



Khon Kaen Sugar Industry Public Company Limited



ANNUAL REPORT 2020



To be the Sustainable Organization

จากผู้อยู่เบื้องหลังความหวาน
ในผลิตภัณฑ์อาหาร และเครื่องดื่มแบรนด์ชั้นนำ
มานานกว่า 75 ปี



วันนี้...น้ำตาล **KSL** พร้อมแล้ว
ที่จะทำให้คนไทยรู้จัก และรักเรามากขึ้น
เสมือนเราเป็นเพื่อนคู่ครัว
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บริสุทธิ์...ไร้สารฟอกขาว



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CONTENT

● BUSINESS OPERATION

- 02 VISION MISSION
- 04 COMPANY INFORMATION
- 06 MESSAGE FROM THE BOARD OF DIRECTORS
- 08 INCOME STATEMENT HIGHLIGHT
- 09 OVERVIEW OF BUSINESS OPERATION
- 23 RISK FACTORS

● MANAGEMENT AND CORPORATE GOVERNANCE

- 26 SECURITIES AND SHAREHOLDERS
- 28 MANAGEMENT STRUCTURE
- 57 CORPORATE GOVERNANCE
- 76 REPORT OF CORPORATE GOVERNANCE COMMITTEE
- 77 REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE
- 78 REPORT OF RISK MANAGEMENT COMMITTEE
- 79 INTERNAL CONTROL AND RISK MANAGEMENT
- 81 CORPORATE SOCIAL RESPONSIBILITIES

● FINANCIAL POSITION AND OPERATION PERFORMANCE

- 84 RELATED PARTY TRANSACTIONS
- 94 FINANCIAL INFORMATION
- 99 REPORT ON THE BOARD OF THE DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS
- 101 REPORT OF THE AUDIT COMMITTEE
- 102 MANAGEMENT DISCUSSION AND ANALYSIS
- 104 REPORT OF THE INDEPENDENT CERTIFIED ACCOUNTANTS
- 117 NOTES TO THE FINANCIAL STATEMENTS

● SUSTAINABILITY REPORT

- 181 SUSTAINABILITY REPORT
- 201 RESPONSIBILITY TOWARDS COMMUNITY AND SOCIETY
- 210 KSL GROUP ACTIVITIES IN 2020



VISION

We are Natural Energy Innovation for all

MISSION

1. Create income for farmers on basis of sustainable agricultural development
2. Develop high value products and services
3. Develop personnel's potential as well as information technology to increase competitive edge and growth
4. Develop manufacturing process and technology to achieve highest efficiency and effectiveness as well as compatibility with environment and community
5. Promote innovation and research and development to expand and extend to new business potentials



The Leading Producer of
Environmental-Friendly Renewable
Energy



SUGAR

Energy for Human



BIO-FERTILIZER

Energy for Plants



Creating

Natural energy for all



ELECTRICITY

Energy for Equipment and Machinery



ETHANOL

Energy for Automobiles



General Information of Company

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 9 th 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.kslgroup.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 21 th 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

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 21 th 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 35 Fax. +66 34 615 399

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 21 th 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

Savannakhet Sugar Corporation (SSC)

Type of Business	Sugar Manufacturing and Distributing
Main Product	Raw Sugar and By products
Head Office & Factory	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

Koh Kong Plantation Co., Ltd. (KPT)

Type of Business	Sugar Manufacturing and Distributing , Harbour
Head Office	Cham yeam Village, Paklong Commune, Mondulseyma District, Koh Kong Province, Kingdom of Cambodia Tel. (855) 35 399 333

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

KSL Export Trading Co., Ltd.

Type of Business	Sugar and Related products exporting activities
Head Office	503 KSL TOWER 16 th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 203-6 Fax. +66 2 6426 207

Support Business Information

KSL Agro and Trading Co., Ltd.

Type of Business	Trading domestic sugar and operating agricultural businesses
Head Office	503 KSL TOWER 9 th 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

KSL Material Supply Co., Ltd.

Type of Business	Material Sourcing for sugarcane plantation
Head Office	503 KSL TOWER 9 th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

WSP Logistics Co., Ltd.

Head Office	88 Moo 8 Tambon Huayhaeng Kaeng Khoi Saraburi Province 18110, Thailand Tel. +66 3 6358 309 Fax. +66 3 6358 307
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Wynn In Trading Co., Ltd.

Type of Business	Trading and consultancy service
Head office	10 th Floor, Raffles Tower, 19 Cyber City, Ebene, Republic of Mauritius

Energy and Biofuel Business

BBGI Public Co., Ltd.

Type of Business	The holding company which invests in bio-based products business.
Head Office	2098 M Tower Building, 5 th Floor, Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260 Thailand Tel. +66 2 3358 899 Fax. +66 2 3358 800

Energy and Biofuel Business

Khon Kaen Sugar Power Plant Co.,Ltd.

Type of Business	Electricity Production
Head Office	503 KSL TOWER 17 th 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, Tambon 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. +66 42 810-931 Fax. +66 42 810-931

Other Business

KSL Real Estate Co., Ltd.

Type of Business	Real Estate Development and Training Center
Head Office	503 KSL TOWER 21 th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand Tel. +66 2 6426 221-3 Fax. +66 2 6426 224

References

Securities Register

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand Tel. +66 2 0099 000 Fax. +66 2 0099 991
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Auditor

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

AIA Sathorn Tower, 23 rd - 27 th Floor, 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120 Tel: +66 (0) 2034 0000 Fax: +66 (0) 2034 0100

Message from the Board of Directors

In 2020, the sugar business was dramatically affected by the severe drought. Therefore, the cane procured for crushing in Thailand and sugar produced by Thai sugar manufacturers decreased by more than 40%, while KSL's group was still able to maintain its market share at 7.05%, ranked the fourth of Thailand (crop 2019/2020). The total cane volume decreased from 10.32 million tons to 5.38 million tons.

Khon Kaen Sugar Industry PCL. and its subsidiaries had total revenue of Baht 11,853 million, which decreased 34% from last year. Revenue from sugar business decreased Baht 5,370 million or 35% as a result of the drop in sugar sale volume of 45% while the sugar price increased 15% reflecting the incline of the world sugar price during the year.

The company has 83 million Baht loss from operation in 2020 as the sugar cane (raw material) and the sugar sale volume significantly decreased. The operating cost increased as a result of higher cane cost and electricity cost along with other cost which was affected from lower cane volume. Moreover, the extraordinary item, the subsidy to the Cane and Sugar Fund of 330 million Baht, was included in the 2018/2019 and 2019/2020 operation. However, the company was able to decrease the transportation cost, selling and administration cost and financing cost from that of last year level. Nonetheless, the operating cash flow are sufficient for normal operation and for long-term loan repayment during the year.

KSL's group has completed the 75 years of its businesses, adhering the target of being one of the leaders in sugar manufacturing and by-product businesses, emphasizing value added products, and targeting a leading position in term of cost management and production efficiency. The technology was continuously integrated to use with the production system and management process along with business expansion. Consequently, the company has gradually invested in its business along the way. Power and biofuel businesses have expanded their business lines and production capacity of BBGI PCL's group. These made BBGI the largest producer and distributor of biofuel products in Thailand. Furthermore, there are ongoing projects in the pipeline, such as ethanol plant project, biofuel project and related utility system.

Mr. Manu Leopaibote
Chairman of the Board of Directors

The sugar related expansion project, liquid sugar product, has been in the process since 2019 and expected to be completed in 2021.

In addition, the company started to expand white sugar and refined sugar distribution to end customers through modern trade channel beginning from Makro store and other supermarkets in the future. This expansion will support marketing plan in premium sugar products, such as natural brown sugar, organic sugar, low GI (low glycemic index) sugar, and other special packaged sugar.

One of the company's pride is to receive the prototype award from the Moral Business Network during the Moral Business Forum 2020. This is a result of emphasizing and focusing on encouraging moral in the organization. Managing the business with corporate governance has brought the company to a Moral Business Network with sustainable development. These will be one of the main principle to motivate KSL's group to a sustainable enterprise.

The company has continuously promoted innovation thru the KSL Innovation 2020 activity, which is the innovation contest within the KSL's group. The awarded ideas would be used to extend and improve the process in the factories. This process is a tool to create and develop employees' capability to combine knowledge in their works for highest efficiency.

There was a severe effect from Corona Virus 2019 (Covid 19) all over the world in 2020. The company realized the problems from basic fundamental both internal and external. To be able to handle the revolution that might happen, the company needed to adapt itself to be well prepared for this epidemic situation to keep business smooth.

On behalf of the Board of Directors and the management, the Company would like to thank all personnel who had joined hands to make a continuing progress and stability for the Company. Heartfelt thanks are also conveyed to all shareholders and business alliances who kept giving their impressive support. The Company still commits to continual development and sustainable growth along with the good care for society, community and environment.



Mr. Chamroon Chinthammit
CEO and President

INCOME STATEMENT HIGHLIGHT

Income Statement Highlight (Million THB)	2020	2019	% Change	2018
Sales and Services	11,853	17,855	-34%	17,812
Cost of Sales and Service	(10,082)	(14,230)	-29%	(14,681)
Gross Profit	1,771	3,625	-51%	3,131
Other Incomes	248	750	-67%	892
Selling Expense	(451)	(944)	-52%	(770)
Administration Expense	(772)	(681)	13%	(720)
Management Remuneration	(142)	(151)	-6%	(142)
Proceeds to Fund	-	(1,262)	-100%	(1,116)
Profits before other gain (loss) and other expenses	654	1,337	-51%	1,275
Other gain (loss) and other expense - net	(644)	251	-357%	282
Share of profit of associated companies	323	101	220%	145
Profits before financial cost and tax	333	1,689	-80%	1,702
Financial cost	(497)	(710)	-30%	(728)
Corporate Income Tax	66	(149)	-144%	(144)
Minority interest	15	(8)	-288%	18
Net Profit (loss)	(83)	822	-110%	848
Earnings (loss) per Share (EPS)	(0.02)	0.19	-111%	0.19
Gross Profit Margin	14.9%	20.3%		17.6%
Net Profit Margin	-0.7%	4.6%		4.8%

Statement of Financial Position Highlight (Million THB)	2020	2019	% Change	2018
Cash and cash equivalents	138	2,430	-94%	129
Trade and other current receivables	1,203	1,287	-7%	2,476
Short-term loans	786	926	-15%	1,533
Inventories	2,049	2,774	-26%	4,089
Biological assets	42	52	-19%	61
Other current assets	56	45	24%	46
Investments in associates	4,273	3,965	8%	3,879
Other long-term investments	157	245	-36%	335
Finance lease receivable - net of current portion	361	-	100%	-
Receivables from the Office of the Cane and Sugar Fund - net of current portion	-	541	-100%	441
Long-term loans	144	146	-1%	243
Investment property	5,775	5,637	2%	5,167
Property, plant and equipment	25,891	25,868	0.1%	26,924
Other non-current assets	247	205	20%	219
Total Asset	41,122	44,121	-7%	45,542
Current Liabilities	11,388	11,818	-4%	13,924
Non-Current Liabilities	10,188	13,282	-23%	12,979
Total Liabilities	21,576	25,100	-14%	26,903
Total Shareholder's Equity	19,546	19,021	3%	18,639
Total Equity Attributable to Owners of the Parent	19,027	18,606		18,210
D/E Ratio	1.10	1.32		1.44
IBD/E Ratio	0.96	1.16		1.26

Cash Flow Highlight (Million THB)	2020	2019	% Change	2018
Net Profit + Depreciation + Non Cash	1,028	2,546	-60%	2,449
Change in Working Capital	507	76	567%	(3,145)
Cash flow from Operating Activities	1,535	2,622	-41%	(696)
Invest in PP&E	(435)	(414)	5%	(1,132)
Cash flow from Investing Activities	(228)	117	-295%	(863)
Cash flow from Financing Activities	(3,591)	(457)	686%	1,512
Change in Cash Flow	(2,293)	2,301		(24)
Ending Cash	138	2,430		129
EBIT	333	1,689	-80%	1,702
Depreciation and Amortization	1,080	1,205	-10%	1,264
EBITDA	1,413	2,894	-51%	2,966

Overview of Business Operation and Policy



Business Objectives

Khon Kaen Sugar Industry Public Company Limited has the policy to operate its business ethically and responsibly towards society and environment. It gives 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

We are natural energy innovation for all.

Mission

1. Create income for farmers on basis of sustainable agricultural development
2. Develop high value products and services
3. Develop personnel's potential as well as information technology to increase competitive edge and growth
4. Develop manufacturing process and technology to achieve highest efficiency and effectiveness as well as compatibility with environment and community
5. Promote innovation and research and development to expand and extend to new business potentials.

Quality Policy

To produce high quality sugar, achieve efficient operation, make on-time delivery, ensure customer's satisfaction and consumer's safety.

Long-term goal of the company is to be one of the leaders in sugar, by-products, and value added product which can be shown in company's sugar policy: "production of high 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 highest efficiency 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 and power business. The company has made continuous investments in these sectors.

The company's short term goal is to be one of the leaders in the industry who 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 sustain 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 farmers to our businesses.

Significant Changes and Developments During the Past 3 Years

Related Business

In the year 2017, the Board of Directors No. 6/2016-2017 passed a resolution to approve the amalgamation between (1) KSLGI Company Limited, a subsidiary of the Company, and (2) BBP Holding Company Limited (“BBH”), a subsidiary of Bangchak Corporation Public Company Limited (“BCP”), and register a new company named BBGI Company Limited (BBGI). The business objective of BBGI is to invest in bio-based products manufacturing and trading business as a holding company. In October 2017, BBGI was subsequently registered with initial registered and paid-up share capital of Baht 2,532 million. The shareholding percentage of the Company and BCP in BBGI’s shares is 40% and 60%, respectively.

In the year 2018, BBGI Company Limited was registered as a public company named BBGI Public Company Limited and had a plan to be listed on the Stock Exchange of Thailand (SET). In the year 2019, the BBGI Board of Director no. 1/2019 passed a resolution to postpone the first initial public offering (IPO) and registration as listed company in SET. The renew of registration is under consideration of recent capital market resulting from the recent unfavorable capital market circumstance and assessment of the new business marketing. However, BBGI has an alternative to raise funds through debt security after BBGI performance has been rated at BBB+ (Stable) by Tris Rating Co., Ltd. in the fourth quarter of the year 2020.

As a result of BBGI group’s business and capacity expansion, BBGI is consider as the largest biofuel business and distribution in Thailand. The development projects had been achieved during the period from 2018 until present (December 20, 2020) as follows:

- Biodiesel production project made for expansion of its capacity from 930,000 liters per day to 1,000,000 liter per day.
- Construction of pure glycerin distillery with 80 tons per day of capacity was completed in December 2020.
- The ethanol which is made from cane bagasse and other agriculture product, had been expended its capacity with the current capacity of 1,000,000 liters per day (included capacity of joint venture).
- Investment in a biotechnology business, Manus Bio Inc., incorporated in United States in order to expand new bio-based product business in the future.

The current projects under development with expected investments of Baht 875 million for the year 2021 are as follows:

- the second ethanol refinery construction project at Nam Pong factory in Khon Kaen province which is made for expansion of its capacity by 200,000 liters per day, is expected to be completed in December 2021.

- The construction projects of biogas and facilities systems at 2 locations, Nam Pong in Khon Kaen province and Bo-Ploy factory in Kanchanaburi province are continued to be completed in January 2022.

Company’s Business Overview

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

1. Northeastern Region (2 factories) : Khon Kaen Sugar Industry Public Company Limited; Nampong branch in Khon Kaen province and Wangsapung branch in Loei province.
2. Western Region (2 factories) : New Krung Thai Sugar Factory Co., Ltd and Tamaka Sugar Industry Co., Ltd. in Kanchanaburi province
3. Eastern Region (1 factory) : New Kwang Soon Lee Sugar Factory Co., Ltd in Chonburi province

In addition, the Company has an operated factory located in Savannakhet Province, Lao.

The core product which the company produces is sugar which can be categorized to be 5 types: (a) raw sugar, (b) high pol sugar, (c) white sugar, (d) refined sugar and (e) liquid 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 1.1)

- (1) The 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 (it is currently managed by BBGI Pcl)
- (2) The biogas plant uses waste water from ethanol production process as a raw material. Biogas produced through fermentation is used as a supplementary fuel for the corporate power plant. (It is currently managed by BBGI Pcl)
- (3) The organic fertilizer plant uses waste from the sugar production process (filter cake) and waste water from biogas and ethanol production as raw materials.
- (4) 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 Grid.

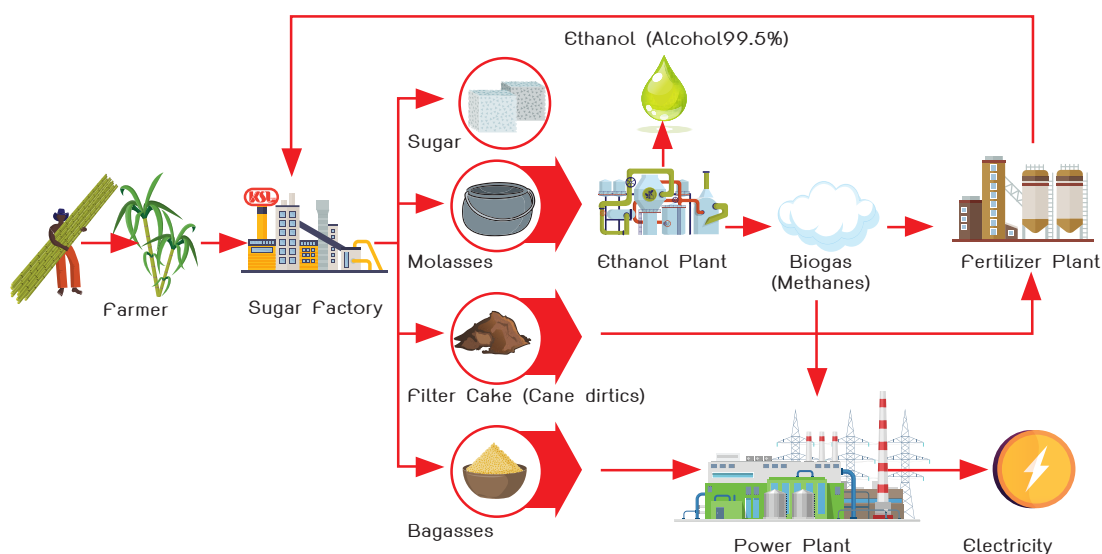


Figure 1 : The Relationship between KSL's existing Sugar Production and KSL's Value Added Project

As of October 31, 2020, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have the investments in subsidiaries and associated companies as follows:

Business Unit/Company Name	Paid - Up Capital (Million THB)	Proportion Of Investment	Nature of Business
Sugar Business			
Tamaka Sugar Industry Co., Ltd.	600.00	90.21%	Manufacture and distribution of sugar and molasses
New Krung Thai Sugar Factory Co., Ltd.	1,000.00	95.78%	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Co., Ltd.	500.00	98.61%	Manufacture and distribution of sugar and molasses
Savannakhet Sugar Corporation	687.73	98.00%	Sugar cane plantation and manufacture and distribution of sugar and molasses, in Laos
Koh Kong Plantation Co., Ltd.*	468.49	80.00%	Sugar cane plantation in Cambodia
Koh Kong Sugar Industry Co., Ltd	1,946.69	88.02%	Manufacture and distribution of sugar and molasses, in Cambodia
Supporting Business			
Thai Sugar Terminal Public Company Limited** and 5 subsidiaries	191.66	23.82%	Warehousing and loading of goods, property rental, produce and distribute wheat flour and palm oil and polypropylene bag.
K.S.L. Export Trading Co., Ltd.	20.00	79.55%	Certified company as export agent of sugar export.
KSL Agro and Trading Co., Ltd.	300.00	100.00%	Trading domestic sugar and operating agricultural businesses
KSL Material Supply Co., Ltd.	480.00	100.00%	Material Sourcing for sugarcane plantation
WSP Logistics Co., Ltd	0.25	100.00%	Service transport and shipping goods
Wynn In Trading Co., Ltd	487.50	100.00%	International trading and consulting service
Energy and Biofuel Business			
BBGI Public Company Limited *** and 5 subsidiaries and 1 associate	2,532.00	40.00%	The holding company which invests in biofuel product and relating products business.
Khon Kaen Sugar Power Plant Co., Ltd	800.00	100.00%	Production and distribution of electricity
Other Business			
KSL Real Estate Co., Ltd	840.00	91.02%	Real Estate Development and Training Center

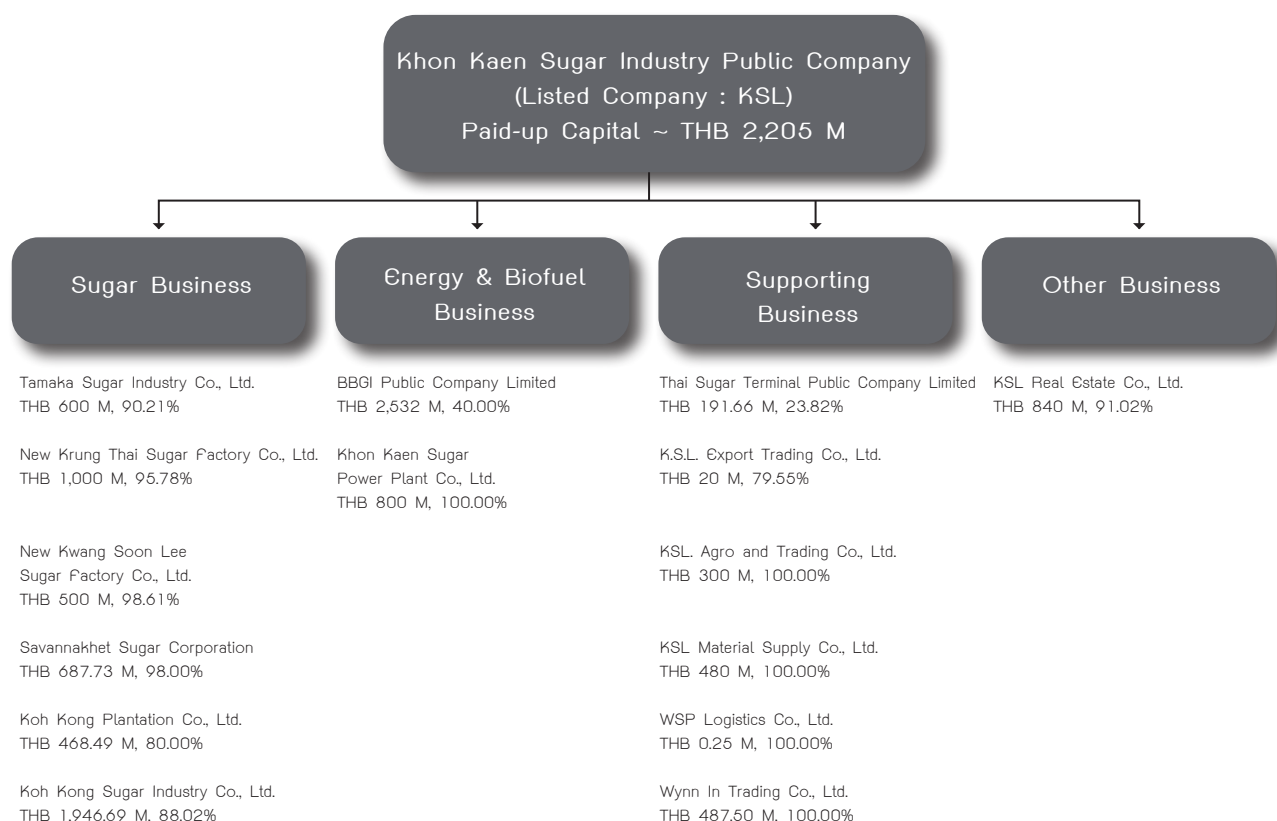
Note: Proportion of investment shown above includes both direct and indirect shareholdings.

* Indirect holding by Wynn In Trading Co., Ltd.

** Associated company: Thai Sugar Terminal Pcl. and 5 subsidiaries: (1) TS Oil Industry Co., Ltd. (2) TSG Trading Co., Ltd., (3) TS Transport and Logistics Co., Ltd., (4) TS Warehouse, (5) TS Flour Mill Plc.

*** Associated company: BBGI Pcl. and 5 subsidiaries and 1 associated company: (1) Bangchak Bioethanol (Chachoengsao) Co., Ltd., (2) Bangchak Biofuel Co., Ltd., (3) KSL Green Innovation Plc., (4) BBGI Utility and Power Co., Ltd., (5) Win Ingredients Co., Ltd., (6) Ubon Bio Ethanol Plc. (associated company) consolidated with 3 subsidiaries.

Business and shareholding structure of KSL Group as at October 31, 2020 shown on the following chart:



The business details of Khon Kaen Sugar Industry Public Company Limited, subsidiaries and affiliates are classified by business type 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 of Khon Kaen province with the maximum crushing capacity of 40,000 tons of cane per day and the second branch is located in Wangsapung district of Loei province with the maximum crushing capacity of 36,000 tons of cane per day. Both branches have the capability to produce raw sugar, high pol sugar, white sugar, refined sugar and liquid sugar.

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 of Kanchanaburi province with the maximum crushing capacity of 20,000 tons of cane per day and capable to produce raw sugar, white sugar and refined sugar.

New Krung Thai Sugar Factory Co.,Ltd

The nature of business is to produce and distribute sugar and other by-products. The factory is located in Bo-Ploy district of Kanchanaburi province, (originally located in Tamaka district, Kanchanaburi province) with the maximum crushing capacity of 32,000 tons of cane per day. The factory is capable to produce raw sugar, white sugar, and refined sugar.

New Kwang Soon Lee Sugar Factory Co.,Ltd

The nature of business is to produce and distribute sugar and other by-products. The factory located in Panusnikom district of Chonburi province, has the maximum crushing capacity of 3,500 tons of cane per day. The factory is, capable of producing raw sugar, high pol sugar.

Savannahket 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 Savannahket has the maximum crushing capacity of 3,000 tons of cane per day. The factory is capable of producing raw sugar.

Koh Kong Plantation and Koh Kong Sugar Industry

As at October 31, 2020, the company received sugarcane plantation concession that covers approximately 18,097 hectares (112,856 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. The factory is capable of producing raw sugar and white sugar.

Energy and Biofuel Business

BBGI Public Company Limited

BBGI Public Company Limited ("BBGI") was established in October 2017 and consequence of merger between bio-based product business of Khon Kaen Sugar Industry Public Company Limited and bio-based product business of Bangchak Corporation Public Company Limited. This company invests in following entities;

- KSL Green Innovation Public Company Limited: Producing and distributing molasses-based ethanol with 450,000 liters per day, in which BBGI Company Limited holds 99.99% shares.
- Bangchak Bio Ethanol (Chachoengsao) Company Limited: Producing and distributing cassava-based ethanol with 150,000 liters per day, in which BBGI Company Limited holds 85% shares.
- Bangchak Bio Fuel Company Limited: Producing and distributing bio-diesel with 1,000,000 liters per day, in which BBGI Company Limited holds 70% shares.
- Ubon Bio Ethanol Public Company Limited : Producing and distributing cassava-based ethanol with 400,000 liters per day, in which BBGI Company Limited holds 21.28% shares.
- BBGI Utility and Power Company Limited: Producing and distributing biogas steam and electricity, in which BBGI Company Limited holds 100% shares.
- Win Ingredients Company Limited: Producing, selling, importing and exporting biological products and chemicals in various categories, in which BBGI Company Limited holds 51% shares.

As a result, BBGI will be a shareholder of the group of companies which are considered Thailand's largest manufacturer and distributor of biofuel with the total production capacity of 2,000,000 liters per day which consists of 1,000,000 liters per day of ethanol and 1,000,000 liters/day of bio-diesel. Furthermore, the company entered into Preferred Shares Purchase Agreement from Manus Bio Inc., which is incorporated in the United States of America and its business is biotechnology, amounting to USD 25 million. This company will operate as a flagship company for bio-based product business in the future.

Khon Kaen Sugar Power Plant Co.,Ltd.

The Company was established in late 2003 and has operated 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 sold to EGAT and PCA (Grid). Currently, the company operates 3 power plants all located 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 Kanchanaburi province (part of the Bo-Ploy Renewable Energy Project). The third branch is located next to Khon Kaen Sugar Factory in Wangsapung district of Loei province (The Loei Project). Currently, the total capacity of all three branches can produce up to 190 MW of electricity.

Supporting Business

Thai Sugar Terminal Public Company Limited (TSTC)

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 Choptaya River. Its Customers are primarily sugar companies in the KSL Group, other sugar factories owned by strategic partners, and general It's customers. In addition, Thai Sugar Terminal Public Company Limited (TSTC) 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 (TSTC) and T S Flour Mill Public Company Limited (TMILL)).

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.

KSL Agro and Trading Co., Ltd.

Established in 2006, the company trades sugar and related products for domestic customers. It also grows sugar cane on the company's land.

KSL Material Supply Co., Ltd

KSL Material Supply Co., Ltd. operates business relating to sourcing and selling raw materials and materials related to agriculture such as organic fertilizers and related services.

WSP Logistics Co., Ltd.

The company was incorporated in 2016 with the business objective of transporting sugar and other products. The company has been dormant.

Wynn In Trading Co., Ltd

The nature of business is international trading and international investment consulting. Khon Kaen Sugar Industry Public Company holds 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. The Company also invested in other properties for future profit generated from rent business or trading.

Membership of associations

Khon Kaen Sugar Industry Plc. holds membership in several associations. Representatives of the Company are directors in the following associations that are directly related to its business, namely, The Federation of Thai Industries, Thai Sugar and Bio-Energy Producers Association and Thai Sugar Millers Association.

Regarding the policy to regulate and monitor the operation of subsidiaries and affiliates, the company has categorized its subsidiaries and affiliates which have the similar nature of business to be a group together under the same management team, for instance, four sugar companies are under the same board of executive directors. For supporting business, energy and chemical business and other business, Khon Kaen Sugar Industry Plc. will assign its own representatives to join as a position of company directors for involvement of policy establishment or as a position of top management for operation directing in subsidiaries to ensure that policy of the subsidiaries is complied with the parent company's policy.

