khon Kaen Sugar Industry Public Company Limited is strongly committed to operating its businesses responsibly. The company's corporate social responsibility (CSR) programs are created to continuously support the local communities and the environment that surrounds it. The company believes in respecting human rights and the protecting the interests of its stakeholders including the society and the country at large, through ethical practice and transparent operations.

The company is determined to advance its sugar and related businesses ethically and responsibly, following the rule of law and other accepted international practices and standards in order to become a sustainable business operation. Its commitment towards stakeholders, communities, society, and environments are detailed as follow:

1. Corporate Governance : The company aims to become part of a leading organization in Thailand. To this effect, it looks to promote sustainable growth, to build good reputation and credibility amongst its investors and other stakeholders, to adopt ethical business practices and to strictly follow good corporate governance guidelines.

2. Respect for Human Rights : The company supports the principle of human rights. To this effect, it will conduct activities that support human rights and the right to freedom. The company believes in the principle of equality and will not tolerate discrimination of race, age, and gender. It is also against the use of child labor and any form of corruption. At present, the Company is in the process of applying for no child labor and no force labor workplace certification.

3. Fair Employee Treatment : The company will give fair compensation to its employees at the level that is appropriate to the industrial environment of Thailand and any changes in the organizational structure will be done responsibly and in accordance with the law of Thailand. The company created an Employee Benefit Committee so that its employees can participate in the management of the benefits that they will received. The objectives are to provide further benefits to employees so that they can work happily and more efficiently. The company also created a provident fund that would help employees save and invest money towards their retirement. In 2013, company received its TLS 8001-2546 certificate, the highest recognition for businesses that



operate with social responsibility from Department of Labor Protection and Welfare of Thailand and has been maintaining the same standard for seven consecutive year. Additionally, the company created Health and Safety Committee to oversee the health and safety policy and practice at all its factories. The committee is responsible for regularly testing safety alarms, placing fire extinguishers at appropriate locations, organizing fire drills and related training.

4. Care for the Environment : The company has in place an environmental policy that strictly follows the government law and regulation as well as other environmental standards such that it may be able to reduce and/or eliminate waste systematically. It also has put in place measures to ensure the efficiency of its waste management and collect data to compare and improve its waste reduction performance. For example, at its sugar mills, the company use the wet scrubber technology to catch dust from heating the steamer; at ethanol plant, the waste water from production is used to mixed with filter cake (by product of making sugar) to make bio-fertilizer that is environmentally friendly and good for local cane farmers. Prior to the start of any new project that may negatively affect the environment and local communities, the company will first conduct an environmental impact assessment (EIA) first so that it may analyze the positive and negative results from the project and set policies to prevent and reduce its environmental impact.

5. Adopt Good Business Ethics : The company intends to conduct its operations ethically, in compliance with the law and societal practice, and remain politically neutral.

6. Customer and Supplier Care : The company place great importance in producing high quality sugar that is safe for human consumption. It also aims to continuously provide good service to its customers and suppliers and hope that in return, the company will receive the same high quality and service from them and therefore able to build a longstanding relationships.

7. Community participation and development : The company considers the needs of the community and the importance of people as vehicle of building strong and ethical communities. It supports activities that help educate people, build strong culture and society, and improve quality of everyone's life. The company encourages its employees to participate and volunteer in all activities that will positively serve society.

Additionally, the company's management strongly supports his majesty King Rama 9th "Sufficiency Economy" philosophy. The company established Natural Agriculture Center on its KSL Riverkwai estate located in Kanchanaburi province. This center becomes a member to the Natural Agriculture Center that is founded to help people put his majesty's philosophy into practice. The company systematically promotes this philosophy to its employees and to interested individuals from the communities surrounding its factories through hands-on training at the Natural Agriculture Center so that they may adopt his majesty's sufficiency economy philosophy and used it in their daily life.

The company believes that its continuous efforts in its various different CSR programs can help improve the quality of life of its stakeholders and help the company and the society at large to build a sustainable future together.

KSL GROUP'S ACTIVITIES IN 2014

01 Granting scholarship to a doctorate degree student at Bodhivijjalaya College



On 11th March 2014, Khon Kaen Sugar Industry PCL granted 200,000 Baht scholarship to Lecturer Panya Waiyaboonya (Assistant Dean for Planning and Administration) of Bodhivijjalaya College, Srinakharinwirot University, to further his doctorate degree at Chiang Mai University so that the scholar would be able to apply the knowledge, experience and research in developing the model organization and cultivating the ideology for the students to sustainably cooperate with the community network association.

02 Donation to procure consumable water



On 27th March 2014, New Krung Thai Sugar Factory, a subsidiary of Khon Kaen Sugar Industry PCL, donated 250,000 Baht to Lhum Rung Sub-district Administrative Organization in order to provide the consumable water and water used in agriculture and natural resources and environmental preservation in Lhum Rung District and the surrounding areas.



03 Shareholders visited the factory and KSL River Kwai Natural Agriculture Center in Kanchanaburi.



On 29th March 2014, Khon Kaen Sugar Industry PCL took 80 shareholders to visit New Krung Thai Sugar Factory in Boploy District, Kanchanaburi Province and observe Boploy Bio Refinery Complex. Moreover, the shareholders observed social responsibility activity at KSL River Kwai Natural Agriculture Center, Kanchanaburi – the sufficiency economy training center for the staff of KSL Group as well as those interested from the government sectors and private sectors.

04 KSL Group received Thailand's Labor Standard Award



On 20th August 2014, Khon Kaen Sugar Industry PCL. was awarded a trophy and Thai Labor Standard Certificate (TLS 8001-2553) in recognition of its high labor standard. This award is given by the Ministry of Labor to the entrepreneurs who are able to sustain Thai labor standard for 5 consecutive years onwards.

05 KSL Group participated in 2014 Annual Kathin Festival at Lhum Rung Temple



On 11th October 2014, Khon Kaen Sugar Industry PCL and affiliated companies jointly hosted the 2014 Annual Kathin Festival at Lhum Rung Temple, Boploy District, Kanchanaburi Province. Mr. Chamroom Chinthammit, the Chief Executive Officer and President, together with the executives and the Chief District Officer of Boploy District as well as a number of honored guests participated in this event. The merit money earned from this event was 1,320,999 baht in total.



SUSTAINABILITY REPORT



The Company and its subsidiaries wish to report its initiative to create a sustainable relationship with all of its stakeholders. Our definition of sustainability is the balance between quality and effectiveness of the Company's performance in relations to corporate social responsibility (CSR) and environmental care.

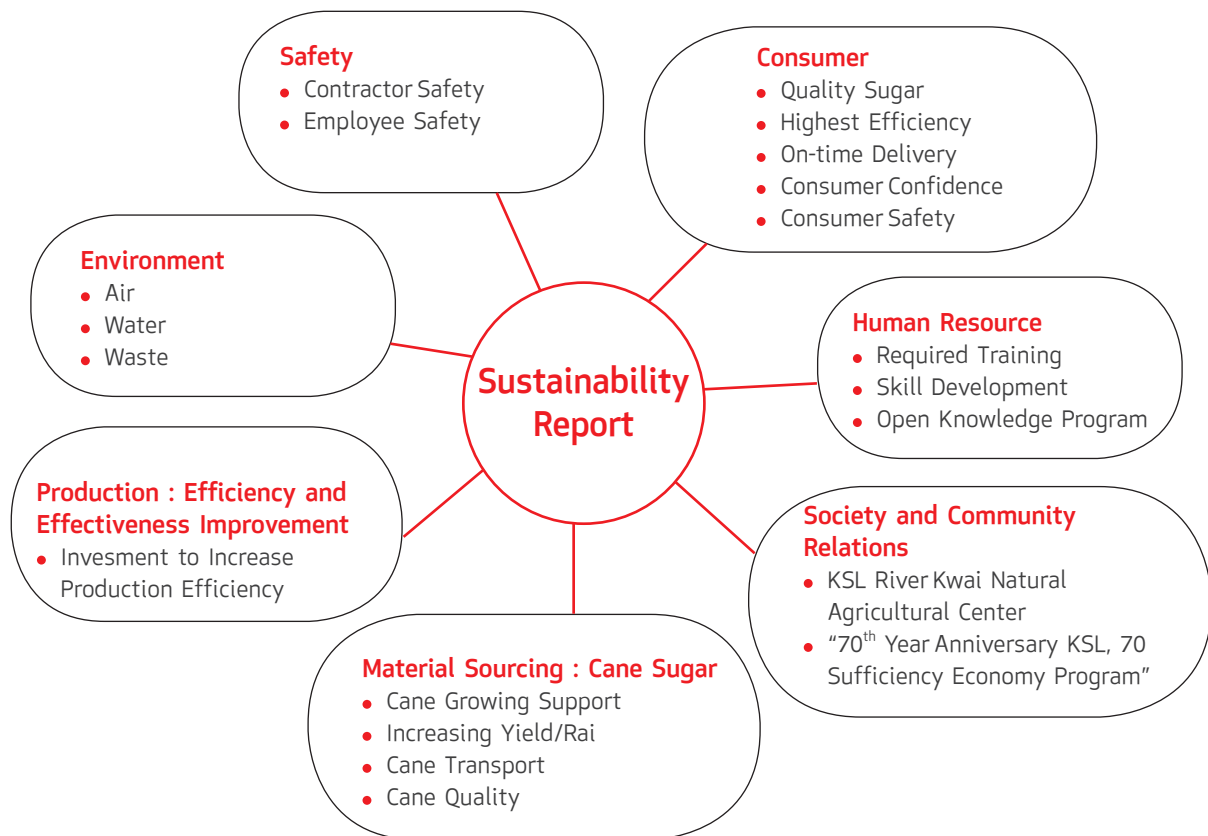
Sufficiency economy is based on principles of sufficiency, reasonableness, preparedness and invulnerability, and virtuousness. The Company applies sufficiency economy philosophy in its business operation and in its corporate social responsibilities programs in order to promote deeper understanding about sufficiency economy and way of life to related stakeholders. In celebration of the Company's 70th Year Anniversary taking place in 2015, the Company has been engaging with its stakeholders to promote sufficient living through its "70th Year Anniversary of KSL, 70 Sufficiency Economy Programs".

This sustainability report uses the Global Reporting Initiative (GRI) as a guideline. However, as it is our first attempt, many items are not included as they are still in progress. In the years to follow, the Company will continue to improve its sustainability report and strive to meet GRI requirements and accreditation.

Companies covered in this sustainability report

Company	Supply Chain			Social			Environment		
	Raw Material	Production	Safety	Consumer	Human Resource	Community	Air	Water	Waste
Khon Kaen Sugar Industry (PCL) Nampong Branch		●	●			●	●		●
Tamaka Sugar Industry Co.,Ltd.	●	●		●		●	●		●
New Krung Thai Sugar Factory Co., Ltd.	●					●			●
New Kwang Soon Lee Sugar Factory Co., Ltd			●			●		●	●
Khon Kaen Sugar Power Plant Co., Ltd (Nampong Branch)			●			●			●
Khon Kaen Sugar Power Plant Co., Ltd (BoPloy Branch)						●			●
Khon Kaen Alcohol Co., Ltd (Nampong Branch)		●				●			●
Khon Kaen Alcohol Co., Ltd (Boploy Branch)		●	●			●			●
Khon Kaen Sugar Industry PCL (Head Office)					●				

In 2014, Khon Kaen Sugar Industry (PCL) and subsidiaries identified 7 main areas that are important to stakeholders that can also affect the success of the Company's operation and performance as follows:



1. Material Sourcing: Cane Sugar

The Company requires high volume of cane sugar that is an essential raw material for the production of sugar and related by-products and hence it continuously provides support and assistance to cane growers to build a sustainable network of cane suppliers

1. Cane Growing Support

- 1.1 Promote cane growing to farmers to replace planting other crops as cane prices are higher than other crops as well as the fact that there is a steady demand in the marketplace
- 1.2 Provide financial support to existing and new contract farmers
- 1.3 Promote suitable cane varieties to cane growers in different areas to get higher yields and CCS/ rai. For example, Cane LK92-11 is suitable for growing in areas near dam and irrigation route whereas Cane Khon Kaen 3 is better grown in area with less water and loamy sand.

2. Increase Cane Yield Per Rai

- 2.1. Development of water source to reduce the risk of water shortage
 - Promote artesian aquifer
 - Promote Water drip on surface
 - Protection and rejuvenation of natural water source



2.2. Cane growing

- Provide mechanical support to farmers to prepare the ground for grow cane sugar and use machine to cut cane instead of manual labor
- Support machine cut cane project to obtain fresh cane, give rewards to cane grower that deliver fresh cane and prevent cane burning

2.3. Natural Cane Maintenance

- Release Trichogramma confusum to reduce problems arising from Chilo infuscatellus and Chilo Tumidicostalis caterpillars
- Spray Metarhizium.spp to reduce stem boring grub or Dorysthenes (Lophosternus) bugueti Guerin.

3. Cane Transport

- 3.1 Promote the use of cane cutting machines that is either own by the growers or lend to the growers by our factory as well as to reduce costs and increase efficiency of machine cutting by grouping growers' plantation together before cutting.
- 3.2 Improve cane delivery queue to accommodate fresh and burnt cane
- 3.3 Supply red handkerchief to lorries to identify which lorries delivering to our factory

4. Cane Quality

Cane quality affects the quality of sugar produced. The Company identified three main reasons for poor quality cane and how to prevent such problems as follows:

4.1 Burnt Cane

Causes	Prevention
Labor Shortage	Increase growers' knowledge about the negative effects of burnt cane to production and environment such as increasing cost of growing new cane and air pollution
	Create incentives for growers to cut fresh cane than burn cane
	Encourage growers to make improvement to their cane plantation to be suitable for cane cutting machine
	Inform growers that burnt cane will be bought at lower price as set by the law
	Help growers to be able to afford their own cane cutting machines

4.2 Soiled Cane

Causes	Prevention
Inefficient Cane Cutting by Labor	Increase growers' knowledge about the negative effects of poor quality cane cutting to the production yield of sugar mills
Cane Cutting by wah	Offer seminar to growers to learn about appropriate technique for cutting and lifting cane. Offer rewards to growers that cut cane cleanly
Insufficient knowledge to handle cane cutting and lifting machines	Quality Check all lorries before issuing queuing ticket for factory cane drop
Cane pushing instead of lifting	Issue written warnings, if no improvement, then monetary fines as set by the Office of the Cane and Sugar Board



4.3 Sand Mix

Causes	Prevention
Poor cutting and lifting technique that causes a lot of sand to be mix with cane	Increase growers' knowledge about the negative effects of sandy cane to the production operation of sugar mill and sugar quality Training seminars and advice to grower of correct cane cutting and lifting techniques
Cane pushing instead of lifting	Issue written warnings, if no improvement, then monetary fines as set by the Office of the Cane and Sugar Board

2. Production Efficiency and Effectiveness Improvement

To create sustainable growth, the Company and its subsidiaries not only focus on cane sourcing but also make investment to improve production efficiency and effectiveness as follows:

Sugar Group

Production Capacity Increase Project - to increase steam production capacity from 80 to 110 tons/hr to accommodate our increasing need of steam power. Additionally, install economizer size 110 tons to increase the temperature of the water going into the steamer to reduce the use of bagasse as raw material and gain saving of 8,527,680 THB/ year. The increase in steam production capacity can result in high dust particles which the Company already taken action to reduce by making improvement to the dust-catching system from using wet scrubber to using EPS system that is more efficient.

Electricity Group

Production Capacity Increase Project - to fix and install old electricity turbine from New Krung Thai Sugar Factory Co., Ltd at Tamaka Sugar Industry Co., Ltd to increase electricity production capacity from 5 to 8 megawatts and sell to Electricity Generating Authority of Thailand (EGAT).