Description of Each Business Operation

Company	% of Shareholding in 2020	2020		2019		2018	
		Revenue (Million THB)	%	Revenue (Million THB)	%	Revenue (Million THB)	%
1. Khon Kaen Sugar Industry PCL.	Parent Company	6,267	35%	11,224	43%	9,819	38%
2. Tamaka Sugar Industry Co., Ltd.	90.21%	1,664	9%	2,395	9%	2,888	11%
3. New Krung Thai Sugar Factory Co., Ltd.	95.78%	3,029	17%	3,298	13%	4,274	17%
4. New Kwang Soon Lee Sugar Factory Co., Ltd.	98.61%	492	3%	571	2%	562	2%
5. K.S.L. Export Trading Co., Ltd.	79.55%	16	0%	19	0%	17	0%
6. Khon Kaen Sugar Power Plant Co., Ltd.	100.00%	2,579	15%	3,588	14%	3,643	14%
7. KSL Material Supplies Co., Ltd.	100.00%	149	1%	360	1%	382	1%
8. KSL Real Estate Co., Ltd.	91.02%	164	1%	190	1%	193	1%
9. KSL Agro and Trading Co., Ltd.	100.00%	2,901	16%	3,822	15%	3,420	13%
10. Koh Kong Plantation Co., Ltd.*	80.00%	0	0%	12	0%	45	0%
11. Koh Kong Sugar Industry Co., Ltd.	88.02%	1	0%	45	0%	366	1%
12. Savannakhet Sugar Corporation	98.00%	498	3%	309	1%	199	1%
13. Wynn In Trading Co., Ltd.	100.00%	0	0%	0	0%	0	0%
14. WSP Logistics Co., Ltd.	100.00%	0	0%	0	0%	0	0%
Total		17,759	100%	25,833	100%	25,808	100%
Minus Interrelated items		-5,907		-7,978		-7,996	
Total Revenues		11,853		17,855		17,812	

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

(Explanation of change in revenue and earnings stated in Part 3 "Financial Position and Operating Performance")

Description of each products

Major Product: Sugar

Sugar: Product Characteristic

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. KSL's has variety of sugar produced which can be divided into five categories of sugar according to its type and level of purity as follows:

Raw sugar - Raw sugar has a color index higher than 1,500 ICUMSA. It is dark brown with a high impurity index and a low purity index. The shipment is usually loose-loaded in bulk. Raw Sugar cannot be direct consumption. It is required to refine to white sugar or refined sugar.

Raw Sugar with High-Polarization – Hi-pol Raw sugar contains color between 1,000 - 1,500 ICUMSA. It is not fit for direct human consumption. Normally, the sugar is transported loose-loaded in Bulk to the vessel. The price is usually lower than that of white sugar and refined sugar.

White sugar – White sugar contains its color between 46 - 200 ICUMSA with minimum polarization 99.50. It is fit for direct human consumption. It is being used for home used and/or raw material/ main ingredient in food industries.

Refined sugar - Refined sugar contains its color not more than 45 ICUMSA. The sugar is being used for home used and some industries which required the better quality and higher in purity, such as pharmaceutical sector, beverage sector, and energy drink.

Liquid sugar - liquid sugar contains its color below 35 ICUMSA with 66.5-67.5% brix. This product has higher in purity and preferably be used in the industries whereas required to melt the sugar crystal into liquid form, therefore this product is the most suitable for beverage and energy drink sectors as it can generate the saving for its process of sugar crystal melting.

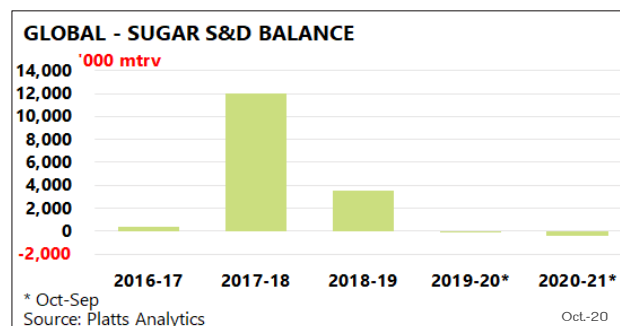
After sugar manufacturing process, there is a residue called "Molasses" that its sugar content is so low that any further sugar extracting is uneconomical. Molasses is a valuable by-products obtained from sugar production. It contains 20% water, 30% sucrose, 32% invert sugar, 12% non-sugar organic substance, and 6% ash. From one ton of sugarcane, the corporate sugar factories can generate their capacity to extract between 45-50 kilograms of molasses. The molass production has annually positive correlation with the quantity of sugarcane crushed. Molasses can widely be used in various industries such as biochemistry alcohol and distilling, yeast, monosodium glutamate, animal feed (where molasses is being mixed with cassavas and bagasse), vinegar, and soy sauce and seasoning sauce brewing.

The last element from cane crushing process are bagasse and filter cake. Bagasse is the last fibrous material after the juice extraction process from sugarcane. Currently, the companies use their bagasse as their main source of energy for electricity and steam generation in sugar manufacturing process. Part of the electricity that the sugar factories generated is sold to the EGAT. Filter cake is a residue from vacuum filtration process. It appears to be used as main element to be general-purpose fertilizer. Over the years, the companies have given away their filter cake to their contracted cane farmers to promote sugarcane plantation within the companies's nearby cane growing areas. Since the company's subsidiaries have started to operate their alcohol and chemical production, the waste water from the alcohol factories mixed with filter cake and bio-decomposed are used to produce organic fertilizer which consider to be the best fertilizer for sugarcane plantation. This supply chain has efficiently completed the corporate value-added product with zero waste.

Sugar: Market and Competition Industry Overview

In the overview of the world sugar market, world sugar production in 2019/20 production season which was approximately 181.11 million tons (raw sugar volume), a decrease of 4.22 million tons or 2.27% compared to the 2018/19 production season, meanwhile, the total world demand was 181.22 million tons, a decrease of 0.56 million tons or 0.30% compared to the season. Production in 2018/19, with the remaining sugar content at the end of the year slightly decreased from 77.83 million tons in the production season 2018/2019 to 76.78 million tons in the production season 2019/20, representing 41% of the consumption volume. The remaining stock level is sufficient for consumption in approximate 4.9 months with the global output forecasted to produce a slight deficit. In this regard, sugar consumption demand in 2020 slows down due to lockdown measures caused by the Covid-19 epidemic, therefore, some countries still have a relatively high stock of sugar. Moreover

Chart 1: World Sugar Balance (1000 Tons, centrifugal sugar, raw value, OCT/SEP)



Note: 2019/20 and 2020/21 are forecasted number
Source: Platts Analysis, 22 October, 2020

with a major producer of the world, Brazil, increased the proportion of sugar production. As a result, in the year 2020 during the second quarter of 2020, the world market sugar prices dropped sharply.

In the middle of 2020, it was expected that 2019/20 sugar cane production from Thailand and India would be declined due to drought but Brazilian producer decided to increase their proportion of sugar production. This incident was resulted in a sharp drop from the price level of 15 cents per pound in the early of year down to 9-10 cents per pound in the second quarter of 2020. However, the price range during the end of the year recovered to 14 -15 cents per pound.

According to Platt's Analysis reported on October 22, 2020, the output in 2020/21 is expected to be slightly deficit. Both sugar prices in the past 2-3 years have been volatile since both world sugar volume and sugar price are affected by changing in climate, flooding, drought or cold weather. In addition, other key factors also affect to the world sugar price such as the world's sugar stocks level, production volume, ethanol usage, Fund's speculative entry volume and government policies in the countries of key producers and consumers.

Chart 2: World Sugar Price (NYBOT#11) during Last 10 Years



Export channels of Thai sugar manufacturers are classified as follows:

- (1) Thai sugar manufacturers sell their sugar through major traders such as Wilmar, Cofco, Alvean, Sucden, etc. The traders then sell the sugar to other overseas buyers. Risk of default debt collection and complications in export management are minimized. Thai sugar manufacturers' responsibility is only to transport their sugar to ports of exports in Thailand, such as FOB ports of Bangkok and Lam Chabang.
- (2) Thai sugar manufacturers export their sugar to neighboring countries; Cambodia, Laos, Myanmar and Vietnam through borders. The sugar is being sold to vendors at borders.
- (3) Thai sugar manufacturers sell to the manufacturers at destination who use sugar as main raw material in production of their exported furnish products. Since the domestic sugar price is higher than that of world market prices, the Re-export manufacturers who use sugar as their main raw material has lost their competitiveness as the domestic price is higher than that of in the world market. Hence, the government allows those Re-export manufacturers who export furnish products aboard to buy sugar at the world market prices conditionally in order to boost investment in the food industry and competitiveness.

Market Overview and Industrial Domestic Market Conditions

Since 2018, the cane and sugar industry system of Thailand was modified with no longer continuing of quota

system and fixed sale price of domestic sugar sales. Therefore, there is currently a free market in the country and domestic sugar prices are floated and varied according to the world sugar prices plus domestic sugar premium. As a result, the overall of both domestic and export sales are in accordance with the mechanism of the world sugar market as well as it depends on the different production capability of each factory. The proportion of sugar sale of the group companies is detailed in Table 2.3. However, the essence of the Thai Cane and Sugar Act in regard to the benefit sharing system with farmers has been remained.

Competition conditions and competitors

In 2020, there are 58 sugar mills operating in Thailand which consist of 6 groups of sugar mills as the major producers and other small producers. The numbers of sugar factories are under government control. Licenses certified by Office of the Cane and Sugar Board and Department of Industrial Works, Ministry of Industry, are required for sugar factories in increasing capacity, relocating factories, or operating new sugar factories.

The sugar cane crush season begins in December till the beginning of April approximately. For the production year 2019/2020, the Thailand output of sugar cane crush in the total amount of 74 million tons produced 8.4 million tons of sugar. Khon Kaen Sugar Factory Group is the fourth largest sugar-cane producer group with a market share of about 7.02%.

Table 3: Sales Volume and Ratio of Domestic Sugar Sales in the Past 3 Years

Sale Volume & Price	2020			2019			2018		
	Quantity (Ton)	Avg. Price (THB/ton)	Amount (Million THB)	Quantity (Ton)	Avg. Price (THB/ton)	Amount (Million THB)	Quantity (Ton)	Avg. Price (THB/ton)	Amount (Million THB)
Total Sugar Sale	693,830	12,717	8,823	1,255,593	11,084	13,917	1,091,228	12,585	13,733
Domestic sale	164,067	17,535	2,877	230,145	16,431	3,781	187,656	17,880	3,355
Export sale	529,762	11,225	5,946	1,025,448	9,884	10,135	903,572	11,485	10,378
% Domestic Sale/Total Sale	24%			18%			17%		

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 supported 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 and brought to the

community happiness", 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.

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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

The company emphasizes direct sale to industries with product quality and on-time delivery promises. Most customers are in business of beverage and confectionary industries.

The company, moreover, emphasizes the sale of its sugar products to food product re-exporters, as a result that it is generated higher profit than regular exporters due to lower transportation costs.

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 -

Major Product: Electricity and Steam

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 as well as selling any excess electricity produced to Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA). Currently, the group operates 3 power plants. 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 Megawatt (MW), 20 Megawatt (MW) of which is sold to EGAT. The second power plant is located nearby New Krungthai Sugar Factory in Bo-Ploy of Kanchanaburi province. It can produce up to 90 MW, 30 MW of which is sold to EGAT. The third power plant is located nearby Khon Kaen Sugar Factory in Wangsapung district of Loei province. It has the capacity to produce 70 Megawatt (MW), 2.12 MW of which is sold to PEA.

In addition, there is 1 sugar factory having power plants entered into electricity sale agreements with PEA in the total sale amount of 3.81 MW.

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) and Provincial Electricity Authority (PEA) through long-term contract 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.

	2020	2019	2018
Sale volume (MW-hour)	330,882	372,481	346,894
Avg. selling price (THB/MW-hour)	3,191	2,952	2,940

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. Costs of electricity and steam depend on the amount of crushed sugarcane and other alternative biomass fuels’ cost (in case of insufficient bagasse volume). In each year, Khon Kaen Sugar Power Plant has prepared purchasing biomass fuel source, such as purchases of bagasse from nearby plants, wood chips, coconut shells or other biomass fuels etc.

Production policies

(1) Cost Management

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 of 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 construction of rain shield roofs including development or modification of machineries used for other biomass, etc.

Marketing policy

The long-term agreement between the company and EGAT allows the electricity produced to be priced based on fixed formula of calculation. 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 equivalent rate as that sold to EGAT.

Environmental effects

Extensive Environmental Impact Assessment (CIA) has been carried out. The facilities in Khon Kaen province has been registered with CDM Executive Board as a CDM (Clean Development Mechanism project under the Kyoto Protocol) which helps carbon reduction.

Electricity & Steam: Works Not Submitted

- None -

Operating Assets

Core Operating Fixed Assets

As of October 31, 2020, the company and its subsidiaries have core operating assets as follows:

Items	Approximate Area	Ownership	Net Book Value (Million THB)	Encumbrance
1. Land & Land Development (Rai)				
Land for factory location				
- Khon Kaen Sugar Industry	1,421.81	Owner	965.82	
- Tamaka Sugar Industry	244.76	Owner	722.89	
- New Krung Thai Sugar Factory	1,139.90	Owner	308.45	
- New Kwang Soon Lee Sugar	251.53	Owner	104.71	
- KSL Agro & Trading Co., Ltd.	90.86	Owner	58.16	
- Khon Kaen Sugar Power Plant Co., Ltd.	420.15	Owner	202.78	
- KSL Material Supplies Co., Ltd.	226.52	Owner	26.66	
Cane Plantation Area	9,621.61	Owner	1,607.26	
Office Area	376.88	Owner	206.10	
Other Lands	106,351.60	Owner	1,753.35	
Total Land & Land Development			5,956.18	
2. Factory Building and Construction		Owner	4,868.45	
3. Machinery and Equipment		Owner	14,028.37	
4. Motor Vehicle and Labors-saving device		Owner	442.86	
5. Furniture and Office Equipment		Owner	31.97	
6. Assets under Construction		Owner	542.94	
Grand total			25,870.77	

Significant Intangible Assets

Trademarks

Key trademarks of Khon Kaen Sugar Industry Public Company and subsidiaries are registered with the Department of Intellectual Property, as follows:



Privileges of Benefits from Promoted Investment

A domestic subsidiary received 3 investment promotion certificates from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520. The benefits include 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 of revenues generated	date
1432(2)/2552	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2), 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), 35(3)	Mach 15, 2013	- Production of electricity, power steams and water for manufacture	January 21, 2014	January 20, 2022
61-0170-1-00-1-0	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34	February 12, 2018	- Production of electricity, power steams and water for manufacture	Income not yet derived	

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

Investment and Management Policy for subsidiaries and affiliates

As of October 31, 2020, the company invests in both direct and indirect 13 subsidiaries and 2 affiliate companies, as followings:

Subsidiaries (The company holds the shares directly)

- 1) Tamaka Sugar Industry Co., Ltd
- 2) New Krung Thai Sugar Factory Co., Ltd
- 3) New Kwang Soon Lee Sugar Factory Co., Ltd
- 4) KSL Real Estate Co., Ltd
- 5) K.S.L. Export Trading Co., Ltd
- 6) Khon Kaen Sugar Power Plant Co., Ltd
- 7) KSL Material Supplies Co., Ltd.
- 8) KSL. Agro and Trading Co., Ltd.
- 9) Savannakhet Sugar Co., Ltd
- 10) Koh Kong Sugar Industry Co., Ltd
- 11) Wynn In Trading Co., Ltd
- 12) WSP Logistics Co., Ltd.

Subsidiaries (The company holds the shares indirectly through Wynn In Trading Co., Ltd.)

- 13) Koh Kong Plantation Co., Ltd.

Affiliated Companies

- 1) Thai Sugar Terminal PCL
- 2) BBGI PCL

For the subsidiaries that the company holds its shares directly, the company has controlling power through holding more than 50 % of registered shares.

The company has the investment and management policy to invest in the business related to sugar business, sweetener business or other business that gives the benefit and reasonable return to the core business. The criteria for the investment will be based on competitive advantage, reasonable rate of return and the investing amount of each business type. In addition, considering the proportionate of investment will be depended on various factors, especially the company's expertise. If the business requires special experiences significantly and the company has no or less experience, the company will let other strategic partners holding the share in higher proportion. However; if the company has the investment in high proportion, the company will assign its own representatives to participate in a position of company directors or a position of top management. In addition, all of company investments must be approved by the board of director and there should not be the conflict of interest with the parent company in the future.

Non-financial performance indicators, such as Market share, Customer satisfaction

KSL Group companies and its subsidiaries have been certified ISO 9001:2000, which required the companies' survey Customer satisfaction, both domestic and international selling channel, covering variety of Quality, Services and others to

assess and improve satisfaction. The company has set their target to achieve the score at least 94 out of 100. The results in the last 3 years are as follows:

Satisfaction Survey	Year 2020	Year 2019	Year 2018
Domestic	97.77	96.65	96.46
International	96.55	95.54	95.78

Sugar production and market share of the group companies for the last 3 years are as follows:

Production/Market share	Year 2020	Year 2019	Year 2018
Production (Metric Ton)	0.585 Million	1.151 Million	1.182 Million
Market Share (%)	7.02%	7.85%	8.16%

Sugar Price Risk and Company's Hedging Procedure

The availability of Thai sugar is greater than its country's sugar consumption therefore Thailand has over the years exported their exceeding sugar to the world market. The ratio of domestic consumption required to export has been varied approximate range from 20:80 to 30:70 depend on annual sugar produced. Thailand has become the second largest sugar exporter after Brazil. The main revenue of sugar producers in Thailand has exposed directly to the world sugar prices which are 70-80% of its total and the balance of 20-30% to domestic sugar price.

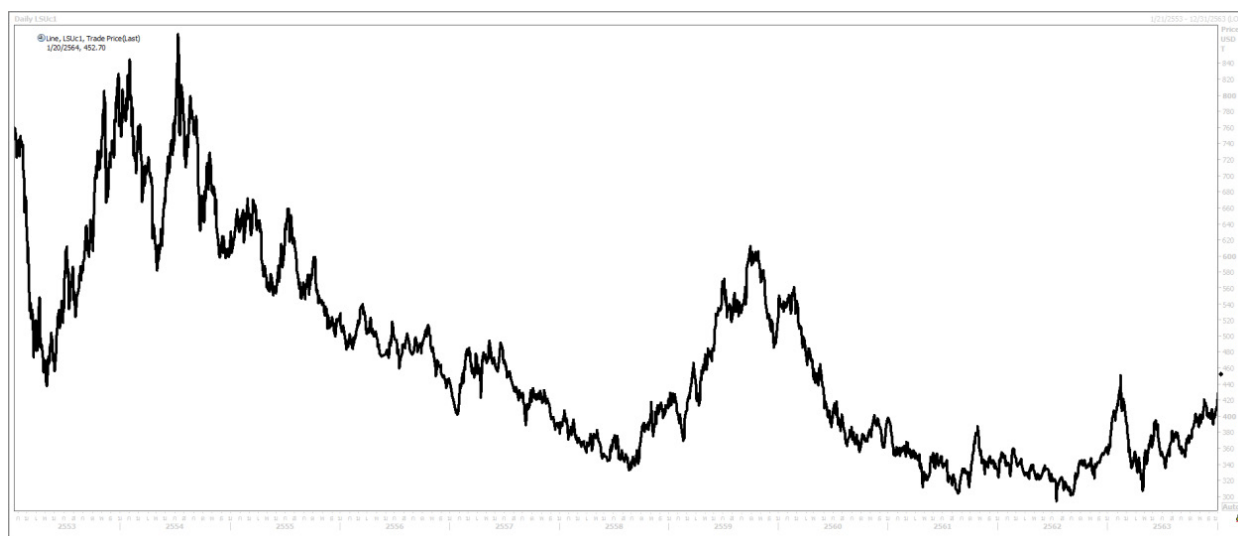
The world sugar market price has been volatile and the global sugar production is falling in some main producing countries due to the severe climate change. The government also increased the level of regulation on the sugar industry as well as the government policies to support and focus to protect cane farmer's benefits, food security policies lead to regulate importing countries to issue restriction of sugar importation. This implies that we probably won't see significantly higher sugar prices unless something catastrophic happens. The sustainable sugar is become increasingly important.

Furthermore, in the past 2 – 3 years, significant increase in investment by foreign funds has heightened fluctuation of sugar prices in the world market; prices are much higher or lower than fundamental factors. Sugar prices are especially volatile in years when consumption demand is close to or greater than the amount of sugar produced. Chart 6.1: World Sugar Prices in the Past 10 Years demonstrates volatility of sugar prices.

Chart 1: World Sugar Prices in the Past 10 Years New York (NYBOT#11 – Raw Sugar)



London (LD#5 – Refined Sugar)



The revenue of sugar producers in Thailand is substantially in line with the world sugar prices, which fluctuate significantly, the company's operating results will be affected when sugar prices in the world market drop drastically. In order to prevent the risk posed by sugar price volatility in the world market, the risk hedging procedure has been established with the use of risk management mechanisms and tools in the form of futures contracts. Prices are based on those at futures markets in New York (NYBOT#11 – Raw Sugar) and London (LD#5 – Refined Sugar). Details are as follows:

Case 1: Normal business transactions in trading export sugar (without risk hedging)

A buyer and seller agree on a sugar price based on the market price. Once reaching an agreement, the changed world market price does not affect the agreed price and accounting recorded value. The seller records the price as agreed with the buyer, for instance:

In case of sugar price increase in futures market

Day 1: Sugar futures price is at 350 USD / ton:

The buyer and seller agree on a transaction of sugar at the market price of 350 USD + premium 50 USD

Day 2: Sugar futures price increases to 450 USD / ton :

The seller delivers the sugar. The buyer pays 350 USD + 50 USD premium = 400 USD

Accounting Record: The company income generated from sugar sale is 400 USD.

Note: Premiums of sugar are based on types of sugar, distance of delivery sites, delivery timeline, delivery terms, etc.

In case of sugar price decrease in futures market

Day 1: Sugar futures price is at 350 USD / ton:

The buyer and seller agree on a transaction of sugar at the market price of 350 USD + premium 50 USD.

Day 2: Sugar futures price decreases to 300 USD / ton :

The seller delivers the sugar. The buyer pays 350 USD + 50 USD premium = 400 USD.

Accounting Record: The company's income generated from sugar sale is 400 USD.

It is demonstrated that prices to be received by buyers depend on the time that buyers and sellers agree to make transactions. This becomes problematic when the world sugar prices are high. Sellers are interested in selling, while buyers are not willing to buy due to high prices. When the world sugar prices are low, buyers are willing to buy. Sellers, however, consider the prices too low and are not so willing to sell. Sellers and buyers are unable to agree on prices. This method would only work if sugar prices in the world market were not volatile. High volatility of sugar price causes the sellers and/or buyers losing the opportunities to trade at their own satisfied prices.

Case 2: Adopting risk hedging procedure for sugar price in form of sugar future contracts

During a period when the world sugar prices are highly volatile, to prevent losing opportunities to sell at satisfied prices,

sugar producers adopt risk hedging procedure in form of "sugar futures contracts" which their price are based on world sugar price. With this futures contracts, contracts are not settled by sugar delivery, but by cash settlement which paying the difference between the sugar price fixed on the day the contracts are made and the sugar price on the day the contracts are settled (unwinded). The risk hedging procedure may be carried out directly at sugar futures market through a broker or alternatively, through a financial institution as a counterparty. Examples are as follows:

In case of sugar price decrease in futures market

Day 1: Sugar futures price is at 400 USD / ton:

The seller is satisfied with the price at this level, but no interest from any buyer. Buyers expect the price to decrease. The seller entered into a contract with a financial institution fixing the sugar futures price at 400 USD.

Day 2: Sugar futures price decreases to 300 USD / ton :

A buyer is interested in buying. The seller sells sugar at the agreed market price of 300 USD + 50 USD premium = 350 USD. At the same time, the seller closes or unwinds the futures contract by buying back the contract at the market price of 300 USD/ton (sold at 400 USD while bought back at 300 USD), resulting in 100 USD gain.

From this example, the seller's actual income from the sugar sale is 350 USD + 100 USD of hedging gain from sugar futures contract. The amount equals the guaranteed price of 400 USD + 50 USD premium = 450 USD.

Accounting Record: The company generates income from sugar sale at 350 USD (which is lower than the guaranteed price of 400 USD). The 100 USD gain from entering into the sugar futures contract is recognized as other income.

In case of sugar price increase in futures market

Day 1: Sugar futures price is at 400 USD/ton:

The buyer is satisfied with the price at this level, but receives no interest from any seller. Sellers expect the price to increase. The seller enters into a contract with a financial institution fixing the sugar futures price at 400 USD.

Day 2: Sugar futures price increased to 450 USD/ton:

A buyer needs sugar for use, resulting in buying at a high price. The seller sells sugar at the agreed market price of 450 USD + 50 USD premium = 500 USD. At the same time, the seller closes or unwinds the futures contract by buying back the contract at the market price of 450 USD/ton, resulting in 50 USD loss (sold at 400 USD while bought back at 450 USD).

In this example, the seller's actual revenue from the sugar sale is 500 USD - 50 USD of hedging loss from sugar futures contract = 450 USD. The amount equals the guaranteed price of 400 USD + 50 USD premium = 450 USD.

Accounting Record: The company generates income from sugar sale at 500 USD (which is higher than the guaranteed price of 400 USD) but hedging loss of 50 USD is also recognized according to sugar futures contract.

In all the cases, the company has the net income of 500 USD (excluding a commission paid to the financial institution). Methods of producing accounting records or presentation are, however, different. For the regular transaction without risk management involved, the company records 500 USD as revenue from sale. The concerns with this type of transaction is that at the time there may not be any buyer willing to buy, or the seller may not be willing to sell. Adopting a risk hedging tool of sugar futures contracts, if the market is in a downturn, the company will record revenue from the sugar sale at 500 USD, and gain on hedging of 50 USD will be recognized as other income. However, during an upturn in the market, the company will record 500 USD as revenue from sale but loss on hedging of 50 USD will be recognized according to sugar futures contract.

In conclusion, entering into sugar futures contracts enable (1) buyers and sellers to trade at prices considered satisfactory by both parties without the need to wait for prices to reach the levels that buyers and sellers can agree on; and (2) the net revenue will be equal to fixed prices. If the market is experiencing a down turn, actual revenue from sugar sales will be low, but it is compensated with gain on hedging according to sugar futures contracts. During an upturn, however, actual revenue from sugar sale will be high, while it must be offset with loss from hedging according to sugar futures contracts.

Important Concerns

1. Currently, there is the time difference between recognition of revenue from sales and gain/loss on hedging from sugar futures contracts. For example, the companies record revenue from actual sales when sugar is delivered to customers. Hedging gain/loss from sugar futures contracts is recognized upon contract closure or unwinded. It is possible that companies will realize hedging gain/loss from futures contracts before recognition of revenue from sales, resulting in a time difference between those two records. This outcome will affect to companies that report their operating results on a quarterly basis.

2. Adopting a risk hedging procedure for sugar price volatility in form of sugar futures contracts can insure the company against the sugar price risk on existing sugar volume and also sugar volume estimated to be produced in the future. Amounts hedged under sugar future contracts vary according to sugar production estimated to be produced in the future. However, amounts of sugar produced depend on quantities of cane crushed largely affected by climate, vast cultivation areas, and a lot of farmers. As a result, inaccuracy of estimation of sugar cane crops may be rather high.

When the overestimate of sugar cane output incurs, sugar futures contracts have been made according to the estimates and later the actual outputs do not match up with the estimates, the contracts become oversold. If the sugar future price is in an upturn, there will be actual loss from sugar futures contracts made. This is due to the fact that there is no actual sale at a high price to offset. On the other hand, when the sugar market price is experiencing a downturn, there will be actual gain from sugar futures contracts.

RISK FACTORS

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

1. Risks from Raw Material Supply – Sugarcane

Khon Kaen Sugar Industry Public Company Limited produces sugar which derives from 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, i.e., (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.

To reduce the above-mentioned risk, the company provides promotion and assistance to sugarcane farmers, such as loans for planting sugarcane, materials for sugarcane planting, irrigation system, technology to increase yields and efficiency in cultivation and reduction of middle man's roles in sugarcane sales and purchase deals.

2. Risks from Fluctuation of Global Sugar Price

Sugar industry is one of the major processing agricultural industries of Thailand. Sugar is primarily supplied to meet the domestic consumption demand before being exported (70-75 percent of the total national production capacity) to global market, mainly to Asian one where the demand is constantly high. Located in Asia, Thailand gains advantage in this region and becomes the net exporter, generating income to the sugar factories and cane farmers.

The sugar price in global market is a key factor affecting Thai sugar industry apart from demand and supply of producers, consumers, exporters, importers, climate, promotional policies, and intervention by the government in both producing and consuming countries. The energy price is also interrelated to the fluctuation of the sugar price, so are the traders' speculations. Due to the risk from the to-be-announced sugar price following the global sugar price and exchange rate (THB-USD), KSL, therefore, appointed the pricing committee to prevent the risk from the difference between the global sugar price and the cane price.

In the production year 2019/2020, the Office of the Cane and Sugar Board reported the amount of cane procured for crushing at 74.89 million ton-cane or over 40 percent decrease from the previous year due to the worst drought in 40 years affecting the cane growth even though the rain partially covered the area.



In 2020 the raw sugar price in New York market highly fluctuated, especially in the first quarter: from 15.90 cents/lb at the highest in the first quarter (mid-February) to 9.05 cents/lb in the second quarter (end of April) due to the decrease of crude price and Brazilian real depreciation at 5.97 BRL/USD, promoting the export volume of sugar from Brazil 10 million ton-cane from the previous year. This resulted in the high fluctuation of global sugar price in the second quarter.

In the last 2 quarters of the year the global sugar price increased following the crude price, directly resulting in the higher ethanol price in Brazil which attracted many speculators. In addition, the rapid appreciation of Brazilian real over 19% to 4.81 BRL/USD (as of June 6, 2020) increased the sugar price to 12 cents/lb from the lowest price at 9.05 cents/lb at the end of the second quarter.

At the end of 2020, the global sugar price appeared to be more constantly positive from the average of 12 cents/lb to 14.00-15.00 cents/lb as a result of the economic restoration after the COVID-19 pandemic. KSL earned more revenue from the related businesses, ethanol business in particular under the partnership with the energy specialist including biomass power plant, organic fertilizer factory by using by-products and wastes as raw materials.



3. Risks from Government Policies

The cane and sugar industry in Thailand is under the supervision and control of the Cane and Sugar Board under the Cane and Sugar Act B.E. 2527 (A.D. 1984). The government delegated the amendment of such act to the Office of Cane and Sugar Board (OCSB) to allow other products, apart from sugar, to be produced from cane juice in order to generate more revenue to the cane and sugar industry as a key mechanism to develop new potential industries for the national economic growth following New S-Curve strategy which adds more value to the cane and creates a variety of bioproducts, such as bioplastic, biochemical, and biopharmaceuticals in accordance with the Thai Bioindustry Development Measure 2018-2027.

The allocation ratio of revenue generated from sugar business between sugar factories and cane farmers remained at 70:30. The policy issued by OCSB announced the new domestic sugar prices (before VAT) for the production year 2019/2020 as follows:

1. White sugar: 17.25 baht/kg (seventeen baht twenty-five satang)
2. Refined sugar: 18.25 baht/kg (eighteen baht twenty-five satang)

The new prices shall be effective from October 1, 2019 onward.

In order to properly support the cane farmers and follow the rules of the World Trade Organization (WTO), OCSB regularly updates the cane farmer database for the purposes of analyzing and prescribing the relevant policies, rules and regulations for cane and sugar industry which affects the production cost and KSL performance.

The repayment of loan, taken out earlier in order to financially support and addressed the issues raised by the cane farmers in the production 2015/2016, to Krung Thai Bank by the Cane and Sugar Fund was partially made from the revenue of domestic sugar distribution. The request for the support from the annual government expenditure of 2021-2023 was made through the discussion with the Ministry of Treasury to repay the principal of the loan. In case that the request is denied, the Fund will ask for the repayment extension. Furthermore, the current situation of constantly low sugar price and the trend of high fluctuation affect the cane farmers as the production cost is at 1,110 baht/ton-cane. In order to ease their suffering, the loan program to increase the efficiency of cane production 2019-2021 was approved to promote the low-interest loan to cane farmers as well as the use of machinery for cane farm management, allowing the small cane farmers to acquire the necessary production factors with satisfactory return which creates the circulation in the economy.