Alcohol Group

Biogas Project - using waste from ethanol alcohol production to generate biogas to fuel electricity production and to produce organic fertilizer through spent wash technique; both of which helps to reduce negative impact on the environment and generates useful bio energy. Currently, the company can send 20,000-25,000 cubic meter of biogas per day to the boiler and in the future, production capacity will be increase to 40,000-50,000 cubic meter per day. In this way, the production of electricity will not rely on bagasse as the only raw material, and the amount of bagasse required to produce electricity is reduced by 40-50 tons/day.



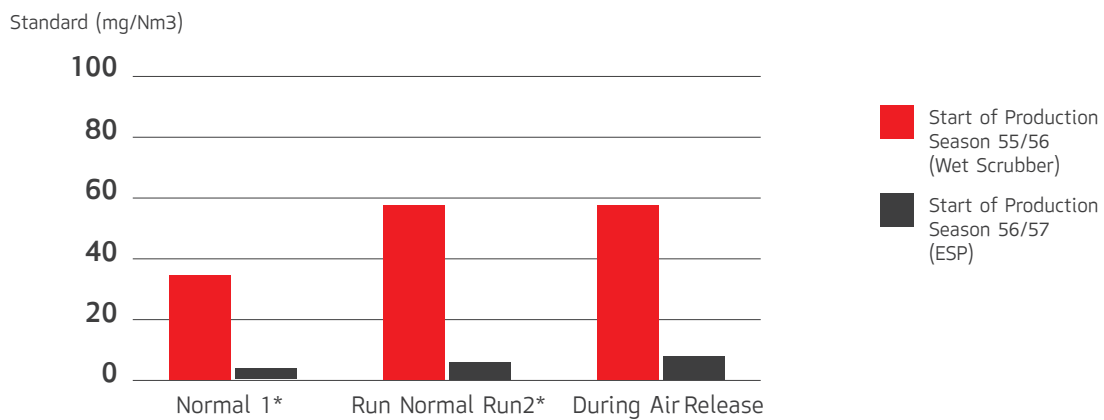
3. Environment

The Company has taken steps to reduce its impact on air and water quality as well as try to manage waste efficiently

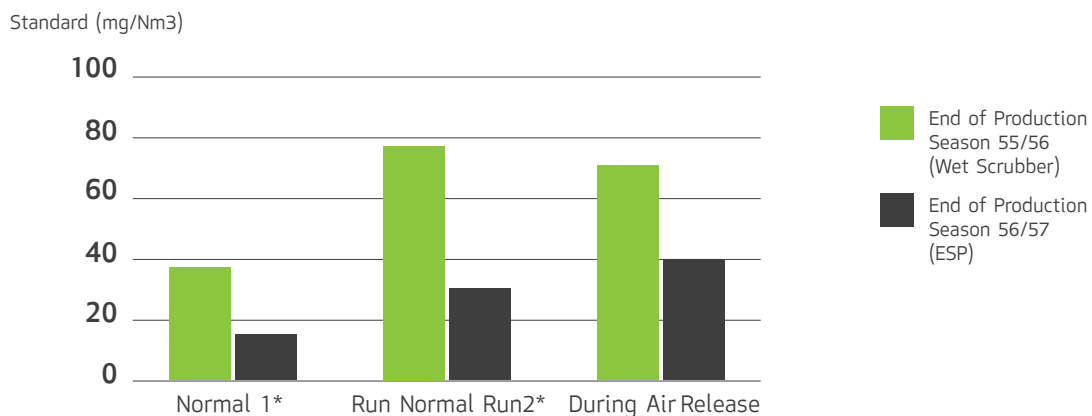
Air

At Khon Kaen Sugar Industry (PCL) Nampong branch, the company replace two out of four wet-scrubber dust-catching system with EPS technology which is more efficient at reducing dust particles (see figure 1 and 2 below). There are two main benefits from EPS technology:

**Air Quality from Oven 4
(Start of Production Season 55/56 vs. 56/57)**



**Air Quality from Oven 4
(End of Production Season 55/56 vs. 56/57)**



Note: Normal Run 1* at 25 degree Celsius, 1 ATM or 760 mmHg, dry basis, closed system
 Normal Run 2* value calculated on standard of Department of Industrial Works



- 1) Benefit to plants, animals, and humans – the reduction of dust particles released into the air not only meet the safety level required by law but allows respiratory system of plants, animals, and human to function better and improve their health.
- 2) Reduce the consumption of bagasse as raw material to generate electricity by 31,017.60 tons/ production season or an equivalent of 13,337,568 THB/year.

Water

Waste Water Management under the three Rs principles:

Reduce – reduce water and water- chemical consumption at all factories. During production condenser water will be used to reduce the need to use soft water, and monitor the blow down rate of steamer at appropriate level.

Reuse – reuse water or use it most efficiently by using condenser water to wash debris from steamer, boiler, production floor, reusing water coolant, and mixing blow down water from cooling tower with condenser water.

Recycle – recycle water than have been through water treatment process and use as condenser water, water for fire hydrant, spray on bagasse warehouse, spray on parking to wash away dust, and water the plants around the factory. Additionally, waste water from ethanol production is fermented and used to make biogas that fuels the production of electricity and is used to make organic fertilizer.

Waste Management

All waste products from our production of sugar, ethanol, and electricity are efficiently managed.

Waste from Sugar Factory

Bagasse – use as raw material to fuel the production of steam-generated electricity that is used by the factories and also sold to EGAT.

Filter cake – used to make organic fertilizer.

Molasses – sold to ethanol plant to make ethanol.

Waste from Power Plant

Ash – from burning bagasse to generate electricity is used to make organic fertilizer.



Waste from Alcohol Plant

Waste water from ethanol production is partly fermented to make biogas and the other part is used to mix with organic fertilizer.

4. Consumer

Currently, our sugar business has received quality certified by ISO9001:2008, FSSC22000, GMP, HACCP, HALAL, and TSI 56-2552. The Company's policy concerning product quality is to produce high quality sugar with greatest efficiency, on time delivery, gain customer's confidence, and safe for consumers consumption.

Produce High Quality Sugar

The Company produces sugar at meet and exceed the standard required by law.

White Refine sugar : Color not greater than 25 ICUMSA

White Sugar : Color between 46-80 ICUMSA

Raw Sugar : Pol not more than 98.50%

Greatest Efficiency

The Company will continuously make improvement to machinery and production process to meet increase cane supply and increase customer's demands.

On Time Delivery

The Company hires capable suppliers to make on time delivery of our sugar to customers.

Gain Customer's Confidence

The Company gives importance to the needs, expectation, requirements, and satisfaction of customers as well as that which is required by law. The Company never had to make product recall but have put measures in place in accordance with the ISO/FSSC standard in case of emergency.

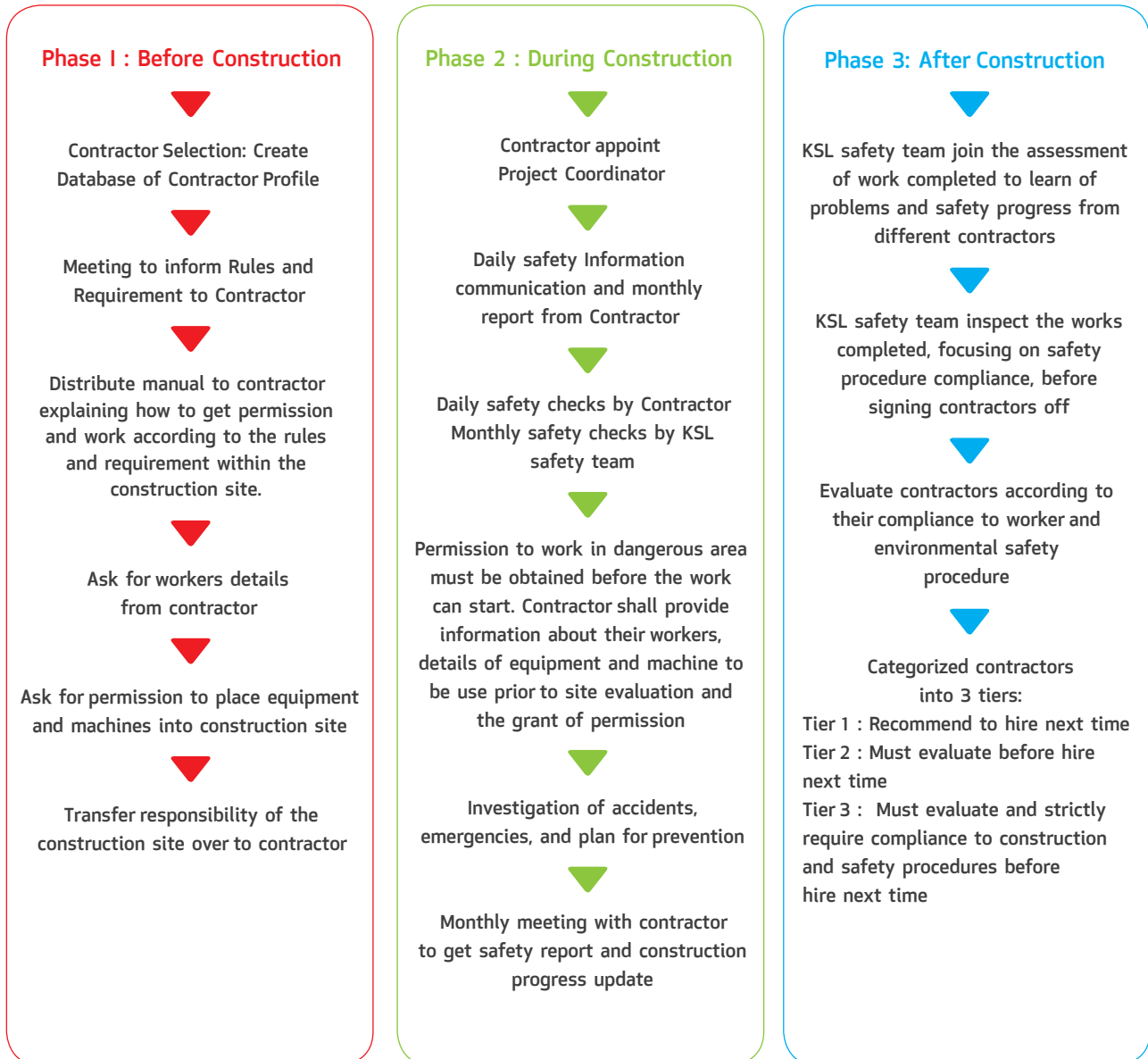
Consumer Safety

The Company considers the safety of its consumers and to that effect, have produced sugar according to quality standards such as ISO9001:2008, FSSC22000, GMP, HACCP, HALAL, and TSI 56-2552.



5. Safety

The Company considers the safety of contractors and employees and charts work process and gives safety trainings to employees. Contractor Safety is divided into three phases as shown in below:



**Employee Safety**

Employee safety trainings are as follows:

Safety Training for Operation Employees

1. Training on safety, personal, and workplace hygiene to all new employees
2. Training mid-level security staff
3. Training managerial-level security staff
4. Fire Drill
5. Training to use chemical safely

Safety Training for Specialized Operation Employees

1. Training to stop chemical leakage
2. Crane operation training
3. Training to work in bad atmosphere

Prevention Plan

1. Fire Prevention
2. Chemical Leakage Prevention

6. Human Resource

In addition to the certifications such as ISO9001:2000, food safety FSSC 22000, and Thai Industrial Standard TIS 8001, the Company also provide training to employees as part of our objective to improve our human resource capacity.

Required Training Courses Are:

1. New Employee Introductory Training
2. Work Place Safety Training
3. Quality Management Training ISO 9001:2008
4. Food Safety Training FSSC 22000
5. Team Building Exercise Based on Sufficiency Economy Philosophy

The Company also provides human resource development courses according to employee's levels, see figure below.



For Senior Executive Level - focus on new management practices and skill training so that executives can set clear organizational vision and objectives that is in tune with the changes and challenges at present and in the future. Examples of courses are Strategic Thinking and Executive, and Risk Management.

For Managerial Level - focus on general management skills to gain more efficiency and leadership training. Examples of courses are Mini MBA for KSL, HR for Non-HR, coach techniques to train other employees, and Supervisory Skill Development.

For Mid- Level Employees - focus on increasing knowledge and skills within the work division, including art of communication, team work, relationship building, and good work ethics all of which helps each employees work more efficiency. Examples of courses are Negotiation for Results, KSL Excellence Team Work, and writing skills.



For Operation Employees – focus on operational skills and increase employee's knowledge of their work responsibilities, how to work efficiently using available tools and support mechanism. Examples of courses are Five C, QCC, and WorkPlace Safety,

The One Point Knowledge (OPK) Project – is a knowledge sharing project design to let all employees learn from seminars that their colleagues have attended. Each employee who went to seminars outside the organization should write a report to share the new skills and knowledge he/she has learned. In this way, the Company can improve the quality of its human resource in the long term.

7. Society and Community Relations

KSL River Kwai Natural Agriculture Center

Mr. Chamroon Chinthammit, President and Chief Executive Officer of KSL group has foreseen the importance of making KSL group a socially responsible enterprise and hence adopted His Majesty the King of Thailand's Sufficiency Economy philosophy to advance the companies' corporate social responsibility programs.

In 2007, Mr. Chamroon Chinthammit along with KSL executives and employees join the sufficiency economy seminar at Mab Aung Agri-Nature Center, Chonburi Province that is under the direction of Mr. Wiwat Salyakamthorn so that employees can learn the way of sufficient living according to His Majesty the King's philosophy. In 2009, the Company created KSL River Kwai Natural Agriculture Center at Tambon Chonsadao Amphor Muang, Karnjanaburi Province in order to use it as sufficiency economy philosophy demonstration and training site for KSL employees, related stakeholders and interested persons such as surrounding communities, students, local governments and private sectors.



KSL River Kwai Natural Agriculture Center offers training courses and seminar on sufficiency economy to KSL employees, stakeholders, and other interested persons through 18 bases of sufficiency living lessons:





Care for Health

You are what you eat

Explain how to take care of one's health by eating healthy, exercising, and use herbal medicine

Practice Plant and Animal Breeding

Breed technique to get good plants and animal breeds

Explains how to breed plants and animals

Value Added Products

Learn how to add value to your products

Teaches how to make products more attractive for sale, encourage creativity and innovation of product offering

Make Bio Diesel

Usefulness of Bio Diesel

Learn about bio-diesel, its benefits and limitation, and also how to extract bio diesel from plant oils and use with small engines

Learn Local Knowledge

Learn and pass on Thai local knowledge

Teachs useful knowledge, tips, and practices of just about everything discovered by and pass on to one Thai generation to the next

Learn Herbal Medicine

Herbal Medicine to Combat Diseases

Demonstrate how to make herbal medicine

Personal and Household Cleaning Products

Make your own useful liquids like soaps, shampoo, and natural cleaning spray

Demonstrate how to make personal and household cleaning products from natural ingredients, it's safe and cost effective

Make Charcoal

Make charcoal from broken branches

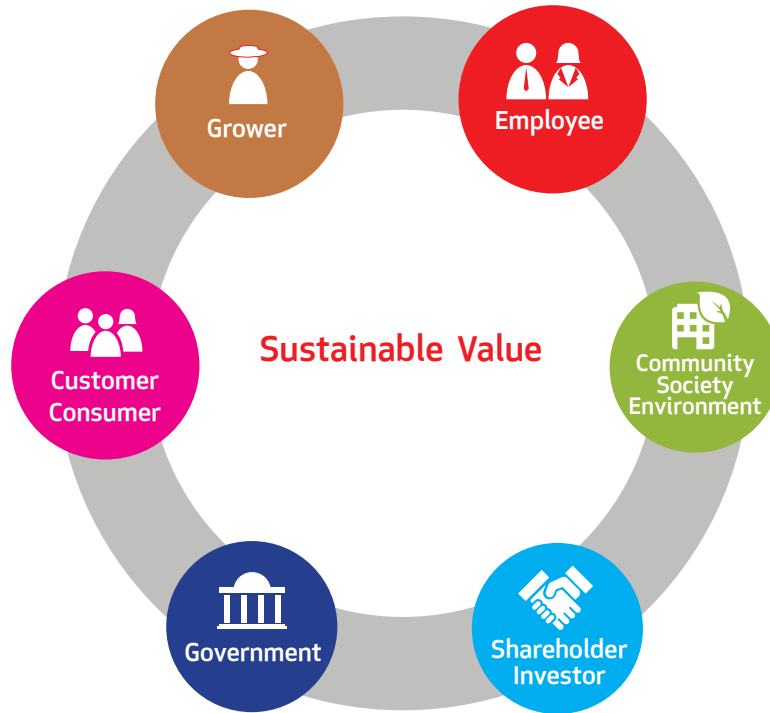
Learn how to make charcoal and charcoal vinegar

Use Alternative Energy

Benefits of Alternative Energy

How to install solar cell and harness energy from the sun as well as how to make bio-gas from food and animal waste

Additionally, KSL executives have also applied sufficiency economy principles to our engagement with relevant stakeholders as depicted in the figure below.