Another challenge for the cane farmers and sugar factories is the issue related to PM 2.5 reduction in the crushing season 2020/2021 by adjusting the ratio of burnt cane to fresh cane to 20:80 in accordance with the government measure, which affects the traditional cane harvesting methods.

KSL is closely monitoring the risks from the government policies in order to properly determine the operational guidelines for any relevant departments to comply with such policies.

4. Risks of Bad Debts from Credit System Provided to Farmers (Advanced Credit)

In the operation of a sugar factory, the factories provide loans or other kinds of financial support to sugarcane farmers as working capital to plant sugarcane crop, or what is called “advanced 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 and other financial support given is deducted. The risks that are generated from such credit can come from reduced volume of sugarcane 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, the Company is well aware of the said risks and therefore develops the sugar cane subsidies system to be more efficient, by using Geographic Information System: GIS in inspecting and surveying sugar cane plantation areas to reduce the problem of claiming of right of ownership of certain farmers, and it was also used for sugar cane supply planning. The Company also develops a tablet-installed program so as to effectively monitor sugar cane and debt status of each farmer, as well as the development of database of farmers in respect of growing ability, debt, security data, and ability to pay debt, which would help analyze suitable credit facility with the ability to service debt and the value of property placed as security.

5. Risks from Exchange Rate

The volatility of exchange rate poses a significant risk to the Company’s operation. The Company exports about 70-80% of its total sugar sales. The Company also imports tools and machinery, and conduct operations in neighboring country. The Company mitigates the exchange rate risk exposure by a close monitoring of exchange rate trend and entering derivative contracts for foreign currency hedging i.e. forward contracts, option contracts, etc. In addition, the Company manages the foreign exchange using natural hedging mechanism by way of paying the foreign currency expense with the same foreign currency revenue from sugar sale.

The 70:30 revenue sharing scheme sees the cost of sugar cane, which is the major cost, and the revenue from sale influenced by the same direction of foreign exchange. The Company keeps monitoring the exchange rate trends to react against the changes in a timely manner.

6. Risks from Investment Project in Laos and Cambodia

The investment projects of sugar business in both countries were initiated by the Company, whereby the Company had obtained concession areas from the governments for sugar cane plantation and it was also licensed to construct sugar factories. The Company then managed its key risks in this issue as follows:

1. The quantity of sugar cane is insufficient to the production owing to climate change, natural disasters and spread of pests including deteriorated soil conditions at the concession areas, thereby causing a fluctuation of sugar cane supply in each year, and thus resulting

in production per area to have been insufficient to cover the break-even point.

2. Management problems, such as, lack of sugar cane growing technology in large areas, lack of infrastructure, namely road, transport system, including plantation labour shortage and capable personnel, etc., and it would take longer than expected to solve these problems and to improve the development in this regard.
3. Control from governments, especially investment projects in Cambodia where the Company experiences problems about the concession policy, unclear concession areas and claimed areas by villagers, taxation policy, including ambiguity of local rules and regulations which had been revised and changed and which may cause disputes with the communities. Nevertheless, the said issues were given much importance by the Company and the Company was prepared to manage or rectify such problems suitably.

In 2020, projects abroad still suffered a loss. The Company has explored the solutions for its business in Cambodia, while the Company managed the risks of operation in Laos by 1) budget control, 2) providing loans to farmers, partners, in order to expand the plantation areas, and 3) continuous development of deteriorated soil conditions.

7. Risks from Selection and Maintaining Personnel in Organization for Sustainable Growth

The business operations of the group of companies mainly rely on personnel and it needs sufficient and quality personnel, so as to support and implement the Company’s strategies to a success. Hence, the Company finds it necessary to develop the process of maintaining, and development of potential of its staff to cope with the changing circumstances.

In 2020, world face to COVID – 19 pandemics that challenges to continue about human resource policy, the Company materializes the personnel development with new normal situation by providing new channel as an online training courses and joint with outsource moreover in class training only. The staff are trained with working skill for their daily work and managerial skill for understanding of team members comprising difference of generation gap. The Company also encourages the knowledge management within the company, knowledge sharing and cross functional training so that the staff can apply the knowledge to develop their work process continually. The Company improves working environment that facilitates the discussion and active listening together with the review of performance management system to correlate the remuneration and fringe benefits with the competitive level of the same industry. The approach would help build quality of life and long term stability for the employees and, by the same token, the Company can maintain enough quality employees on continuing basis with the Company and reduce the burden to recruit qualified staff from outside.

Shareholder Structure

Securities

As of October 31, 2020, the Company's registered capital is THB 2,205,121,824 and the paid-up capital is THB 2,205,116,309.50. It is comprised of 4,410,243,648 ordinary shares and 4,410,232,619 paid-up shares, at par value of THB 0.50 per share.

Debentures

As of October 31, 2020, the non-subordinated and unsecured debentures are detailed as follows:

Name	Tenor	Expiry Date	Total Value (million THB)
KSL215A	3 years	3-May-21	1,350
KSL228A	3 years	19-Aug-65	3,000
KSL27DA	10 years	7-Dec-27	2,000
KSL285A	10 years	3-May-27	650
Total Long Term Debentures			7,000

Shareholders

On October 31, 2020, the top 10 major shareholders of the Company are as follows:

Rank	Name	No. of Share	% of total
1.	KSL Sugar Holding Co., Ltd.	1,468,242,728	33.29
2.	Thai NVDR Co., Ltd.	132,503,549	3.00
3.	Mr.Chanachai Chutimavoraphand	115,355,499	2.62
4.	Mr.Chamroon Chinthammit	113,012,431	2.56
5.	Mr.Kamondanai Chinthammit	102,498,048	2.32
6.	Ms.Duangdao Chinthammit	99,799,954	2.26
7.	Ms.Duangkae Chinthammit	99,733,643	2.26
8.	Mr.Somchai Chinthammit	96,475,726	2.19
9.	Mr.Piripon Chinthammit	94,586,024	2.14
10.	CREDIT SUISSE AG,SINGAPORE BRANCH	90,398,136	2.05
	Total for top ten major shareholders	2,412,605,738	54.70
11.	Other shareholders	1,997,626,881	45.30
	Total	4,410,232,619	100.00

Note:

A major shareholder of KSL Sugar Holding Co., Ltd, is the Chinthammit family (which holds 33 % of shares.) However, proportion of shareholding does not indicate that members of the Chinthammit family are voting in the same way.

The registered capital and paid up capital of KSL Sugar Holding Company Limited consists of 100 million shares at par value of THB 10 per share or THB 1,000 million.

On October 31, 2020, the top 10 major shareholders of KSL Sugar Holding Co., Ltd. are as follows:
As of 31 October 2020

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

Note:

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

Dividend Payment Policy

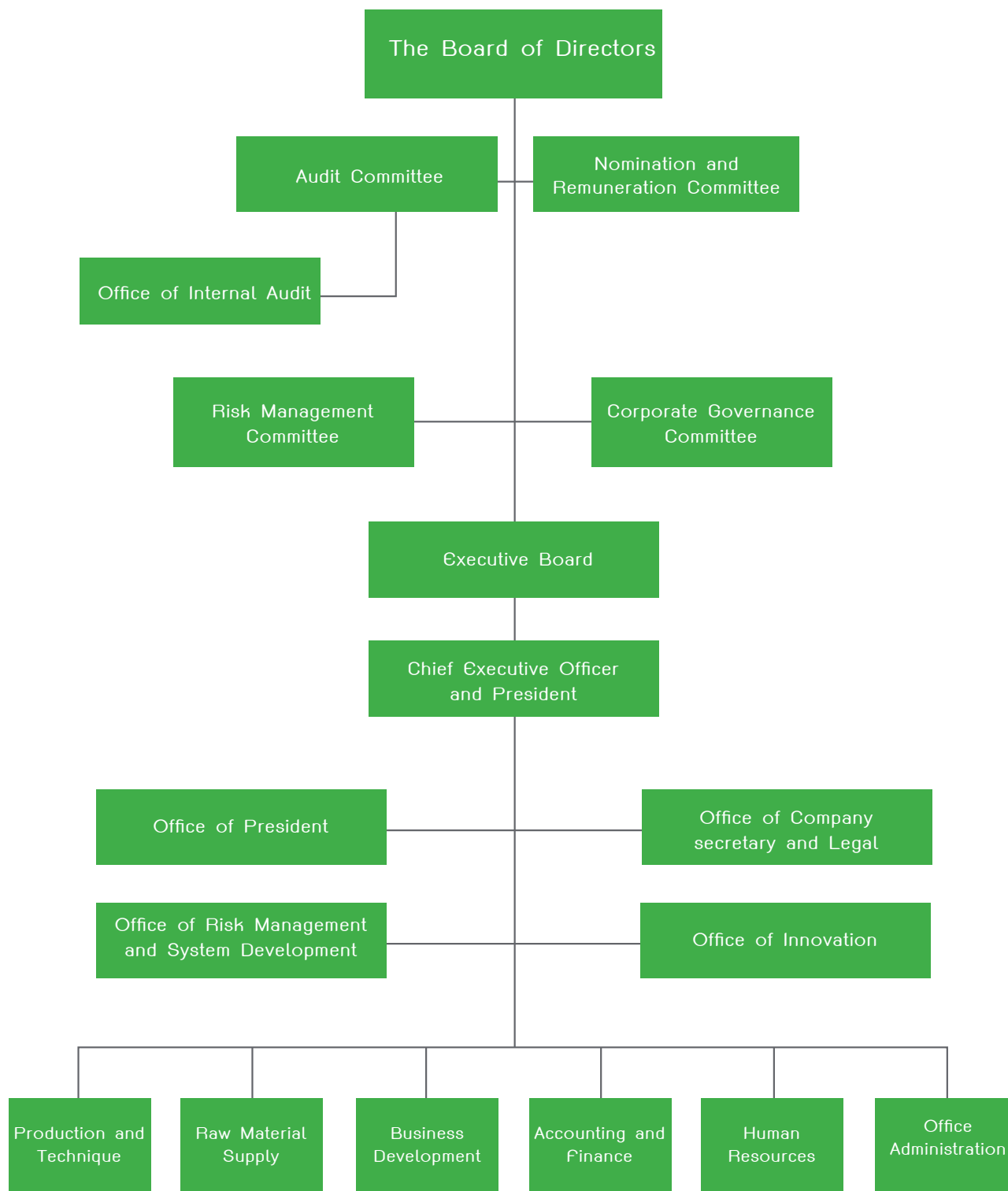
The company has a policy to pay dividends at a rate of not less than 50 % of net income after corporate income tax and legal reserves of separate financial statement, if there is no necessity for the use of the money, and if the dividend payment does not have an adverse effect on corporate operations significantly. Factors that are considered include corporate operation results, financial position, liquidity, and

business expansion plans, etc. 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 Limited depends on their cash flow, liquidity, suitability, and necessity for the use of the money. No minimum rate is specified.

Dividend Payment Record

Year	2015	2016	2017	2018	2019
Dividend per share (Baht : share)	0.105555555556	0.10	0.05	0.05	0.05
Percentage of dividend to net profit (percent of Consolidated Financial Statement)	51.90	30.92	11.19	26.00	26.84
Percentage of dividend to net profit (percent of Separated Financial Statement)	51.60	188.24	16.81	(dividend paid from accumulated profit)	(dividend paid from accumulated profit)

Management Structure



THE BOARD OF DIRECTORS



Mr. Manu Leopairote
Chairman and Independent Director



Mr. Chamroon Chinthammit
Chief Executive Officer and President



Mr. Pornsin Thaemsirichai
Director



Mr. Sukhum Tokaranyaset
Director



Mr. Thawatchai Rojanachotikul
Director



Mrs. Intira Sukhanindr
Director

THE BOARD OF DIRECTORS



Ms. Duangdao Chinthammit
Director



Mr. Chalush Chinthammit
Director



Mr. Somchai Chinthammit
Director



Ms. Duangkae Chinthammit
Director



Mr. Chanachai Chutimavoraphand
Director

THE BOARD OF DIRECTORS



Mr. Somchat Chinthammit
Director



Mr. Tachpong Pakornsiriwongse
Director



Mr. Tachpong Pakornsiriwongse
Director



Mr. Trakarn Chunharojrit
Director



Pol. Gen. Boonpen Bumpenboon
Independent Director



Mr. Sitti Leelakasamelek
Independent Director

Board of Directors



Mr. Warapatr Todhanakasem
Independent Director



Ms. Nongluck Phinainitisart
Independent Director



Mrs. Anchalee Pipatanasern
Independent Director



Mr. Supachai Rakpanitmanee
Independent Director
(Resigned, effective on September 30, 2020)

Board of Directors

As of October 31, 2020, the Company's Board of Directors comprises the following 20 members:

1. Mr. Manu	Leopairote	Chairman and Independent Director
2. Mr. Chamroon	Chinthammit	Director
3. Mr. Pornsin	Thaemsirichai	Director
4. Mr. Sukhum	Tokaranyaset	Director
5. Mr. Thawatchai	Rojanachotikul	Director
6. Mrs. Intira	Sukhanindr	Director
7. Ms. Duangdao	Chinthammit	Director
8. Mr. Chalush	Chinthammit	Director
9. Mr. Somchai	Chinthammit	Director
10. Ms. Duangkae	Chinthammit	Director
11. Mr. Chanachai	Chutimavoraphand	Director
12. Mr. Chatri	Chinthammit	Director
13. Mr. Somchat	Chinthammit	Director
14. Mr. Tachpong	Pakornsiriwongse	Director
15. Mr. Trakarn	Chunharojrit	Director
16. Pol. Gen. Boonpen	Bumpenboon	Independent Director
17. Mr. Sitti	Leelakasamelek	Independent Director
18. Mr. Warapatr	Todhanakasem	Independent Director
19. Ms. Nongluck	Phinainitisart	Independent Director
20. Mrs. Anchalee	Pipatanasern	Independent Director
21. Mr. Supachai	Rakpanitmanee	Independent Director (Resigned, effective on September 30, 2020)

Remark: The Company is in process of appointing a new eligible director to substitute the vacancy.

During the year, members of the Board of Directors never dishonestly committed a criminal offence against property nor entered into any transaction which might cause conflict of interest against the Company.

Composition of the Board of Directors

The Board of Directors consists of persons of knowledge, capability and specialization who have leading roles in specifying policies and goals of the Company and, together with top executives, set the short term and long term planning as well as govern and monitor the plans in each quarter.

Authorized Directors

Mr. Chamroon Chinthammit or Mr. Pornsin Thaemsirichai or Ms. Duangdao Chinthammit or Mr. Chalush Chinthammit or Ms. Intira Sukhanindr or Mr. Sukhum Tokaranyaset or Mr. Thawatchai Rojanachotikul or Mr. Chanachai Chutimavoraphand, any two of whom may jointly sign their names and affix the Company's seal.

Proportion and Structure of Directors

No.	Name		Category of Director			
			Shareholder Representative	Non-Executive	Independent Director	Executive
1	Mr. Manu	Leopairote		●	●	
2	Mr. Chamroon	Chinhammit	●			●
3	Mr. Pornsin	Thaemsirichai	●			●
4	Mr. Sukhum	Tokaranyaset	●			●
5	Mr. Thawatchai	Rojanachotikul	●			●
6	Mrs. Intira	Sukhanindr	●			●
7	Ms. Duangdao	Chinhammit	●			●
8	Mr. Chalush	Chinhammit	●			●
9	Mr. Somchai	Chinhammit	●			●
10	Ms. Duangkae	Chinhammit	●			●
11	Mr. Chanachai	Chutimavoraphand	●	●		
12	Mr. Chatri	Chinhammit	●	●		
13	Mr. Somchat	Chinhammit	●	●		
14	Mr. Tachpong	Pakornsiriwongse	●			●
15	Mr. Trakarn	Chunharojrit	●	●		
16	Pol.Gen. Boonpen	Bumpenboon		●	●	
17	Mr. Sitti	Leelakasamelerk		●	●	
18	Mr. Warapatr	Todhanakasem		●	●	
19	Ms. Nongluck	Phinainitisart**		●	●	
20	Mrs. Anchalee	Pipatanasern**		●	●	
21	Mr. Supachai	Rakpanitmanee*		●	Resigned during the year	
Total			14	10	6*	10
%			66.70%	47.62%	28.60%	47.62%

* Total not including the director who resigned during the year, namely, Mr. Supachai Rakpanitmanee*

** female independent directors

Board of Directors' Meetings

The Company sets the Board of Directors meeting dates and notifies the directors of those date in advance. The Board of Directors shall hold at least 6 meetings per year. For the continuity of the Company's operations, there are monthly Executive Board meetings where the members monitor the operations or make decisions. In every meeting, the Board of Directors is informed about matters that have been approved by the Executive Board to ensure that the Board of Directors is able to supervise, control, and monitor the work of the management on a regular basis.

In 2020, the Board of Directors held 7 meetings. There was 1 additional non-executive directors meeting (excluding the management) on 10 September 2020 so that the non-executive directors could independently express their opinions regarding management and administration. Prior to each meeting, all members received the agenda and supporting documents seven days prior to the date of the meeting so as to furnish adequate time for the directors to be well-prepared for the meeting.

For the meeting of the Board of Directors, the Chairman, the Chief Executive Officer and President, and Company Secretary consider agendas together. This is to ensure that the agendas cover important matters. Each director may propose agenda independently.

During the Board meeting, the Chairman allocates adequate time for management's 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 Secretary. In case of necessity, the opinions of advisors or external professionals may be provided.

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. The minutes are saved and kept in paper and pdf files which is easy to retrieve but is not changeable. Numbers of the Board meetings and attendance are publicly disclosed. The Board sets a meeting at least every 3 months per year, and the Executive Board has monthly meetings to cope with the Company's operating results. Matters that passed the Executive Board meetings are presented to the Board of Directors for acknowledgement.

The Attendance of Directors in 2020

ลำดับ	Name	Board of Directors (7 Meetings)	Executive Board (12 Meetings)	Audit Committee (5 Meetings)	Nomination & Remuneration Committee (4 Meetings)	Risk Management Committee (4 Meetings)	Corporate Governance Committee (3 Meetings)	AGM (1 Meetings)
1.	Mr. Manu Leoparote	6/7	-	-	-	-	-	1/1
2.	Mr. Chamroon Chinthammit	6/7	11/12	-	-	-	-	1/1
3.	Mr. Pornsin Thaemsirichai	7/7	11/12	-	-	-	-	1/1
4.	Mr. Sukhum Tokaranyaset	6/7	12/12	-	-	-	-	1/1
5.	Mr. Thawatchai Rojanachotikul	7/7	12/12	-	-	-	-	1/1
6.	Mrs. Intira Sukhanindr	7/7	12/12	-	-	-	-	1/1
7.	Ms. Duangdao Chinthammit	7/7	12/12	-	4/4	-	-	1/1
8.	Mr. Chalush Chinthammit	6/7	12/12	-	-	3/4	-	1/1
9.	Mr. Somchai Chinthammit	5/7	11/12	-	-	-	-	1/1
10.	Ms. Duangkhae Chinthammit	7/7	12/12	-	-	-	-	1/1
11.	Mr. Chanachai Chutimavoraphand	4/7	10/12	-	-	-	-	1/1
12.	Mr. Chatri Chinthammit	7/7	-	-	-	-	-	1/1
13.	Mr. Somchat Chinthammit	7/7	-	-	-	-	3/3	1/1
14.	Mr. Tachpong Pakornsiriwongse	7/7	12/12	-	-	-	-	1/1
15.	Mr. Trakarn Chunharojrit	6/7	12/12	-	-	-	-	1/1
16.	Pol. Gen. Boonpen Bumpenboon	7/7	-	-	4/4	-	3/3	1/1
17.	Mr. Sitti Leelakasamelek	7/7	-	5/5	-	4/4	-	1/1
18.	Mr. Warapatr Todhanakasem	7/7	-	5/5	-	-	3/3	1/1
19.	Ms. Nongluck Phinainitisart	7/7	-	5/5	4/4	4/4	-	1/1
20.	Mrs. Anchalee Pipatanasern	7/7	-	5/5	-	-	3/3	1/1
21.	Mr. Supachai Rakpanitmanee	6/6	-	-	3/4	2/4	-	1/1

Remarks:

1. Independent director: 7 directors: No. 1, 16 – 21
2. Audit Committee: 4 directors: No. 17-20
3. Nomination and Remuneration Committee: 4 directors: No. 7, 16, 19, 21
4. Risk Management Committee: 4 directors: No. 8, 17, 19, 21
5. Corporate Governance Committee: 4 directors: No. 13, 16, 18, 20
6. Annual General Meeting of Shareholders year 2019, No. 1/2020 on 25 February 2020

The Executives

As of 31 October 2020, the corporate top executives include:

1. Mr. Chamroon	Chinthammit	CEO and President
2. Mr. Pornsin	Thaemsirichai	Senior Vice President – Innovation Office
3. Mr. Sukhum	Tokaranyaset	Senior Vice President – Accounting & Finance
4. Mr. Thawatchai	Rojanachotikul	Senior Vice President – Administration
5. Mrs. Intira	Sukhanindr	Senior Vice President – Business Development
6. Ms. Duangdao	Chinthammit	Vice President – Human Resources
7. Mr. Chalush	Chinthammit	Vice President – Office of President
8. Mr. Theera	Sanguandeekul	Vice President – Sugar Production
9. Mr. Dhajjai	Subhapholsiri	Vice President – Office of Company Secretary and Legal/Company Secretary/
10. Mr. Piripon	Chinthammit	Vice President – Raw Material Supply
11. Mr. Sommanus	Potiat	Vice President – Office of President
12. Mr. Sinchai	Sirirattanaphonkun	(Acting) Senior Assistant Vice President - Accounting and Finance (CFO) */ Senior Assistant Vice President - Office of President
13. Ms. Supap	Chantavit	Assistant Vice President - Accounting and Finance (Acting CFO)

Remark:

No 12. retired as Acting Senior Assistant Vice President - Accounting and Finance (CFO) on 30 April 2020 and appointed as Senior Assistant Vice President - Office of President on 1 May 2020

Company Secretary

The Board of Directors appoints the Company Secretary whose duties include giving advice to the directors as to the compliance with laws and regulations regarding their responsibilities, arranging the meetings of the Board of Directors, Executive Board and shareholders' meeting, making and keeping minutes and other works as required by law as well as supervising the compliance unit. The Company supports the Company Secretary to gain more knowledge and training in law and company secretary duties.

Currently, the Company Secretary is Mr. Dhajjai Subhapholsiri who graduated with law degrees and has experience in legal practice for a long period. He also attended a number of courses on duties of Company Secretary and other relating courses. Description is in (Details of Directors, Executives, Controlling Persons and Company Secretary)

Details of Directors, Executives, Controlling Persons and Company Secretary In 2020

(As of 31 October 2020)

1. Mr. Manu Leopaiprote

Age 77 years
 Director qualified as an independent director
 Position Independent director
 Chairman of the Board of Directors
 Date of Appointment as a Director 18 March 2004

Education/Training

- Honorary Degree of Doctor of Business Administration, Thammasat University, Thailand
- M.Sc. (Economics) University of Kentucky, USA
- B.Sc. in Economics (Honours), Thammasat University
- Diploma Industrial Development, Nagoya, Japan
- Diploma, National Defence College Class 34

Expertise

- Strategic Planning & Risk Management
- Corporate Governance
- Government & Government Relations

Director Training

- Diploma of Chairman 2000, Class 3/2001, Thai Institute of Directors Association
- Director Accreditation Program (DAP) 30/2003, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (4)

- Since 2017, Chairman, SVOA PCL
- Since 2011, Chairman, TMC Industrial PCL
- Since 2010, Chairman, Jubilee Enterprise PCL
- Since 2004, Chairman, Polyplex (Thailand) PCL

Position in Other Company/Organization/Institution (3)

- Since 2004, Affiliate KSL Sugar Factories
- New Krung Thai Sugar Factory Co., Ltd.
 - Tamaka Sugar Industry Co., Ltd.
 - New Kwang Soon Lee Sugar Factory Co., Ltd.

5-year Past Experiences and / or Remarkable position

2002 - 2006, Chairman, Small and Medium Enterprise Development Bank of Thailand
 1999 - 2004, Permanent Secretary, Ministry of Industry

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own : (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives (None)

2. Mr. Chamroon Chinthammit

Age 70 years
 Position CEO and President (Authorized signatory)
 Date of Appointment as a Director 26 February 2004

Education/Training

- Honorary Degree of Doctor of Arts (Geosocial-Based Management), Srinakharinwirot University
- BBA in Faculty of Commerce and Accountancy (Honours), Chulalongkorn University

Expertise

- Business Management
- Strategic Planning & Risk Management
- Corporate Governance

Director Training

- Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)
- Diploma of Chairman 2000, Class 10/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (None)

Position in Other Company /Organization/Institution (14)

Since 1996, Affiliated KSL sugar companies

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

Since October 2017, Director, BBGI PCL

Since 2006, President, KSL Agro and Trading Co., Ltd.

Since 2006, President, Koh Kong Sugar Industry Co., Ltd.

Since 2006, President, Savannakhet Sugar Corporation

Since 2003, President, Khon Kaen Sugar Power Plant Co., Ltd.

Since 2002, President, KSL Export Trading Co., Ltd.

Since 2000, President, Thai Fermentation Industry Co., Ltd.

Since 1997, President, Chengteh Chinaware (Thailand) Co., Ltd.

Since 1997, Director, Thai Sugar Millers Co., Ltd.

Since 1996, President, KSL Real Estate Co., Ltd.

Since 1996, Director, Onnuch Construction Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 113,012,431 shares (2.56%)
- Spouse: M.L. Charuvadhana Chinthammit 52,775,901 shares (1.20%)

Family Relationship among Directors and Executives

- Brother-in-Law of person number 3 (Mr.Pornsir Thaemsirichai)
- Brother of person number 6 (Mrs. Intira Sukhanindr)
- Brother of person number 7, 9 and 10 (Ms.Duangdao Chinthammit, Mr.Somchai Chinthammit , Ms.Duangkae Chinthammit)
- Uncle of person number 8 and 12 (Mr. Chalush Chinthammit, Mr. Chatri Chinthammit)
- Uncle of person number 11 (Mr. Chanachai Chutimavoraphand)
- Father of person number 24 (Mr.Piripon Chinthammit)

3. Mr.Pornsin Thaemsirichai

Age 75 years
 Position Director and Executive Director (Authorized signatory)
 Senior Vice President - Office of Innovation
 Date of Appointment as a Director 26 February 2004

Education/Training

- Honorary Degree of Doctor of Philosophy (Business Management), Ramkhamhaeng University
- MBA, The University of Southern Queensland, Australia
- MS in Engineering North Dakota State University, USA.
- B.Eng. in Civil Engineering, Chulalongkorn University

Expertise

- Business Management
- Strategic Planning & Risk Management
- Food & Beverage

Director Training

- Director Accreditation Program (DAP) 18/2004, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 50/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company(1)

Since 2013, Director, Sahamit Machinery PCL

Position in Other Company /Organization/Institution (6)

Since 1983, Affiliated KSL sugar companies

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

Since 2010, Chairman, Koh Kong Plantation Co., Ltd.
 Since 2007, Director, Savannakhet Sugar Corporation
 Since 2006, Director, Koh Kong Sugar Industry Co., Ltd.

5-year Past Experiences and / or Remarkable position

2003 - June 2016, President, KSL Material Supply Co.,Ltd.
 2003 - October 2019, Managing Director,
 Khon Kaen Sugar Power Plant Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 29,390,196 Shares (0.67%)
- Spouse: Ms.Montanut Thaemsirichai 30,688,231 Shares (0.70%)

Family Relationship among Directors and Executives

- Brother-in-Law of person number 2 (Mr.Chamroon Chinthammit)

4. Mr. Sukhum Tokaranyaset

Age 73 years
 Position Director and Executive Director (Authorized signatory)
 Senior Vice President - Accounting & Finance
 Date of Appointment as a Director 26 February 2004

Education/Training

- Vocational Certificate Kitti Commerce College

Expertise

- Accounting
- Finance
- Food & Beverage

Director Training

- Director Accreditation Program (DAP) 18/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (None)**Position in Other Company /Organization/Institution (14)**

Since 2004, Affiliated KSL sugar companies

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

Since 2015, Director, Raja Transfer Co., Ltd.
 Since 2006, Director, Koh Kong Sugar Industry Co., Ltd.
 Since 2006, Director, KSL Agro and Trading Co., Ltd.
 Since 2002, Director, KSL Export Trading Co., Ltd.
 Since 2002, Director, KSL Real Estate Co., Ltd.
 Since 2002, Director, Champion Fermentation Co., Ltd.
 Since 2000, Director, TFI Green Biotech Co., Ltd.
 Since 2000, Vice Chairman, Raja Porcelain Co., Ltd.
 Since 2000, Director, Thai Fermentation Industry Co., Ltd.
 Since 1998, Director, Chengteh Chinaware (Thailand) Co., Ltd.
 Since 1989, Director and Executive Director, Raja Product Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 4,320,000 Shares (0.06%)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives (None)

5. Mr.Thawatchai Rojanachotikul

Age 67 years
Position Director and Executive Director (Authorized signatory)
Senior Vice President – Administration
Date of Appointment as a Director 26 February 2004

Education/Training

- BBA in Business Administration, Auckland Technical institute, New Zealand

Expertise

- Business Management
- Food & Beverage
- Marketing & Business Development

Director Training

- Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (None)

Position in Other Company /Organization/Institution (11)

Since 1996, Affiliated KSL sugar companies

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

Since 2006, Director, Savannakhet Sugar Corporation

Since 2006, Director, KSL Agro and Trading Co., Ltd.

Since 2002, Director, TPI Green Biotech Co., Ltd.

Since 2000, Director, and Deputy Managing Director (DMD) Thai Fermentation Industry Co., Ltd.

Since 1998, Director, KSL Export Trading Co., Ltd.

Since 1989, Director, Champion Fermentation Co., Ltd.

Since 1989, Director, KSL Real Estate Co., Ltd.

Since 1987, Director, Chengteh Chinaware (Thailand) Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 55,937,112Shares (1.27%)
- Spouse: Ms.Korakot Rojanachotikul 3,166,748 Shares (0.07%)

Family Relationship among Directors and Executives (None)

6. Mrs. Intira Sukhanindr

Age 73 years
Position Director and Executive Director (Authorized signatory)
Vice President - Business Development
Date of Appointment as a Director 25 June 2010

Education / Training

- Certificate of Secretary, Melbourne, Australia

Expertise

- Business Management
- Food & Beverage
- Marketing & Business Development

Director Training

- Director Accreditation Program (DAP) 50/2006, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (1)

Since 2005, Director, Sub Sri Thai Warehouse PCL

Position in Other Company /Organization/Institution (8)

Since 2010, Affiliated KSL sugar companies

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

Since 2010, Director, KSL Agro and Trading Co., Ltd.

Since 2010, Director, Khon Kaen Sugar Power Plant Co., Ltd.

Since 2007, General Manager, KSL Export Trading Co., Ltd.

Since 2004, Director, Thai Fermentation Industry Co., Ltd.