Cane Growers

KSL companies support the betterment of livelihood of farmers and agricultural workers through the promotion of sufficiency economy and leaning technical assistance to cane growing.

1. Promote sufficiency economy's new agriculture theory to cane growers which focus on management of land and water to gain most efficient yield
2. Promote local grower families to continue the tradition of planting cane to ensure steady supply of cane in the future
3. Encourage cane growers to produce high quality cane, focusing on reducing costs and increasing yields/rai
4. Teach cane growers how to effectively use filter cake and spent wash water to improve soil conditions of their land

Employees

KSL provides, sufficiency training to employees with the objective to increase their quality of living. To this effect, KSL trains employees to

1. Learn how to reduce their household expense according to the sufficiency economy philiophy
2. Adopt His Majesty the King's 23 work principles



Community, Society, Environment

KSL group is a socially responsible organization that aims to help its employees and other stakeholders become self-sufficient economically and socially so that the Company and its stakeholders can move forward together and grow in a sustainable way. As such, KSL will

1. Conduct its operation ethically and will not take advantage of the communities and try to resolve any disputes with the communities with honesty and fairness
2. Promote sufficiency economy through teaching the stakeholders how to reduce their household expenses
3. Build good relationships with the communities to create peaceful co-habitation



Shareholders and Investors

KSL group aims to gain the confidence of its shareholders and investors through good corporate governance, continuous application of sufficiency economy and useful corporate social responsibility programs.

Government

1. KSL group will strive to maintain good corporate governance, abide by the law and its regulations
2. Build good relationship through cooperation with local government and authorities



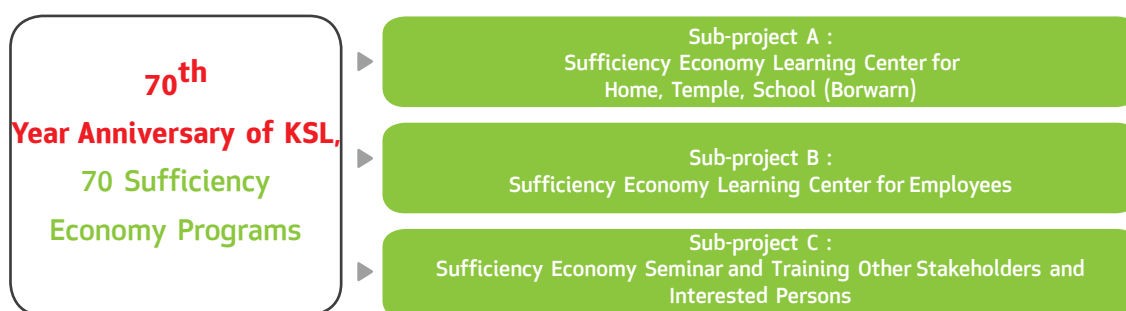
Customers and Consumers

1. KSL will produce high quality sugar that is safe for the consumption of consumers.
2. Gain customer's confidence by maintaining good corporate governance, following the path of sufficiency economy, and taking care of stakeholders and communities at large.



Project "70th Year Anniversary of KSL, 70 Sufficiency Economy Programs"

The "70th Year Anniversary of KSL, 70 Sufficiency Economy Programs" is a commemoration project to celebrate the Company's 70th year anniversary. The objective of this project is to promote deeper understanding of the benefits of sufficiency economy philosophy to relevant stakeholders. The project is further divided into 3 parts: a) Learning Center for Home, Temple, and School; b) Learning Center for Employees; and c) Seminars and training of sufficiency economy to other stakeholders and interested persons (see figure below)



Number of Programs Initiated and/or Completed in the Project from 2012-2014

Target Group	Yr 2012/2013	Yr 2013/2014	Total
	Amount	Amount	
A. Sufficiency Economy Learning Center for Home, Temple, School (Borworn)			
Home	1	12	13
Temple	1	9	10
School	2	12	14
B. Sufficiency Economy Learning Center for Employees		5	5
C. Sufficiency Economy Seminar and Training			0
Other Stakeholders			0
Employee	1	5	6
Interested Persons		4	4
Total	5	47	52



Sub-project A: Sufficiency Economy Learning Center for Home, Temple and School (Borworn)

Home

1. Is the first place to learn about sufficient way of living
2. Are individual units that can be made into networks for the purpose of sufficient living - ie. forming cooperative, fund groups, and more
3. Can be a contact point with private sector and government



Temple

1. Is the center of the community, most of the time, the community rely on temple for support and advice
2. Is capable of being the center of learning and dissemination of sufficiency economy, sufficient living through reducing household expense and increasing productivity yields



School

1. Is a place to reinforce the philosophy and practice of sufficiency economy
2. Provide hands-on training to students that can be use in real-life
3. Is capable of becoming a center of learning and dissemination of sufficiency economy to other schools and communities



Sub-project B: Sufficiency Economy Learning Center for Employees

1. Must be learning and support center for sufficiency economy teaching.
2. Must encourage employees to adopt sufficiency economy in their daily lives
3. Must be learning and cooperation center for employees



Sub-project C: Sufficiency Economy Seminars and Training to Stakeholders and Interested Persons

1. Seminar and hands-on training to stakeholders and interested person about sufficiency economy and the 18 practical bases of sufficiency-living.

Examples of Completed Sub-Projects

1. Seminar to Improve Employee's Quality of Living through Sufficiency Economy at KSL River Kwai Natural Agriculture Center, Karnjanaburi for employees of KSL Wangsaphong branch on 16-18 May 2014.



2. Seminar to Improve Student's Quality of Living through Sufficiency Economy at River Kwai Natural Agriculture Center, Kamjanaburi for 100 students from schools in the vicinity of New Krung Thai Sugar Factory Co., Ltd on 7-8 June, 2014



3. Seminar to Improve Farmers and Agricultural Workers' Quality of Living through Sufficiency Economy at River Kwai Natural Agriculture Center, Kamjanaburi for 100 agricultural workers in the vicinity of New Krung Thai Sugar Factory Co., Ltd on 14-15 June, 2014





4. Seminar to Improve Farmers and Agricultural Workers' Quality of Living through Sufficiency Economy for 100 agricultural workers in the vicinity of Tamaka Sugar Factory Co., Ltd on 21-22 June, 2014



5. KSL executives and employees join opening ceremony of Sufficiency Economy Learning Center at Baan SamgSang, Amphor Nampong, Khon Kaen Province on 26 October, 2014.



...the Company will continue our "70th Year Anniversary of KSL, 70 Sufficiency Economy Programs" project until completion by the end of 2015.



INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The company values strong internal control system that can adequately protects the interest of all its stakeholders. By applying a suitable internal control model, the company can achieve its corporate goals effectively and efficiently in terms of its operation, financing, risk management, and corporate governance.

At the Board of Directors meeting (6/2014) on December 23, 2014, the Board assessed the sufficiency of the company's internal control system based on the report from the audit committee meeting (6/2014) on December 19, 2014 which covered 5 area of internal control: internal organizational control, risk assessment, information usage, communication control, and monitoring activities that are divided into 17 categories. The Board reviewed the company's internal control system and considered it to be sufficient; especially in monitoring activities of the directors and management, shareholders, and those that may be related to them as well as the activities of the companies within the group in order to ensure that the directors and the management do not use the company's assets for personal gain and/or without authorization.

Internal audit is an important part of internal control system. The Internal Audit Committee has reviewed the Company's activities for compliance with the internal control system according to the assessment processes approved by the Audit Committee to assess the sufficiency and effectiveness of the current internal control system and reported the results to the Audit Committee every quarter. The Committee did not find any conflict of interest, fraud, abnormal and/or significant defects in the internal control system or other items that would be in violation of the law or the regulations of the Stock Exchange of Thailand.

Risk Management

The company's Risk Management Committee set the risk management policy and process for the management to execute. The management team is responsible for identifying risk factors and planning effective control systems. By considering the risk factors, the management can develop a better business model and control system that will enable it to manage risk at an acceptable level. During 2014, the Risk Management Committee and the Office of Risk Management and System Development completed the following tasks:

1. Created Corporate Governance Manual which details the policy for ethical business conduct and procedure for reporting misconduct, fraud, investigation of fraudulent activities, and protection of informants.
2. Reviewed the risk management policy and manual
3. Developed training manual on corporate governance, ethical business practice, and policy for reporting misconduct, and fraud.
4. Conducted training for management and employee levels at all seven sites of operation.
5. Risk assessment for fraudulent activities on all seven sites of operation.
6. Identified possible causes of risks and individuals responsible for prevention of such risks in different business departments for 2014, having been considered and approved by the Risk Management Committee.
7. Developed new risk analysis and assessment for 2014 as well as identifying basic guidelines and procedure to mitigate such risks and included it in the risk assessment report for the Risk Management Committee meeting 1/2014.
8. Preparation meeting for Office of Risk Management and System Development to go train staffs in seven operation sites.
9. Produce 3 risk assessment reports for 2014 that are tailored to each business departments in all seven sites of operation and distributed them to designated responsible personnel.



10. Presented risk assessment report of 2014 for the Company and subsidiaries to the Board to demonstrate risk items that are constant, decreasing, and increasing and the related causes of such risks so that the management can use it to better plan and mitigate such risks in their business units.

Additionally, the Risk Management Committee reviewed the internal audit assessment and risk management policy according to COSO-ERM and assessed fraudulent risk internal to the organization following the previously mentioned guidelines and policies of good corporate governance, ethical business conduct, procedure for reporting misconduct and fraud. The Committee found that the internal control system of the Company and its subsidiaries are within acceptable level and can be further developed to align with the Company's objectives.



RELATED PARTY TRANSACTIONS

Related party transactions for the year ended 31 October 2014 and 2013 disclosed in this section comprise of transactions between the enterprises and subsidiaries, associated, and individuals that may have the conflict of interest as follows:

Related Party Relationship as at October 31, 2014

Subsidiaries

Company name	Relationship
Tamaka Sugar Industry Co., Ltd. Manufacture and distribution of sugar and molasses	Tamaka Sugar Industry Co., Ltd. is controlled by the company which owns 90.21% of the subsidiary's shares. Individuals that relate to directors of the company own 9.79% of the subsidiary's of sugar and molasses shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Krung Thai Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Krung Thai Sugar Factory Co., Ltd. is controlled by the company which owns 95.78% of the subsidiary's shares. Individuals that relate to directors of the company own 4.22 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Kwang Soon Lee Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Kwang Soon Lee Sugar Factory Co., Ltd. is controlled by the company which owns 98.61% of the subsidiary's shares. Individuals that relate to directors of the company own 1.39 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
K.S.L. Real Estate Co., Ltd. Housing and land for agriculture estate including holiday resort for training, seminar center and Office building for rent	K.S.L. Real Estate Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd. which owns 40.77% and 55.70% of the subsidiary's shares, respectively. Individuals that relate to directors of the company own 0.91 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
Thai Sugar Terminal Public Company Limited Locating, silo warehouse and property rental	Thai Sugar Terminal Public Company Limited is a subsidiary of and controlled by the company which owns 23.82% of the subsidiary's shares. Major shareholders and directors of the company own 38.36% of the subsidiary's shares. The company also has common directors namely Mr. Prapas Chutimavoraphand, Mr. Somchai Chinthammit and Mr. Chalush Chinthammit.
K.S.L. Export Trading Co., Ltd. Export sugar as exporting agent	K.S.L. Export Trading Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd., New Krung Thai Sugar Factory Co., Ltd. and New Kwang Soon Lee Sugar Factory Co., Ltd. which own 33.87%, 23.11%, 16.04% and 9.60% of the subsidiary's shares, respectively. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Thawatchai Rojanachotikul, Mr. Sukhum Tokaranyaset and Mr. Chalush Chinthammit.
Savannakhet Sugar Corporation Agricultural Operation, Manufacture and distribution of sugar and molasses	Savannakhet Sugar Corporation is controlled by the company which owns 98.49% of the subsidiary's shares. None of major shareholders and directors of the company own the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Sugar Industry Co., Ltd. Manufacture and distribution of sugar and molasses which are during investment process	Koh Kong Sugar Industry Co., Ltd. is controlled by the company which owns 80.00% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Plantation Co., Ltd. Agricultural Operation	The Company holds shares indirectly which owns 80.00% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.



Associates

Company name	Relationship
Champion Fermentation Co., Ltd. Holding company (the company has an ownership interest in Chantaburi Starch Co., Ltd. which manufacture and distribute of cassava starch)	Champion Fermentation Co., Ltd. is an associate of and controlled by the company which owns 32.50% of the associate's shares. Major shareholders and directors of the company own 18.00% of the subsidiary's shares. Other major shareholders are a group of Taiwanese businessman. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset and Mr. Thawatchai Rojanachotikul.

Related Companies

Company name	Relationship
K.S.L. IT Center Co., Ltd. Provide computerized and database services to parent company and related parties	K.S.L. IT Center Co., Ltd. is controlled by Chengteh Chinaware (Thailand) Co., Ltd., and Thai Fermentation Industry Co., Ltd., whose stakes individually equal to 50% of K.S.L. IT Center Co., Ltd.'s shares. The company also has common directors namely Mr. Chatri Chinthammit.
Chengteh Chinaware (Thailand) Co., Ltd. Manufacture and distribution of ceramic products	Chengteh Chinaware (Thailand) Co., Ltd. is controlled by the same shareholder group of the company who owns 51.31% of Chengteh Chinaware (Thailand) Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, Mr. Trakarn Chunharojrit and Mr. Chalush Chinthammit.
Thai Fermentation Industry Co., Ltd. Manufacture and distribution of seasoning powder	Thai Fermentation Industry Co., Ltd. is controlled by the same shareholder group of the company who owns 47.10% of Thai Fermentation Industry Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, and Mr. Somchai Chinthammit.
On Nuj Construction Co., Ltd. Hotel and real estate agent	On Nuj Construction Co., Ltd. is controlled by the same shareholder group of the company who owns 78.50% of On Nuj Construction Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit, Ms. Duangkae Chinthammit, Ms. Duangdao Chinthammit and Mr. Prapas Chutimavoraphand.
K.K. Wood Industry Co., Ltd. Manufacture and distribution of processing products	K.K. Wood Industry Co., Ltd. is controlled by the same shareholder group of the company who owns 93.01% of K.K. Wood Industry Co., Ltd.'s shares. There is no common director.
Amarco Co., Ltd. Distribution of pesticide products	Amarco Co., Ltd. is controlled by the same shareholder group of the company who owns 100% of Amarco Co., Ltd.'s shares. There is no common director.
Sahamit Machinery Public Company Limited Distribution of spare parts, machinery, tools and equipments for industrial factory	Sahamit Machinery Public Company Limited has common director namely Mr. Pornsin Thaemsirichai and Mr. Karun Kittisataporn.



1. The following transactions were carried out with related parties:

1.1 Sales and purchases of goods and services including balance transaction (for the year ended 31 October 2014 and 2013)

Customers	Sellers/Service providers	Type of Transaction/ Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 14	31 Oct 13	
Thai Fermentation Industry Co., Ltd.	Khon Kaen Sugar Industry	- Sales of molasses	28,398	28,690	The Company and its subsidiaries sold molasses to Thai Fermentation Industry as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms. Tamaka Sugar Industry provided a service of modify machine to Thai Fermentation Industry which carried out at cost plus administrative expense.
	Public Company Limited	- Advance receivable for goods	-	1,396	
	Tamaka Sugar Industry Co., Ltd.	- Sales of sugar	-	29	
		- Service fee of modify machine	2,420	-	
		- Other accounts receivable	2,589	-	
	KSL Ago & Trading Co., Ltd.	- Sales of sugar	265	246	
	New Kwang Soon Lee Sugar Factory Co., Ltd.	- Sales of sugar and molasses	28,088	-	
		- Trade accounts receivable	31	-	
K.K. Wood Industry Co., Ltd.	Khon Kaen Sugar Industry	- Sales of supply and parts	75	127	The Company sold other product consisted of supplies and spare parts to K.K. Wood Industry Co., Ltd. to put into production process which carried out at cost plus administrative expense.
	Public Company Limited	- Trade accounts receivable	36	27	
		- Sale of sugar			
		- Other accounts receivable	3	14	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Sale of chemical and water	1,104	237	The Company's group purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The product price of Thai Fermentation Industry Co., Ltd. was less than the others from price comparison because they were by product from production process.
		- Trade accounts payable	243	-	
		- Other accounts payable (Incidental expenses)	54	12	
Tamaka Sugar Industry Co., Ltd.		- Sale of chemical and water	23	488	
		- Other accounts payable (Incidental expenses)	-	2	
		- Sale of chemical and water	23	58	
New Krung Thai Sugar Factory Co., Ltd.		- Sale of chemical and water	84	20	
		- Other accounts payable (Incidental expenses)	2	8	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	4,276	3,288	
Tamaka Sugar Industry Co., Ltd.		- Service fees of goods exporting	2,411	2,464	Sugar exporting has to be made by only company that authorized by Cane and Sugar Board in the Royal Gazette according to the sugarcane and sugar act. The Company's group and Prachaup Industry Co., Ltd. therefore established K.S.L. Export Trading Co., Ltd. to only be export agent and documental support. K.S.L. Export Trading Co., Ltd. will charge service fees at cost plus administrative expenses according to volume of goods.
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of goods exporting	4,203	4,261	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of goods exporting	770	297	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of goods exporting	-	830	
Savannakhet Sugar Corporation		- Service fees of goods exporting	-	301	
Khon Kaen Alcohol Co., Ltd.		- Service fees of goods exporting	-	741	



Customers	Sellers/Service providers	Type of Transaction/ Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 14	31 Oct 13	
Khon Kaen Sugar Industry	Thai Sugar Terminal Public	- Service fees for goods custody and transfer	32,942	40,675	The Company needs to use wharf and transfer services for group of sugar factory. Thai Sugar Terminal Public Company Limited priced service fees of goods custody and goods exporting were charge according to volume of goods and custody time, which are general rates in the market.
		- Other income	1,333	1,840	
		- Other accounts payable	487	138	
Tamaka Sugar Industry Co., Ltd.		- Service fees for goods custody and transfer	24,638	12,922	
		- Other income	1,982	-	
		- Other accounts payable	186	-	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	13,433	31,976	
		- Other accounts receivable	705	-	
		- Other accounts receivable	70	-	
		- Other accounts payable	509	-	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	11,338	6,445	
		- Other income	1,719	61	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	4,310	5,226	K.S.L. IT Center Co., Ltd. was established for serve computer service center within the group companies. The said company priced service expense to allocate according to actual data usages of each company.
		- Prepaid expenses	147	210	
Tamaka Sugar Industry Co., Ltd.		- Service fees of computerized activities	2,018	1,692	
		- Prepaid expenses	50	58	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of computerized activities	2,995	3,731	
		- Prepaid expenses	124	142	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of computerized activities	1,735	1,372	
		- Prepaid expenses	46	54	
K.S.L. Real Estate Co., Ltd.		- Service fees of computerized activities	22	57	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	205	179	
Savannakhet Sugar Corporation		- Service fees of computerized activities	531	444	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	685	471	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	157	135	
Khon Kaen Sugar Industry Public Company Limited	Sahamit Machinery Public Company Limited	- Sale of chemical and machine part	6,424	7,328	The Company purchased chemical product and spare parts from Sahamit Machinery Public Company Limited use in production process. The product price of Sahamit Machinery Public Company Limited was less than the others from price comparison.
		- Other account payables (Incidental expense)	3,390	126	
Tamaka Sugar Industry Co., Ltd.		- Sale of chemical and machine part	-	1,546	
		- Other account payables (Incidental expense)	-	1,406	
New Krung Thai Sugar Factory		- Sale of chemical and	-	24	



1.2 Rental fee (for the year ended 31 October 2014 and 2013)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 14	31 Oct 13	
Khon Kaen Sugar Industry Public Company Limited	On Nuj Construction Co., Ltd.	Office rental area of 202.84 square meters and car park at the rate of Baht 300 and 250 per square meter per month respectively and are allowed to be renewed annually (01/09/14-31/08/15)	730	619	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
	Chengteh Chinaware (Thailand) Co.,Ltd.	Office rental area of 495.54 square meters and car park at the rate of Baht 300 and 242 per square meter per month respectively and are allowed to be renewed annually (01/01/14-31/12/14)	1,727	1,440	
	K.S.L. IT Center Co., Ltd.	Office rental area of 432.62 and 202.84 square meters respectively and car park at the rate of Baht 300 and 200 per square meter per month and are allowed to be renewed annually (01/08/14 - 30/07/15)	896	609	
	Amarco Co., Ltd.	Land rental area of 536 square meters at the rate of Baht 1,996 per square meter per month for the period of 20 years (01/02/04-31/01/24) with rental rate will be raised 10% every 3 years.	23	23	
	K.K. Wood Industry Co., Ltd.	Land rental area of 1,728 square wah at the rate of Baht 99,200 and 90,200 per annum respectively and are allowed to be renewed every 3 years (15/01/14-14/01/17) with rental rate will be raised 10% every 3 years.	97	90	
Tamaka Sugar Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	Office rental area of 30.00 square meters with furniture at the rate of Baht 300 per square meters per month and is allowed to be renewed annually (01/09/14-31/08/15)	108	108	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
Champion Fermentation Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	Land rental area of 270 rai at the rate of Baht 740 per rai and is allowed to be renewed every 3 years (04/08/13-03/08/16)	200	163	Land leasing is for a plot of experimental sugar cane plantation and sugar cane research. Rental fees were charged at market prices.



3. Borrowings from/ Loans to related parties (for the year ended 31 October 2014 and 2013)

Borrower	Lender	For the year ended 31 October 2014				Interest paid	Necessity and reasonableness of Connected Transaction
		As at 1 Nov. 2013	Loan addition during the period	Repayment during the period	As at 31 Oct. 2014		
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	764,480	(764,480)	-	7,014	The loan was provided as financial supporting through K.S.L. Export Trading Co., Ltd. which was registered according to the laws and regulations of sugar exporting. The credit line from financial institution was defined and borrowed by K.S.L. Export Trading Co., Ltd. Then, K.S.L. Export Trading Co., Ltd. lent to sugar factories. Therefore, K.S.L. Export Trading Co., Ltd. represents an intermediary for credit line carried out. Prachaup Industry Co., Ltd. pledged sugar exporting and promissory note as collaterals against credit facilities from K.S.L. Export Trading Co., Ltd. and no fee is charged for the inter-credit facility guarantee.

Borrower	Lender	For the year ended 31 October 2013				Interest paid	Necessity and reasonableness of Connected Transaction
		As at 1 Nov. 2013	Loan addition during the period	Repayment during the period	As at 31 Oct. 2014		
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	657,020	(657,020)	-	3,138	The loan was provided as financial supporting through K.S.L. Export Trading Co., Ltd. which was registered according to the laws and regulations of sugar exporting. The credit line from financial institution was defined and borrowed by K.S.L. Export Trading Co., Ltd. Then, K.S.L. Export Trading Co., Ltd. lent to sugar factories. Therefore, K.S.L. Export Trading Co., Ltd. represents an intermediary for credit line carried out. Prachaup Industry Co., Ltd. pledged sugar exporting and promissory note as collaterals against credit facilities from K.S.L. Export Trading Co., Ltd. and no fee is charged for the inter-credit facility guarantee.



Policy on Future Related Party Transactions

The Audit Committee passed the resolution of related party transactions as follows:

The Audit Committee has reviewed the related party transactions described in the table above and given the view that it was in accordance with normal business practice and carried out at market price.

Policy on future related party transactions

1. Normal Business Transactions

Normal business transactions include transfer and transport services and warehouse rental from Thai Sugar Terminal Public Company Limited and sales and purchases of sugar between the company and the subsidiaries. These connected transactions will firstly be brought to the company's consideration in respect of the company's interests and be ensured that they will be carried out at market price.

2. Rental Service Transactions

Rental service transactions will be carried out at market price and the same rate given to third parties.

3. Sales and Purchases of Assets and Investments

Sales and purchases of assets and investments are an increase of capital in order to maintain the same shareholding proportion as previously held. It is also an investment for the current business expansion and the future business growth. The policy of sales and purchases of assets and investments will firstly be brought to the company's consideration in respect of the company's interests and the justification for entering into the transaction, the necessity and appropriateness of such transactions.

4. Borrowings from/ Loan to persons having potential conflict of interest

Borrowings from/ Loan to persons having potential conflict of interest will firstly be brought to the company's consideration in respect of the justification for entering into the transaction, the necessity and appropriateness of such transactions.

5. Other Related Transactions

Other related transactions are transactions other than 1-4 stated above.

Related party transactions between the company and the subsidiaries and the persons having potential conflict of interest, having a stake in or possibly having a conflict of interest in the future shall be subject to the opinion of the Audit Committee for their consideration in respect of the justification for entering into the transaction, the necessity and appropriateness of such transactions. In case the Audit Committee considers it lack expertise required for the consideration of possible transactions, it is empowered to recruit experts as needed. Experts, for example, could be an auditor or an independent appraisal officer, which is independent from both the company and persons having potential conflict of interest. The opinion of these recruited experts will be used in the decision-making of the Audit Committee and/or the Board of Directors of the company and/or shareholders as the case may be.

The Board of Directors of the company ensures compliance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand, including compliance with regulations on the disclosure of information on connected transactions and the acquisition or disposal of important assets of the company or its subsidiaries, and compliance with the accounting standards established by the Institute of Certified Accountants and Auditors of Thailand.



Capital structure of individuals having potential conflict of interest over 10%

Capital structure of individuals having potential conflict of interest over 10% are as follow:

1. Thai Sugar Terminal Public Company Limited (TSTE)

The individuals having potential conflict of interest own 38.36% of the TSTE's shares. Mr. Prapas Chutimavoraphand and his family invest in TSTE for their personal interest and do not relate to the company. The company owns 23.82% of the TSTE's shares and has no policy to increase its capital proportion. Consequently, the company could not alter TSTE's capital structure and has no policy forcing the directors of the company to sell their shares to the company. Moreover, the shareholders and directors have no intention to transfer their benefits to one of these two companies because the shareholding proportion in the company of most shareholders and directors is higher than their shareholding proportion in TSTE. In addition, Thai Sugar Terminal Public Company Limited has many directors from other sugar companies; thus, power balancing in TSTE is reasonable for both companies. To conclude, the related transactions between the company and TSTE are in line with the characteristics of normal trading in the market which will maximize highest value to both companies.

2. Champion Fermentation Co., Ltd.

The individuals having potential conflict of interest own 18.00% of Champion Fermentation Co., Ltd.'s shares. Other major shareholders are a group of Taiwanese businessman. Champion Fermentation Co., Ltd., formerly, has no business transactions except land leasing. However, Champion Fermentation Co., Ltd. has invested in cassava starch industry which does not relate to sugar industry in the end of 2004. The purpose of investment is for dividend received in the future.

In conclusion, the shareholding structure of the company and the subsidiaries, which is owned by the individuals having potential conflict of interest over 10% in some companies, are resulted from the past. Currently, the company has an intention changing its structure in order to minimize those conflicts. In addition, the company has the policy to directly invest in subsidiaries and associates in the future. Also, there will be the limitations in shareholding proportion for the individuals having potential conflict of interest except it will be done to maximize the company's value. Furthermore, the persons having potential conflict of interest will not make any investments in business that may constitute the conflicts of interest to the company or in competitive business to the company.



FINANCIAL INFORMATION

The corporate accounting period begins on November 1 and ends on October 31 of every year.

1. Report of Independent Auditor

1) Auditor

Year 2012	Miss Wimolporn Boonyusthian, Certified Public Accountant, Registration No. 4067, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Year 2013	Miss Wimolporn Boonyusthian, Certified Public Accountant, Registration No. 4067, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Year 2014	Miss Wimolporn Boonyusthian, Certified Public Accountant, Registration No. 4067, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

2) Summary of the audit reports over the past three years

Year 2012 The Auditor reviewed corporate financial statements and issued unconditional opinions.

The Auditor clarified the scope of her responsibilities that she had not audited financial statements of three foreign subsidiaries and six local subsidiaries which are included in this consolidated financial statements. In 2012, the financial statements of the subsidiaries indicated the total assets of THB 7,321.04 million, accounting for 24.72 % of the total assets. The total sales was THB 3,737.93 million, accounting for 16.83 % of the year's total sales. The net loss totaled THB 322.03 million, accounting for 13.02 % of the year's total sales. The financial statements of the subsidiaries were audited by other certified public accountants. The Auditor presented parts of the reports related to monetary amounts of transactions of the subsidiaries included in the consolidated financial statements; those amounts presented were based on the other certified public accountants' reports.

Year 2013 The Auditor reviewed corporate financial statements and issued unconditional opinions.

Year 2014 The Auditor reviewed corporate financial statements and issued unconditional opinions.

2. Percentage of Shareholding in the Subsidiaries and Consolidated Financial Statements Preparation Criteria

(Refer to the attached Financial Statements for details.)

The financial statements for 2012, 2013, and 2014 include a total of 14 subsidiaries (excluding subsidiaries of Thai Sugar Terminal Public Company Limited).

Table 1 : Percentage of Direct and Indirect Corporate Shareholding

	% of Shareholding		
	2012	2013	2014
Tamaka Sugar Industry Co., Ltd.	90.21	90.21	90.21
New Krung Thai Sugar Factory Co., Ltd.	95.78	95.78	95.78
New Kwang Soon Lee Sugar Factory Co., Ltd.	98.61	98.61	98.61
KSL Real Estate Co., Ltd.	80.31	91.02	91.02
KSL Export Trading Co., Ltd.	79.55	79.55	79.55
KSL Chemicals Co., Ltd.*	100.00	100.00	100.00
Khon Kaen Sugar Power Plant Co., Ltd.	100.00	100.00	100.00
Khon Kaen Alcohol Co., Ltd.	100.00	100.00	100.00
KSL Agro and Trading Co., Ltd.	100.00	100.00	100.00
Savannakhet Sugar Co., Ltd.	98.49	98.49	98.49
Koh Kong Plantation Co., Ltd.**	70.00	80.00	80.00
Koh Kong Sugar Industry Co., Ltd.	70.00	80.00	80.00
Wynn In Trading Co., Ltd.	100.00	100.00	100.00
Thai Sugar Terminal Public Company Limited***	23.82	23.82	23.82



NOTE:

* Formerly name KSL Chemicals Co., Ltd.