Since 2003, Director, Champion Fermentation Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 25,471,699 shares (0.58%)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives

- Elder Sister of person number 2 (Mr.Chamroon Chinthammit)

7. Ms.Duangdao Chinthammit

Age 62 years

Position Director and Executive Director (Authorized signatory)
Nomination and Remuneration Committee
Vice President - Human Resources

Date of Appointment as a Director 26 February 2004

Education/Training

- Master of Science, Agricultural Economics, University of Saskatchewan, Canada
- Bachelor of Science, Computer Information System, Western Michigan University, USA.
- Bachelor of Business Administration, Faculty of Economics and Business Administration, Kasetsart University
- SD Forum 2/2017: Sustainability Strategy Key Blueprint for Business Growth, SET

Expertise

- Human Resources Management
- Corporate Governance
- Marketing & Business Development

Director Training

- Director Certification Program (DCP) 71/2006, Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (1)

Since 2005, Director, Sub Sri Thai Warehouse PCL

Position in Other Company /Organization/Institution (7)

Since 2004, Affiliated KSL sugar companies

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

Since 2006, Director, KSL Agro and trading Co., Ltd.

Since 2004, Director, KSL Sugar Holding Co., Ltd.

Since 1999, Director, KSL Real Estate Co., Ltd.

Since 1996, Director, Onnuch Construction Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 99,799,954 Shares (2.26%)

Family Relationship among Directors and Executives

- Younger Sister of person number 2 (Mr.Chamroon Chinthammit)

8. Mr. Chalush Chinthammit

Age 51 years

Position Director and Executive Director (Authorized signatory)
Risk Management Committee
Vice President - office of President

Date of Appointment as a Director 26 February 2004

Education / Training

- MBA in Finance and Banking, Mercer University, USA.
- BBA in Finance and Banking, Assumption University
- Capital Market Academy Program 10
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 6, Thailand Energy Academy
- Top Executive in Industrial Development and Investment, Class 3, Institute of Business and Industrial Development (IBID)
- Business Revolution and Innovation Network (BRAIN) Class 2, The Federation of Thai Industries

Expertise

- Diversification
- Marketing & Business Development
- Corporate Governance

Director Training

- Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (4)

- Since 2014, Board of Director/Audit Committee/Member of Nomination and Remuneration Committee/Member of Corporate Governance Committee Since, Master Ad Public Company Limited
- Since 2007, Director and Executive Director, TS Flour Mill PCL
- Since 2007, Director, Thai Sugar Terminal PCL
- Since 2020, Director, Triton holding PCL

Position in Other Company /Organization/Institution (20)

Since 2004, Affiliated KSL sugar companies

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

Since 2019, Director, Kerry Express PCL

Since 2018, Director, Bangchak Bioethanol PCL

Since 2017, Chairman, DAD SPV Co., Ltd.

Since October 2017, Director, BBI PCL

Since 2016, Director, WSP Logistics Co., Ltd.

Since 2015, Director and Chairman of the Audit Committee,
Dhanarak Asset Development Co., Ltd.

Since 2006, Director, KSL Agro and Trading Co., Ltd

Since 2006, Director, Koh Kong Plantation Co., Ltd.

Since 2006, Director, Savannakhet Sugar Corporation

Since 2006, Director, KhonKaen Sugar Power Plant Co., Ltd.

Since 2004, Director, KSL Green Innovation PCL

Since 2002, Director, KSL Export Trading Co., Ltd.

Since 2001, Director, Thai Sugar Miller Co., Ltd.

Since 1997, Director, Onnuch Construction Co., Ltd.

Since 1997, Director and Chairman, Colossal International Co., Ltd.

Since 1997, Director, MMP Corporation Co., Ltd.

Since 1996, Director, KSL Real Estate Co., Ltd.

5-year Past Experiences and / or Remarkable position

2014 - 1 August 2019, Director and Executive Director, Mudman PCL
1996 - 1 July 2019, Managing Director, KSL Real Estate Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 43,279,926 Shares (0.98%)
- Minor children:
 1. Mr.Chayapat Chinthammit 11,088,000 Shares (0.25%)
 2. Mr.Chatchapee Chinthammit 11,088,000 Shares (0.25%)
 3. Ms.Chollapim Chinthammit 374,000 Shares (0.01%)

Family Relationship among Directors and Executives

- Nephew of person number 2 (Mr.Chamroon Chinthammit)

9. Mr. Somchai Chinthammit

Age 68 years
 Position Director and Executive Director
 Assistant Vice President - Office of President
 Date of Appointment as a Director 26 February 2004

Education/Training

- Certificate Mini MBA, Thammasat University
- Diploma, Computer College, Germany

Expertise

- Business Management
- Food & Beverage
- Finance

Director Training

- Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company
(None)**Position in Other Company /Organization/Institution (6)**

Since 1996, Affiliated KSL sugar companies

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

Since 2004, Director, Champion Fermentation Co., Ltd.
 Since 2003, Director, Khon Kaen Sugar Power Plant Co., Ltd.
 Since 1981, Director, Thai Fermentation Industry Co., Ltd.

5-year Past Experiences and / or Remarkable position
2008 – 15 May 2020

Director, TS Flour Mill PCL
 Director, Thai Sugar Terminal PCL
 Director, TS Warehouse Co., Ltd.
 Director, TS G Trading Co., Ltd.
 Director, TS Oil Industry Co., Ltd.
 Director, TS Transport and Logistic Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 96,475,726 Shares (2.19%)
- Spouse: Ms.Somjit Somsukcharoen 279,206 shares (0.01%)

Family Relationship among Directors and Executives

- Younger Brother of person number 2
 (Mr.Chamroon Chinthammit)

10. Ms. Duangkae Chinthammit

Age 65 years
 Position Director and Executive Director
 Assistant Vice President - Office of President
 Date of Appointment as a Director 26 February 2004

Education/Training

- Diploma from Katinka School, United Kingdom
- Certificate Modern Managers Program (MMP), Chulalongkorn University

Expertise

- Business Management
- Finance
- Human Resources Management

Director Training

- Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company(1)
Since 2006, Director, Sub Sri Thai Warehouse PCL**Position in Other Company /Organization/Institution (6)**

Since 1996, Affiliated KSL sugar companies

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

Since 2004, Director, KSL Sugar Holding Co., Ltd.
 Since 1993, Director, Chavananthakij Co., Ltd.
 Since 1976, Director, National Enterprises Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 99,733,643 Shares (2.26%)

Family Relationship among Directors and Executives

Younger Sister of person number 2
 (Mr.Chamroon Chinthammit)

11. Mr. Chanachai Chutimavoraphand

Age 48 years
 Position Director and Executive Director (Authorized signatory)
 Date of Appointment as a Director 1 April 2017

Education/Training

- Bachelor of Law, Chulalongkorn University
- Master Degree of Business Administration, Tennessee University, U.S.A.
- Master Degree of Arts, Business Law, Chulalongkorn University
- Bachelor Degree, Electrical Engineering, Chulalongkorn University
- Orientation Course - CFO Focus on Financial Federation of Accounting Professions
- CFA Charter holder, Association for Investment Management and Research (AIMR)

Expertise

- Accounting
- Finance
- Legal & Tax

Director Training

- Director Accreditation Program (DAP) 37/2005, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (2)

Since 2000, CEO, Thai Sugar Terminal PCL
 Since 2000, Director and Executive Director, TS Flour Mill PCL

Position in Other Company /Organization/Institution (9)

Since 2004, Affiliated KSL sugar companies

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

Since October 2017, Director BBGI PCL
 Since 2016, Director, WSP Logistics Co., Ltd.
 Since March 2014, Director, KSL Real Estate Co., Ltd.
 Since 2006, Director, Koh Kong Sugar Industry Co., Ltd.
 Since 2006, Director, Savannakhet Sugar Corporation
 Since 1996, Director, Onnuch Construction Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 115,355,499 shares (2.62%)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives

- Nephew of person number 2 (Mr. Chamroon Chinthammit)

12. Mr. Chatri Chinthammit

Age 47 years
 Position Director (Non - Executive Director)
 Date of Appointment as a Director 26 February 2004

Education/Training

- Master of Science, Computer Science, Bellevue University, USA.
- BBA in Economics, University of The Thai Chamber of Commerce

Expertise

- Information Technology
- Business Management
- Marketing & Business Development

Director Training

- Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors Association (IOD)
- TLCA Executive Development Program (EDP) 1/2008, by TLCA
- Successful FORMULATION & Execution Program (SPE) 9/2010, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (None)**Position in Other Company /Organization/Institution (4)**

Since 2004, Affiliated KSL sugar companies

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

Since 2000, Deputy Managing Director - Software Department, KSL IT Center Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 57,467,546 Shares (1.30%)

Family Relationship among Directors and Executives

- Nephew of person number 2 (Mr. Chamroon Chinthammit)

13. Mr. Somchat Chinthammit

Age 62 years
 Position Director (Non - Executive Director)
 Corporate Governance Committee
 Date of Appointment as a Director 26 February 2004

Education/Training

- MIM in Marketing, Thammasat University
- MBA/Marketing, Chulalongkorn University
- B.Eng in Mechanical, King Mongkut's University of Technology Thonburi

Expertise

- Food & Beverage
- Marketing & Business Development
- Corporate Governance

Director Training

- Director of Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)
- Directors Certification Program (DCP) 55/2005, Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) 8/2005, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company(1)

Since 2005, Independent Director and Audit Committee, UOB Kay Hian Securities (Thailand) PCL

Position in Other Company /Organization/Institution(9)

Since 2004, Affiliated KSL sugar companies

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

Since 2018, Director, Chinpongsawat Co., Ltd.

Since 2005, Director, Boathouse Huahin Co., Ltd.

Since 2005, Managing Director, Top Blend International Co., Ltd.

Since 1989, Director, Phongwilai Co., Ltd.

Since 1988, Director, Deputy Managing Director, Bangkok Inter food Co., Ltd.

Since 1988, Managing Director, Thai Flour Industry Co., Ltd.

Shareholding (Ordinary Shares)(as of 31 October 2020)

- Own: 22,907,921 Shares (0.52%)
- Spouse: Ms.Darunee Lertdamronglak 2,194,852 Shares (0.05%)

Family Relationship among Directors and Executives

(None)

14. Mr. Tachpong Pakornsiriwongse

Age 70 years
 Position Director and Executive Director
 Assistant Vice President – Office of President
 Date of Appointment as a Director 26 February 2004

Education/Training

- Certificate in Financial Management, Chulalongkorn University

Expertise

- Business Management
- Food & Beverage
- Marketing & Business Development

Director Training

- Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company

(None)

Position in Other Company /Organization/Institution (5)

Since 2004, Affiliated KSL sugar companies

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

Since 2007, Director, KSL Sugar Holding Co., Ltd.

Since 2004, Director, Koh Kong Plantation Co.,Ltd

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 158,162 Shares (0.004%)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives

(None)

15. Mr. Trakarn Chunharojrit

Age 80 years
 Position Director and Executive Director
 Date of Appointment as a Director 26 February 2004

Education/Training

- Certificate in Accounting

Expertise

- Food & Beverage
- Government & Government Relations
- Corporate Governance

Director Training

- Director Accreditation Program (DAP) 17/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (None)**Position in Other Company /Organization/Institution (7)**

Since 2004, Affiliated KSL sugar companies
 • New Krung Thai Sugar Factory Co., Ltd.
 • Tamaka Sugar Industry Co., Ltd.
 • New Kwang Soon Lee Sugar Factory Co., Ltd.
 Since 2006, Director, KSL Agro and Trading Co., Ltd.
 Since 2003, Director, Khon Kaen Sugar Power Plant Co., Ltd.
 Since 1997, Director, Chengteh Chinaware (Thailand) Co., Ltd.
 Since 1989, Director, KSL Real Estate Co., Ltd.

5-year Past Experiences and / or Remarkable position
2003 - June 2016, Director, KSL Material Supplies Co., Ltd.**Shareholding (Ordinary Shares) (as of 31 October 2020)**

- Own: 13,621,766 Shares (0.31%)
- Spouse: Mrs.Rattana Chunharojrit 3,544,720 Shares (0.08%)

Family Relationship among Directors and Executives (None)**16. Pol.Gen. Boonpen Bumpenboon**

Age 75 years
 Director qualified as an independent director
 Position Independent Director
 Chairman of Nomination and Remuneration Committee
 Corporate Governance Committee
 Date of Appointment as a Director 26 February 2004

Education/Training

- MPA/ Public Administration, NIDA
- Diploma, National Defence College (37)
- LL.B., Sukhothai Thammathirat University
- BBA in Public Administration, Royal Police Cadet Academy

Expertise

- Government & Government Relations
- Corporate Governance
- Strategic Planning & Risk Management

Director Training

- Director Accreditation Program (DAP) 11/2004, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (1)

Since 18 December 2013, Independent Director, The Platinum Group PCL

Position in Other Company /Organization/Institution (2)

Since 2006, Council of State Office of the Council of State
 Since 14 October 2005, Independent Director, Sahaphandh Construction PCL

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives (None)

17. Mr. Sitti Leelakasameerker

Age 67 years
 Director qualified as an independent director
 Position Independent Director
 Chairman of Audit Committee
 Risk Management Committee
 Date of Appointment as a Director 26 February 2004

Education/Training

- BA in Accounting, Chulalongkorn University

Expertise

- Accounting
- Finance
- Marketing & Business Development

Director Training

- Director Accreditation Program (DAP) 11/2004, Thai Institute of Directors Association (IOD)
- Audit Committee Forum 2014, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (1)

Since 2009, Member of the Nomination Committee and Member of the Remuneration Committee, Noble Development PCL.

Position in Other Company /Organization/Institution
 (None)

5-year Past Experiences and / or Remarkable position

Since 2014 - 28 September 2018, Deputy Chief Executive Officer, Noble Development PCL.
 Since 1994 - 28 September 2018, Vice Chairman, Noble Development PCL.
 Since 1991 - Nov 2014, Executive Vice President- Support Line1, Noble Development PCL.
 Since 2013 - 26 April 2019, Director, S&P Property Management Co., Ltd.
 Since 2012 - 26 April 2019, Director, N.K.Energy Conservation Co., Ltd.
 Since 2005 - 26 April 2019, Director, Ban Suk Sabai Co., Ltd.
 Since 1995 - 26 April 2019, Director, Continental City Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives (None)

18. Mr. Warapatr Todhanakasem

Age 71 years
 Director qualified as an independent director
 Position Independent Director
 Chairman of Corporate Governance Committee
 Audit Committee
 Date of Appointment as a Director 26 February 2010

Education/Training

- Ph.D. in Business Economics University of Illinois, Urbana-Champaign, USA
- M.S. in Economics University of Illinois, Urbana-Champaign, USA.
- M.B.A. in Finance Kellogg School of Management, Northwestern University, Evanston, Illinois, USA.
- B.Econ.(1st Class Honor) Thammasat University
- LL.B. Thammasat University
- Capital Market Academy Program, Class 5
- The Executive Director Course of Process of Judgment, Class 15
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 9
- Institute of Metropolitan Development Class 4
- TPCOT Class 2

Expertise

- Corporate Governance
- Finance
- Strategic Planning & Risk Management Director Training

Director Training

- Directors Certification Program DCP 0/2000, Thai Institute of Directors Association (IOD)
- The Executive Director Course EDC 1/2012, Thai Institute of Directors Association (IOD)
- Certificate of International Corporate Governance, Yale University, U.S.A.
- Director Certificate Program, Australian Institute of Corporate Directors (Class Train the Trainers), Bangkok

Board Member/Management in Other Listed Company (3)

Since June 2013, Director, True Corporation PCL
 Since August 2012, Director, Amata VN PCL
 Since 2009, Chairman and Independent Director, Prinsiri PCL

Position in Other Company /Organization/Institution

Since Jun 2012, President, Institute of Research and Development for Public Enterprises of Thailand (IRDPT)

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives (None)

19. Ms. Nongluck Phinaitisart

Age 61 years
 Director qualified as an independent director
 Position Independent Director
 Chairman of Risk Management Committee
 Audit Committee
 Nomination and Remuneration Committee
 Date of Appointment as a Director 26 February 2010

Education/Training

- Doctorate Degree in Electrical Engineering, Chulalongkorn University
- Master Degree in Electrical Engineering, University of Missouri, U.S.A.
- Bachelor Degree in Electrical Engineering, Chulalongkorn University
- Executive Program, Harvard University, USA
- Stanford Executive Program 2013

Expertise

- Strategic Planning & Risk Management
- Marketing & Business Development
- Business Management

Director Training

- Director Accreditation Program (DAP) 4/2003, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 71/2006, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (1)

Since 1 September 2019, Director and Executive Director, Mudman PCL
 Position in Other Company /Organization/Institution (None)

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)

Family Relationship among Directors and Executives
 (None)

20. Mrs. Anchalee Pipatanasern

Age 68 years
 Director qualified as an independent director
 Position Independent Director
 Audit Committee
 Corporate Governance Committee
 Date of Appointment as a Director 29 September 2017

Education/Training

- Continuing Education Program in AIS, University of Texas at Austin, USA.
- MS. (Accounting), Thammasat University
- BBA. (Accounting) (second class Honours), Thammasat Business School, Thammasat University
- Thammasat Leadership Program (for social) Class2, Thammasat University

Expertise

- Accounting
- Finance
- Corporate Governance

Director Training

- Director Certification Program (DCP) 124/2009, Thai Institute of Directors Association (IOD)
- Audit Committee and Continuing Development Program (ACP) Class30/2010, Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (Advanced ACP) 2/2010, Thai Institute of Directors Association (IOD)
- Role of Chairman 25/2011, Thai Institute of Directors Association (IOD)
- Board Matters and Trends (BMT) 7/2019, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (3)

Since 2010, Audit Committee/Independent Director, AIRA Capital PCL
 Since 2009, Audit Committee/Independent Director, AIRA Securities PCL
 Since 2009, Chairman of Audit Committee/ Independent Director, Prinsiri PCL

Position in Other Company /Organization/Institution (2)

Since 2012, Subcommittee, University Council on Finance and Property, Thammasat University
 Since 2012, Committee of Real Estate Business Program, Thammasat Business School, Thammasat University

5-year Past Experiences and / or Remarkable position

2008 – 2010, Head, Department of Accounting, Thammasat Business School, Thammasat University
 2004 – 2007, Vice Rector for Finance, Thammasat University

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives
 (None)

21. Mr. Supachai Rakpanitmanee

Age 61 years

Director qualified as an independent director

Position Independent Director

Nomination and Remuneration Committee Risk Management Committee

Date of Appointment as a Director 21 December 2019

Education/Training

- Master of Engineering (Water Resources), Asian Institute of Technology
- Bachelor of Engineering , Civil Engineering , Chulalongkorn University

Expertise

- Business Mgmt.
- Food & Beverage
- Marketing & Business Development

Board Member/Management in Other Listed Company
(None)

Position in Other Company /Organization/Institution (2)

- Since 1990, Chairman, Panya consultants.Co.,Ltd.
- Since 2008, Director, Pann Corporation Co.Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives
(None)

Remark Resigned, effective on September 30, 2020

22. Mr. Theera Sanguandeeikul

Age 69 years

Position Vice President - Sugar Production

Education/Training

- MSc.Chemical Engineering ,University of Wisconsin, Madison, USA
- Executive MBA , Kasetsart University
- Bsc.Chemistry, Faculty of Science, Chulalongkorn University

Board Member/Management in Other Listed Company
(None)

Position in Other Company /Organization/Institution (5)

Since 2007, Director, Koh Kong Sugar Industry Co., Ltd.
Since 2006, Director, Savannakhet Sugar Corporation
Since 2003, Director, Royal Place Realty Co., Ltd.
Since 1992, Director, Chareonlarp Development Co., Ltd.
Since 2010, Director, Royal Residence Development Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 1,650,000 Shares (0.04%)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives
(None)

23. Mr. Dhajjai Subhapholsiri

Age 63 years
 Position Vice President - Office of Company Secretary and Legal,
 Company Secretary

Education/Training

- Master of Laws, Harvard University, USA
- Institute of Legal Education, Thai Bar Association
- Bachelor of Laws, Chulalongkorn University

Director Training

- Director Accreditation Program (DAP) 133/2017, Thai Institute of Directors Association (IOD)
- Ethical Leadership Program (ELP) 6/2016, Thai Institute of Directors Association (IOD)
- Fundamental Practice for Corporate Secretary (FPCS) 29/2014, Thai Listed Companies Association (TLCA)
- Corporate Governance for Executives (CGE) 2014 Thai Institute of Directors Association (IOD)
- Company Secretary Program (CSP) 59/2014, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company (1)

- Since 2016, Chairman of the Board of Directors, Wattanapat Hospital Trang PCL

Position in Other Company /Organization/Institution (2)

- Since September 2016, Independent Director, Chamni's eye Co., Ltd.
- Since April 2019, Director Thai Sugar And Bioenergy Producers Association (TSEA)

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives (None)**24. Mr. Piripon Chinthammit**

Age 40 years
 Position Vice President - Raw Material Supply

Education/Training

- Master Degree in Business Administration (Organization Leadership), University of Findlay, Ohio, U.S.A.
- Bachelor Degree in Business Administration (Marketing), Bangkok University
- Competency For Executive Management, 2018
- Key Successors Development Program, 2017
- Leadership Development Program, 2016
- Energy Literacy for the world, 2015

Board Member/Management in Other Listed Company (None)**Position in Other Company /Organization/Institution(3)**

Director, KSL Real Estate Co., Ltd.
 Director, WSP Logistics Co., Ltd.
 Director, KSL Agro and Trading Co., Ltd.
 Since January 2019, Director, Thai Sugar Millers Co., Ltd.
 Since April 2019, Director, Thai Sugar And Bioenergy Producers Association (TSEA)
 Since April 2019, Director, Office of Cane and Sugar Board

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: 94,586,024 shares (2.14%)
- Spouse : Ms.Wikanda Chinthammit 64,900 shares (0.00%)

Family Relationship among Directors and Executives

- Son of person number 2 (Mr.Chamroon Chinthammit)

25. Mr. Sommanus Potisat

Age 58 years

Position Vice President - Office of President

Education/Training

- B.Sc. in Economics, Thammasat University, 1983
- Master of Business Administration (Marketing), Chulalongkorn University, 1986

Director Training

- Director Certification Program (DCP) 105/2008, Thai Institute of Directors Association (IOD)

Board Member/Management in Other Listed Company
(None)

Position in Other Company /Organization/Institution (2)

- Since 1 November 2019, Managing Director, Khon Kaen Sugar Power Plant Co.,Ltd.
- Since 22 January 2019, Director Thai Sugar Millers Co., Ltd.

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own:(None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives
(None)

26. Mr. Sinchai Sirirattanaphonkun

Age 57 years (Appointment August 1, 2019)

Position (Acting) Senior Assistant Vice President
Accounting & Finance (CFO)**Education / Training**

- Bachelor of Finance , Dhurakij Puhdit University
- Orientation Course -CFO Focus on Financial Reporting No. 8
- Professional Internal Auditor of Thailand (CPIAT 911)

Board Member/Management in Other Listed Company (None)

Position in Other Company /Organization/Institution (None)

Shareholding (Ordinary Shares) (as of 31 October 2020)

- Own: (None)
- Held by Spouse or minor children : (None)

Family Relationship among Directors and Executives
(None)

Remark : retired as Acting Senior Assistant Vice President - Accounting and Finance (CFO) on 30 April 2020 and appointed as Senior Assistant Vice President - Office of President on 1 May 2020

27. Ms. Supap Chantavit

Age 46 years
 Position Assistant Vice President
 Accounting & Finance (Acting CFO)

Education/Training

- Master degree of Accountancy, Chulalongkorn University
- Bachelor degree of B.B.A. Accounting (2nd class honors), Ramkhamheang University
- CFO's Orientation Course for New IPOs by SET
- ASEAN Chartered Professional Accountant

Board Member/Management in Other Listed Company
 (None)

Position in Other Company /Organization/Institution
 (None)

Shareholding (Ordinary Shares) (as of 31 October 2020)
 • Own:(None)

Family Relationship among Directors and Executives
 (None)

Remark : Assistant Vice President - Accounting & Finance (Acting CFO)
 (Appointment May 1, 2020)

28. Ms. Sirikwan Lerttaweewut

Age 44 years old
 Position Senior Group Accounting Manager
 (supervising accounting)

Education / Training

- Master of Business Administration (Accounting), Ramkhamhaeng University
- Bachelor of Business Administration (Accounting), First-Class Honors, Rajamangala Institute of Technology, Bangkok Technical Campus
- Certified Public Accountant (CPA) 7158
- Get Ready for Robotic Process Automation (RPA) for Digital Accountants
- Penetrate the new accounting standard TFRS 9, TFRS 15 and TFRS 16 Essence, impact, guidelines, and case studies

Work experience/ Listed Company
 (None)

Work experience/ Company Limited
 (None)

Number of company shares (as of 31 October 2020)
 (None)

Family Relationship among Directors and Executives
 (None)

29. Mr. Chartchai Poowong

Age 50 years old
 Position Internal Audit Supervisor

Education / Training

- BACHELOR BUSINESS ADMINISTRATION ACCOUNTING KASEM BUNDIRT UNIVERSITY
- PROFESSIONAL INTERNAL AUDITOR OF THAILAND (CPIAT 21)
- TOOLS AND TECHNIQUES FOR THE AUDIT MANAGER
- INTERNAL QUALITY ASSESSMENT
- AUDITING INFORMATION SYSTEM
- RISK BASED AUDIT
- VALUE ADDED BUSINESS CONTROL THE RIGHT WAY TO MANAGE RISK

Work experience/ Listed Company
 (None)

Work experience/ Company Limited
 (None)

Number of company shares (as of 31 October 2020)
 (None)

Family Relationship among Directors and Executives
 (None)

Report of Changes in Securities Holding of Directors and Executives Year 2020

Disclosure of shareholding of directors and executives in the beginning , the end, and during the year 2020

No	Name		Nature of Interest	Ordinary (Shares)			
				As at November 31, 31, 2019	As at November 31, 31, 2020	Increase / (decrease) during financial year	% Voting shares
1	Mr. Manu	Leopairote	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
2	Mr. Chamroon	Chinthammit	Direct	108,818,031	113,012,431	4,194,400	2.56
	M.L. Charuvadhana	Chinthammit	Indirect (Spouse)	52,775,901	52,775,901	-	1.20
3	Mr. Pornsin	Thaemsirichai	Direct	29,390,196	29,390,196	-	0.67
	Mrs. Montanut	Thaemsirichai	Indirect (Spouse)	30,688,231	30,688,231	-	0.70
4	Mr. Sukhum	Tokaranyaset	Direct	2,640,000	4,320,000	1,680,000	0.10
5	Mr. Thawatchai	Rojanachotikul	Direct	55,937,112	55,937,112	-	1.27
	Mrs. Korakoj	Rojanachotikul	Indirect (Spouse)	3,166,748	3,166,748	-	0.07
6	Mrs. Intira	Sukhanindr	Direct	25,471,699	25,471,699	-	0.58
7	Ms. Duangdao	Chinthammit	Direct	99,799,954	99,799,954	-	2.26
8	Mr. Chalush	Chinthammit	Direct	43,279,926	43,279,926	-	0.98
	Mr. Chayapat	Chinthammit	Indirect (Minor child)	11,088,000	11,088,000	-	0.25
	Mr. Chatchapee	Chinthammit	Indirect (Minor child)	11,088,000	11,088,000	-	0.25
	Ms. Chollapim	Chinthammit	Indirect (Minor child)	374,000	374,000	-	0.01
9	Mr. Somchai	Chinthammit	Direct	96,475,726	96,475,726	-	2.19
	Mrs. Somjit	Somsukcharoen	Indirect (Spouse)	279,206	279,206	-	0.01
10	Ms. Duangkae	Chinthammit	Direct	99,683,643	99,733,643	50,000	2.26
11	Mr. Chanachai	Chutimavoraphand	Direct	115,355,499	115,355,499	-	2.62
12	Mr. Chatri	Chinthammit	Direct	57,467,546	57,467,546	-	1.30
13	Mr. Somchat	Chinthammit	Direct	22,907,921	22,907,921	-	0.52
	Ms. Darunee	Lertdamronglak	Indirect (Spouse)	2,194,852	2,194,852	-	0.05
14	Mr. Tachpong	Pakornsiriwongse	Direct	158,162	158,162	-	0.00
15	Mr. Trakarn	Chunharojrit	Direct	13,621,766	13,621,766	-	0.31
	Mrs. Rattana	Chunharojrit	Indirect (Spouse)	4,944,720	3,544,720	-1,400,000	0.08
16	Pol. Gen Boonpen	Bumpenboon	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
17	Mr. Sitti	Leelakasamelek	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
18	Mr. Warapatr	Todhanakasem	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
19	Ms. Nongluck	Phinainitisart	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
20	Mrs. Anchalee	Pipatanasern	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
21	Mr. Supachai	Rakpanitmanee	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
22	Mr. Theera	Sanguandeeekul	Direct	1,650,000.00	1,650,000.00	-	0.04
23	Mr. Dhajjai	Subhapholsiri	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
24	Mr. Piripon	Chinthammit	Direct	92,647,024.00	94,586,024.00	1,939,000.00	2.14
	Mrs. Wikanda	Chinthammit	Indirect (Spouse)	64,900.00	64,900.00	-	0.001
25	Mr. Sommanus	Potisat	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
26	Mr. Sinchai	Sirirattanaphonkun	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share
27	Ms. Supap	Chantavit	-	No KSL Share	No KSL Share	No KSL Share	No KSL Share

Directors In Subsidiaries And Affiliated Companies

Directors in subsidiaries and Affiliated companies of Khon Kaen Sugar Industry PCL. as of October 31, 2020

No.	Name		Position	Subsidiaries and Associates												
				Khon Kaen Sugar Industry PCL.												
				1	2	3	4	5	6	7	8	9	10	11	12	13
1.	Mr.Manu	Leopairote	Chairman/Independent Director	X	X	X										
2.	Mr.Chamroon	Chinathammit	Director / Chief Executive Officer and President	//	//	//	X	X	X	X	X		X			/
3.	Mr.Pornsin	Thaemsirichai	Director / Executive Director	//	//	//		/			/	X				
4.	Mr.Sukhum	Tokaranyaset	Director / Executive Director	//	//	//	/		/	/			/			
5.	Mr.Thawatchai	Rojanachotikul	Director / Executive Director	//	//	//	/		/	/	/					
6.	Mrs.Intira	Sukhanindr	Director / Executive Director	//	//	//		/		/						
7.	Duangdao	Chinathammit	Director / Executive Director Nomination and Remuneration Committee		//	//	//			/	/					
8.	8.Mr.Chalush	Chinathammit	Director / Executive Director/ Director/Ris Management Committee	//	//	//	/	/	/	/	/	/		/	/	/
9.	9.Mr.Somchai	Chinathammit	Director / Executive Director	//	//	//		/							/	
10.	Ms.Duangkae	Chinathammit	Director / Executive Director	//	//	//										
11.	Mr.Chanachai	Chutimavoraphand	Director / Executive Director	//	//	//		/	/	/	/		/	/	//	/
12.	Mr.Chatri	Chinathammit	Director	/	/	/										
13.	Mr.Somchat	Chinathammit	Director /CG Committee	/	/	/										
14.	Mr.Tachpong	Pakornsiriwongse	Director / Executive Director	//	//	//						/				
15.	Mr.Trakarn	Chunharojrit	Director / Executive Director	//	//	//		/	/	/						
16.	.Pol. Gen. Boonpen Bumpenboon		Independent Director/Chairman of Risk Management Committee/Audit Committee/Nomination and Remuneration Committee													
17.	Mr.Sitti	Leelakasemlerk	Independent Director/Chairman of CG Committee/Audit Committee/													
18.	Mr.Warapatr	Todhanakasem	Independent Director/Chairman of Risk Management Committee/Audit Committee/Nomination and Remuneration Committee													
19.	Ms.Nongluck	Phinainitisart	Independent Director/Chairman of Risk Management Committee/Audit Committee/Nomination and Remuneration Committee													
20.	.Mrs.Anchalee	Pipatanasern	Independent Director/ Audit Committee/CG Committee													
21.	Mr.Supachai	Rakpanitmanee	Independent Director/ Risk Management Committee/ Nomination and Remuneration Committee													
22.	Mr.Theera	Sanguandeeekul	Vice President								/		/			
23.	Mr.Dhajjai	Subhapholsiri	Vice President													
24.	Mr.Piripon	Chinathammit	Vice President						/	/	/	/		/		
25.	Mr.Sommanus	Potiat	Vice President													
26.	Mr.Sinchai	Sirirattanaphonkun	Senior Asst.Vice President													
27.	Ms. Supap	Chantavit	Asst.Vice President													

NOTE :

1) Symbols and Position

- x Chairman,
- / Director,
- // Executive Director

2) Name of Subsidiaries and Associates

Name of Subsidiaries

- 1 Tamaka Sugar Industry Co., Ltd.
- 2 New Krung Thai Sugar Factory Co., Ltd.
- 3 New Kwang Soon Lee Sugar Factory Co., Ltd.
- 4 KSL Export Trading Co., Ltd.
- 5 Khon Kaen Sugar Power Plant Co., Ltd.
- 6 KSL Real Estate Co., Ltd.