** Koh Kong Plantation Co., Ltd. holds shares through Wynn In Trading Co., Ltd.

*** Although the company only has 23.82 % shareholding in Thai Sugar Terminal Public Company Limited, it has controlling power in that particular company. Thai Sugar Terminal Public Company Limited is, therefore, considered a corporate subsidiary. Thai Sugar Terminal Public Company Limited, a KSL subsidiary listed in the SET as TSTE, has 5 subsidiaries : TSG Assets Company Limited operates real estate rentals. TSTE holds 23.11% shares. TS Oil Industry Company Limited (formerly name as TSG Property Company Limited) trades, leases, develops real estate, and operates a palm oil refinery plant. TSTE holds 28.48% shares directly and indirectly. TS Flour Mill Public Company Limited rents out real estate and manufactures wheat flour. TSTE holds 16.59% shares directly and indirectly. It is also listed in the SET as TMILL. TS Warehouse Company Limited stores and transfers goods. TSTE holds 19.30% shares directly and indirectly. TS Transport and Logistics Company Limited provides transport and security service. It also manufactures plastic sacks. TSTE holds 30.58% shares directly and indirectly. For further details, refer to Listed Company Information on Thai Sugar Terminal Public Company Limited (TSTE) and TS Flour Mill Public Company Limited (TMILL).

3. Profit and Loss Statement

In 2014, the company generated the revenues from operations of THB 19,185 million, in total, increasing from that in the previous year by 1%. The revenue from sales amounted to THB 18,728 million and the revenue from services amounted to THB 457 million. The company's total cost was THB 14,440 million, decreasing from that of the previous year by 3%. Other incomes amounted to THB 447 million. The company had profit before selling and administration expenses totaled THB 5,191 million, increasing from that of the previous year by 9%.

Regarding the selling and administrative expenses, the company incurred selling expenses totaled THB 623 million, increasing by 31% and administrative expenses totaled THB 644 million, increasing by 7%. There is also management remuneration cost of THB 193 million and Fee paid to Sugar Fund, THB 992 million. Subsequently, the company had the profit before financial cost and tax expenses totaled THB 2,740 million, increasing by 11 %.

In 2014, the company incurred financial cost of THB 834 million, an increase by 24%. The corporate income tax burden amounts to THB 109 million. After deduction of THB 159 million loss in minority interests, the company's net profit decreased by 3% from the previous year, from THB 1,676 million to THB 1,626 million in 2014.

Table 2 : Consolidated Profit and Loss in the past 3 years

Income Statement Highlight (Million THB)	2014	2013	% Change	2012
Sales and Services	19,185	18,941	1%	22,212
Cost of Sales and Service	(14,440)	(14,961)	-3%	(16,479)
Gross Profit from Sales & Services	4,744	3,980	19%	5,734
Other Incomes	447	777	-42%	493
Gross Profit from other Income	5,191	4,756	9%	6,226
Selling Expense	(622)	(474)	31%	(535)
Administration Expense	(644)	(603)	7%	(701)
Management Remuneration	(193)	(182)	6%	(163)
Proceeds to Fund	(992)	(1,033)	-4%	(1,064)
Gain (Loss) from Derivatives				
Total cost	(2,451)	(2,292)	7%	(2,463)
EBIT	2,740	2,464	11%	3,763
Financial cost	(834)	(672)	24%	(556)
Share of Profit of Associated Company	(10.75)	(0)		(8)
Corporate Income Tax	(109.22)	(132)	-17%	(726)
Minority and others	(159.18)	16		(118)
Net Profit	1,626.22	1,676	-3%	2,354
EPS	0.97	1.01	-4%	1.50
Gross Margin from Sales & Service	24.73%	21.01%		25.81%
Net Profit Margin	8.48%	8.85%		10.60%



With reference to the company's revenue structure, the total revenues from operations was THB 19,185 million. The company had revenues from sales of sugar and molasses amounted to THB 13,344 million, accounting for 70% of the total revenue. Revenues from sales of ethanol and gasoline totaled THB 2,391 million, representing 12% of the total revenue. Electricity sales, which the corporate power generation facilities had distributed to the Electricity Generating Authority of Thailand according to the firm contract, amounted to THB 1,141 million, accounting for 6% of the total revenue. Revenues from sales of wheat flour, palm oil, and sacks totaled THB 1,161 million, accounting for 6% of the total revenue. The rest of the revenue were generated from the sales of fertilizer, service provision, and other sources.

Table 3 : Consolidated Revenue Structure in the past 3 years

Revenue Structure (Million THB)	2014		2013		% Change	2011	
Sales and Service							
Sugar Sales	13,154	69%	12,408	66%	6%	15,494	70%
Molasses Sales	190	1%	30	0%	528%	146	1%
Other Income from Sugar & molasses	136	1%	83	0%	65%	187	1%
Electricity Sales (Firm)	1,141	6%	1,029	5%	11%	860	4%
Ethanol and Benzene Sales	2,391	12%	2,344	12%	2%	1,818	8%
Fertilizer Sales	28	0%	11	0%	145%	3	0%
Wheat Flour, Palm oil and Sacks	1,161	6%	2,142	11%	-46%	2,761	12%
Service	466	2%	355	2%	31%	336	2%
Other	518	3%	540	3%	-4%	607	3%
Total	19,185	100%	18,941	100%	1%	22,212	100%
Other Incomes							
Rental Income	47	10%	53	7%	-11%	54	11%
Sales of Electricity (Non-Firm)	43	10%	35	5%	22%	42	9%
Gain on Sales of Assets	16	4%	18	2%	-9%	33	7%
Gain on Derivatives	57	13%	246	32%	-77%	121	25%
Gain on Currencies Exchange	-	0%	183	24%	-100%	28	6%
Other Incomes	283	63%	242	31%	17%	216	44%
Total	447	100%	777	100%	-42%	493	100%

4. Statement of Financial Position of the Company and its Subsidiaries

Table 4 : A Summary of the Consolidated Statement of Financial Position in the past 3 years

Statement of financial Position Highlight (Million THB)	2014	2013	%Change	2012
Cash & Short Term Investment	256.01	212.24	21%	289.73
Account Receivable	1,656.88	880.91	88%	835.63
Farmers Account Receivable	767.63	695.77	10%	755.18
Short Term Loan to Farmers	1,234.19	1,026.58	20%	747.69
A/R sugarcane & sugar fund	-	-	n/a	39.04
Inventories	4,348.34	3,647.46	19%	3,492.97
Deferred Cane Plantation Cost	542.71	479.51	13%	569.98
Net PP&E	27,087.55	25,137.52	8%	21,424.19
Net Asset not used in Operation	-	-	n/a	289.49
Total Asset	40,133.70	36,017.26	11%	29,617.09
Current Liabilities	14,322.26	13,466.37	6%	12,322.86
Non-Current Liabilities	10,978.63	8,848.32	24%	5,262.10
Total Liabilities	25,300.89	22,314.69	13%	17,584.96
Total Shareholder's Equity	14,832.82	13,702.57	8%	12,032.13
Book Value per share	7.93	7.35		6.54
D/E Ratio	1.71	1.63		1.46
IBD/E Ratio	1.48	1.39		1.17



In 2014, the company and its subsidiaries had the total assets of THB 40,134 million, an increase of 11% from the previous year due mainly to (1) Investments PP&E from a power plant expansion and sugar factory's crushing capacity enhancement in Nampong, Khon Kaen province, (2) Increase in volume, the farmers required more loans for plantation causes the increase in Loans to farmers of the company, (3) Delay shipment by customers cause higher ending inventory this year.

The company funds these investment projects by using credit loans from financial institutions and issuing bonds. Consequently, the total liability increased by 13%, from THB 22,315 million in 2013 to THB 25,301 million. Hence, D/E ratio increased from 1.63 to 1.71 and interest-bearing debt/equity also increased from 1.39 to 1.48.

5. Cash Flow Statement

Table 5 : Cash Flow Statements of the Company in the past 3 years

Cash Flow Highlight (Million THB)	2014	2013	% Change	2012
Net Profit + Depre. + Non Cash	3,875	3,370	15%	4,781
Change in Working Capital	(2,278)	(1,604)		(1,070)
from Operating Activities	1,598	1,766	-10%	3,711
Invest in PP&E	(2,650)	(4,242)	-38%	(4,249)
from Investing Activities	(3,195)	(6,294)	-49%	(4,415)
from Financing Activities	1,708	4,431	-61%	709
Change in Cash Flow	57	(91)		9
Ending Cash	256	199		289
EBIT	2,740	2,464	11%	3,763
Depreciation	1,131	950	19%	833
EBITDA	3,871	3,414	13%	4,596

In 2014, the company and its subsidiaries the company and its subsidiaries received cash flows from their operations before change in working capital totaled THB 3,875 million, a 15% increased from the previous year due to increase from the sugar volume. And also, increase in loans to farmers and ending inventory. As a result, the company and its subsidiaries have THB 1,598 million of cash flow from operating activities or decreased by a 10% from the year 2013.

For cash flows from investing activities, the company and its subsidiaries had cash paid in (net) totaled THB 3,195 million, of which THB 2,650 million was mainly invested in lands, buildings, properties, plants and equipment (net) from a power plant expansion and sugar factory's crushing capacity enhancement in Nampong, Khon Kaen province.

Regarding financing activities in 2014, the company and its subsidiaries received the net cash of THB 1,708 million from short term loan, issuing bonds and project finance credit line.

6. Financial Ratios

Table 1.6 : Financial Ratios

Financial Ratios	2014	2013	2012
Short Term liquidity ratios			
Current Ratio	0.58	0.47	0.49
Acid Test Ratio	0.26	0.19	0.19
Collection period	32	23	19
Days of Inventory	100	87	75
Capital Structure and Solvency ratios			
D/E Ratio	1.71	1.63	1.46
IBD/E Ratio	1.48	1.39	1.17
LTD to equity	0.69	0.57	0.42
Times interest earned	3.28	3.67	6.76



Financial Ratios	2014	2013	2012
Return on Investment ratios			
ROA	7%	7%	13%
ROE	11%	12%	20%
Operating performance ratios			
Gross Profit Ratio	25%	21%	26%
Operating Profits to Sales	14%	13%	17%
Pretax Profit to sales	10%	9%	14%
Net Income to Sales	8%	9%	11%
Asset Utilization ratios			
Sales to cash	84.38	77.6	77.9
Sales to accounts receivables	11.13	15.4	18.9
Sales to inventory	4.80	5.3	6.6
Sales to fixed assets	0.73	0.8	1.2
Sales to total assets	0.50	0.6	0.8
Market Measures			
Book Value per Share	7.93	7.35	6.54
Earning Per Share	1.00	1.01	1.50

According to the 2014 financial ratios, liquidity ratios that is part of current ratio and acid test ratio had improved. This is because the company restructured some of its debts from short-term to long-term tenor. In past few year the company managed by using short-term credits as working capital for its investment projects. Once the long-term loan contract periods were due, the company switched to use the long-term credits. The purpose was to relieve the interest burden on loans. Subsequently, the company's current ratio and acid test ratio decreased.

Regarding solvency ratios, it can be seen that the D/E ratio, IBD/E ratio and LTD to equity had increased as a result of using loan to fund investment project, increase in loans to farmers and higher ending inventory due to delay shipment by customer.

In terms of profitability ratios, the ROE decreased due to the slight decrease in overall operation. However the ROA was flat compare to the previous year due to non-operating asset from our new project just take place.



MANAGEMENT DISCUSSION AND ANALYSIS

In 2014, the company has a net profit of THB 1,626 million. Compared to the previous year result of THB 1,676 million, the company's net profit dropped by THB 50 million or about 3%, of which:

The revenue from sales and services increased 1% from THB 18,941 million to THB 19,185 million even the world sugar price decreased. Because the company had more sugarcane crushed volume from 8.02 million tons to 8.72 million tons. As a result, the company's revenue slightly increased compare to previous year.

The cost of sales and services decreased 3% from THB 14,961 million to THB 14,440 million due to efficiency improvement. As a result, gross profit increased 19% from THB 3,980 million to THB 4,744 million.

The other revenue decreased due to in 2013, the company had foreign currency exchange gain, THB 183 million and derivatives gain, THB 245 million while in 2014, the company had only derivatives gain, THB 57 million.

For the selling and administrative expense, it is divided into the following:

- 1) Selling Expense - increased by 31% as the sales volume increased from 720,318 tons in 2013 to 836,701 tons in 2014. There is also an increase in our storage and warehouse expenses as customers delay their sugar shipments.
- 2) Administrative Expense - increased by 7% from THB 603 million to THB 644 million.
- 3) Fee paid to Sugar Fund - a fund the company contributed to the Cane and Sugar Fund to support the cane and sugar industry in Thailand. Since 2001, the company contributed money to this fund in two ways. First, through deducting THB 5/kg from all the sugar it sold domestically. Second, the company pays the fund with the difference in VAT that it gained from the price of sugar it used to sell previously with VAT and currently without VAT as required by current pricing regulation. Hence, the amount of fund the company contributes each year will depend on the domestic price of sugar during that year. In 2014, the amount of fund the company contributed is less than that of the previous year as the volume of domestic sugar sale decreases from 192,331 tons in 2013 to 177,057 tons in 2014.

Financial expense and corporate tax - the burden of interest from investing in a few new projects and delay sugar shipment by customer had lead to an increase in the company's financial costs of 24%. However, the company also has some tax relief from some of its business operations from the Board of Investment of Thailand (BOI).

As a result, the company reported net profit decreased by 3% from THB 1,676 million to THB 1,626 million

Table 1 : Sales Revenue from Ethanol (exclusive of petroleum) and Electricity

Sales Volume & Price	2014			2013			2012		
	Volume Units	Avg. Price THB/Unit	Value M THB	Volume Units	Avg. Price THB/Unit	Value M THB	Volume Units	Avg. Price THB/Unit	Value M THB
Sugar	836,701	15,721	13,154	720,318	17,226	12,408	792,816	19,543	15,494
Ethanol (1,000 Litres)	91,607	25.92	2,374	104,651	22.25	2,328	88,494	20.47	1,812
Power	324,099	3,520	1,141	301,136	3,416	1,029	267,452	3,215	860

Note : Sugar unit: tons price: THB per ton Molasses unit: ton price: THB per ton

Ethanol unit: 1,000 litres price: THB per litre electricity unit: MW-hr price: THB per KW-hr

Our expectation for 2015 is that our sugar business operation will be stable even though the company gain more sugar volume from the newly invested facilities but the world sugar price is in a downward trend compared to previous year. The instability of world economy also affect commodities price. However, the reduction in world market price of sugar help to decrease the cost of the company's sugar production as the cost of domestic cane is systematically tied to the price of sugar sold as part of the 70:30 profit sharing scheme made between Thai cane farmers and Thai sugar producers. Additionally, the company expects some parts of the lower sugar price to be compensated by the weaken Thai Baht against US dollars. In 2015, the company expects more sugarcane volume which will give more raw materials to produce more value-added products such as electricity and ethanol.



REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors of Khon Kaen Sugar Industry Public Company Limited is responsible for the separated financial statement and consolidated financial statement of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards, with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosure and transparency of important information have been made in the notes to the financial statements. Both separated financial statement and consolidated financial statement have been audited by independent certified auditors who have given their unconditional opinions.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to be responsible for reviewing separated financial statement and consolidated financial statement, including evaluating the efficiency and the competence of internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is of the opinion that the Company's internal control system and the internal audit can reasonably assure the creditability of the separated financial statement and consolidated financial statement of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries for the year ended October 31, 2014, and that the statement of financial position, operating results, and cash flows are accurate and in accordance with the generally accepted accounting principles.