7 KSL Agro and Trading Co., Ltd.

8 Savannakhet Sugar Corporation

9 Koh Kong Plantation Co., Ltd.

10 Koh Kong Sugar Industry Co., Ltd.

11 WSP Logistics Co., Ltd.

Name of Associates

12 Thai Sugar Terminal PCL.

13 BBGI PCL.

3) Mr.Somchai Chinthammit, Director of Thai Sugar Terminal PCL., resigned effective May 2020

Directors' and Executives' remuneration

Policy in respect of Remuneration for the Board of Directors and Committees

The Company prescribes policies and rules for paying appropriate remuneration to the directors subject to approval of the annual Shareholders' Meeting. The Nomination and Remuneration Committee surveys the remuneration for directors and Committee's members by taking into account responsibilities and performances of directors and Committees' members in comparison with those in leading companies in the Securities Exchange and in the same industry group having similar size and nature of business, including the survey the information provided by the Thai Institute of Directors (IOD) as well as the result of the Company's performance and payment of dividend to shareholders.

Directors' Remuneration

Remunerations are divided into 3 parts:

- 1) Regular remuneration (Fixed Fee) is paid monthly to directors.
- 2) Meeting remuneration (Attendance Fee) is paid to Committee members who attend a meeting.
- 3) Directors' Bonus is a special remuneration paid once a year in accordance with the corporate annual operating results.

The Company prescribed the directors' remuneration which is approved by the shareholder's meeting on February 25, 2020 as follows:

Not exceeding the amount of THB per year

1. Remuneration for Chairman of Board of Directors
THB 540,000
2. Remuneration for Chairman of Audit Committee
THB 540,000
3. Remuneration for 19 directors
(THB 25,000 / person / month + bonus)
THB 8,550,000

4. Meeting allowance for members of Committee, i.e, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee who attend the meeting.

- Chairman of Committee who attends the meeting
THB 7,200/ meeting.
- Each member of Committee who attends the meeting
THB 6,000/ meeting.

5. Meeting allowance for Chairman of Executive Board
THB 1,200/ meeting.
Executive director THB 1,000 / meeting

6. Other Benefits : -No-

No other remunerations than the above-mentioned are paid to directors.

Managing Director's Remuneration

The Company prescribes the managing director's remuneration by taking into account qualifications, duties and responsibilities in comparison with the amount paid by other companies in the same industry listed in SET as well as operating result and size of business so as to be an incentive for developing the Company in a continuous and sustainable manner.

Remuneration for Top Executives

Remuneration for executives is in line with the Company's principles and policies, and relates to the operating result and each individual's performance. The remuneration is prescribed to motivate and keep the qualified executives with the Company.

Remuneration in Cash

Remuneration for Directors in 2020

No.	Name of Directors		Khon Kaen Sugar Industry PCL.							
			Remuneration Board of Directors	Meeting Allowance					Total (THB)	
				Executive Board	AC	NRC	CGC	RMC		Bonus
1	Mr. Manu	Leopairote	360,000.00	-	-	-	-	-	-	360,000.00
2	Mr. Chamroon	Chinthammit	300,000.00	13,200.00	-	-	-	-	-	313,200.00
3	Mr. Pornsin	Thaemsirichai	300,000.00	11,000.00	-	-	-	-	-	311,000.00
4	Mr. Sukhum	Tokaranyaset	300,000.00	12,000.00	-	-	-	-	-	312,000.00
5	Mr. Thawatchai	Rojanachotikul	300,000.00	12,000.00	-	-	-	-	-	312,000.00
6	Mrs. Intira	Sukhanindr	300,000.00	12,000.00	-	-	-	-	-	312,000.00
7	Ms. Duangdao	Chinthammit	300,000.00	12,000.00	-	24,000.00	-	-	-	336,000.00
8	Mr. Chalush	Chinthammit	300,000.00	12,000.00	-	-	-	18,000.00	-	330,000.00
9	Mr. Somchai	Chinthammit	300,000.00	11,000.00	-	-	-	-	-	311,000.00
10	Ms. Duangkae	Chinthammit	300,000.00	12,000.00	-	-	-	-	-	312,000.00
11	Mr. Chanachai	Chutimavoraphand	300,000.00	10,000.00	-	-	-	-	-	310,000.00
12	Mr. Chatri	Chinthammit	300,000.00	-	-	-	-	-	-	300,000.00
13	Mr. Somchat	Chinthammit	300,000.00	-	-	-	18,000.00	-	-	318,000.00
14	Mr. Tachpong	Pakornsiriwongse	300,000.00	12,000.00	-	-	-	-	-	312,000.00
15	Mr. Trakarn	Chunharojrit	300,000.00	12,000.00	-	-	-	-	-	312,000.00
16	Pol. Gen. Boonpen Bumpenboon		300,000.00	-	-	28,800.00	18,000.00	-	-	346,800.00
17	Mr. Sitti	Leelakasemlerk	360,000.00	-	36,000.00	-	-	18,000.00	-	414,000.00
18	Mr. Warapatr	Todhanakasem	300,000.00	-	18,000.00	-	21,600.00	-	-	339,600.00
19	Ms. Nongluck	Phinainitisart	300,000.00	-	30,000.00	24,000.00	-	28,800.00	-	382,800.00
20	Mrs. Anchalee	Pipatanasern	300,000.00	-	30,000.00	-	18,000.00	-	-	348,000.00
21	Mr.Supachai	Rakpanitmanee	234,166.67	-	-	18,000.00	-	12,000.00	-	264,166.67
	Total		6,354,166.67	141,200.00	114,000.00	94,800.00	75,600.00	76,800.00	-	6,856,566.67

Remark:

- the directors' remunerations do not include the remunerations from subsidiary companies.
- Mr. Supachai Rakpanitmanee (Independent Director/Risk Management Committee/Nomination and Remuneration Committee) No.21 resigned, effective on 30 September 2020

Remuneration for executives in 2020

Remunerations for 13 executives (listed as corporate top executives) include salaries, bonuses and allowances amounted to THB 49,648,839.60 million.

Other Remunerations

The Company's regulations prescribe other form of remuneration for top executives, such as company car, fuel and maintenance expense and employee's welfare.

Personnel

As of October 31, 2020, the Company's personnel information is as follows:

(Million THB)

	Consolidated		Separated	
	2020	2019	2020	2019
Number of Employees (Persons)				
During Production	5,791	6,118	1,972	2,169
Season During Normal	4,269	4,639	1,506	1,689
Period Expenses related to employees	1,266.15	1,461.84	520.41	624.27

As of 31 October 2020, the Company had no significant labor disputes that may have a potential negative impact on its operations.

Personnel Development Policy

The Company always sets high value for 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) by gathering and developing internal knowledge systematically in order that each employee can access those knowledge through Intranet and utilize them for personal development.

To provide the appropriate welfare to the employees and other supports

The group of companies provide welfare and service in addition to those required by law to all levels of employees to promote quality of life and to stabilize their future such as provident fund, life insurance and accident insurance, Happy Home by Government Housing Bank providing home loan with special interest rate for KSL employees; Happy Home Phase 2 with home loan for day employees; UOB Workplace Banking, the collaboration between KSL and UOB to provide welfares to KSL employees in the form of fixed deposit and home loan and monetary assistance including the promotion

the employees' work-life balance by providing period for leave according to the years of work.

Fair Remuneration

Employees of all levels are important to the companies no matter of race, religion, or gender. All employees are treated equally. They are entitled to welfare without discrimination. The promotion is done by a committee which consists of executives from different units to ensure transparency and fairness. Besides, the Company encourages the acquisition of knowledge through internal and external trainings so as to cope the future growth. The Company establishes a provident fund for employees.

Right and liberty

The group of companies communicates to employees through intranet so that the employees shall get useful information and updated operation of the companies thoroughly and rapidly. The employees are encouraged to express their opinion or to negotiate various matters and take into account their opinions and suggestions which are useful for the employees and the companies.

Corporate Governance towards Sustainability

The Board of Directors, as leader of the organization, performs its duties with responsibility, transparency, and fairness with determination to operate and develop the Company to sustainability by adhering to the principles of corporate governance and business ethics.

In 2020, the Company has conducted the following activities.

1. The Board of Directors performs its duties in compliance with the principles of corporate governance introduced by the Office of the Securities Exchange Commission, Securities Exchange of Thailand, Thai Institute of Directors, Company's Corporate Governance Policy and Business Ethics as well as international criteria so as to be consistent with accepted rules such as ASEAN CG Scorecard, etc. In 2020, the Company is assessed by Survey Project on the Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors at the level of "Excellent".

2. Received a full AGM Checklist score at 100 for the 2020 Annual General Meeting of Shareholders from the Thai Investors Association.

3. Received a certification as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is the Company's 2nd renewal of the certification.

4. The Company, on 20-22 February 2020, provides a workshop seminar (KSL Basic Knowledge 2020) to all new employees which includes the topics on business ethics and measures to prevent fraud and anti-corruption in order to promote basic knowledge and understanding to new employees.

5. On October 20, 2020, KSL Head Office organized KSL CG & Anti-Corruption Day 2020 under the theme Because CG is KSL Foundation

6. The Company publicizes the Corporate Governance Policy, Business Ethics and Manual on Measures for Prevention of Fraud and Corruption on the Company's website and intranet so that the directors, executives and employees become aware and adopt as guidelines for their tasks.

7. There were a revision of Ethics and Code of Conduct at Work manual and a Revision Manual on KSL Anti-Corruption Procedures.

The Corporate Governance Policy consists of 7 Chapters as follows: 1) Rights of shareholders 2) Equitable treatment of shareholders 3) Role of stakeholders 4) Disclosure and transparency 5) Role and Responsibilities of the Board of Directors 6) Anti-Corruption and 7) Reporting Information on Misconduct and Fraudulent Activities.

During the year, the Company duly governs the business by adhering to the Policy.

Chapter 1: Rights of Shareholders

1. Shareholders may propose a meeting agenda and put forward their questions concerning the Annual General Meeting of Shareholders in advance during 1st October until 30th November for the Annual General Meeting in the following February. The company notifies such process to the shareholders via the information system of the Stock Exchange of Thailand, which the criteria and steps were clearly posted on the website of the Company at www.kslgroup.com at the menu "Information for Investors"

2. Method of vote casting and counting as well as the use of voting ballots were announced before a meeting of shareholders.

3. Remuneration and criteria on providing remuneration for directors of each position, namely fixed remuneration, meeting allowances, annual remuneration, were proposed to the shareholders for consideration and approval every year.

4. The Company allowed the shareholders to cast their votes on an election of individual director, by nominating a director for voting by the shareholders one by one.

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

6. The Company facilitates and encourages its shareholders to exercise their rights and votes. There is a record date for a right to attend a meeting and a record date for a right to receive dividend allowing the shareholders to choose whether they will

hold the stocks for the dividends or not. Shareholders meetings are organized at convenient venues which is easily accessible by public transportation. The Company has chosen to hold annual general meetings a hotel in the middle of Bangkok, near the Company's head office. The 2019 AGM no. 1/2020 held on 25 February 2020 at 09.30 am. at Kamolthip 2-3 Ballroom , 2nd Floor, The Sukosol Hotel No.477, Sriyudhya Road, Thanonphayathai Sub-district, Rajthevi District, Bangkok. Shareholders can submit the registration form prior to the meeting day. For more convenient way, the Company uses barcode for registration. Stamps for proxy are prepared for shareholders.

7. Agenda of the 2019 Annual Shareholders' Meeting No.1/2020 notice covered statement of financial position, profit and loss statement, dividend payment, election of replacement directors whose terms have ended, consideration of remuneration for directors, and appoint of auditor and audit fee.

8. In 2019 Annual Shareholders' Meeting, No.1/2020, the Company informed its shareholders about rules and procedure of attending the shareholders' meeting. Shareholders were given opportunities to directly inquire the corporate directors and committees. The meeting was recorded by video recorder. The Company does not deprive its shareholders of access to corporate information. All important information 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.

9. Minutes of the AGM 2019, No.1/2020 is precise and accurate. Names of all the directors physically present/absent were shown. Summaries of clarifications, questions, answers, opinions, the voting procedure, and the vote count procedure were provided. The minutes were posted on the Company's website within 14 days after the AGM date.

10. The Board of Directors shall not hold aggregately the shares more than 25 percent of the issued shares.

Chapter 2: Equitable Treatments of Shareholders

1. A shareholder has a voting right by one share/one vote. The Company has only one type of share, namely, ordinary shares.

2. Shareholders are entitled to nominate a person of their choice for appointment as a director in advance as from 1st October until 30th November, by notifying such to the

shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps are clearly posted on the website of the Company at www.kslgroup.com at the menu "Information for Investors" After that, the Board of Directors shall hold a meeting to proceed with the screening process. However, in the past there has been no nomination by the shareholders

3. The Company attached a Letter of Proxy, per Form B with the Notice Calling Meeting, which enabled the shareholders to set their own voting direction in each agenda, so as to afford convenience to a shareholder who is unable to attend the meeting to authorize an independent director or another person to attend the meeting and cast votes on his/her behalf. The Notice Calling Meeting of both in Thai and English languages are published on the Company's website 30 days before the date of meeting to allow shareholders to study the information beforehand. As for the Notice Calling Meeting of both in Thai and English language, the Company commissions the Thailand Securities Depository Company Limited, the Share Registrar of the Company, to send such Notice to the shareholders at least 21 days in advance in the case of normal agenda, and at least 14 days in advance in the case of special agenda.

4. The Company sets a guideline about the use of inside information in the CG Policy and disseminates to directors, executives and employees who access to significant information which would affect the price of securities to refrain from trading the securities for one month prior to the disclosure of operating result or the disclosure of such information to public (Chapter 2: Equitable treatment of shareholders). Besides, the Company by Company Secretary regularly warns the directors and executives in writing in advance of each disclosure of financial reports to refrain from the disposal of the Company's securities as from and until the specific dates and, for transparency, informs the Meeting of Executive Board and the Board of Directors regarding the changes of the Company's securities of each director or executive (if any) as well as informs the directors and executives of any illegal act regarding using inside information so that the directors and executives shall exercise good care in respect of the use or alleged use of any inside information before disclosure to public.

5. 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 abusive self-dealing (Details in "Use of Inside Information").

6. 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.

7. In the past year, neither directors nor executives used insider trading and the Company did not violate or defy the connected transaction rules.

8. During the year, there was no related-party transaction which requires approval from the Shareholders' Meeting.

Chapter 3: 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 customers, employees, suppliers, 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

The Company abides by the Corporate Governance Policy and guidelines regarding shareholders and equal treatment to shareholders and prescribes consistent Business Ethics.

Rights of Employees

The Company commits to the importance of employees at all levels without discrimination on race, religion and gender. All employees are equal and are treated equally. The Company provides fair hiring conditions for the employees and undertakes appropriate policy and guidelines in respect of remuneration and welfare. Employees receive short term and long term remuneration such as salary and bonus pursuant to the employee's performance evaluation and the Company's operational result. The Company establishes a provident fund for employees' living stability. Besides, the Company supports the development of knowledge and potential so as to make

them ready for their work and organizational development and discloses average training hours, accident statistics, work stoppage time and sickness from work information (Details in the Sustainability Report).

Rights of Customers

The Company applies international quality control system, e.g., ISO 9001:2015, FSSC 22000, GMP, HACCP, HALAL, KOSHER, etc. so as to create the utmost satisfaction to the customers in terms of quality and product standard, timely delivery and international standard service and strict confidentiality keeping. Besides, the Company provides customers with channels for complaints and recommendations as deemed appropriate by the customers. By average, the Company receives approximately 40-50 complaints and recommendations per year regarding the operation of 5 sugar factories.

Rights of Suppliers

The Suppliers hereby include, apart from contracting parties in sales and service of work, joint investors in some specific business. The Company acknowledges the legal rights and contractual rights pursuant to the joint investment by adhering to principles of honesty, equality and right to return of investment. The Company has the Corporate Governance Policy and guidelines regarding customers in the Chapter on Roles of Stakeholders saying that it supports fair and free competition, equality in doing business and mutual benefits, transparent and fair procurement. The Company prescribes the qualifications of the customers who are entitled to offer bidding as well as announces openly and equally to the rightful bidders of the complete information and conditions regarding the procurement. The Company keeps confidential the bidding prices from the suppliers and does not disclose to other bidders. The Company shall not demand any benefit from the suppliers in exchange of executing contracts with the Company as well as prescribes in the Business Ethics of such practices. As for the service of work in the Company's sites, the Company provides safe working conditions for the contractors and emphasizes that the contractors must strictly abide by the Company's rules of safety. Upon completion of the work, the Company has a process of transparent and fair acceptance of work and shall pay the contractors in due time. The Company through the procurement department communicates with the suppliers through various channels of important matters and provides channels for the suppliers to send their complaints or information. In 2019, sent letters to suppliers by informing them of the CG policies together with Anti-corruption policy. The central procurement unit requested all factories to extend anti-corruption policy to local suppliers so that acknowledgement of the information shall be as much as possible.

Rights of Creditors

The Company has the Corporate Governance Policy that shall abide by the agreement made with the creditors regarding the timely payment, appropriate use of financial service, providing and keeping collateral and other conditions such as correct financial reports for the use of credit analysis, debt-equity ratio. The Company has gained trust from the creditors through ethical operation and facilitates information for the understanding of the Company's business through the Annual Report and the Annual Statement (Form 56-1) and the financial status through financial reports which are made and audited in accordance with the generally accepted standard. The Company prescribes these practices in the Business Ethics consistently.

Right of Competitors

The Company supports free and fair competition and also the Business Ethics that the personnel shall not do business by destroying or restraining the competitors with unlawful ways or apply any unlawful way to obtain the competitor's information. In practice, the competitors are members in the same associations and regularly exchange information; therefore, there has been of unfair practice among them.

Rights of Community and Society

The Company adheres to sustainable development under the framework of the Global Reporting Initiative (GRI) and keeps complying with relevant laws and regulations. The Company encourages the stakeholders to attend activities or participate in community and social development and supports activities that develop quality of life and benefits of communities where the Company operates its business as well as builds up the employees' conscience for community and social benefits. The Company also creates opportunities for communities and stakeholders to participate in the Company's projects or events, including the sharing of opinions and suggestions or even complaints regarding the Company's operation

Human Rights

The Company has the policy not to involve in human right violation by providing in the Corporate Governance Policy. The Company promotes and respects human rights as well as operates its business in line with the principles and intent of the United Nations Declaration on Human rights and other international agreements that Thailand is a party and shall not participate in any act that is against the human right principles. Each site of the Company's group has express clear intent that the Company shall not use child labour and forced labour and shall make announcement through various channels to the communities.

Environment

The Company has the Corporate Governance Policy and guidelines regarding environment in the Chapter on Roles of Stakeholders saying that the Company uses natural resources and energy as necessary and supports the reuse and recycling of raw materials and waste in production process. The factory uses modern dust collector to prevent emission. The water treatment system is developed to ensure that the used water shall be clean enough for reuse or for discharge to natural source. The Company has made a prototype of the so-call Submerged Aerated Fixed Film (SAF) to treat condensate water from ethanol production process at Boploy district, Kanchanaburi province. The policy and guidelines regarding safety and occupational health in workplace and policy regarding business operation under environmental standards are made know to the employees. The Company encourages the employees to utilize resource in an efficient and worthwhile manner and to always work with good care of safety and environment. The relevant employees undertake training in respect of environment. (Details described in the Sustainability Report).

Intellectual Property

The Company shall respect intellectual property rights and exercise due care not to cause accusation of risk of being accused of infringing intellectual property rights. Unfamiliarity of the relevant laws is a legal risk; therefore, the Company sets more details in the Business Ethics that the personnel have to respect intellectual property rights of others by not using any work or intellectual property of others without permission. In case of doubt of infringement, a unit must consult the legal department. If it appears that there might be an infringement, a concerned party should consult the legal department. The Business Ethics define the meaning of intellectual property in a broad sense including copyright, patent, trademark, supplier information, customer information, formulae or any matter which is regarded trade secret. So far, there were in-house consultancy that could prevent several unintentional infringements.

Local administration / government agencies

The Company abides by the laws which regulate the business and other relevant laws as enforced by local administration and central government agencies and cooperates with government units to develop the locality. The group of companies coordinates with the local government agencies to ensure that the companies correctly comply with the laws and regulations, e.g., coordination with municipality, provincial industry office, natural resources and environment office, underground water office, water resource office, irrigation office, regional revenue office, welfare and labour protection office, social security office, skill labour development office, etc. The group

of companies regards as highly important the cooperation with local administration /government units that ask for support to help develop community around the operating areas of the companies, e.g. municipality, sub-district administration, hospital, district public health, school, police, etc. as shown in the topic “Activities on Corporate Social Responsibilities”.

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’s management, the head of internal audit committee, the head of human resource department, or the chairman of audit committee to report improper incidents, complain, request for clarifications or correction, or make any suggestions via email. In the previous year, there was no wrongdoing reported to the Company. Details information regarding procedure to report wrongdoing is provided in the Company’s Corporate Governance Manual, under the heading Reporting misconduct, fraud, and non-compliance to Code of Business Ethics.

Chapter 4: Disclosure of Information and Transparency

The Company ensures that 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. Financial statement, other related information, and business operation are disclosed within prescribed period after audited and certified by the auditor.

1.1 The financial statements of the Company are approved unconditionally by the auditor.

1.2 There is no related transaction with affiliated companies that would cause significant conflict of interest.

2. Annual Statement (Form 56-1) is disclosed within 3 months after accounting period end and Annual Report (Form 56-2) is disclosed within 4 months after accounting period end through the SET channels and corporate website, www.kslgroup.com. There are also updates related to the Company and the industry posted on the website to facilitate decision-making of those involved.

3. 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.

4. 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 in Form 56-1 and 56-2.

5. A Report on the Board of Directors’ Responsibilities for Financial Statements is provided along with the auditor’s report in 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 the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Chairman and CEO/ President.

6. Contents of the Company’s website consist of directors and executives’ information consisting of name, age, gender, position, education, shareholding, experience, picture 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.

7. The Company specifies that directors and executives need to prepare a report of interests of directors, executives and related persons according to Article 89/14 of Securities and Exchange Act B.E. 2535 (1992) as amended and review a report within October every year or when information has been changed by submitting to the Office of Company Secretary within 7 days.

8. 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:

1. Mrs.Kanyarat Sumitra Telephone: 02-642-6230
Email: kanyarat@kslgroup.com
2. Mr. Chalush Chinthammit Telephone: 02-642-6230
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.

In 2020 the Company has activities as follows:

Activities in 2020	Times per Year
1. Analyst Meeting	4 times
2. Disclosure of Business Performance through SET	4 times
3. Disclosure of Information and query	20 times

Chapter 5: Responsibilities of the Board of Directors

1. The structure of the Board consisted of 21 directors. Among them, seven persons are independent directors with no business relationship or any other relationship which would influence the exercise of free discretion. (During 2020, one independent director resigned; the process of nomination new director is ongoing).

2. Chairman is an independent director who is not the same person as the Managing Director.

2.1 Board Diversity Policy

The Company has a policy of acquiring diversified directors and would consider the persons who have knowledge and experience that are essential for the Company, including professionalism and specialization without discrimination of gender, age or education of the would-be directors so that the Board of Directors shall be more efficient and supportive to the Company's strategies. Also, there is at least one non-executive director who has good experience in the major business or industry of the Company. (Details of biography, knowledge, experience and shareholding are shown in the topic "Details regarding directors, executives, controlling persons and company secretary)

2.2 Directors' Term of Service

Independent directors are not less than one-third of the whole directors and at least three independent directors are required. An independent director may be in the position for three consecutive terms or nine years, whatever is longer. However, the Board of Directors may extend the directorship as it deems appropriate.

2.3 Consecutive Terms of an Independent Director

Each office term of directors is three years; directors may be re-elected for another consecutive term.

2.4 Limitation of the Number of Listed Companies in Which a Director May Hold Directorship

The Charter of the Board of Directors stipulates that a director must not be director in not more than five other listed companies so that a director shall have enough time to perform the directorship and being a director in other companies must not hinder the performance of duties as a director in the Company. At the moment, apparently, there is no director who is a director in more than five listed companies at the same time.

2.5 Separation of the Roles of the Board of Directors and the Management

Duties of the directors as prescribed in the Charter of Board of Directors conform the principles of the CG Policy, Chapter 5 namely to govern the Company to have good management and to create value to the Company in a sustainable manner. The duties, therefore, do not cross over normal operation of the management. Even though the Charter prescribes the duties and authorities to approve, such authorities are within the scope as stipulated in the Authority Manual as approved by the Board of Directors. Besides, the CG Policy clearly stipulates the status and authorities of the Chairman and the Chief Executive Officer and the Chairman must not be the same person as the Chief Executive Officer.

2.6 Directorship in other companies by Managing Director and Executives

The undertaking of directorship by the Managing Director or an executive in another company or entity in which the Company invests or as the Company's representative must be approved by the Board of Directors; provided that the Board of Directors, if it deems appropriate, may authorize the Managing Director to approve an executive in the same matter.

3. The Articles of Association provides that one-third (1/3) or close to one-third of corporate directors shall be rotated out each year. 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 the total 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.

4. The Board of Directors has established the following committees:

4.1 The Executive Board

4.2 The Audit Committee

4.3 The Nomination and Remuneration Committee

4.4 The Risk Management Committee

4.5 The Corporate Governance Committee, as well as defined their functions and responsibilities.

5. 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, Chairman of the Board shall not be chairman or member of those committees. Each committee's term in office is 3 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 during the term, that director shall remain in the position as long as the committee's term ends.

6. 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.

7. There are ten Directors who are top executives in the Company ranging from Chief Executive Officer to Assistant Vice President, at present, executive directors do not hold directorship in more than two other listed companies outside the group. The Company has a non-executive director who has work experience in business that is relevant to the Company's business (At present, Mr. Somchart Chinthammit)

8. The Company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency and normally the Company will revise vision and mission every year before setting the strategy and action

plan as well as monitor the management to follow the approved business plan and budget and to provide internal control system, internal audit and efficient and effective risk management. The Company provides long term and short term plans regarding projects and investments, The Company supports and helps strengthen the society by being an ethical entrepreneur pursuant to the established vision. The Board of Directors is kept informed of the operation according to the strategies in each quarter when the management submits the quarterly operating result along with financial reports.

9. The Board provides the Corporate Governance Policy and Manual of Business Ethics by taking into account the responsibility to all stakeholders within the framework of business ethics in order that they are directions for corporate administration; conducts any act with fairness by being well aware of the shareholders' maximum interest and sticks to sincerity and honesty; establishes policy, business plan, strategies, action, evaluation as well as operation and governance on risk management with transparency and accountability.

10. The Board provides whistle-blowing policy to be directions for action on investigating the wrongdoing and fraud, submission of information regarding wrongdoing and fraud, punishment on wrongdoers, protection for information giver.

11. The Board assigns the Risk Management Committee to provide risk management policy to the Board for approval. The present risk management policy was announced and effective on 1 September 2017 and provides internal control system and risk management system covering keys risk and other risks which are to be disclosed in the Annual Report. The risk management policy is subject to yearly review.

12. One significant duty of the Board according to the Charter is to supervise and act against any conflict of interest between directors, shareholders, stakeholders and the Company. The Board of Directors carefully considers transactions with may cause conflicts of interest after thorough consideration by the Audit Committee according to the SET legislation and procedure. The Board's authority to consider this issue depends on the size of transaction as stipulated by SET rules; provided that an interest person in the related transaction is not allowed to decide on those particular transactions. The correct and full disclosure of this matter shall be made in the Annual Report and Form 56-1 pursuant to the CG Policy Chapter 4: Disclosure of information and Transparency together with the guidelines under the policy.

13. 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.

14. 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.

Quorum of the Board of Directors

The quorum of Board of Directors is prescribed in the Articles of Association that there must be directors attending the meeting not less than half of the whole directors to form a quorum. To set the policy on the minimum quorum of the Board of Directors by providing that, to vote at the meeting, the Director must be present at least two-thirds of all members.

Performance Assessment

The Board of Director stipulates the conduct of self-assessment by applying the pattern developed by the Securities Exchange as follows: (1) Self-assessment Form of the Board of Directors (2) Self-evaluation Form of sub-committees, namely, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, and (3) Self-evaluation Form of individual directors so that the directors may jointly review their performance, solve problems and obstacles as well as the evaluation of the past performance and the ways to improve efficiency in the next year which leads to development in accordance with good governance.

Self-Assessment Procedures-The Whole Board of Directors

To evaluate the performance of the directors in 6 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting

4. Performance of duties
5. Relationship with management
6. Self-development of directors and executive development

The Criteria of Self-Assessment-The Whole Board of Directors

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified

2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

Self-Assessment Procedures-Each Director

To evaluate the performance of the directors in 3 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting

The Criteria of Self-Assessment- Each Directors

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified

2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

Self-assessment of the Committee

To evaluate the performance of the directors in 3 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting

The Criteria of Self-Evaluation From of Sub-Committees

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified

2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

The assessment of 2020 shows the performance score of the Board of Directors, the Committees and each individual director as excellent level. The Board of Directors in the meeting

No.1/2020-2021 on 23 December 2020 acknowledges the result and make observations with suggestions for further improvement.

CEO Performance Assessment

The Board of Directors and the Nomination and Remuneration Committee set the goals and performances of CEO based on 4 Aspects of Balance Scorecard.

1. Financial Performance
2. Learning & Growth
3. Market & Customer
4. Internal Business Process

And The Board of Directors consider every year

Director and Executive Development

As for the Directors, the Corporate Governance Policy prescribes that the Company should encourage Directors to have continual training and knowledge development, particularly training in curriculum that is organized by external entities such as the Stock Exchange of Thailand and Thai Institute of Directors (IOD) so as to help the Directors perform their duties and govern the Company's business effectively.