(Mr. Manu Leopaiprote)

Chairman

(Mr. Chamroon Chinthammit)

President & Chief Executive Officer



REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS



To The Shareholders And Board Of Directors
Khon Kaen Sugar Industry Public Company Limited

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and of Khon Kaen Sugar Industry Public Company Limited as at October 31, 2014, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

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

Wimolporn Boonyusthian

Certified Public Accountant (Thailand) Registration No. 4067

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

BANGKOK

December 23, 2014



STATEMENTS OF FINANCIAL POSITION

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT OCTOBER 31, 2014

UNIT : BAHT

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

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



STATEMENTS OF FINANCIAL POSITION (Cont.)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT OCTOBER 31, 2014

UNIT : BAHT

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



STATEMENTS OF FINANCIAL POSITION (Cont.)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT OCTOBER 31, 2014

UNIT : BAHT

	Notes	Consolidated Financial Statements			Separate Financial Statements		
		As at	As at	As at	As at	As at	As at
		October 31, 2014	October 31, 2013	November 1, 2012	October 31, 2014	October 31, 2013	November 1, 2012
			"Restated"	"Restated"		"Restated"	"Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)							
SHAREHOLDERS' EQUITY							
SHARE CAPITAL	23.1						
Authorized share capital							
1,870,000,000 ordinary shares of Baht 1.00 each		1,870,000,000	1,870,000,000	1,870,000,000	1,870,000,000	1,870,000,000	1,870,000,000
Issued and paid-up share capital							
1,704,646,884 ordinary shares of Baht 1.00 each, fully paid		1,704,646,884	1,704,646,884		1,704,646,884	1,704,646,884	
1,575,768,083 ordinary shares of Baht 1.00 each, fully paid				1,575,768,083			1,575,768,083
SHARE PREMIUM ACCOUNT -							
ORDINARY SHARES		2,946,439,199	2,946,439,199	1,786,529,990	2,946,439,199	2,946,439,199	1,786,529,990
RETAINED EARNINGS							
Appropriated							
Legal reserve	24	187,000,000	187,000,000	187,000,000	187,000,000	187,000,000	187,000,000
Reserve for treasury stocks	23.2	433,153,677	433,153,677	-	433,153,677	433,153,677	-
Unappropriated		6,929,825,208	5,916,916,466	5,485,689,623	2,021,950,800	1,420,185,715	1,526,427,922
OTHER COMPONENTS OF EQUITY		1,044,121,924	1,016,110,643	920,419,492	517,481,506	527,545,961	423,502,410
		13,245,186,892	12,204,266,869	9,955,407,188	7,810,672,066	7,218,971,436	5,499,228,405
Less Treasury stocks							
(34,100,000 shares)	23.2	(433,153,677)	(433,153,677)	-	(433,153,677)	(433,153,677)	-
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		12,812,033,215	11,771,113,192	9,955,407,188	7,377,518,389	6,785,817,759	5,499,228,405
NON-CONTROLLING INTERESTS		2,020,782,041	1,931,452,699	1,642,233,655	-	-	-
TOTAL SHAREHOLDERS' EQUITY		14,832,815,256	13,702,565,891	11,597,640,843	7,377,518,389	6,785,817,759	5,499,228,405
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		40,133,703,826	36,017,255,246	29,617,650,433	21,871,075,406	20,854,974,195	13,534,830,516

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



STATEMENTS OF INCOME

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

UNIT : BAHT

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

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



STATEMENTS OF COMPREHENSIVE INCOME

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

UNIT : BAHT

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

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

Notes	Issued and paid-up share capital	Share premium account ordinary shares	Owners of the parent							Treasury stocks	Total owners of the parent	Non-controlling interests	Total shareholders' equity				
			Retained Earnings		Other components of equity												
			Appropriated	Unappropriated	Exchange differences on translating financial statements	Gain (loss) on re-measuring available -for-sale investment	Gain (loss) on asset revaluation of entities under common control	Losses on restructuring of subsidiaries	Total other components of equity								
			Legal reserve	Reserve for treasury stocks													
	1,575,748,083	1,786,529,990	187,000,000	- 5,492,937,235	(62,843,661)	(382,869)	1,589,282,992	(264,043,132)	(25,205,318)	1,236,807,992	-10,279,043,300	1,753,088,709	12,032,132,009				
Effects of the adoption of new Thai Accounting Standard																	
- Income tax	-	-	-	- (7,247,612)	-	88,060	(316,476,560)	-	- (316,388,500)	-	(323,636,112)	(110,855,054)	(434,491,166)				
Beginning balance as at November 1, 2012 after adjustment	1,575,748,083	1,786,529,990	187,000,000	- 5,485,689,623	(62,843,661)	(294,809)	1,272,806,432	(264,043,132)	(25,205,318)	920,419,492	- 9,955,407,188	1,642,233,655	11,597,640,843				
Changes in shareholders' equity during the year																	
- Increase in ordinary shares	23.1	128,878,801	-	-	-	-	-	-	-	-	- 1,288,788,010	-	1,288,788,010				
- Treasury stocks	23.2	-	-	-	-	-	-	-	-	- (433,153,677)	(433,153,677)	-	(433,153,677)				
- Reserve for treasury stocks	23.2	-	-	433,153,677	(433,153,677)	-	-	-	-	-	-	-	-				
- Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	-	315,062,688	315,062,688				
- Dividends paid	24	-	-	-	-	-	-	-	-	-	- (811,697,759)	(73,478,828)	(885,176,587)				
- Transfer of gain on asset revaluation		-	-	-	-	-	157,677,750	-	-	157,677,750	-	58,685,260	216,363,010				
- Total comprehensive income (expense) for the year		-	-	- 1,676,078,279	18,235,535	(48,245)	(21,738,015)	-	(58,435,874)	(61,986,599)	- 1,614,091,680	(11,050,076)	1,603,041,604				
Ending balance as at October 31, 2013	1,704,646,884	2,946,439,199	187,000,000	433,153,677	5,916,916,466	(44,608,146)	1,408,746,167	(264,043,132)	(83,641,192)	(433,153,677)	11,771,113,192	1,931,452,699	13,702,565,891				



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

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

UNIT : BAHT

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

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

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



SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

UNIT : BAHT

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

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



STATEMENTS OF CASH FLOWS

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

UNIT : BAHT

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013 "Restated"	2014	2013 "Restated"
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax income (expenses)	1,894,617,670	1,792,230,107	1,171,974,267	1,133,971,028
Adjustments for:				
Dividend income	-	(325,000)	(1,309,815,469)	(1,179,680,779)
Doubtful accounts - trade and other receivables (reversal)	(59,773,036)	24,988,954	(993,112)	7,962,857
Share of loss on investments in an associate	10,749,457	170,915	-	-
Amortization of premium on bonds	164,370	59,031	19,437	18,812
Employee benefit expenses	2,093,575	11,665,878	2,623,067	5,571,421
Loss on damaged cane and adjustment to decrease the cane plantation costs	5,319,034	25,580,755	-	-
Loss from diminution in value of inventories (reversal)	93,852,075	(79,002,649)	3,977,154	(23,609,290)
Depreciation and amortization	1,131,346,992	949,842,833	313,404,059	246,708,524
Gain on disposal and write off of assets	(15,307,478)	(16,444,740)	(9,721,035)	(427,624)
Loss on impairment of property, plant and equipment	-	327,993	-	-
Gain on sales of investments in subsidiaries	-	(21,137,905)	-	(21,137,905)
Unrealized loss (gain) on exchange rate	3,059,540	22,257,183	(1,992,077)	3,076,348
Interest expenses	806,797,958	657,592,194	362,901,271	370,176,306
Finance costs	2,486,959	1,971,566	2,486,959	1,971,566
	3,875,407,116	3,369,777,115	534,864,521	544,601,264
Operating assets (increase) decrease				
Trade and other receivables	(883,744,667)	(128,366,639)	(657,131,295)	(141,856,117)
Inventories	(794,736,511)	(75,488,654)	(69,175,136)	(826,290,106)
Other current assets	2,128,443	9,866,995	23,196,464	20,867,441
Deferred cane plantation costs	(14,498,356)	114,477,844	1,225,683	21,964,507
Other non-current assets	26,131,931	(67,492,034)	1,881,068	(797,346)
Operating liabilities increase (decrease)				
Trade and other payables	407,781,887	(384,145,606)	36,105,981	192,449,389
Other current liabilities	2,011,380	18,646,011	(8,745,211)	801,417
Employee benefit obligations	(7,419,580)	(7,385,315)	(2,108,934)	(1,786,307)
Other non-current liabilities	(53,685,379)	101,889,396	(54,983,306)	17,689,889
Cash received from (paid for) operating activities	2,559,376,264	2,951,779,113	(194,870,165)	(172,355,969)
Interest paid	(784,358,454)	(699,563,659)	(333,546,339)	(375,505,218)
Income tax expense paid	(177,227,400)	(486,177,205)	(8,068,486)	(239,394,465)
Net cash provide by (used in) operating activities	1,597,790,410	1,766,038,249	(536,484,990)	(787,255,652)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payment from purchases of temporary investments	-	(13,000,587)	-	-
Cash received from sales of temporary investments	13,499,479	-	-	-
(Increase) decrease in short-term and long-term loans	(183,184,780)	(161,727,193)	1,068,642,990	(2,450,199,700)
Cash payments for investments in subsidiaries	-	(18,718,094)	-	(479,795,145)
Cash received from sales of investments in subsidiaries	-	39,855,999	-	39,855,999



STATEMENTS OF CASH FLOWS (CONTINUE)

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

UNIT : BAHT

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

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



NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION AND THE COMPANY'S OPERATIONS

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

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

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

The Company's major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 32.26% of issued and paid-up shares capital.

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

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

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

2.1 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2009) "Presentation of Financial Statements", and the regulation of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement B.E. 2554" dated September 28, 2011.

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

2.2 These consolidated financial statements included the accounts of the Company and its subsidiaries ("the Group"). Significant transactions and balances between the Company and its subsidiaries have been eliminated. The structure of the Group as at October 31, is as follows:



Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	2014 %	2013 %		
Subsidiaries in which the Company holds shares directly and indirectly				
Thai Sugar Terminal Public Company Limited*	23.82	23.82	Thailand	Transfer and transportation services for certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of building on land for sales and rental
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Real Estate Company Limited	91.02	91.02	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental
K.S.L. Export Trading Co., Ltd.	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Material Supplys Co., Ltd.	100.00	100.00	Thailand	Importer and distributor of chemicals
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Company Limited	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	80.00	80.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services

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

Company Name	Percentage of Shareholding		Percentage of Shareholding		Country of Incorporation	Type of Business
	Indirect		Direct and indirect			
	2014	2013	2014	2013		
	%	%	%	%		

Subsidiaries which the Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited						
T S G Asset Co., Ltd.*	19.00	19.00	23.11	23.11	Thailand	Property rental
T S Oil Industry Co., Ltd.*	27.86	27.86	28.48	28.48	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	16.52	16.52	16.59	16.59	Thailand	Produce and distribute wheat flour and property rental



Company Name	Percentage of Shareholding Indirect		Percentage of Shareholding Direct and indirect		Country of Incorporation	Type of Business
	2014	2013	2014	2013		
	%	%	%	%		
Subsidiaries which the Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited (continued)						
T S Warehouse Co., Ltd.*	15.28	15.28	19.30	19.30	Thailand	Warehousing and loading of goods
T S Transport and Logistic Co., Ltd.*	20.46	20.46	30.58	30.58	Thailand	Manufacture and distribute polypropylene bag, and plastic fiber, trade in plastic resin and transportation and security services
Subsidiary which the Company holds shares indirectly through Wynn In Trading Co., Ltd.						
Koh Kong Plantation Company Limited	80.00	80.00	80.00	80.00	Cambodia	Agricultural operation

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

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

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

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

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

2.3 New or revised Thai Financial Reporting Standards

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

Thai Accounting Standards (TAS)

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

Thai Financial Reporting Standards (TFRS)

TFRS 8	Operating Segments
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Thai Standard Interpretations (TSI)

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

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



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

Thai Accounting Standards

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

Thai Financial Reporting Standards

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

Thai Accounting Standards Interpretations

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

Thai Financial Reporting Standard Interpretations

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

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



Thai Financial Reporting Standard

TFRS 4 Insurance Contracts

The Group's management will adopt the above TFRSs relevant to the Group's financial statements when they become effective, except for the adoption of Thai Financial Reporting Standard No. 8 (Revised 2012), "Operating Segments" which is early adopted before its effective date as disclosed in Note 4. The management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Trade receivables, farmer receivables, and other receivables

Trade receivables, farmer receivables, and other receivables are stated at the net realizable value. Allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.3 Inventories

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

- Direct raw materials and trading finished goods are calculated using the first-in, first-out method.
- Indirect raw materials and factory supplies are calculated using the moving average method.
- Goods in process and finished goods of sugar and molasses are calculated by the average production cost in each production year using the first-in, first-out method.
- Finished goods of organic fertilizer are calculated by actual cost using the first-in, first-out method.
- Goods in process of organic fertilizer are calculated by actual cost using the specific method.
- Goods in process and finished goods of alcohol, wheat flour and polypropylene bags are calculated by actual cost using the first-in, first-out method.
- Goods in process and finished goods of palm oil are calculated by actual cost using the weighted average method.
- Machine maintenance supplies are calculated using the moving average method.

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

3.4 Real estate development

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

3.5 Investments

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



- 3.5.2 Investments in subsidiaries in the separate financial statements are recorded under the cost method net by the allowance for impairment. The change in the investment is recognized in the statement of income when the investment is disposed or the impairment of the investment incurred.
- 3.5.3 Investment in marketable debt and equity instruments which are recorded as securities available-for-sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under of non-current assets except the management has intention to hold them less than 12 months from the statement of financial position date or the management is to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are stated at fair values which are calculated from the latest quote of purchase price as of the reporting period and recognized the change in value in the statement of comprehensive income. When these investments are sold or impaired in value, the recognition will be made through the statement of income.
- 3.5.4 Investments in debt instruments, which are held to maturity, will be classified as short-term or long-term investments according to the remaining maturity period. They are stated at amortized cost and deducted by the allowance for impairment (if any). Premium/discount over value of debt instruments is amortized by effective interest rates method and the amount amortized will be presented in the statement of income.
- 3.5.5 General investments are non-marketable equity instruments are stated at cost less allowance for impairment (if any). Change in value of general investments is recognized in the statement of income when they are sold or impaired.
- 3.6 Deferred cane plantation costs
- Deferred cane plantation costs are the accumulated costs of cane plantation consisting of purchase costs of breed canes, costs of cane harvested for cane breeding, fertiliser costs, wages and other related direct expenses which are measured at cost deducted by accumulated amortization and the allowance for impairments. For harvested canes transferred as raw material cost in production and cost of goods sold as at the harvest date, they are valued at fair value deducted by estimated expense at point of sale. The fair value of cane is considered from price which the Group expects to purchase from cane farmers in each region.
- 3.7 Investment property
- Investment property consist of land, land improvement and building and warehouse leased out. Land is presented at cost. Land improvement and building and warehouse are presented at cost less accumulated depreciation and the allowance for impairment (if any).
- Depreciation of building and warehouse leased out is calculated by the straight-line method based on the estimated useful lives of the assets of 5 - 20 years.
- Fair value is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using replacement cost to property value residual value and the remaining useful life of investment property.
- 3.8 Property, plant and equipment
- Land is stated at the revalued amount less allowance for impairment (if any). The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation. Plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).
- Revaluation is performed by independent professional appraisers, which the Company has the policy that the independent professional appraisers will be requested to perform the appraisal for the said assets at



sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the statement of financial position date. Increase from appraisal value will be recorded in the shareholders' equity under "gain on asset revaluation", and decrease from cost recorded as loss from decrease in revaluation of assets in the statement of income.