Directors have already participated in training courses organized by accredited institutions, such as Chairman Program, Director Accreditation Program (DAP), and Director Certification Program (DCP) provided by Thai Institute of Directors (IOD), 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 2020, some directors participated in training courses

Director	Training Courses
1. Mr.Pornsin Thaemsirichai	• Develop and Train sales and marketing teams
2. Ms. Intira Sukhanindr	
3. Mr.Thawatchai Rojanachotikul	• Disciplinary Investigation & Interrogation Training Course
4. Ms.Duangdao Chinthammit	
5. Ms.Duangkae Chinthammit	
6. Mr.Somchai Chinthammit	

Orientation of Newly Appointed Directors

The Board of Directors states that there shall be an orientation of new directors every time they assume office in the Company, so as to enable them to understand the business and various operations of the Company. In this respect, the Company Secretary is assigned to proceed with coordination in regard to related issues, such as, important information relating to the Company, the regulations which specifies the scope of powers and duties of the Board of Directors, including information relating to laws, rules and regulations, as well as numerous conditions. Besides, if a newly appointed director has not yet attended a training curriculum concerning the performance of duties of a company director, the Company will arrange for said director to attend such necessary curriculum.

In the part of executives and staff, the Company has arranged for a training curriculum for them both inside and outside the Company to increase work skills, knowledge, abilities, so as to help them achieve success in works and to create a learning atmosphere that motivates a creation of new things and work development among fellow colleagues as a team, and to set up a knowledge management for transferring to the new executives and staff.

In 2020, the Company aimed to apply more digital system in its operations. Thus, the trend of development of executives and staff is now linked to on-line skills and new work systems.

Chapter 6: Anti-Corruption Process

The anti-corruption policy, approved by the Board of Directors, prohibits directors, executives and staff from committing corruption and stipulates corruption-risk assessment and regular review of policy compliance and guidelines and rules for operations to be consistent with the change of laws, regulations and acceptable standards relating to the Company's business.

The Company disseminates and makes the staff be knowledgeable of the Anti-Corruption Policy for proper practices by providing Business Ethics and Manual on Anti-Corruption as well as Operation Manual relating to the Anti-Corruption Policy for various departments for the use in training, implementation, or learning by the staff. Besides, the Company provides protection for the staff who reports an incident or a lead about corruption under the prescribed criteria. A corruption doer is regarded as a discipline violator

who shall be treated with disciplinary sanctions according to the work regulations of the Company as well as the criminal prosecution or the civil action, as the case may be.

On 26 September 2014, the Company declared its intention to join the Private Sector Collective Action against Corruption (CAC) and was later certified a three-year member of CAC on 9 March 2017. The Office of Risk Management is assigned to evaluate and monitor the anti-corruption risk in accordance with the self-evaluation form that the Company had submitted and to coordinate with all functions within the Company and the Internal Audit Office as well as to provide continual activities in order to communicate the understanding relating to the compliance with the policy and the guidelines of anti-corruption. The Company intends to have other stakeholders join the CAC respectively

As regards the conduct of relevant work flows, the Company evaluate the corruption risk annually by applying COSO-ERM principles and to provide a Risk Management Manual on Fraud and Corruption to make clear practices for governance, control, prevention and monitoring the corruption risk. To ensure the compliance with the policy and guidelines for practices by the employees, the Company assigns the Office of Risk Management to monitor and report the implementation of the Anti-Corruption Policy on regular basis. The Office of Internal Audit has the annual plan to audit the efficiency and effectiveness of the internal control system and additional control measures.

In 2020, the Company carried out important anti- corruption activities as follows:

1. Reviewed the Anti-Corruption Policy, the Manual on Anti-Corruption Measures and the Risk Management Manual on Anti-Corruption.
2. Arranged communication activities regarding fraud and anti-corruption for better understanding of executives The communication of this year focus on channel of whistle bowing and staff of 770 attendees.



Pictures of Anti – Corruption activities

3. Developed communication channels for the Policy and guidelines through www.kbidding.com and approved the “white procurement” to the process of procurement for fair competition and transparency.
4. Monitored and reported risk management on fraud and corruption to the Corporate Governance Policy with detailed causes so that the Management shall be able to prevent the causes more effectively.

Chapter 7: Giving Information of Wrongdoing and Dishonest Acts

According to Corporate Governance Policy, The Company has a channel for reporting lead or information on any commission of wrongdoing and dishonest act, or whistle-blower hotline, so that the stakeholders may provide information which is beneficial to the examination, elimination, and prevention of wrongdoing or dishonest act, or lodging of complaints, and so that such be rectified accordingly.

Channels for Giving Information

1. When a staff finds, or there is reason to believe in good faith, that there has been committed a wrongdoing or a dishonest act concerning the Company or its subsidiary companies, he/she shall inform his/her superior from the level of Manager forthwith, either verbally or in writing. If such report is ignored, he/she shall notify the higher superior according to the Form of Giving Information of Wrongdoing or Dishonest Act. However, the staff should not self-conduct further inquiry or questioning any suspicious acts.

2. If a staff is in a difficult situation or he/she is not comfortable to notify the said superior, or he/she suspects that his/her superior or any executive of the Company is connected with a wrongdoing, he/she may choose to file a report through the following channels:

2.1 Manager, Internal Audit Office, Tel. 02-642-6092, Ext. 127, or email: ia@kslgroup.com or chartchai@kslgroup.com.

2.2 Manager, Human Resources Department, Tel. 02-642-6092, Ext. 969, or email: ampaporn@kslgroup.com.

2.3 Send email to ia@kslgroup.com on the intranet of the Company.

2.4 The Chairman of the Audit Committee or the Board of Directors of the Company, at the following address:

Khon Kaen Sugar Industry PCL

503 KSL Tower, 22nd Floor, Sri Ayudhya Road, Thanon Phayathai Sub-District, Rajathevi District, Bangkok 10400, or email: sitti@kslgroup.com

3. When the persons or above departments have been notified of a commission of wrongdoing or dishonest act, they must report such to the Internal Audit Office at once.

4. The Internal Audit Office shall have the duty to prepare a register of complaints and shall prepare a report summarizing the receipt of information of wrongdoing to the Audit Committee at its next meeting.

5. The Internal Audit Office shall consider initially that at which department the act of wrongdoing occurred, and shall then send the complaint to the said department for investigation, and shall also monitor the proceeding of said department from time to time.

6. The fact-finding, the investigation, the disciplinary action, and the legal action shall be in accordance with the regulations governing such.

7. Upon completion of the complaint, the work unit concerned shall report the result to the Internal Audit Office for forwarding the matter to the Audit Committee at its next meeting.

Protection of Informant

1. The Company shall not terminate employment, suspend, inflict disciplinary action, or threaten to take any action against any staff who provided information of wrongdoing. Whoever violates this clause shall be subjected to disciplinary action.

2. The Company shall protect the informant including the person rendering cooperation or assistance in the investigation in good faith from any threat and harassment.

3. The Company shall provide protection additionally and specially according to suitability, by taking into consideration the degree of severity and the importance of complaint. In the event the informant is threatened or harassed, he/she shall report such to the Managing Director for ordering the Human Resources Department to provide protecting measures for the informant suitable to the circumstances.

4. In the event a staff has reported a complaint or has provided information of wrongdoing in good faith, even though the Company finds no wrongdoing as lodged, the Company shall not inflict any punishment on the said informant. Nevertheless, if the result of investigation finds that the complaint is baseless and it was done with ill intention or an intent to yield damage to other person, or it was a giving of false statement, the Company shall consider inflicting disciplinary action to the staff who gave the information according to the work regulations, and shall also consider taking legal action against the said person.

Organization Structure

Board of Directors

As of October 31, 2020, the Company's Board of Directors comprises the following 20 members:

1) Mr. Manu Leopaibrote	Chairman and Independent Director
2) Mr. Chamroon Chinthammit	Director
3) Mr. Pornsin Thaemsirichai	Director
4) Mr. Sukhum Tokaranyaset	Director
5) Mr. Thawatchai Rojanachotikul	Director
6) Mrs. Intira Sukhanindr	Director
7) Ms. Duangdao Chinthammit	Director
8) Mr. Chalush Chinthammit	Director
9) Mr. Somchai Chinthammit	Director
10) Ms. Duangkae Chinthammit	Director
11) Mr. Chanachai Chutimavoraphand	Director
12) Mr. Chatri Chinthammit	Director
13) Mr. Somchat Chinthammit	Director
14) Mr. Tachpong Pakornsiriwongse	Director
15) Mr. Trakarn Chunharojrit	Director
16) Pol. Gen. Boonpen Bumpenboon	Independent Director
17) Mr. Sitti Leelakasamelek	Independent Director
18) Mr. Warapatr Todhanakasem	Independent Director
19) Ms. Nongluck Phinainitisart	Independent Director
20) Mrs. Anchalee Pipatanasern	Independent Director
21) Mr. Supachai Rakpanitmanee	Independent Director

(Resigned, effective on September 30, 2020)

Remark: The Company is in process of appointing a new eligible director to substitute the vacancy.

As of 31 October 2020, the company has 20 directors, of which 10 are non-executives (47.60%) and 6 are independent directors (28.60%), and two of them are female. 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 shareholders' meeting appoints the Board of Directors. The Board appoints Corporate Secretary to advise and assist the Board in their duties so as to be compliance with relevant rules, regulations and corporate governance. The Corporate Secretary's main duties are prescribed by law, which include important meetings such as the Board's meeting and the shareholders' meeting and the promotion of good governance.

Scope of Duties and Responsibilities

Duties and authorities of the Board of Directors are formerly prescribed in the CG Policy Chapter 5. The Board in meeting No 7/2016-2017 on 29 September 2017 approved the Charter of the Board of Directors to be effective on 1 October 2017. The Charter revises duties of the Board to be consistent with the CG Code as follows.

1. Administer the business by creating long-term business value, namely, good operating result, ethical and responsible conduct to stakeholders, abolition or reduction of negative impact against society and environment and corporate resilience.

2. Define objectives and business goals on the basis of sustainable value creation by taking into account the impact to society and environment and direct the operations to respond to achievements set by objectives, goals, strategies and annual action plan.

3. Ensure having the Board of Directors consisting of components and qualifications that conform to good governance, transparent and efficient selection, development of skills and knowledge necessary for performing duties responsibly, framework and mechanism to govern policy and operation of subsidiaries and affiliates, appointment of sub-committees as necessary.

4. Ensure having managing director and top executives of appropriate quality for the achievement of the Company's goals and developing top executives as well as systematic succession of positions.

5. Promote innovation that creates value for the Company and business operation that is responsible to society and environment.

6. Establish effective risk management and internal control that correspond with the achievement towards objects and goals of the Company in the long run and to prevent the leakage of important information by ways of information technology; provide policy and practices for handling conflict of interest and related transactions, anti-corruption, whistle-blowing channels for fraud and corruption.

7. Ensure financial reliability and financial report making with transparent disclosure in accordance with the law.

8. Support engagement of shareholders in important matters and respect right to information of shareholders through appropriate and timely channels.

The aforementioned 8 roles and duties are divided into several principles and guidelines as referred to the Corporate Governance Code for listed companies 2017 that is developed by the Securities and Exchange Commission.

Approval authority of the Board of Directors

The Board of Directors has the authority to approve the matters as prescribed by laws, Company's regulations, the Board's Charter, Manual of Authorization and the resolution of shareholders' meeting, including the making and review of policy, vision, mission, strategies and action plans as well as other important matters, e.g., financial statements, transactions which legally require the Board's approval, financial policy, investment, annual budget, appointment of executives and managing director, etc.

Scope of Authority of the Chairman of the Board of Directors

Chairman is responsible for leading the Board and has the following duties.

1. Oversee, monitor, and ensure that the Board efficiently carries out its duties to achieve the Company's main objectives.

2. Ensure that all Directors contribute to the Company's corporate culture and good corporate governance.

3. Set the Board meeting agenda by discussing with the Chief Executive Officer and set up procedures to ensure that important matters are included in the agenda.

4. Allocate sufficient time for management to propose topics and for Directors to discuss important matters thoroughly and encourage Directors to exercise good discretion and pay attention to relevant issues brought to the meeting including corporate governance issues.

5. Promote good relationship between the Board and management.

The Board of Executive Directors

As of October 31, 2020, the Company's Board of Executive Directors consists of:

1) Mr. Chamroon	Chinthammit	Chairman
2) Mr. Pornsin	Thaemsirichai	Executive Director
3) Mr. Sukhum	Tokaranyaset	Executive Director
4) Mr. Thawatchai	Rojanachotikul	Executive Director
5) Ms. Intira	Sukhanindr	Executive Director
6) Ms. Duangdao	Chinthammit	Executive Director
7) Mr. Chalush	Chinthammit	Executive Director
8) Mr. Somchai	Chinthammit	Executive Director
9) Ms. Duangkae	Chinthammit	Executive Director
10) Mr. Chanachai	Chutimavoraphand	Executive Director
11) Mr. Tachpong	Pakornsiriwong	Executive Director
12) Mr. Trakarn	Chunharojrit	Executive Director

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

Scope of Duties and Responsibilities

1. Determine policies, directions, strategies, and significant management structures for the Company's operations 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

4. Examine and monitor policies and management plans to ensure their effectiveness and suitability for the corporate operations.

5. Consider and approve the Company's operations in accordance with the Manual of Operational Power.

6. Perform other tasks as assigned by the Board of Directors.

Any power mentioned above given to the Board of Directors shall be under the law and the Company's regulations. Any activities that benefit/may benefit or affect interests of any executive director or individual, or that may lead to conflicts of interest (according to the SEC Notification), are required to be

presented by the Board of Executive Directors to the Board of Directors for consideration. The particular executive director and the interested individual shall not be allowed to vote in the meeting concerning the matter.

In 2020, the committee held twelve meetings, and reports on their work were regularly presented to the Board of Directors. Meeting Attendance of the Executive Board is disclosed in (Report of Meeting Attendance of Directors in 2020)

Scope of Duties and Responsibilities of CEO and President

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 duties and responsibilities of CEO and President shall comply with laws, Manual of Authorization and the Company's regulations. The approval authority of CEO and President does not extend to transactions that would allow CEO and related persons to have interest or cause conflict of interests affecting the Company and its subsidiaries.

Audit Committee

As of October 31, 2020, the Audit Committee comprises of:

- 1) Mr. Sitti Leelakasameerak
Chairman/Independent Director
- 2) Mr. Warapatr Todhanakasem
Independent Director
- 3) Ms. Nongluck Phinainitisart
Independent Director
- 4) Ms. Anchalee Pipatanasern
Independent Director

Qualifications of the Audit Committee are in line with relevant SET requirements, Capital Market Board, Corporate Governance Policy and Charter of the Audit Committee. The Audit Committee comprises four independent directors, namely,

Chairman and other three members who are knowledgeable in finance, internal control, internal audit whose autography and qualifications are detailed in the Appendix. Mr. Sitti Leelakasameerak, Chairman of the Audit Committee and Ms. Anchalee Pipatanasern possesses sound knowledge, understanding, professional experience in accounting and finance.

The Chairman of the Audit Committee appoints Secretary of the Audit Committee (currently, Mr. Chartchai Poowong, Manager of Internal Audit Office).

Scope of Duties and Responsibilities

1. To review that the Company has accurate and sufficiently disclosed financial reports.

2. To review that the Company has internal controls and internal audit activities appropriately and effectively, including considers sufficiency of manpower budget and independency of the internal audit department as well as the Audit Committee's consent on appointment, rotation, promotion, and termination the head of internal audit department, including other departments who are also responsible for internal audit activities.

3. To review the risk management operations of the Company. The effects may occur at a level acceptable in order to prevent fraud and corruption.

4. To review that the Company is complied with the Securities and Exchange Act and Regulations of the SET or other laws that related to the Company's industry.

5. To select, propose for appointment and termination of independent person as the Company's auditor, including consider the remuneration. The Audit Committee shall hold a meeting with the auditor without management participation at least once a year.

6. To consider compliance of connected or conflict of interest transactions, including significant asset acquisitions and disposals in accordance with the Laws and Regulations of SET and SEC in order to assure that the transactions are reasonable and provide the best interest to the Company.

7. To report activities of the Audit Committee in the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and should be included at least the following information:

- 7.1 Comments on completeness and reliability of the Company's Financial Reporting
- 7.2 Comments on sufficiency of the Company's internal control systems
- 7.3 Comments on compliance with Securities and Exchange Act, Regulations of SET and SEC and other related laws to the Company's industry
- 7.4 Comments on appropriation of the auditor
- 7.5 Comments on conflict of interest transaction

- 7.6 Number of Audit Committee meetings and member's participation
- 7.7 Overall comments or observation regarding practices of the Audit Committee in accordance with the Audit Committee Charter
- 7.8 Other statements that shareholders or general investors should be informed under the scope of authorities and responsibilities of the Audit Committee as assigned to the Audit Committee by the Board of Directors.

8. To perform any assignment by the Board of Directors that agreed upon by the Audit Committee

9. While the Audit Committee are performing duties and responsibilities, the Audit Committee shall report within a reasonable period of time to the Board of Directors for corrective action if the Audit Committee observed the following transactions or events that may have material impacts to the financial status and performance of the Company

- 9.1 Conflict of interest transaction
- 9.2 Fraud or misappropriation might occur or there is significant weakness in the internal control system
- 9.3 Violation to the laws of SET, SEC or announcements of SET or other laws relating to the Company's industry

If the Board of Directors or relevant executives do not correct the aforementioned matters in due time, any Audit Committee member may further report the finding to the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Charter of the Audit Committee requires at least four meetings per year. In 2019, the Committee holds five meetings, and reported their work to the Board of Directors on quarterly basis. (Please see Report of the Audit Committee). Meeting Attendance of the Audit Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

Nomination and Remuneration Committee

As of October 31, 2020, the Nomination and Remuneration Committee consists of:

- 1) Pol. Gen. Boonpen Bumpenboon
Independent Director
- 2) Ms. Nongluck Phinainitisart
Independent Director
- 3) Mr. Supachai Rakpanitmanee
Independent Director
(Resigned, effective on September 30, 2020)
- 4) Ms. Duangdao Chinthammit
Director

The Chairman of the Nomination and Remuneration committee appoints Secretary of the Nomination and Remuneration committee. (Currently, Mr. Arnon Sricharnkij, Manager of Human Resources department)

Scope of Duties and Responsibilities

1. Nomination

1.1 define qualifications of the directors to be consistent with the structure, size and compositions of various committees established by the Board of Directors so as to ensure transparency and expectation of the Board of Directors by considering the knowledge, experience, expertise, freedom and time to contribute to directorship;

1.2 select and nominate persons qualified to be directors for the Board of Directors' consideration to nominate to the Shareholders' meeting for appointment provided that the selection method, verification of qualifications as regulated by laws and related authorities including consent to be appointed are to be prescribed;

1.3 select and nominate persons qualified to be members in the Board of Directors and other sub-Committees to replace the members whose office terms have ended to the Board of Directors for consideration.

2. Remuneration

2.1 consider or review pattern, criteria and procedures to consider remuneration so as to suit the duties and responsibilities of the Board of Directors and other sub-Committees and submit for approval from the Board of Directors and the Shareholders' meeting respectively provided ;

2.2 review data relating to remuneration of other companies in the same and similar industry yearly;

2.3 disclose names of directors, attendance and remuneration in all types in the Company's Annual Report as well as the brief Charter and remuneration criteria.

The Company requires that the Remuneration Committee and Nomination Committee be combined. The Nomination and Remuneration Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Nomination and Remuneration Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Nomination and Remuneration Committee has the scope of powers and duties as prescribed in the Charter of the Nomination and Remuneration Committee.

The Charter of the said Committee requires at least three meetings per year or more than that if it is necessary to select corporate directors, sub-committee members or to revise remuneration. In 2020, the Nomination and Remuneration Committee holds 4 meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Nomination and Remuneration Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

The Nomination and Remuneration Committee considers it not necessary to appoint any advisor to the Committee, because the majority of the Committee are independent directors who have appropriate fields of knowledge, expertise and specialization

and can independently perform their duties in compliance with relevant laws and the Committee's charter. Moreover, the secretary of the Committee normally searches and collects updated relevant information for the Committee's consideration.

Risk Management Committee

As of October 31, 2020, the Risk Management Committee consists of:

- 1) Ms. Nongluck Phinaitisart
Chairman/ Independent Director
- 2) Mr. Sitti Leelakasamelek
Independent Director
- 3) Mr. Supachai Rakpanitmanee
Independent Director
(Resigned, effective on September 30, 2020)
- 4) Mr. Chalush Chinthammit
Director

The Risk Management Committee appoints Secretary of the Risk Management Committee. (Currently, Ms.Lalana Wiwitsurakarn , Manager of Risk Management and System Development)

Scope of Duties and Responsibilities

1. Develop policies to be considered by the Board of Directors 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 to monitor and evaluate the corporate risk amount, as well as maintain the appropriate risk level.
3. Review the adequacy of risk management policies and system, as well as effectiveness of the system and policies practiced.
4. Provide recommendations in line with policies and strategies determined by the Board of Directors and present those recommendations to the Board.

The Risk Management Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Risk Management Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Risk Management Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

The Charter of the said Committee requires at least four meetings per year. In 2020, the Risk Management Committee holds four meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Risk Management Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

Corporate Governance Committee

As of October 31, 2020, the Corporate Governance Committee comprises of:

- 1) Mr. Warapatr Todhanakasem
Chairman/ Independent Director
- 2) Pol. Gen. Boonpen Bumpenboon
Independent Director
- 3) Ms. Anchalee Pipatanasern
Independent Director
- 4) Mr. Somchat Chinthammit
Director

The Corporate Governance Committee appoints Secretary of the Corporate Governance Committee. (Currently, Mr. Dhajjai Subhapholsiri, Vice President of Company Secretary and Legal Office)

Scope of Duties and Responsibilities

1. Consider and propose corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
2. Consider and propose practices of the Company, Board of Directors, executives, personnel and other relevant parties which are consistent with the corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
3. Monitor and supervise as well as create understanding to the Board of Directors and management for the sake of performance pursuant to the governance policy, business ethics and governance practices;
4. Review the corporate governance policy and practices at least once a year by comparison with international standard or other appropriate standards;
5. Appoint a Secretary to the Corporate Governance Committee, sub-committees or working groups with suitable duties and responsibilities;
6. Perform other duties as assigned by the Board of Directors.

The Corporate Governance Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Corporate Governance Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Corporate Governance Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

The Charter of the said Committee requires at least three meetings a year. In 2020, the Corporate Governance Committee holds three meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Corporate Governance Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

Nomination and Appointment of Directors and Top Executives

The Board of Directors consists of independent and non-independent directors, the proportion to warrant independence from the management, independent directors are required to have more specific qualifications than non-independent directors.

Qualifications of Independent Directors

Independent directors must possess all qualifications 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.

The Company's CG Policy prescribes qualifications of an independent director as follows.

(1) Holding shares not more than zero point five (0.5 %) of the total number of shares with voting rights of the Company, subsidiary company, affiliated company, major shareholders, or persons with powers to control the Company, however, including the shareholding of related persons of such independent director as well.

(2) Not being or used to be a director who has or had a part in the management, an employee, a staff, an adviser receiving regular salaries, or a person with control power, of the Company, subsidiary company, affiliated company, major shareholder, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(3) Not being a person who is related by blood or by registration under the law in the description of a father, a mother, a spouse, a brother/sister, and a child, including a spouse of a child of an executive, a major shareholder, a person with controlling power, or a person who is to be nominated as an executive or a person with controlling power of the Company or a subsidiary company.

(4) Not having or used to have a business relations with the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, in a description that may be impediment to the exercise of discretion freely, and not being or used to be an important shareholder, or a person with controlling power of a person having business relations with the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(5) Not being or used to be an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power, or a partner of an accounting firm having employed an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, except the period thereof has lapsed for not less than two years from the date of appointment as an independent director.

(6) Not being or used to be a professional service provider, including the providing of legal consultancy service or financial consultancy service, who receives a service fee exceeding Baht two million per year from the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power or a partner of the said professional service provider, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(7) Not being a director who is appointed to act as an agent of a director of the Company, a major shareholder, or a shareholder who is related to the major shareholder.

(8) Not operating a business of the same nature as, and which is a competition to, the business of the Company or of a subsidiary company, or not being an important shareholder in a partnership, or a director who has a part in the management, an employee, a staff, an adviser receiving regular salaries or holding shares more than one percent of the total number of shares with voting rights of other company operating the same kind of business which is a competition to the business of the Company or a subsidiary company.

(9) Not having any other descriptions which obstruct free expression of opinions concerning the operations of the Company.

Nomination Process for Directors

The Nomination and Remuneration Committee shall consider the persons who have qualifications in accordance with the Charter of the Board of Directors and with the diversified specialization as prescribed in the Board Skill Matrix. The source of names is from the roster of professional directors provided by Thai Institute of Directors (IOD) together with the nomination by each director. The Committee shall then examine the qualifications of the nominated persons in accordance with the Corporate Governance Policy, Charter of the Board of Directors and the Company's Articles of Associations as well as specific talents needed at the time; provided that the qualifications well respond to the Company's vision, mission and strategies.

The Nomination and Remuneration Committee shall propose the selected nominated persons to the Board of Directors. Should the Board approve the names, the Board shall propose the names to the Annual General Meeting of shareholders to appoint them directors.

The Charter of the Board of Directors prescribes the qualifications of directors as follows.

- (1) The qualifications prescribed by law and related regulations.
- (2) Knowledge, capability, experience, and expertise in specific field which are beneficial to the Company.
- (3) No conflict of interests with the Company.
- (4) Sufficient time to perform well the duties of a director of the Company, and if he/she is a director of another company, such must not be impediment to the carrying out of duties as a director of the Company; provided that a director should not be a director in more than 5 listed companies at the same time.

Election and Appointment of Directors

Normally, the meeting of Shareholders elect directors as the Articles of Association prescribe that in each Annual General Meeting of Shareholders one-thirds or the nearest to one-thirds of directors shall retire from office. The Company shall arrange an agenda for election of directors in every AGM and propose the names that have been endorsed by the Nomination and Remuneration Committee and the Board of Directors for consideration.

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 exercise the casting vote.

However, in the case a position of directorship is vacant because of other reasons than retiring by rotation and the remaining term is longer than two months, the public company law and the Articles of Association vest the power to the Board of Directors to appoint a director in replacement. The Nomination and Remuneration Committee shall exercise the selection process as mentioned above and nominated the selected person to the Board of Directors to appoint. The new director shall hold office only for the remaining period of the director whom he/she has replaced.

When either the meeting of shareholders or the Board of Directors appoints directors as the case may be, the Company shall inform the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) of the new directors respectively.

Selection and Succession Plan for top executives

The Company is well aware that the executives who have capability, vision and integrity would significantly lead the Company to sustainable growth and development. Therefore, the Company has a policy regarding administration and development of high ranking executives with the purposes to prevent the shortfall of high ranking executives and to select high ranking executives who possess qualifications that serve the Company.

The Company develops work process on regular situation assessment, selection, development and succession plan to implement in case of position vacancy to ensure that the Company would sustain professionally capable executives to perform their duties. The Nomination and Remuneration Committee develops a succession plan for managing director and seek approval of the Board of Directors respectively. As for other

below high ranking executives, the Human Resources prepare the succession plan before submitting to the Executive Board for approval. In order to select high ranking executives, the Company may either undertake the whole process until the wanted position is fulfilled by internal or external qualified person or commission a professional firm to conduct the selection or recruitment pursuant to the succession plan, as the case may be.

Amongst others, the succession plan consists of the following matters.

1. Specification of important or main positions
2. Specification of capability or competency of main positions
3. Analytical process in selecting a successor
4. Individual development Plan

Governance for subsidiaries and associates performance

In order to comply with governance and protect the Company's investment, the Board appoints directors of the parent company to be directors in subsidiaries and associated companies in proportion to the shareholding. The directors who represent the Company shall participate in decision of policy such as other project investments.

Supervision of Use of Inside Information

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

The Company stipulates code of conduct and ethic relating to the use of inside information and trading of securities, publication and interview in public

1. The Company informs executives about their obligation to disclose shareholdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to article 59 and article 275 of the Securities and Exchange Act B.E. 2535.

2. Circular notices are sent to directors and executives advising that those who receive important inside information that affects prices of securities shall not trade corporate securities within that one month and not disclose the important inside information before the corporate financial statements or the particular information is publicized.

3. Should there be any changes of share holdings, the Company's directors and executives shall report to the Office of Company Secretary and Legal in order to report to SEC or SET within the prescribed period. The Office of Company Secretary and Legal shall report any changes of share holdings of directors to the Board of Directors quarterly and to the Board of Executive Directors monthly.

4. Important inside information and confidential documents which kept as hard copies or soft files are protected and limited accessible to top executives only when necessary. If any inside information needs to be disclosed to 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.

5. To monitor irregularity in corporate operating results, random examination is done to security trade, the Company's information system and outside 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 freedom to invest in corporate security; however, the trading of Company's securities within one month before the financial statements disclosure shall be prohibited in order to avoid conflict of interest.

Auditor fee

For the year 2020, the auditor fees of the Company and subsidiaries is in the total amount of THB 6,720,000 and other fees (non-audit fee) is in the total amount of THB 420,000 which consists of BOI examination fee of THB 40,000 and other services fee of THB 380,000.

Application of CG code 2017

The Company has reviewed Corporate Governance Policy by referring to the CG Code of 2017 introduced by the Securities and Exchange Commission. The Corporate Governance Committee finds that the Company has applied most of the principles and guidelines of the CG Code to the Company's CG Policy and informed of such application to the Board of directors in the Meeting No. 6/2019-2020 on 10 September 2020. However, there are a few practices that the Company deems not practical at the moment which are considered by the Board and recorded for annual review.

The matters in CG Code 2017 that are not applied in 2020 are as follows.

1. CG Code: The Board should determine the proper number of directors to function effectively. It must comprise at least 5 directors and should not be more than 12 directors, depending on the company's size, type, and complexity of the business.

- At present, there are 20 directors in the Board. The Company deems the number appropriate for the size and complexity of businesses as it needs sufficient directors and diversification of knowledge to perform its duties efficiently and to supervise a number of subsidiaries doing different businesses.

2. CG Code: The Board should establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service.

- The Company does not limit the number of years in service of independent directors. The office term of an independent director is three years and he/she may be reelected, as there is no rule prohibiting the reelection of an independent director whose term has ended. Independent directorship may last not more than three consecutive office terms or not more than nine years, whichever is longer. However, the Board of Directors may, if they deem appropriate, allow longer tenure by approving the extension of office term. Even though an independent director may be in office more than nine years, the director can stay independent from the management and major shareholders in an appropriate manner and can perform the duties well by using the accumulated knowledge and understanding of the businesses of the Company and its subsidiaries, which are connected in the supply chain and can make decision for the supreme benefit of the Company.

3. The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.

- The Company does not commission an external advisor to help make guidelines and suggest issues of performance assessment of directors for every three year cycle. Alternately, the Board of Directors instructs the application of Self-assessment form provided by SET for the Company's use, namely, (1) Self-assessment form for the Board of Directors, (2) Self-evaluation of Committees, i.e., the Audit Committee, the Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee, (3) Self-assessment form of individual directors. The purpose is to have the directors jointly review their performances, solve problems and hindrances and evaluate themselves for the past year so as to improve the work efficiency of the Board in the coming years.

Report of Corporate Governance Committee

In 2019/2020, the Corporate Governance Committee held altogether 3 meetings, whereby 100 percent of the committee members attended the meetings, to perform its duties according to the scope of responsibilities specified in the Corporate Governance Committee's Charter, the results of which were then reported to the Board of Directors every time, which can be summarized as follows:

- The Committee annually revised the Corporate Governance Policy and Business Ethics to ensure that it be updated and suitable to the business of the Company and be in line with the laws and the good corporate governance principle for listed companies of 2017 provided that, in the meeting No. 6/2019-2020 on 10 September 2020, the Committee approved the amendment of the Corporate Governance Policy to contain the policy on personal protection in accordance with the law, the more flexible structure of the sub-committees and other matters which are consistent with the Corporate Governance Report Criteria and the Corporate Governance Code for Listed Companies (2018). The amendments are made in Chapter 3. Role of Stakeholders and Chapter 5. Roles and Responsibility of Board of Directors.
- The Committee annually revised the Corporate Governance Committee' Charter.
- The Committee annually revised the practices of the Company at the Annual General Meeting of Shareholders to ensure that it be in accordance with the laws, rules, and good practices, which included the giving of rights to shareholders to propose an issue for inclusion in the meeting agendas and to nominate persons for election as directors.
- The Committee regularly monitored the operations of the Company to ensure that it be in accordance with the good corporate governance principle for listed companies of 2017 as well as the policy on corporate governance of the Company.
- The Committee considered the practices that were not in compliance with the Code of Corporate Governance for Listed Companies (2017) (CG Code) and alternatives as well as approved the explanation pursuant to the "Apply or Explain" criteria to publicize in the Annual Report.
- The Committee monitored and acknowledged the report on activities implementing the Anti-Corruption Policy.
- The Committee annually revised the self-assessment forms of the Board of Directors and individual directors.
- The Committee acknowledged the assessment as "excellent" conducted by the corporate governance survey of Thai listed companies of 2019, as well as the recommendations for improvement of corporate governance under the CGR Project of 2019 as organized by the Thai Institute of Directors, and provided recommendations for improvements to the Company.
- The Committee acknowledged the result of quality assessment on organizing the annual general meeting of shareholders of 2020 at 100 percent



(Mr. Warapatr Todhanakasem)
Chairman of Corporate Governance Committee

Report of Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee which consists of

Name- Last name	Position
1. Pol. Gen. Boonpen Bumpenboon	Chairman of the Committee
2. Ms.Duangdao Chinthammit	Committee Member
3. Ms.Nongluck Phinainitisart	Committee Member
4. Mr. Supachai Rakpanitmanee	Committee Member

Note: Mr. Supachai Rakpanitmanee , Committee Member resigned, effective on 30 September 2020.

The Committee has a major duty to recruit and select persons who have appropriate qualifications to be directors in the Board of Directors or Committees of the Board. The duties of the Committee include the regular review of structure, size and composition of the Board of Directors, making guidelines to assess the Board of Directors' performance and remuneration of the directors to propose to the Board of Directors. During 2019-2020, the Committee held four meetings that included the following agenda.

1. Recruiting persons to replace the resigning directors and the directors who completed their term in office by taking into account knowledge, capability, experience, diversification in the structure of the Board and formulating a Board Skill Matrix to be considered with the recruitment and selection.

2. Considering remuneration and bonus for directors and committee members by surveying such remuneration granted by leading listed companies in the same industry and similar size and business nature including that surveyed by the Thai Institute of Directors and taking into account duties and responsibilities of the directors as well as the Company's performance result. The Committee found it appropriate to propose the remuneration and bonus at the same amount as that of the previous year for the next year.

3. Considering training and development plan for directors

4. Considering succession plans of high-level executives

5. Monitoring the performance and the progress of the Company's goals in accordance with the balanced scorecard criteria which consisted of 4 aspects, namely, financial, learning and development, marketing and customer and internal process. The Committee also discussed guidelines for making future plans and considered the assessment of directors' performance to inform the Company of strength and weakness in each performance aspects and to use as criteria for recruitment and selection of new directors.

6. Considering 2021 Work Plan of the Committee.

In brief, the Committee had fully performed its principal duties as stated in the Charter of the Committee in the past year.

As of 31 October 2020, the Board of Directors consisted of 20 directors, in which 6 of them were independent directors (one independent director resigned during the year and the selection was in the process), 4 persons were non-executive directors and 10 persons were executive directors. The Committee found the composition appropriate for the Company's characteristics. As for the matter of remuneration of directors, executive directors and committee members that was shown in Directors' and Executives' remuneration, the Committee assessed the rate as appropriate. The proposed remuneration had then got approval from the Board of Directors.



(Pol. Gen. Boonpen Bumpenboon)
Chairman of the Nomination and Remuneration Committee

Report of Risk Management Committee

The Board of Directors is well aware of the importance of risk management which affects its business operations and the established targets. In order to create confidence and reliability to the investors and the stakeholders regarding the Company's operations, therefore, the Risk Management Committee, which comprises committee members who have good understanding of the business, is appointed to perform the duties of directing and reviewing the risk management framework of the Company according to the roles in the Charter of the Risk Management Committee, and then proposes guidelines on suitable risk management to the Management, while at the same time promoting risk management at all levels of the entire organization in line with international standards.

In 2020, the Risk Management Committee held 4 meetings altogether, the significant points of which can be summarized as follows:

1. The Committee supervised and considered the policy and the management of main risks of the Company to ensure that they were suitable and in line with the direction of business operation, strategic plans, and targets of the organization under changing circumstances.

2. The Committee reviewed risk criteria and approved main risk issues of the Company and the risk management plan of 2020 under risk appetite, by imposing concrete and practicable mitigation plan.

3. The Committee reviewed risk working team and educated and encouraged cooperation for overall risk management by providing systematic assessment and analysis of risk likelihood both in normal situation and in critical circumstances to ensure the complete risk survey over all procedures of operation.

4. The Committee monitored a result of the Business Continuity Plan (BCP) and rehearsal an emergency plan especially situation of COVID – 19 pandemics.

5. The Committee monitored the result of risk management quarterly by setting risk indicators for surveillance and proposed recommendations to the management for improvement of management by taking into consideration the organizational risks as part of setting strategies and goals.

6. The Committee reported the result of risk management of the Company to the Board of Directors for acknowledgment continuously and regularly.

The Risk Management Committee is committed to perform its duties so that the Company has good governance and good management and to ensure that the Company shall operate with efficiency to achieve the established the Company's goals.



(Ms. Nongluck Phinainitisart)
Chairman of Risk Management Committee

Internal Control

The company sets focus on internal control covering finance, operation and compliance with relevant laws and regulations as well as appropriate risk management that is efficient enough to prevent or mitigate risks which may cause damage to assets or reputation. The Company evaluates the operation of work in accordance with good corporate governance.

The Company is certified a membership of the Private Sector Collective Action Coalition against Corruption (CAC) which is the Company's 2nd renewal of the certificated. The Board of Directors clearly defines roles and duties of each committee and the management and monitors the performance pursuant to the roles and duties and the organization structure and line of command designed to create balance of power and internal control. Goals and key performance indicators are established to evaluate efficiency and to monitor the work result in comparison to the corporate objectives regularly.

The Board of Directors annually evaluates the sufficiency of internal control system in accordance with the guidelines provided by the Securities Exchange Commission and the framework set by the Stock Exchange of Thailand with reference to the 5 elements and 17 principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Board of Directors and the Audit Committee consider that the Company has sufficient and appropriate internal control system suitable to the business characteristics.

1. Internal Control

The Company clearly sets measurable business goals and action plans. The goals are revised while the actual results are compared with the goals regularly. The organization structure is made with the concept to allocate duties and to establish line of command with responsibility so as to achieve objectives with the supervision of the Board of Directors. The Company prescribes business ethics, corporate governance policy, anti-corruption practices and conflict of interest policy to express its commitment to integrity and business ethics. List of authorities and operational manuals are made and regularly revised to be in line with new standards.

The Board of Directors is independent from the management. The Board is empowered to govern and develop the internal control system. The Board also promotes the development of personnel so that they shall be capable to administer and take responsibility for the internal control effectively.

As regards anti-corruption matters, the Company provides manual of anti-corruption measurement and risk evaluation of internal fraud.

2. Risk Evaluation

The Company is aware of the evaluation of the risks that may cause adverse effect to business operation. The Risk Management Committee together with the Risk Management Office evaluate risk factors both from outside and inside the organization that may have impact upon the business. The Office identifies and analyses all types of relevant risks including fraud and corruption and categorizes material risks pursuant to the effects and probability of occurrence in each business process and establishes risk management plans. The risk factors are revised every year.

3. Operational Control

The Company has internal control that is consistent with the risks and types of business. The control is clearly allocated to each functional unit as defined in the manual of authorities and the manuals of operation which are made and revised to suit the organization structure and present operation. Each functional unit is designed to balance the power and to cross-examine appropriately, particularly the task that incurs significant risks so as to mitigate or reduce errors such as financial transactions, sales, procurement, asset supervision, personnel management, etc. The internal audit office is set up to audit each operation regularly in accordance with rules, regulations, manual of authorities and manual of operation to ensure sufficient and appropriate internal control. There is efficient operation of work including the use of information technology to help conduct the work more rapidly and efficiently.

4. Information technology and communications

The Company strengthens information technology system and communication, promotes and supports continuous system development so that the information is correct and updated. The Company uses the information technology system that is up-to-date, efficient and data-secured to collect data, process data, store data and monitor data so that the administration, the decision-making, policy regarding information technology security and the use of information by directors, executives and staff can be done safely and correctly within reasonable time.

The Company provides appropriate communication channels to convey messages regarding duties, responsibility and other matters to personnel and specifies

secured channels for submitting clues or complaints regarding fraud and corruption. Also, there is communication in respect of issues that may cause impact to internal control between internal functional units and between the Company and third parties.

5. Monitoring system

The Audit Committee, by the Office of Internal Audit, audits the internal control system. The internal audit office examines, monitors and evaluates the operation to ensure that the findings arising from audit process are rectified in reasonable time. The independent Auditor evaluates the internal control regarding finance and accounting and submits the audit result to the Audit Committee on a quarterly and yearly basis. In the previous year, there is no significant flaw as to the internal control audit.

Risk Management

The Risk Management Committee stipulates risk management policy, risk factors and risk management process for the management to bring to practice so as to help the management to consider control points to manage the risks to the acceptable level. The management is responsible for the business planning, the operation, the specification, analysis and evaluation of work structure by taking into consideration the internal and external risk factors.

In 2020, the Risk Management Committee and the Office of Risk Management implemented the Risk Management Activity Plans as follows:

1. The Committee revised Charter of the Risk Management Committee, objectives, scope of authority and responsibility, manual on risk management and operational manual of the risk management office year.
2. The Committee specify causes of organizational risk and the responsible persons in each division for each risk for the year 2019/2020 as approved by the Risk Management Committee.
3. The Committee provided plans to support analysis and evaluation of new risks in 2020/2021 and make preliminary guidelines with measures to respond the risks.
4. The Committee held preparatory meeting for the risk management office to work on various sites pursuant to the supporting plans.

5. The Committee supported the making of report stating risk status by the responsible person of each division in 7 sites with head office.
6. The Committee reported the risk status to the Board of Directors showing information as to risks that are stable, decreasing and increasing together with causes so that the management can use for planning and operation on quarterly basis respectively.
7. The Committee monitored a result of the Business Continuity Plan (BCP) and rehearsal an emergency plan especially situation of COVID – 19 pandemics.

By virtue of dedication and cooperation of all parties concerned, the internal control system and the risk management of the group of companies are regarded acceptable by the Company and can be developed to serve the objectives and goals of each department.



The Board of Directors' Meeting No. 5/2019-2020 on 7 August 2020 reviewed and approved the Corporate Social Responsibilities Policy (CSR) of Khon Kaen Sugar Industry Public Company Limited which has set a policy to conduct its business with corporate social responsibility that covers various important aspects and relates to stakeholders inside and outside the Company as well as the general public. The policy includes seven core subjects stated in ISO 26000 and additional matters as the Company thinks appropriate to form the following nine policies.

1. Conducting business in accordance with business ethics and good governance

1.1 The Company emphasizes on conducting business with honesty, fairness, ethics and is determined to abide by laws, trade ethics and fair competition. The Company pays tax correctly and timely. The personnel at all levels are advised to perceive the importance of the corporate social responsibility.

1.2 The Company conducts its business pursuant to business ethics and corporate governance with responsibility to shareholders by respecting shareholders' right, treating the shareholders equally, giving sufficient information with respect to investment decision or material change of the Company and does not disclose to any person the inside information which would cause damages or disadvantages to shareholders. The Company manages and provides remuneration to executives

and directors with transparency and accountability. The financial and non-financial reports are disclosed correctly, completely and timely in accordance with the generally accepted standards.

2. Anti-corruption

The Company manages its business on the basis of transparency and ethics and complies with the policy and laws related to anti-corruption, bribery and inappropriate benefits to government officials or private sectors. The Company prescribes the organization structure by clearly dividing duties, responsibility, work process and line of command in each division in order to facilitate the balance of power and intra-audit. The Company provides the Manual on Anti-Corruption which compiles policies, ethics, regulations, rules and work processes for the directors, executives and staff to implement.

In 2014 the Company committed 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 and was certified a three-year member of the Private Sector Collective Action Coalition against Corruption (CAC) on 9 March 2017.

3. Human Rights

The Company supports and respects human rights protection by treating all stakeholders including staff, communities and surrounding societies with respect to human

values, equality and liberty. The Company does not violate basic human rights and does not discriminate against race, nationality, religion, language, skin colour, gender, age, education, physical condition or social status. The Company averts itself from involving in human right violation, e.g. child labour, forced labour and sexual harassment, etc. as well as promotes the compliance with human rights norms by arranging the venue for expression of opinions and channels for any injured persons due to alleged human right violation to file complaints and by providing appropriate remedies to the injured persons.

The Company provides training or disseminates information as to human rights and encourages its personnel to abide by human right principles.

4. Fair Treatment to Employees

The Company is well aware of the importance of human resource development and fair treatment to employees with the recognition that such matters would increase business value as well as promote competitive edge and sustainable growth of the Company. As such, policies and guidelines are prescribed as follows.

4.1 Respect to rights of employees pursuant to labour law and human rights principles.

4.2 Fair process of employment and employment conditions, including remuneration and promotion in accordance with fair evaluation.

4.3 Promotion of personnel development by providing training, seminar, workshop including assigning the personnel to relevant external seminar and workshops in order to develop their knowledge, ability, potential, attitudes, ethics and team work skill.

4.4 Providing welfare for the employees pursuant to the law, e.g., social security, provident fund etc. and additional to the law, e.g., health insurance, accident insurance, etc. including various funding, e.g. scholarship for employee's children, funeral expenses, etc.

4.5 Providing annual medical check-up to employees of all levels by taking into account risk factors relating to ranking, age, gender and work environment of each individual employee.

4.6 Providing safe working condition and sanitary workplace by issuing measures for accident prevention, encouraging awareness of safety including training, promoting good health and taking good care of workplace to keep it safe and hygienic.

4.7 Opportunity for employees to express opinions or to file complaints in respect of unfair treatment or improper conduct within the Company including due protection to such reporting employees.



5. Responsibility to Customers

The Company is determined to develop products that meet the satisfaction and utmost benefits of customers and adheres to deal with customers with responsibility and honesty in accordance with the following policies.

5.1 The Company regards the quality and standard of the products as essential by focusing on high quality raw materials, production under good standard and regular improvement of product quality so that the customers shall get good quality and hygienic products with utmost satisfaction.

5.2 The Company regards product safety as essential and wants the customers to receive the products of quality and safety that matches relevant international standards and rules.

5.3 The Company respects fair marketing by providing customers the information relating to the products which is correct, undistorted, not vague or not overstated so that the customers get correct and sufficient information for making decision.

5.4 The Company provides customer relationship scheme to communicate with customers and to receive complaints regarding the products so as to respond to the customers' need in due time.

5.5 The Company keeps confidential the customers' information and does not use the information illegitimately.

6. Responsibility to Suppliers, Creditors and Competitors

The Company adheres to covenants that are fair to suppliers; abides by the prescribed anti-corruption measures; respect the rights in property or ownership of suppliers; not takes advantages over suppliers and promotes joint activities with suppliers in respect of corporate social responsibility.



The Company abides by agreements concluded with creditors. In the case that the Company cannot repay the debt as scheduled, the Company shall inform the creditor so as to solve the matter together.

The Company competes fairly in business and does not cheat, obstruct or do any act against fair competition which is prohibited by law.

7. Environment Protection

The Company emphasizes on caretaking of environment and avoidance of jeopardizing environment. The Company manages the manufacturing process to ensure that it strictly complies with the law relating to environment protection. The Company develops manufacturing process and selects materials which are nature and environment friendly; sets precautionary measures for any operation which contains risks relating to environment. The Company utilizes resources and energy efficiently by way of reduce-reuse-recycle as much as possible and manages the waste from production process responsibly.

8. Community and Social Development

The Company is well aware of its responsibility to community and society in order to foster the strength of community. The Company, therefore, has a policy to assist and develop the society by cooperating with communities around the operating areas in various activities, providing jobs to

local people, disclosing any information that would have adverse impact on community and responding rapidly and efficiently to circumstances that affect community, society and environment resulting from the Company's operation. The Company encourages its employees to build up responsibility to environment and society and cooperates with other groups or networks to develop the targeted communities each year.

9. Promotion of Innovation that responds to corporate social responsibility

The Company encourages its employees to create innovation which would respond to the above-mentioned corporate social responsibility policy, e.g. saving natural resource and energy, waste management, control of waste discharge, etc. Such innovation aimed to generate more efficiency or effectiveness may vary by different types, including novelty, improvement, adjustment, modification or alteration. The Company is willing to disseminate the innovation that would be useful to society and environment in appropriate ways.

Monitoring and Revision of Corporate Social Responsibility Policy

The Company is aware of the importance of continuing business operation within the context of corporate social responsibility. Therefore, the Company shall monitor, evaluate and revise the current projects and shall consider future CSR projects with care on regular basis.

The Company renders a Sustainability Report within the framework of Global Reporting Initiative (GRI) (Standard) by disclosing information at "core" level comprising economic, environmental, social aspects. The report has been made a separate part in the Annual Report since 2016 and shows reporting topics and indicating units pursuant to GRI and also reports activities regarding corporate social responsibility in the previous year.

Related party transactions

Related party transactions for the year ended October 31, 2020, 2019 and 2018 disclosed in this section comprise of transactions between the company and subsidiaries, associates, and individuals that may have the conflict of interest as follows: Related Party Relationship as of October 31, 2020

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 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%.
KSL Real Estate Co., Ltd. Housing and land for agriculture estate including holiday resort for training, seminar center and Office building for rent	KSL Real Estate Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd. which owns 40.77% and 50.25% of the subsidiary's shares, respectively. Individuals that relate to directors of the company own 8.98 % 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. 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 33.88%, 20.85%, 15.36% and 9.47% 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 98.00% 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	Koh Kong Sugar Industry Co., Ltd. is controlled by the company which owns 88.02% 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 through Wynn In Trading Co., Ltd. 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
Thai Sugar Terminal Public Company Limited Locating, silo warehouse and property rental	Thai Sugar Terminal Public Company Limited is an associate of and controlled by the company which owns 23.82% of the associate's shares. Major shareholders and directors of the company own 16.65% of the subsidiary's shares. The company also has common directors namely Mr. Kamondanai Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.
BBGI Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	BBGI Company Limited is an associate of and controlled by the company which owns 40.00% of the associate's shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.

Associates

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 Raja Ceramics 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.
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 78.57% of On Nuj Construction Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit, Ms. Duangdao Chinthammit and Mr. Chanachai Chutimavoraphand.
Raja Ceramics Co., Ltd. Manufacture and distribution of ceramic products	Raja Ceramics Co., Ltd. is controlled by the same shareholder group of the company who owns 48.27% of Raja Ceramics Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul and Mr. Chalush Chinthammit.
Thai Fermentation Industry Co., Ltd. Manufacture and distribution of sea-soning powder	Thai Fermentation Industry Co., Ltd. is controlled by the same shareholder group of the company who owns 46.73% of Thai Fermentation Industry Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, Mr. Somchai Chinthammit and Mrs. Intira Sukhanindr.
KSL Green Innovation Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	The company also has common directors namely Mr. Chalush Chinthammit.
Bangchak Bioethanol (Chachoengsao) Co., Ltd. Manufacture and distribution of ethanol alcohol and biogas	The company also has common directors namely Mr. Chalush Chinthammit.

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

1.1 Sales and purchases of goods and services including its outstanding balance at the end of fiscal year (for the year ended October 31, 2020, 2019 and 2018)

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct 2020	31-Oct 2019	31-Oct 2018	
Thai Fermentation Industry Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	- Sale of sugars	-	28	28	The Company and its subsidiaries sold sugar to Thai Fermentation Industry as welfare for employees. The transactions arose in ordinary course of business which carried out at market price on normal terms.
	New Krung Thai Sugar Factory Co., Ltd.	- Sale of sugars	-	28	30	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Purchase of chemical	279	1,331	2,179	The Company purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The price charged between each other is the market price which has conditions according to the general normal trade.
		- Other accounts payable	18	28	199	
KSL Green Innovation Public Company Limited	Khon Kaen Sugar Industry Public Company Limited	- Sale of molasses	498,741	1,013,327	824,633	The Company and its subsidiaries sold molasses to KSL Green Innovation Public Company Limited as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms.
		- Trade accounts receivable	321	1,821	186,844	
		- Advances received for sales of goods	-	14,593	119,129	
	Tamaka Sugar Industry Co., Ltd.	- Sale of molasses	199,862	224,589	239,043	
		- Trade accounts receivable	-	45,220	74,637	
		- Advances received for sales of goods	-	15,344	42,505	
	New Krung Thai Sugar Factory Co., Ltd.	- Sale of molasses	384,845	164,689	453,011	
		- Trade accounts receivable	40,751	1,760	52,419	
		- Advances received for sales of goods	-	49,451	13,403	
	Bangchak Bioethanol (Chachoengsao) Co., Ltd.	- Sale of raw sugars	-	146,781	46,690	
		- Trade accounts receivable	-	13,951	20,615	
		- Advances received for sales of goods	-	18	-	
Khon Kaen Sugar Industry Public Company Limited Tamaka Sugar Industry Co., Ltd. New Krung Thai Sugar Factory Co., Ltd. New Kwang Soon Lee Sugar Factory Co., Ltd. Savannakhet Sugar Corporation	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	7,944	5,006	9,650	Sugar exporting has to be made by only company that authorized by Cane and Sugar Board in the Royal Gazette according to the sugar cane 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.
		- Service fees of goods exporting	728	1,742	1,836	
		- Service fees of goods exporting	3,719	2,125	3,664	
		- Service fees of goods exporting	544	385	665	
		- Service fees of goods exporting	580	400	330	
		- Service fees of goods exporting	-	-	-	
Khon Kaen Sugar Industry Public Company Limited Tamaka Sugar Industry Co., Ltd. New Krung Thai Sugar Factory Co., Ltd.	Thai Sugar Terminal Public Company Limited and its subsidiaries	- Service fees for goods custody and transfer	6,100	4,951	3,049	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 (i.e. discount)	352	-	-	
		- Other accounts payable	-	480	-	
		- Service fees for goods custody and transfer	5,823	21,572	20,908	
		- Other income (i.e. discount)	499	-	370	
		- Other accounts payable	243	1,815	932	
		- Service fees for goods custody and transfer	11,102	32,944	27,527	
		- Other revenue (i.e. discount)	1,657	-	-	
		- Other accounts payable	63	7,780	4,650	
		- Other accounts payable	-	-	-	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct 2020	31-Oct 2019	31-Oct 2018	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	6,413	7,132	5,557	K.S.L. IT Center Co., Ltd. was established as computer service center in serving the group companies. The service fee pricing is calculated based on its investment cost and related operating costs and allocated to charge each company based on the actual data usage volume.
Tamaka Sugar Industry Co., Ltd.		- Prepaid expenses	499	437	159	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of computerized activities	2,046	2,070	1,931	
		- Prepaid expenses	104	102	49	
		- Service fees of computerized activities	3,073	3,308	2,872	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Prepaid expenses	193	188	121	
		- Service fees of computerized activities	1,638	1,626	1,488	
KSL Real Estate Co., Ltd.		- Prepaid expenses	68	73	45	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	130	135	106	
Savannakhet Sugar Corporation		- Service fees of computerized activities	187	200	164	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	733	602	517	
		- Service fees of computerized activities	166	266	436	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	18	101	98	

1.2 Rental fee (for the year ended October 31, 2020, 2019 and 2018)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct 2020	31-Oct 2019	31-Oct 2018	
Khon Kaen Sugar Industry Public Company Limited	On Nuj Construction Co., Ltd.	Office rental area of 196.69 square meter and car park at the monthly rate of Baht 300 per square meter allowed to be renewed every 3 years (01/11/18 - 31/10/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 - June 2020.	708	708	708	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.
	Thai Fermentation Industry Co., Ltd.	Warehouse rental area of 200 square meter at the monthly rate of Baht 100 per square meter allowed to be renewed annually (01/08/20 - 31/07/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 - June 2020.	236	240	240	
Khon Kaen Sugar Industry Public Company Limited	Raja Ceramics Co., Ltd.	Office rental area of 495.54 square meter and car park at the monthly rate of Baht 300. It is allowed to be renewed annually (01/01/20 - 31/12/20). In the 2017, there was a temporary rental space of 202.84 square meter at the monthly rate of Baht 200 per month (01/11/17 - 31/12/17). In the year 2020, reduce rent by 20% for 3 months from April 2020 - June 2020.	1,695	1,784	1,865	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 at agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.

1.2 Rental fee (for the year ended October 31, 2020, 2019 and 2018)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct 2020	31-Oct 2019	31-Oct 2018	
	K.S.L. IT Center Co., Ltd.	Office rental area of 432.62 square meter and car park at the monthly rate of Baht 300 per square meter and are allowed to be renewed every 3 years (01/08/18 - 31/07/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 - June 2020.	1,480	1,557	1,557	
	K.S.L. Export Trading Co., Ltd.	Office rental area of 33.48 square meter at the monthly rate of Baht 300 per square meter allowed to be renewed every 3 years (01/10/20 - 30/09/23). In the year 2020, reduce rent by 20% for 3 months from April 2020 - June 2020.	115	121	121	

1.3 Borrowings from/ Loans to related parties (as at October 31, 2020, 2019 and 2018)

Unit : Thousand Baht

For the year ended 31 October 2020

Borrower	Lender	As at Nov 1, 2019	Loan addition during the period	Repayment during the period	As at Oct 31, 2020	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Tower Juristic Person office	3,400	1,000	(300)	4,100	56	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.22%-1.24% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2019

Borrower	Lender	As at Nov 1, 2019	Loan addition during the period	Repayment during the period	As at Oct 31, 2019	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Tower Juristic Person office	3,800	-	(400)	3,400	66	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.80%-1.95% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2018

Borrower	Lender	As at Nov 1, 2017	Loan addition during the period	Repayment during the period	As at Oct 31, 2018	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Tower Juristic Person office	5,000	300	(1,500)	3,800	80	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.80-1.84% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2020

Borrower	Lender	As at Nov 1, 2019	Loan addition during the period	Repayment during the period	As at Oct 31, 2020	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	-	3,000	-	3,000	9	Khon Kaen Sugar Industry Public Company Limited has obtained financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.20%-1.22% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2018

Borrower	Lender	As at Nov 1, 2017	Loan addition during the period	Repayment during the period	As at Oct 31, 2018	Interest paid	Necessity and reasonableness of Connected Transaction
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	278,100	(278,100)	-	1,039	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. without fee 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 or 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 that 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.

Regarding the potential related party's transactions incurred in the future, 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; In addition, the Company will disclose related transactions in notes to financial statements in compliance with Thai Financial Reporting Standards as audited by the certified public accountant and further disclose those information in the Annual Registration Statements (Form 56-1) in future years.

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

Capital structure of individuals having potential conflict of interest over 10% is as the followings:-

Thai Sugar Terminal Public Company Limited (TSTC)

The individuals having potential conflict of interest own 16.65% of the TSTC's shares. The Company owns 23.82% of the TSTC's shares and has no policy to increase its capital proportion. Moreover, the shareholders and directors have no intention to transfer their benefits to one of these two companies. In addition, Thai Sugar Terminal Public Company Limited has many directors from other sugar companies; thus, power balancing in TSTC is reasonable for both companies. To conclude, the related transactions between the Company and TSTC are in line with the characteristics of normal trading in the market which will maximize highest value to both companies.

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, is the result 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.

Report of Independent Auditor

1) Auditor

Year 2018 Ms. Juntira Juntrachaichat, Certified Public Accountant, Registration No. 6326, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Year 2019 Ms. Juntira Juntrachaichat, Certified Public Accountant, Registration No. 6326, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Year 2020 Ms. Juntira Juntrachaichat, Certified Public Accountant, Registration No. 6326, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

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

Year 2018 The Auditor audited corporate financial statements and issued unqualified opinions.

Year 2019 The Auditor audited corporate financial statements and issued unqualified opinions.

Year 2020 The Auditor audited corporate financial statements and issued unqualified opinions.

Percentage of Shareholding in the Subsidiaries and Basis for Preparation of Consolidated Financial Statements

The financial statements for the fiscal year of 2018 - 2020 include a total of 13 subsidiaries. The shareholding percentage as of October 31 is as follows:

Table 1. Percentage of Direct and Indirect Corporate Shareholding

	Percentage of Shareholding		
	2020	2019	2018
Tamaka Sugar Industry Company Limited	90.21	90.21	90.21
New Krung Thai Sugar Factory Company Limited	95.78	95.78	95.78
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	98.61
KSL Real Estate Company Limited*	91.02	91.02	91.02
K.S.L. Export Trading Company Limited**	79.55	79.55	79.55
KSL Material Supplies Company Limited	100.00	100.00	100.00
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	100.00
KSL Agro and Trading Company Limited	100.00	100.00	100.00
WSP Logistic Company Limited	100.00	100.00	100.00
Savannakhet Sugar Corporation	98.00	98.49	98.49
Koh Kong Plantation Company Limited***	80.00	80.00	80.00
Koh Kong Sugar Industry Company Limited	88.02	80.00	80.00
Wynn In Trading Company Limited	100.00	100.00	100.00

NOTE:

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

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

*** The Company holds shares indirectly through Wynn In Trading Company

Consolidated Profit and Loss Statement

Revenue from sale and services

In FY2020, the Company's operating revenue in the total amount of THB 11,853 million was decreased from the previous year by THB 6,002 million or approximate 34% as detailed below:

Structure of Revenues	(Unit : Million THB)		
	2020	2019	Increase (decrease)
Revenues from sales	11,672	17,490	(5,818)
Sugar and molasses	10,043	15,413	(5,370)
Electricity	1,167	1,205	(38)
Fertilizer, fuels and others (supporting business)	462	872	(410)
Revenues from services	181	365	(184)
Total revenues from sales and services	11,853	17,855	(6,002)

For FY2020, (1) the decrease in revenues from sugar business was resulted from the severe drought in Thailand which caused a significant drop of sugar cane supply output by more than 40%. The decrease in revenue from sugar sale decreased by THB 5,370 or 35% was mainly due to sale volume dropped by 45% and averaged sale price raised by approximate 15% in line with raising of world sugar price, (2) revenue from electricity sales was slightly decreased by THB 38 million or 3% and (3) decrease in revenues from supporting business of THB 410 million or 47% was mainly caused from less volume of trading activities related to sugar business such as sale of fertilizer and pesticide and sale of fuels. As a result, the overall operating revenue was significantly dropped comparison with previous year.