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

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

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

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

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

3.9 Intangible assets

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

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

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

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

3.10 Assets not used in operation

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

3.11 Impairment of assets

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

3.12 Debentures

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



3.13 Provisions

The Company and its subsidiaries will record provisions when it is highly certain that obligations will occur at present legally or reliable estimate as a result of past events. These obligations are expected to cause an outflow of resources embodying 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

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

- 3.18.1 Revenues from sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.
- 3.18.2 Revenues from services, which the lengths of the services are short-term, are recognized when services are rendered.
- 3.18.3 Revenues from rental are recognized over the term of the lease.
- 3.18.4 Revenues from sale of land are recognized when the land ownership has already been transferred to the purchaser.
- 3.18.5 Revenues from sales of houses together with land are recognized in accordance with installments due for payment under gross margin method. If the payment of installments due is more than the percentage of work completed, it would be restrictively recognized only that amount pursuant to the work already completed. Revenue will be ceased to recognize immediately if purchaser becomes overdue by more than three consecutive installments.

The amount of money received by installments which exceeding the percentage of the work completed will be recorded as advance received from purchaser and is presented as other liabilities in the statement of financial position.
- 3.18.6 Revenues from sale of electricity and steam are recognized when the products steam are delivered and the customers have accepted the deliveries.
- 3.18.7 Interest income and discount receivable from discounting notes receivable are recognized according to the related period.
- 3.18.8 Dividend income is recognized when entitled to receive such dividend.
- 3.18.9 Other incomes are recognized on an accrual basis.

3.19 Expense recognition

The policies relating to expenses are as follows:

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



3.20 Leases

Operating lease

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

Finance lease

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

3.21 Finance costs

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

3.22 Foreign currency transactions

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

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

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

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

3.23 Related parties

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



3.24 Income tax expense

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

Current tax

3.24.1 Current tax

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

3.24.2 Deferred tax

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

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

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

3.25 Earnings per share

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

3.26 Sectorial business operations

Sectorial business operations are disclosed under the separate business sectors of the Group. By the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

3.27 Financial assets and liabilities

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

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



3.28 Use of accounting estimates

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

4. ADOPTION OF NEW AND REVISED FINANCIAL REPORTING STANDARDS

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

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

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

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

Unit : Thousand Baht

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

Unit : Thousand Baht

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

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



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

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

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

5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

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

Unit : Thousand Baht

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



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

Unit : Thousand Baht

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

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:

Unit : Thousand Baht

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



Unit : Thousand Baht

Type of transactions	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Other current liabilities				
Subsidiaries	-	-	0.03	0.16
Related companies	-	2.29	-	2.29
Total	-	2.29	0.03	2.45
Other non-current liabilities - others				
Subsidiaries	-	-	0.55	0.55
Related companies	1.22	-	1.22	-
Total	1.22	-	1.77	0.55

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

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

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

Unit : Thousand Baht

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



POLICIES OF INTER-PRICE SETTING

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

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

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

All of the aforementioned related entities are incorporated in Thailand.

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:

Unit : Thousand Baht

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

7.1 Trade receivables as at October 31, consisted of:

Unit : Thousand Baht

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

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

7.1.1 Trade receivables – related parties

Unit : Thousand Baht

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

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



7.1.2 Trade receivables – others

Unit : Thousand Baht

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

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:

Unit : Thousand Baht

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

8. SHORT-TERM LOANS

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

Unit : Thousand Baht

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

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



9. INVENTORIES

Inventories as at October 31, consisted of:

Unit : Thousand Baht

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

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

Unit : Thousand Baht

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

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

10. INVESTMENTS IN AN ASSOCIATE AND SUBSIDIARIES

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

Consolidated Financial Statements

Unit : Thousand Baht

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



Separate Financial Statements

Unit : Thousand Baht

Company Name	Paid-up Share Capital		Percentage of Shareholding		Investment Cost		Dividends	
	2014	2013	2014	2013	As at October 31, 2014	As at October 31, 2013	For the year ended October 31, 2014	For the year ended October 31, 2013
Associate								
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	390	325
Total investment in an associate					73,800	73,800	390	325
Subsidiaries								
Thai Sugar Terminal Public Company Limited	145,200	145,200	23.82	23.82	81,967	81,967	8,300	7,545
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	324,772	324,772
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-
K.S.L. Real Estate Company Limited	840,000	840,000	40.77	40.77	319,134	319,134	-	-
K.S.L. Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	1,355	2,033
KSL Material Supplys Co., Ltd.	10,000	10,000	100.00	100.00	9,119	9,119	-	-
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	479,983
Khon Kaen Alcohol Company Limited	610,000	610,000	100.00	100.00	609,986	609,986	914,978	304,993
KSL. Agro & Trading Company Limited	300,000	300,000	100.00	100.00	300,000	300,000	60,000	60,000
Savannakhet Sugar Corporation*	684,757	684,757	98.49	98.49	674,178	674,178	-	-
Koh Kong Sugar Industry Co., Ltd.*	1,167,660	1,167,660	80.00	80.00	932,589	932,589	-	-
Wynn In Trading Co., Ltd.*	487,497	487,497	100.00	100.00	487,497	487,497	-	-
T S G Assets Co., Ltd.	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.	500,000	500,000	0.62	0.62	3,089	3,089	-	-
T S Flour Mill Public Company Limited	285,000	285,000	0.07	0.07	196	196	20	29
T S Warehouse Co., Ltd.	12,500	12,500	4.02	4.02	509	509	-	-
T S Transport and logistics Co., Ltd.	80,000	80,000	10.12	10.12	8,108	8,108	-	-
Total					6,162,195	6,162,195	1,309,425	1,179,355
Less Allowance for impairment of investments					(5,884)	(5,884)	-	-
Total investments in subsidiaries					6,156,311	6,156,311	1,309,425	1,179,355
Total investments in an associate and subsidiaries					6,230,111	6,230,111	1,309,815	1,179,680

- * These are foreign subsidiaries including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn. In Trading Co., Ltd. at 80% as at October 31, 2014 and 2013. Furthermore, Koh Kong Plantation Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year.



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

Unit : Thousand Baht

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

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

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

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

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

11. OTHER LONG-TERM INVESTMENTS

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

Unit : Thousand Baht

	Parentage of Shareholding		Consolidated		Separate	
	Direct and indirect		Financial Statements		Financial Statements	
	2014	2013	2014	2013	2014	2013
	%	%				
General Investments						
- Thai Cane and Sugar Co., Ltd.	3.93	3.93	787	787	323	323
- Thai Sugar Millers Co., Ltd.	7.36	7.36	8	8	2	2
- Mudman Co., Ltd.	9.46	-	350,000	-	350,000	-
Total			350,795	795	350,325	325
Marketable equity securities-Available-for-sale-securities			4,469	4,469	-	-
Less Revaluation of fair value adjustment			(721)	(1,608)	-	-
Net			3,748	2,861	-	-
Held-to-maturity debt securities - government bonds			20,615	21,126	6,367	6,367
Less Amortization			(1,779)	(425)	(156)	(137)
Current portion			-	(500)	-	-
Net			18,836	20,201	6,211	6,230
Total other long-term investments			373,379	23,857	356,536	6,555



12. LONG-TERM LOANS

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

Unit : Thousand Baht

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

As at October 31, 2014 and 2013, loans for cane plantation development included in the consolidated and separate financial statements included loans to six and five other parties of Baht 32.00 million and Baht 30.71 million, respectively, for purchases of agricultural machineries for planting for one of the Company's overseas subsidiary for periods of 3 - 4 years and carrying interest rate at MLR+1.00 per annum. The principal and interest are payable annually. The Company has the ownership over the agricultural machineries purchased by the borrowers and, in the event of default of debt payments, the Company is able to sell such machineries back to the sellers.

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

13. DEFERRED CANE PLANTATION COSTS

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

Unit : Thousand Baht

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

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



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

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

14. INVESTMENT PROPERTY

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

2014

Unit : Thousand Baht

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



2013

Unit : Thousand Baht

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

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

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



15. PROPERTY, PLANT AND EQUIPMENT

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

2014

Unit : Thousand Baht

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



2013

Unit : Thousand Baht

	Consolidated Financial Statements							
	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, 2012	860,054	1,020,940	4,775,718	14,032,460	1,013,802	218,965	4,645,744	26,567,683
Adjustment and reclassification	(73,433)	41,925	(26,551)	(398,541)	321,152	(2,355)	9,809	(127,994)
Purchases	27,599	3,370	12,801	148,006	395,354	45,241	4,303,124	4,935,495
Disposals/written off	-	-	(2,301)	(24,114)	(10,858)	(3,391)	-	(40,664)
Transfer in (out)	810	21,338	358,418	834,702	20,248	6,215	(1,241,731)	-
Translation of financial statements differences	-	6,222	6,252	16,016	2,815	171	18	31,494
As at October 31, 2013	815,030	1,093,795	5,124,337	14,608,529	1,742,513	264,846	7,716,964	31,366,014
Accumulated depreciation :								
As at November 1, 2012	-	(245,508)	(915,693)	(5,247,265)	(656,939)	(153,588)	-	(7,218,993)
Adjustment and reclassification	-	(22,013)	(101,468)	176,352	(147,885)	3,259	-	(91,755)
Depreciation for the year	-	(33,985)	(115,919)	(714,424)	(75,748)	(26,945)	-	(967,021)
Disposals/written off	-	-	1,334	20,740	9,696	3,212	-	34,982
Translation of financial statements differences	-	(1,518)	(732)	(1,549)	(1,467)	(123)	-	(5,389)
As at October 31, 2013	-	(303,024)	(1,132,478)	(5,766,146)	(872,343)	(174,185)	-	(8,248,176)
Differences on revaluation of assets :								
As at November 1, 2012	2,104,981	-	-	-	-	-	-	2,104,981
Adjustment and reclassification	(71,009)	-	-	-	-	-	-	(71,009)
Increase	8,227	-	-	-	-	-	-	8,227
As at October 31, 2013	2,042,199	-	-	-	-	-	-	2,042,199
Allowance for impairment of assets :								
As at November 1, 2012	(13,028)	(720)	(9,282)	(6,454)	-	-	-	(29,484)
Adjustment and reclassification	7,083	720	(6,352)	3,817	-	-	-	5,268
Transfer in	-	-	-	1,695	-	-	-	1,695
As at October 31, 2013	(5,945)	-	(15,634)	(942)	-	-	-	(22,521)
Net book value :								
As at October 31, 2013	2,851,284	790,771	3,976,225	8,841,441	870,170	90,661	7,716,964	25,137,516
Depreciation for the years ended October 31,								
2014						Thousand Baht	1,132,478	
2013						Thousand Baht	967,021	



2014

Unit : Thousand Baht

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



2013

Unit : Thousand Baht

	Separate Financial Statements							
	Land	Land Improvement	Building and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Total
Cost :								
As at November 1, 2012	367,788	34,644	521,679	2,688,448	329,701	78,407	2,208,058	6,228,725
Adjustment and reclassification	-	330	(9,425)	(3,429)	459	(4,675)	-	(16,740)
Purchases	10,717	884	1,705	76,372	273,950	30,418	2,317,264	2,711,310
Disposals/written off	-	-	-	(65)	(1,505)	(508)	-	(2,078)
Transfer in (out)	-	180	196,797	189,159	-	-	(386,136)	-
As at October 31, 2013	378,505	36,038	710,756	2,950,485	602,605	103,642	4,139,186	8,921,217
Accumulated depreciation :								
As at November 1, 2012	-	(12,339)	(274,967)	(1,852,895)	(268,573)	(58,862)	-	(2,467,636)
Adjustment and reclassification	-	(4)	8,231	592	(4,934)	3,795	-	7,680
Depreciation for the year	-	(1,756)	(11,220)	(206,280)	(18,987)	(9,376)	-	(247,619)
Disposals/written off	-	-	-	65	1,505	493	-	2,063
As at October 31, 2013	-	(14,099)	(277,956)	(2,058,518)	(290,989)	(63,950)	-	(2,705,512)
Differences on revaluation of assets :								
As at November 1, 2012	529,378	-	-	-	-	-	-	529,378
Increase	3,408	-	-	-	-	-	-	3,408
As at October 31, 2013	532,786	-	-	-	-	-	-	532,786
Allowance for impairment of assets :								
As at November 1, 2012	(7,083)	-	(2,417)	(3,817)	-	-	-	(13,317)
Decrease (increase)	7,083	-	(6,352)	3,817	-	-	-	4,548
As at October 31, 2013	-	-	(8,769)	-	-	-	-	(8,769)
Net book value :								
As at October 31, 2013	911,291	21,939	424,031	891,967	311,616	39,692	4,139,186	6,739,722
Depreciation for the years ended October 31,								
2014						Thousand Baht		309,417
2013						Thousand Baht		247,619

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

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



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

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

16. OTHER NON-CURRENT ASSETS

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

Unit : Thousand Baht

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

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

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

17. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

Unit : Thousand Baht

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



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

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

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

18. TRADE AND OTHER PAYABLES

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

Unit : Thousand Baht

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

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



19. LONG-TERM DEBENTURES

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

Unit : Thousand Baht

	Consolidated Financial Statements/ Separate Financial Statements	
	2014	2013
Unsecured senior debt debentures	7,492,742	2,497,644
<u>Less</u> Current portion	(1,499,889)	-
Net	5,992,853	2,497,644

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

Unit : Thousand Baht

Consolidated Financial Statements/Separate Financial Statements as at October 31, 2014									
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.	KSL14DA	3 years	December 16, 2014	4.05	1,500,000	1,500,000	111	1,499,889	1,503,137
2.	KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	703	999,297	1,012,417
3.	KSL172A	3 years	February 27, 2017	3.84	1,000,000	1,000,000	992	999,008	1,015,818
4.	KSL174A	3 years	April 30, 2017	3.63	1,000,000	1,000,000	1,194	998,806	1,011,711
5.	KSL175A	3 years	May 16, 2017	3.60	1,000,000	1,000,000	1,172	998,828	1,008,299
6.	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	1,537	998,463	1,021,016
7.	KSL199A	5 years	August 5, 2019	4.07	1,000,000	1,000,000	1,549	998,451	1,014,096
Total long-term debentures					7,500,000	7,500,000	7,258	7,492,742	7,586,494

Unit : Thousand Baht

Consolidated Financial Statements/Separate Financial Statements as at October 31, 2013									
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.	KSL14DA	3 years	December 16, 2014	4.05	1,500,000	1,500,000	1,009	1,498,991	1,514,461
2.	KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	1,347	998,653	1,006,963
Total long-term debentures					2,500,000	2,500,000	2,356	2,497,644	2,521,424



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

Unit : Thousand Baht

	2014	2013
Beginning book value	2,497,644	3,497,584
Debentures issuance during the years	4,992,611	998,089
Redemptions during the years	-	(2,000,000)
Amortized debenture issuance cost	2,487	1,971
Ending book value	7,492,742	2,497,644

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

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

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

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

20. LONG-TERM BORROWINGS

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

Unit : Thousand Baht

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

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

Unit : Thousand Baht

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



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

Unit : Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Borrowings – Baht currency	2.00 – 5.25	2.00 – 5.25	2.00 – 4.50	2.00 – 4.98
Borrowings – Foreign currency	2.32 – 2.33	2.36 – 2.40	–	–

Maturity of long-term borrowings were as follows:

Unit : Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Within 1 year	2,207,754	1,613,853	705,833	735,833
Over 1 years and within 5 years	4,277,014	5,398,695	1,765,500	2,591,333
Over 5 years	–	100,000	–	–

Unit : Thousand Baht

Limit	Balance as at October 31, 20142013		Interest rate %	Principal repayment	Interest payment	Commencing repayment	Maturity
The company							
1. Baht 1,000 million	600,000	800,000	AMLR – Fixed rate	Semi-annual	Monthly	January 2013	July 2018
2. Baht 2,500 million	1,850,000	2,350,000	AMLR – Fixed rate	Semi-annual	Monthly	May 2013	March 2019
3. Baht 2,150 million *	–	150,000	AMLR – Fixed rate	Semi-annual	Monthly	March 2012	May 2014
4. Baht 11.30 million	6,000	8,000	Fixed rate	Annual	Monthly	June 2012	June 2017
5. Baht 23 million	15,333	19,166	Fixed rate	Annual	Annual	June 2013	June 2019
Total	2,471,333	3,327,166					
The subsidiaries							
6. Baht 2,150 million *	–	1,000,000	AMLR – Fixed rate	Semi-annual	Monthly	March 2012	May 2014
7. Baht 800 million	600,000	600,000	AMLR – Fixed rate	Semi-annual	Monthly	February 2014	February 2019
8. Baht 2,000 million	700,000	1,100,000	AMLR – Fixed rate	Semi-annual	Monthly	December 2011	June 2016
9. Baht 1,000 million	800,000	–	AMLR – Fixed rate	Semi-annual	Monthly	March 2012	June 2018
10. Baht 1,000 million	400,000	525,000	AMLR – Fixed rate	Semi-annual	Monthly	December 2013	September 2016
11. Baht 1,000 million	852,000	–	AMLR – Fixed rate	Semi-annual	Monthly	August 2014	February 2019
12. Baht 175 million	80,000	127,500	AMLR – Fixed rate	Semi-annual	Monthly	December 2012	December 2016
13. Baht 200 million	79,800	–	AMLR – Fixed rate	Semi-annual	Monthly	December 2014	December 2019
14. Baht 50 million	30,910	40,870	AMLR – Fixed rate	Monthly	Monthly	November 2012	November 2017
15. Baht 550 million	255,598	–	AMLR – Fixed rate	Quarterly	Monthly	December 2014	March 2020
16. Baht 800 million	–	180,000	AMLR – Fixed rate	Semi-annual	Monthly	April 2010	April 2015
17. USD 5 million	14,631	13,990	LIBOR+2	Semi-annual	Quarterly	March 2011	March 2016
18. USD 5 million	14,631	13,990	LIBOR+2	Semi-annual	Quarterly	March 2011	March 2016



Unit : Thousand Baht

Limit	Balance as at October 31,		Interest rate %	Principal repayment	Interest payment	Commencing repayment	Maturity
	2014	2013					
19. USD 30 million	168,645	161,252	LIBOR+2	Semi-annual	Quarterly	June 2011	March 2016
20. Baht 33.90 million	17,220	22,780	Fixed rate	Annual	Annual	June 2012	June 2017
Total	4,013,435	3,785,382					
Grand Total	6,484,768	7,112,548					

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

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

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

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

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

21.1 Income tax expense (income)

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

Unit : Thousand Baht

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



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:

Unit : Thousand Baht

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

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

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

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

Unit : Thousand Baht

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



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

2014

Unit :Thousand Baht

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

2013

Unit :Thousand Baht

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

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

Unit : Thousand Baht

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

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



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

Unit : Thousand Baht

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

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

2014

Unit :Thousand Baht

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



2013

Unit :Thousand Baht

	Consolidated Financial Statements			
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	As at October 31, 2014
Deferred tax liabilities - net				
Allowance for doubtful accounts	(20,841)	(10,092)	-	(30,933)
Allowance for diminution in value of inventories	(5,656)	(636)	-	(6,292)
Allowance for impairment in other l ong-term investments	(1,609)	-	-	(1,609)
Employee benefit obligations	(34,278)	(1,281)	-	(35,559)
Gain on asset revaluation	416,269	-	25,436	441,705
Loss carried forward	(3,059)	(1,471)	383	(4,147)
Depreciation	96,944	(1,396)	-	95,548
Others	(12,719)	1,744	-	(10,975)
Deferred tax liabilities - net	435,051	(13,132)	25,819	447,738

2014

Unit :Thousand Baht

	Separate Financial Statements			
	As at November 1, 2012	Items as recognized in profit loss	Items as recognized in other comprehensive income	As at October 31, 2013
Deferred tax liabilities - net				
Allowance for doubtful accounts	(4,982)	(198)	-	(5,180)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(14,692)	(648)	(3,390)	(18,730)
Gain on asset revaluation	131,887	-	(2,517)	129,370
Loss carried forward	-	(19,237)	-	(19,237)
Depreciation	(14,990)	1,714	-	(13,276)
Others	(1,775)	182	-	(1,593)
Deferred tax liabilities - net	94,271	(18,187)	(5,907)	70,177



2013

Unit :Thousand Baht

	Separate Financial Statements			
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	As at October 31, 2014
Deferred tax liabilities - net				
Allowance for doubtful accounts	(3,389)	(1,593)	-	(4,982)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(13,935)	(757)	-	(14,692)
Gain on asset revaluation	105,876	-	26,011	131,887
Depreciation	472	(15,462)	-	(14,990)
Others	(7,754)	5,979	-	(1,775)
Deferred tax liabilities - net	80,093	(11,833)	26,011	94,271

22. EMPLOYEE BENEFIT OBLIGATIONS

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

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

Unit : Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2014	2013	2014	2013
Current service cost	4,091	5,191	1,365	2,582
Interest cost	3,100	6,474	1,259	2,989
Total	7,191	11,665	2,624	5,571

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

Unit : Thousand Baht

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



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

	As at October 31, 2014	
	Consolidated	Separate
	Financial Statements %	Financial Statements %
Discount rate	3.49 – 4.23	4.07 – 4.08
Expected rate of salary increase	6.00	6.00
Voluntary resignation rate (Depended on employee's age)		
– Monthly employees	9.00 – 100.00	9.00 – 100.00
– Daily employees	4.00 – 60.00	16.00 – 60.00

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

23. SHARE CAPITAL AND WARRANTS

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

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

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

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



23.2 Treasury stocks and reserve for treasury stocks

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

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

24. DIVIDENDS PAID AND LEGAL RESERVE

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

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

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

25. MANAGEMENT BENEFIT EXPENSES

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

Unit : Million Baht

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



26. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt with interest-to-equity ratio not to exceed the covenants of the loan agreements (see Notes 17 and 20).

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

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

27. EXPENSES BY NATURE

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

Unit : Thousand Baht

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



28. EARNINGS PER SHARE

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

2014

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

2013

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

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

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

29. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS

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

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

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

Manufacture and Distribution of Alcohol

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

Manufacture and Sale of Electricity

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



Real Estate Rental

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

Manufacture and Distribution of Wheat Flour

Produce and distribute wheat flour to industrial enterprises.

Geographical segments information is based on entity operating in the country and overseas. The overseas operations comprise Lao People's Democratic Republic and Kingdom of Cambodia.

Major Customer Information

For the years ended October 31, 2014 and 2013, the Group has revenue with a single external customer in electricity sector in the amount of Baht 1,140.84 million and Baht 1,028.61 million, respectively, of the Group's total revenue.

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

For the years ended October 31, 2014 and 2013

Unit : Million Baht

	Manufacture and Distribution of Sugar and Molasses		Manufacture and Distribution of Alcohol		Manufacture and Distribution of Electricity		Real Estate Rental		Wheat Flour		Others Business		Inter-Transaction		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	"Restated"		"Restated"		"Restated"		"Restated"		"Restated"		"Restated"		"Restated"		"Restated"	
	Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai
Consolidated Statements of Income																
Net revenue from operation																
- external	13,211	282	11,737	794	2,391	2,344	1,141	1,029	436	294	1,039	958	685	1,785	-	19,185
Net revenue from operation																
- internal	5,787	143	5,542	245	-	-	1,353	1,123	65	72	17	20	1,324	458	(8,689)	(7,460)
Total	18,998	425	17,279	1,039	2,391	2,344	2,494	2,152	501	366	1,056	978	2,009	2,243	(8,689)	(7,460)
Profit (loss) from operations	4,223	41	3,790	162	718	739	1,192	1,092	333	305	180	195	88	(95)	(1,584)	(1,432)
Selling, administrative expenses and others																(2,452)
Finance costs	(686)	(74)	(538)	(81)	(1)	(5)	(134)	(87)	(37)	-	(9)	(14)	(13)	(59)	120	112
Share of loss of investment in an associate																(11)
Income tax expenses																(109)
Net profit																1,785
Add (less) (Profit) loss for the years of non-controlling interests																(159)
Profit for the years attributable to the parent																1,626
Interest income	180	8	191	8	4	-	-	-	-	-	-	-	1	1	(120)	(112)
Depreciation	632	95	551	99	59	56	256	180	38	17	66	67	38	33	(11)	(8)
																1,173
																995
Consolidated Statements of Financial Position																
As at October 31, 2014 and 2013																
Trade and other receivables	3,120	50	2,029	35	179	171	207	194	51	16	160	162	136	241	(1,721)	(1,582)
Inventories	2,534	287	2,004	128	353	297	128	56	-	-	356	307	705	863	(15)	(8)
Property, plant and equipment	14,039	3,233	13,071	3,102	939	890	6,852	6,506	864	751	731	404	961	1,012	(531)	(598)
Central assets	12,612	623	14,123	547	212	112	206	254	2,643	2,433	62	52	1,487	1,208	(11,329)	(12,763)
Total Assets	32,305	4,193	31,227	3,812	1,683	1,470	7,393	7,010	3,558	3,200	1,309	925	3,289	3,324	(13,596)	(14,951)
Total Liabilities	20,462	2,735	19,693	2,245	1,008	445	3,562	4,171	1,074	3	633	277	1,089	2,149	(5,262)	(6,668)
																25,301
																22,315

30. COMMITMENTS AND CONTINGENT LIABILITIES

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

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



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

Unit : Thousand Baht

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

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

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

30.4 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) when the Energy Industry Act B.E. 2550 was effective, for 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions of the license.



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

Unit : Million

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

Unit : Million

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



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

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

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

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

Unit : Million

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

Unit : Million

		Separate Financial Statements			
		2014		2013	
		Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount
Construction and subcontract agreements	THB	666.72	118.19	278.49	47.7
Machine and equipment purchase agreements	THB	456.13	53.17	1,302.04	336.95
Rental agreements	THB	25.18	6.44	27.96	14.36



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

Unit : Million Baht

	Consolidated Financial Statements	
	2014	2013
Within one year	3.55	7.00
Over one year but less than 5 years	2.89	7.36
Total	6.44	14.36

30.7 Other significant agreements

- 30.7.1 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 30 years which can be extended for another 20 years if approved by the counter party. As at October 31, 2014 and 2013, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.
- 30.7.2 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 19,100 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1 - 4 per hectare per annum. As at October 31, 2014 and 2013, the subsidiaries have already utilized the area of 10,481.76 hectares.
- 30.7.3 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person to build port and land awaiting development dated May 31, 2007 and June 1, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at October 31, 2014 and 2013, the remaining amount of the advance lease fee paid are USD 0.44 million and USD 0.45 million, respectively.

31. FINANCIAL INSTRUMENTS

Risk management policies

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

Risk on interest rate

Risk on interest rates is derived from the fluctuation of the market interest rate in the future, which will affect upon the Company and its subsidiaries' operating results and cash flows. However, the Group manage risk on interest rate by using various methods including loans allocation to gain appropriate balance between fixed and floating interest rate loans and compatible to different activities of the Group as at October 31, with the details mainly as follows:



2014

Unit : Thousand Baht

	Consolidated Financial Statements				Total
	Fixed Interest Rate			Floating	
	Within	More than	More than	Interest	
	1 year	1 year to 5 years	5 years	Rate	
Financial Assets					
Saving accounts deposits	-	-	368	210,615	210,983
Fixed account deposits	10,023	-	-	-	10,023
Short-term loans to others	120,000	-	-	-	120,000
Loans for cane plantation development	223,357	427,413	17,165	2,548	670,482
Short-term loans to farmers and others	830,332	-	-	58,355	888,687
Other long-term investments	-	18,836	-	-	18,836
Total	1,183,712	446,249	17,533	271,518	1,919,011

2014 (Continued)

Unit : Thousand Baht

	Consolidated Financial Statements				Total
	Fixed Interest Rate			Floating	
	Within	More than	More than	Interest	
	1 year	1 year to 5 years	5 years	Rate	
Financial Liabilities					
Short-term borrowings from financial institutions	6,051,853	-	-	597,642	6,649,496
Other short-term borrowings	1,393,777	-	-	-	1,393,777
Long-term debentures	1,499,889	5,992,853	-	-	7,492,742
Long-term borrowings	911,393	2,177,160	-	3,396,215	6,484,768
Liabilities from long-term lease agreements	3,555	8,003	-	-	11,558
Total	9,860,467	8,178,016	-	3,993,857	22,032,341



2013

Unit : Thousand Baht

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

Risk on exchange rates

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

Unit : Million Baht

Currency	Consolidated Financial Statements				Separate Financial Statements			
	2014		2013		2014		2013	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	38.75	755.54	3.07	50.30	19.69	-	0.02	0.74
YEN	-	6.51	-	2.52	-	-	-	-
RIEL	677.74	178.82	698.55	163.14	-	-	-	-
LAK	181.58	-	-	572.67	-	-	-	-

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



The open forward contracts, which are not due over 12 months are as follows:

Unit : Million Baht

Currency	Amount fixed in contract				Currency	Amount fixed in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements		Financial Statements			Financial Statements		Financial Statements	
	2014	2013	2014	2013		2014	2013	2014	2013
USD	68.05	49.29	-	-	THB	2,246.26	1,517.99	-	-

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

Unit : Million Baht

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

Risk on fluctuation of sugar and cane prices

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

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

Unit : Million Baht

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

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

Unit : Million Baht

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

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



Credit risk

The Company and its subsidiaries have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans to farmers, loans to related parties and other receivables. However, the Company and its subsidiaries have many receivables and have conservative credit policy including allowance for doubtful accounts. In addition, the Company and its subsidiaries request farmers to pledge land or other assets as collateral or guarantee by individual. It believes that the risk of default by receivables is low.

32. PROVIDENT FUND

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

33. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

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

Certificate No.	Sections Privilege	Date	Promoted activity types	Commenced date of revenues generated	Expire date
1929(2)/2547	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	November 2, 2004	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	January 8, 2006	January 7, 2014
			- Production of biological fertilizers or organic fertilizers	March 30, 2006	January 7, 2014
1062(2)/2552	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	January 30, 2009	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	Income not yet derived	
			- Production of biological fertilizers or organic fertilizers	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	December 6, 2011	December 31, 2019
			- Production of biological fertilizers or organic fertilizers	December 30, 2011	December 31, 2019
			- Production of biological	February 29, 2012	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 28, 2013	February 28, 2021



1258(2)/2548	25, 26, 28, 31(4), 34, and 35(3)	March 29, 2005	- Production of electricity power and steams	December 22, 2006	December 21, 2014
1432(2)/2552	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2) and 35(3)	June 24, 2009	- Production of electricity, power steams and water for manufacture	November 30, 2010	November 29, 2018
1349(2)/2556	25 26 28 31(1) 31(2) 31(3) 31(4) 34 35(1) 35(2) and 35(3)	Mach 15, 2013	- Production of electricity, power steams and water for manufacture	January 21, 2014	January 20, 2022
1657(2)/2552	25, 26, 28, 31(1), 31(3), 31(4) and 34	August 25, 2009	- Production of pure vegetable oil and /or semi-pure vegetable oil	June 5, 2010	June 4, 2018

Furthermore, in accordance with the Promotion Certificate No. 1063(2)/2552, 1432(2)/2552, and 1349(2)/2556 the subsidiary receives the privilege in 50% income tax reduction of the regular rate for the period of 5 years commencing from the expiration date of income tax exemption and under the Promotion Certificate No. 1657(2)/2552, the subsidiary is granted privilege for exemption of import duties for approved machinery and exemption from income tax on dividend on profit from promoted businesses during the period in which the Company is granted exemption from corporate income tax.

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

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



34. EVENTS AFTER REPORTING PERIOD

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

35. APPROVAL OF FINANCIAL STATEMENTS

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



SUGAR



ETHANOL



ELECTRICITY



BIO FERTILIZER



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