The company's costs of goods sold and service in the total amount of THB 10,082 million decreased by THB 4,148 million or 29% from the previous year was mainly due to the approximate 20%-25% increase in raw material costs (sugar cane). The significant drop of sugar cane supply volume also caused an increase in production cost per unit (i.e. depreciation and other fixed costs) as well as consequently impacted to higher electricity production costs since other alternative fuels with high costs were used in replacement of bagasse.

Selling and administrative expenses

Selling and administrative expenses in the total amount of THB 1,365 million was decreased by 55% with the following major reasons:

- (1) Decrease in whole number of the Sugar Fund's remittance fee, THB 1,262 million, due to cancellation of the remittance fee charge by the Fund since October 2019.

- (2) Other administrative expenses of THB 451 million with 52% decrease was mainly due to decrease in both domestic and exported sale volume of sugar.
- (3) Employee costs of THB 309 million, 14% decrease.
- (4) Remuneration to executives of THB 142 million, 6% decrease.
- (5) Increase in whole amount of expense from cancellation of sugar sale contracts in the amount of THB 171 million.

Other incomes and other loss consist of:

Unit: Million THB		
Type of income/expenses	2020	2019
(1) Other incomes consist of:		
(1.1) Other incomes	248	341
(1.2) Revenue from compensation of sugar production and distribution	-	101
(1.3) Revenue or refund from the Cane and Sugar Fund under the assistant project	-	308
Total other incomes	248	750
(2) Other gain (loss) and other expense-net consist of:		
(2.1) Gain (loss) from exchange rate	29	-16
(2.2) Gain (loss) from investment in derivatives	-394	121
(2.3) Loss on fair value adjustments of biological asset	-36	-26
(2.4) Gain on fair value adjustments of investment property	123	207
(2.5) Gain on sales and disposal of assets	77	27
(2.6) Loss on impairment of property, plant and equipment	-113	-62
(2.7) The contributions to the Cane and Sugar Fund*	-330	-
Total other gain (loss) and other expense-net	-644	251

Note: * The contributions to the Cane and Sugar Fund of the previous years (the years 2019 and 2018) in the total amount of THB 330 million was recognized as expense as one-time transaction in the year 2020 according to the Cabinet Resolution announcement of the Royal Gazette dated May 26, 2020.

Share of gain on investment in associates companies

Share of gain on investment in associates in the amount of THB 323 million was increased by THB 221 million (FY2019: THB 101 million) due to business growth and higher profitability of BBGI Plc. Group's operating performance based on production and sales of alcohol, ethanol and biodiesel.

As a result, the company's earnings before interest and income tax (EBIT) was THB 333 million that was decreased by 8% comparison with the previous year (FY2019: THB 1,689 million).

Finance cost and income tax expense

In FY2020, the company's financial costs of THB 497 million was decreased by 30% due to long-term loan repayment during the year and decrease in the average interest rate of short-term loans. Whereas the corporate income tax of THB 66 million shown as income in the financial statement for the FY2020 as it is the benefit to be utilized in the future.

As a result, the company had a net loss in the amount of THB 98 million for FY2020 (FY2019: net profit of THB 830 million) which consists of loss of minority interest amounted to THB 15 million and net loss of the owner of the parent amounted to THB 83 million

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

Income Statement Highlight (Million THB)	2020	2019	% Change	2018
Sales and Services	11,853	17,855	-34%	17,812
Cost of Sales and Service	(10,082)	(14,230)	-29%	(14,681)
Gross Profit	1,771	3,625	-51%	3,131
Other Incomes	248	750	-67%	892
Selling Expense	(451)	(944)	-52%	(770)
Administration Expense	(772)	(681)	13%	(720)
Management Remuneration	(142)	(151)	-6%	(142)
Proceeds to Fund	-	(1,262)	-100%	(1,116)
Profits before other gain (loss) and other expenses	654	1,337	-51%	1,275
Other gain (loss) and other expense - net	(644)	251	-357%	282
Share of profit of associated companies	323	101	220%	145
Profits before financial cost and tax	333	1,689	-80%	1,702
Financial cost	(497)	(710)	-30%	(728)
Corporate Income Tax	66	(149)	-144%	(144)
Minority interest	15	(8)	-288%	18
Net Profit (loss)	(83)	822	-110%	848
Earnings (loss) per Share (EPS)	(0.02)	0.19		0.19
Gross Profit Margin	14.9%	20.3%		17.6%
Net Profit Margin	-0.7%	4.6%		4.8%

The company's operating revenue structure for FY2020, the total revenue was THB 11,853 million. The company's operating revenue consisted of (1) revenues from sales of sugar and molasses in the total amount of THB 10,043 million, representing 84.3% of the total operating revenue, (2) revenue from electricity and steam sales in the total amount of THB 1,251 million, representing 10.6% of the

total operating revenue and (3) revenues from other services amounted to THB 181 million and revenues from trading business amounted to THB 353 million. The rest was other incomes amounted to THB 25 million. The revenue structure has not been significantly changed in the past 3 years.

Table 3 : Consolidated Revenue Structure in the past 3 years

Revenue Structure (Million THB)	2020		2019		% Change	2018	
Sales and Services							
Sugar and Molasses Sales	10,043	84.7%	15,413	86.3%	-35%	15,353	86.2%
Electric and Steam Sales	1,251	10.6%	1,326	7.4%	-6%	1,211	6.8%
Services	181	1.5%	365	2.0%	-50%	405	2.3%
Others	25	0.2%	86	0.5%	-71%	93	0.5%
Total	11,500	97.0%	17,190	96.3%	-33%	17,062	95.8%
Trading Activities							
Sales of fuels	182	1.5%	362	2.0%	-50%	440	2.5%
Sales of fertilizer	155	1.3%	242	1.4%	-36%	273	1.5%
Sales of Supplies	16	0.1%	61	0.3%	-74%	37	0.2%
Total	353	3.0%	665	3.7%	-47%	750	4.2%
Total Sales and Services	11,853	100.0%	17,855	100.0%	-34%	17,812	100.0%

Consolidated Statement of Financial Position

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

Statement of Financial Position Highlight (Million THB)	2020	2019	% Change	2018
Cash and cash equivalents	138	2,430	-94%	129
Trade and other current receivables	1,203	1,287	-7%	2,476
Short-term loans	786	926	-15%	1,533
Inventories	2,049	2,774	-26%	4,089
Biological assets	42	52	-19%	61
Other current assets	56	45	24%	46
Investments in associates	4,273	3,965	8%	3,879
Other long-term investments	157	245	-36%	335
Finance lease receivable - net of current portion	361	-	100%	-
Receivables from the Office of the Cane and Sugar Fund - net of current portion	-	541	-100%	441
Long-term loans	144	146	-1%	243
Investment property	5,775	5,637	2%	5,167
Property, plant and equipment	25,891	25,868	0%	26,924
Other non-current assets	247	205	20%	219
Total Asset	41,122	44,121	-7%	45,542
Current Liabilities	11,388	11,818	-4%	13,924
Non-Current Liabilities	10,188	13,282	-23%	12,979
Total Liabilities	21,576	25,100	-14%	26,903
Total Shareholder's Equity	19,546	19,021	3%	18,639
Total Equity Attributable to Owners of the Parent	19,027	18,606		18,210
D/E Ratio	1.10	1.32		1.44
IBD/E Ratio	0.96	1.16		1.26

At the end of FY2020, the company had the total assets of THB 41,122 million, 7% decrease, and the total liabilities of THB 21,576 million, 14% decrease. Whereas the shareholders' equity of THB 19,546 million was from 3% increase. As a result, debt to equity ratio reduced from 1.32 to 1.10 and interest-bearing debt to equity ratio also reduced from 1.16 to 0.96 due to a large amount of repayment of long-term borrowings and increase in shareholders' equity from revalue of property in FY2020.

The significant changes in statement of financial position are as follows;

- A significant decrease in cash and cash equivalents of THB 2,292 million or 94% was mainly due to significant decrease in deposits in transit as there was high volume of export sale of sugar and its collection made close to the end of October 2019.
- A decrease in inventories of THB 725 million or 26% was mainly due to decrease in sugar volume resulted from severe drought circumstance, whereas there was no significant change in demands.
- Investment in associates increased by THB 308 million or 8% was mainly due to BBGI group's profits.
- Finance lease receivable was wholly increased by THB 381 million due to entering into finance lease agreement for a group of assets with limited period of repayment in 5 years. At the end of FY2020, its current portion was THB 20 million.

- Receivables from the Office of the Cane and Sugar Funds – net of current portion in the amount of THB 541 million was wholly decreased since it has been offset with the contribution to the Cane and Sugar Fund in FY2020, whereas the remaining balance after such offsetting in the amount of THB 447 million classified as its current portion.

- Long-term debentures decreased in the amount of THB 3,500 million was from repayment of debentures matured during the year.

In addition to the changes above, during the year 2020, the group of operating property was revalued by appraisal of an independent professional appraiser. Its fair value of the assets increased in total amount of Baht 1,033 million.

Consolidated Statement of Cash Flow

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

Cash Flow Highlight (Million THB)	2020	2019	% Change	2018
Net Profit + Depreciation + Non Cash	1,028	2,546	-60%	2,449
Change in Working Capital	507	76	567%	(3,145)
Cash flow from Operating Activities	1,535	2,622	-41%	(696)
Invest in PP&E	(435)	(414)	5%	(1,132)
Cash flow from Investing Activities	(228)	117	-295%	(863)
Cash flow from Financing Activities	(3,591)	(457)	686%	1,512
Change in Cash Flow	(2,293)	2,301		(24)
Ending Cash	138	2,430		129
EBIT	333	1,689	-80%	1,702
Depreciation and Amortization	1,080	1,205	-10%	1,264
EBITDA	1,413	2,894	-51%	2,966

In FY2020, the company received net cash inflows from operations of THB 1,535 million, a 41% decreased from FY2019. The major reasons are that sugar sale was significantly decreased from the previous year as a result of insufficient sugar cane supply output affected from drought in Thailand together with the lower stock level since large amount of stocks had been sold in FY2019. However, the company has managed cash inflows from limited new loans to farmers and gradually received from farmer debt collection. The credit term of trade receivables had been remained, whereas decrease in trade receivables was from an expediting of debt collection causing the improved cash inflows from such debt collection management.

Regarding the cash flows from investing activities, the company had net cash outflows from investing activities in the total amount of THB 228 million. The net cash outflow was mainly from net investment in fixed assets of THB 430 million, whereas net cash inflows was derived from cash collection from short-term loans and long-term loans in the total amount of THB 103 million and cash received from dividend income and interest income in the total amount of THB 81 million.

Regarding financing activities, the company had net cash outflows in the total amount of THB 3,591 million. It was mainly from repayment of debenture of THB 3,500 million and dividend payment of THB 221 million.

Financial Ratios

Table 6 : Financial Ratios in the past 3 years

Financial Ratios	2020	2019	2018
Liquidity ratios			
Current Ratio	0.38	0.64	0.60
Acid Test Ratio	0.19	0.39	0.30
Collection period - trade receivables (days)	16	21	19
Average inventory period (days)	88	88	89
Capital Structure and Solvency ratios			
D/E Ratio	1.10	1.32	1.44
IBD/E Ratio	0.96	1.16	1.24
LTD to equity	0.44	0.62	0.61
Return on Investment ratios			
ROA	0%	2%	2%
ROE	-0.4%	4.3%	4.5%
Operating performance ratios			
Gross Profit Margin	15%	20%	18%
Operating Profits Margin	0%	9%	9%
Pre-tax Profit Margin	-1%	5%	5%
Net Profit Margin	-1%	5%	5%
Market Measures			
Book Value per Share	4.43	4.31	4.13
Earning Per Share	(0.02)	0.19	0.19

According to the 2020 financial ratios above, all related return on investment ratios and operating performance ratios were dropped from previous year's as a result of operating loss of THB 83 million (FY2019: profit of THB 822 million). The major reasons of material decrease in sugar business' revenue and profitability were the effect of severe drought in the crop year 2019/2020 and the recognition of the contribution to the Cane and Sugar funds of two previous years (FY2018 and FY2019) in the total amount of THB 330 million as one-time transaction expense in the current year. Decrease in gross profit ratio is mainly due to increase in costs of raw material supply and its lower utilization of fixed costs of both sugar and electricity productions resulting from decline in sugar cane volume. Although average sale price was increased in line with world sugar price, it could not be sufficient to compensate with increase in the cost.

The capital structure and solvency ratios such as D/E ratio and IBDE/E ratios were improved as a result of large amount of loan repayment during the year (THB 3,500 million) and working capital managed in the current year by limited amounts of new investment in fixed assets and funds given to farmers.

The liquidity ratios represented lower liquidity comparison with previous year's. The decline of current ratio and acid-test ratio were mainly due to finance cost management since the company increased in use of short-term credit facilities during the current year because new long-term borrowings will be considered in the first half year of FY2021 in line with term of FY2021 long-term repayment and debt securities market circumstance. In the year 2019, the higher liquidity was resulted from issuance of new long-term debenture in advance due to favorable market condition of debt securities, therefore the fund from debenture were temporarily refinanced short-term borrowings before repayment of long-term borrowing in the following year (FY2020). Regarding the collection period management, the collection period has been improved due to the expediting of debt collections since the end of FY2019 through FY2020.

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 unqualified 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, 2020, the statement of financial position, the operating results, and cash flows accurately according to generally accepted accounting principles.



(Mr. Manu Leopaiprote)
Chairman



(Mr. Chamroon Chinthammit)
Chief Executive Officer & President

Report of Audit Committee

The Audit Committee is appointed under a resolution of the Board of Directors and comprises 4 committee members who are independent directors. In 2020, the Audit Committee held five meetings, in which the meeting attendance is shown below

Name and Surname/Position	Number of Attendance
1. Mr. Sitti Leelakasamelek Chairman of the Committee	5/5
2. Mr. Warapatr Todhanakasem Committee Member	5/5
3. Ms. Nongluck Phinainitisart Committee Member	5/5
4. Ms. Anchalee Pipatanasern Committee Member	5/5

All 4 committee members possess good expertise and experience in accounting, finance, law and business. Particularly, Mr.Sitti Leelakasamelek and Associate Professor Anchalee Pipatanasern fulfill the required knowledge and experience in reviewing the trustworthiness of financial reports. All committee members are well qualified, pursuant to the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), to perform their various duties.

The Audit Committee duly performs its duties in compliance with the Charter of the Audit Committee and as assigned by the Board of Directors, by placing importance to the reviewing of financial reports, related transactions, and internal auditing works. The Committee also promotes and encourages the Company to comply with the best practices of listed companies so that the Company achieves good corporate governance, good risk management, and effective internal control. The issues which were considered by the Audit Committee in the past year are summarized as follows:

1. Review of Financial Reports

The Audit Committee duly reviewed the quarterly financial statements and the annual financial statements of 2020 of the Company and its subsidiaries, covering all material issues relating to the accounting policy and the financial statements. The Committee also had discussion with the external auditors, the Management, and the Internal Audit Office, to ensure that the preparation of financial reports and the notes therein was done and disclosed correctly and completely according to law and the financial reporting standards. The Audit Committee had an opinion that the financial statements, which were reviewed and audited by the external auditors without reservation, was prepared in accordance with the Thai Financial Reporting Standards and

contained accurate, complete, correct, transparent and reliable information with sufficient disclosure therein. The Committee did not discover any misstatements which would materially affect the financial reports. Moreover, the Audit Committee also held meetings with the external auditors without the presence of the Management so as to ensure that the auditor performed his duties freely and independently in giving opinions, acquiring and examining required information for preparing the financial statements, disclosing material matters in accordance with the relevant laws and relevant financial reporting standards as well as beneficial to investors and users of the financial reports.

2. Review of Connected Transaction and Transaction which might result in Conflict of Interest

The Audit Committee reviewed the financial reports and significant financial activities of the Company and its subsidiaries with attention to connected transactions or transactions which might cause conflict of interest by justifying the compliance with law and regulations of the Securities Exchange of Thailand. The Committee instructed the personnel concerned to report the transactions on quarterly basis and disclosed the information to SET timely. The Committee had opinion that the reported transactions in 2019 were normal business under general commercial conditions without conflict of interest and were fair, reasonable, beneficial to the Company and in full conformity with the regulations of SET. The Committee found that the disclosure of information was correct and sufficient and discovered no any misstatement.

3. Review of Good Corporate Governance, Compliance with Related Laws and Regulations

The Audit Committee had duly reviewed the compliance under the policy on corporate governance and ethics of the Company, including the compliance with related laws and regulations including the Securities Commission Act, regulations proclaimed by SET and laws related to the Company's business. It was found that the directors, the executives and the staff conducted the compliance in all respects. The Committee considered and found that the Company had appropriate and effective corporate governance procedures. The Company provided channels for complaints so that the staff, customers and other stakeholders could give information or clues concerning fraud, misconduct or defiance of business ethics and established a functional unit to handle the complaints with transparency and appropriateness.

Received a certification as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is the Company's 2nd renewal of the certification, the Audit Committee paid more attention to the governance on anti-fraud and corruption. It assigned the Internal Audit Office to review the compliance with the Company's Manual on Anti-Fraud and

Corruption and reported to the Committee. The Committee considered the normal practices were appropriate and efficient for transparent business operation and found no material issues of violation against any laws and regulations.

4. Review of Risk Management

The Audit Committee also considered and reviewed the policy and practices, pursuant to the risk management principles of the Company and its subsidiaries, to ensure that the Company had appropriate and effective risk management procedures. The review on risk at organization level was considered in accordance with the COSO-ERM Guidelines. The Committee also monitored assessment of risks which might occur from changing circumstances or business environment so as to assess risk factors which might have short-term and long-term impact upon business operation.

The Risk Management Committee is responsible for setting up a risk management policy framework and monitoring the Company's risk management on a quarterly basis. The Audit Committee give the opinion that the Company has an appropriate risk management system with sufficient efficiency in accordance with the Company's policy and strategic plans, including consistency in the changes of the environment and various situations both inside and outside the company.

5. Review of Internal Control System

The Audit Committee supervised and reviewed the sufficiency of internal control system to ensure that the internal auditing activities were conducted with appropriateness, effectiveness and independence. The Committee approved the annual risk-based audit plan that was prepared pursuant to the analysis of material risks; and considered the assessment result of internal control system through "Assessment of Internal Control System Form" introduced by the Securities and Exchange Commission which was made within the framework of the Committee of Sponsoring Organizations of Treadway Commission (COSO 2013) before reporting to the Board of Directors and disclosing the outcome in Report Form 56-1 and the Annual Report.

The Audit Committee reviewed and monitored the audit outcome of the Internal Audit Office regularly on quarterly basis so as to assess the practices and work quality of the Office whether they followed the approved audit plans and internal control standards. The Committee concluded that the internal control system was appropriate and efficient enough for the business operation and bore no material issues which might affect the normal business of the Company.

6. Selection and Appointment of the External Auditors

The Audit Committee has a duty to select and propose for appointment the external auditors and audit fee by taking into account the performance, scope of work, experience, capability and work quality of the external auditors in the previous year, status of the auditors, material limitations and relevant regulations of the Stock Exchange of Thailand to ensure that the external auditors were independent and non-partisan as well as the appropriateness of audit fee comparing to the scope of work.

The Committee reviewed the performance of the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited in the previous financial year together with the proposed audit fee for the year 2020-2021. The Committee found the performance of the auditors satisfactory as they possessed capability, good experience and understanding of the Company's business and performed the task in accordance with professional auditing standards with independence and timely delivery of work. Therefore, the Committee recommended that the Board of Directors agree to seek approval of the Shareholders' Meeting to appoint the named auditors, all of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, as the Company's auditors for the year 2020-2021 and to accept the audit fee as reviewed by the Committee.



(Mr. Sitti Leelakasemlerk)
Chairman of Audit Committee

Management Discussion and Analysis

Khon Kaen Sugar Industry Public Company Limited and its subsidiaries (“KSL” or “the company”) would like to report our financial performance for the fiscal year 2020 (from November 1, 2019 to October 31, 2020). The company had a net loss attributed to owners of the parent in the amount of THB 83 million. The operating performance and major changes by comparison with the year 2019 including the significant information are summarized as follows:

Overview of sugar business and significant business information

In the current year, severe drought in Thailand materially impacts on sugar business which caused significant decrease in sugar cane output by more than 40% in the crop year 2019/2020 comparison with the output in the crop year 2018/2019 and further affected to large amount of decrease in sugar outputs of all Thai sugar factories. For the crop year 2019/2020, the company was the fourth-largest market share in Thailand in term of sugar production with 7.05 % of sugar production volume proportion. The sugar output in Thailand of 0.59 million tons in FY2020 was decreased by approximate 48% comparison with the sugar output of 1.13 million tons in FY2019. The average price of both domestic and export sales was increased approximate 15%.

The Operating Performance and Significant Changes

For the year 2020, the company had a loss on operation of THB 83 million against profit on operation for the year 2019 of THB 822 million. The operating performance and significant changes are detailed as follows:

Revenues from Sales and Rendering of Services

For FY2020, the company's total revenues from sale and service of THB 11,853 million was decreased by THB 6,002 million or 34% and summarized as follows:

(Unit : Million THB)			
Structure of Revenues	2020	2019	Increase (decrease)
Revenues from sales	11,672	17,490	(5,818)
Sugar and molasses	10,043	15,413	(5,370)
Electricity	1,167	1,205	(38)
Fertilizer, fuels and others (supporting business)	462	872	(410)
Revenues from services	181	365	(184)
Total revenues from sales and services	11,853	17,855	(6,002)

- (1) For the year 2020, the decrease in revenues from sugar sales of THB 5,370 million or 35% was mainly due to the severe drought as mentioned above. It was affected to the decrease in sugar sales volume by 45%, whereas the average sale price was increased by 15% as world sugar prices rose in 2020.
- (2) Revenue from sale of electricity was slightly decreased by THB 38 million or 3%.
- (3) Decrease in revenues from supporting business of THB 410 million or 47% was mainly caused from less volume of trading activities related to sugar business.

Gross Profit

For the year 2020, the company had a gross profit of THB 1,771 million, representing 15% of gross profit margin, which decreased from THB 3,625 million or 20% of gross profit margin for the year 2019. The decrease in gross profit was mainly due to decrease in sale volume, whereas the decrease in gross profit margin was caused from higher production costs which derived from higher costs of raw materials (sugarcane) included higher fuel costs in electricity production and other production costs per unit resulting from lower amount of cane crushed. The current estimated price of sugar cane for the production year 2019/2020 was increased by 20% - 25% comparison with the production year 2018/2019. The sugarcane price was estimated in line with calculation method of the Office of the Cane and Sugar Board.

Revenue from investments in associates and other Incomes

- (1) Share of gain on investment in associates was increased by THB 221 million (2020: THB 322 million and 2019: THB 101 million).
- (2) Other incomes decreased by THB 502 million was mainly due to the following seasons:
 - In the year 2019, the company recognized a refund from the Cane and Sugar Fund according to the assistance project to support sugar cane planter and sugar plants in the amount of THB 308 million. (the year 2020: Nil)
 - In the year 2019, the company recognized a revenue from the compensation for the production and distribution of sugar in the amount of THB 101 million. The compensation expected to be reimbursed from the Cane and Sugar Fund (“The Fund”) as a result that the final price of sugar cane and the final compensation for the production and distribution of sugar are lower than the initial price's. The

Fund has to compensate the sugar mills price difference and the compensation since the overpayment of sugar cane price is not directly required for refund from cane farmers. (the year 2020: Nil)

Distribution Costs

Distribution costs decreased from THB 451 million in the previous year to THB 2,206 million in the year 2020. The decrease of THB 1,755 million was mainly due to (1) the cancellation of remittance fee to Office of the Cane and Sugar Fund which effective from October 1, 2019 onwards, in the amount of THB 1,262 million and (2) the decrease in sugar sale volume, especially decrease in export sale volume, caused a significant decrease in sugar storage and shipping costs in approximate THB 493 million.

Administrative and other expenses

The significant changes in expenses are as follows:

- The Company recognized one-time transaction of expense in the current period as the contributions to the Cane and Sugar Fund of the previous years (the years 2019 and 2018) in the total amount of THB 330 million was recognized as expense in the year 2020. The contribution is calculated from volume of sugar cane crushing for production in the previous production year 2017/2018 (since January 15, 2018 onwards) and 2018/2019 at the rate of THB 20 per ton of sugar cane according to the Cabinet Resolution announcement of the Royal Gazette dated May 26, 2020.

- In the year 2020, the company recognized loss on investment in derivatives for sugar price hedging in the amount of THB 394 million, (the year 2020: profit from investment in derivatives of THB 121 million)

Financial Costs

Financial costs of THB 497 million was decreased from the previous year by THB 213 million due to repayment of long-term borrowings and debentures included decrease in the average interest rate.

Overview of Financial Position and Significant Ratios

For the fiscal year 2020 financial status overview, the company had total assets of THB 41,122 million, total liabilities of THB 21,576 million and total shareholders' equity of THB 19,546 million. Interest bearing debt to equity ratio (IBD/E ratio) as at October 31, 2020 represented at 0.96, which reduced from the rate of 1.16 as at October 31, 2019 due to a significant decrease in borrowings.

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

We have audited the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited (the “Company”) which comprise the consolidated and separate NOTES TO THE FINANCIAL STATEMENTS as at October 31, 2020, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and of Khon Kaen Sugar Industry Public Company Limited as at October 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Impairment on investments in subsidiaries in foreign countries in the separate financial statements and of building and equipment of those subsidiaries in foreign countries in the consolidated financial statements</p> <p>As there are 3 subsidiaries in foreign countries having net loss continuously and substantial deficit as at October 31, 2020 which the Company's management consider as indicators of impairment on investments in the subsidiaries in foreign countries in the separate financial statements and of building and equipment of those subsidiaries in foreign countries in the consolidated financial statements. As such, the Company's management estimate recoverable amount of its investment in subsidiaries and of buildings and equipment of such subsidiaries for consideration of their losses on impairment. The recoverable amount are estimated at higher of their values in use and their fair values less costs to sell those assets.</p> <ul style="list-style-type: none">• Values in use are estimated by exercising the Company's management judgment in connection with the judgement on significant assumptions to forecast the results of operations depending on the price of sugar in the world market. The Company's management assessed that the present value of the future cash flows expected to be received at the end of the reporting period would be negative cash flows.• Fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management. <p>We consider that the exercising of management's judgment relate to significant assumptions for estimation of losses on impairment on investments in subsidiaries in foreign countries in the separate financial statements and on building and equipment of those subsidiaries in foreign countries in the consolidated financial statements are key audit matters because of materiality of transactions and complexity of estimation of recoverable amount of the Company's investments in subsidiaries and of buildings and equipment of the subsidiaries in foreign countries.</p> <p>The accounting policies and disclosure of investments and impairment of investments in subsidiaries are in Notes 3.6, 3.10 and 13, and of buildings and equipment of the subsidiaries in foreign countries are in Notes 3.10 and 18 to the financial statements.</p>	<p>Significant audit procedures include</p> <ul style="list-style-type: none">• Understanding the evaluation of indicator of impairment on investments in subsidiaries in foreign countries in the separate financial statements and impairment of building and equipment of those foreign subsidiaries in the consolidated financial statements.• Understanding and evaluating the procedures of the Company's management for measurement of investments in subsidiaries including testing and evaluating the reasonableness of assumptions used for plan and forecast future cash flows of each subsidiary by understanding the process to obtain such figures, comparing assumptions with external and internal sources and comparing forecast cash flows in the past to the actual results of operations including comparing long-term growth of each subsidiary to the economic and industry forecast.• Testing and evaluating the report of independent appraiser whether independent appraiser has knowledge, competency and fairness, and evaluating whether the procedures and reasonableness of assumptions used in estimation of building and equipment values.• Evaluating whether the disclosure in the notes to the financial statements is sufficient and appropriate in accordance with the financial reporting standards.

Key Audit Matters

Audit Responses

Determining the estimation of recoverable amount of investment in an associate

The Company has investments in associates, which are significant to the financial statements as at October 31, 2020. We have focused on the evaluation of indicator whether investment in an associate may be impaired and on estimation of recoverable amount of investment in such associate, which are depended on the significant management judgements and assumptions used in estimating the recoverable amount of the investment. Additionally, the Company's management exercise judgment in determining assumptions, which are uncertain in considering the share of the present value of the estimated future cash flows expected to be generated by the associate.

The accounting policies and disclosure of investments and impairment of investments in associates are in

Notes 3.6, 3.10 and 12 to the financial statements.

Significant audit procedures include

- Understanding the evaluation of indicator of impairment on investment in an associate.
- Understanding and evaluating the procedures of the Company's management for measurement of investments in the associate including testing and evaluating the reasonableness of assumptions used for plan and forecast future cash flows of associate by understanding the process to obtain such figures, comparing assumptions with external and internal sources and comparing forecast cash flows in the past to the actual results of operations including comparing long-term growth of associate to the forecast economic and industry.
- Comparing the carrying and recoverable amounts of investment to evaluate whether investment is impaired or not.
- Evaluating whether the disclosure in the notes to the financial statements is sufficient and appropriate in accordance with the financial reporting standards.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Juntira Juntrachaichoat

Certified Public Accountant (Thailand)

Registration No. 6326

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
December 23, 2020

STATEMENTS OF FINANCIAL POSITION

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at	As at	As at	As at
		October 31,	October 31,	October 31,	October 31,
		2020	2019	2020	2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.3	157,729,493	2,430,367,214	11,686,005	34,007,221
Temporary investments		263,973	360,412	-	-
Trade and other current receivables	6	1,202,610,347	1,287,012,698	747,414,385	3,202,486,437
Current portion of finance lease receivable	7	19,999,475	-	-	-
Short-term loans	8	785,834,362	925,605,926	2,491,131,273	2,553,297,355
Investments	9	2,049,298,260	2,774,363,471	1,120,819,620	1,519,171,667
Current biological assets	10	41,680,290	52,161,957	4,684,418	2,530,654
Other current assets		36,208,294	64,613,765	13,227,831	26,758,829
Total Current Assets		4,273,644,504	7,516,645,353	4,588,981,932	7,132,258,211
NON-CURRENT ASSETS					
Investments held as available for sale	13	149,565,140	219,261,136	149,565,340	217,265,336
Investments in associates	12	4,273,201,247	3,965,509,343	3,380,458,386	3,380,458,786
Investments in subsidiaries	11	-	-	4,572,347,133	4,211,484,747
Other long-term investments	14	7,551,344	27,526,769	326,950	20,326,950
Trade and other non-current receivables	15	116,926,448	615,643,913	17,127,614	766,140,068
Finance lease receivable - net of current portion	7	360,600,838	-	-	-
Long-term loans	16	144,347,254	145,502,621	2,059,172,684	3,202,608,616
Investment property	17	5,774,844,564	5,636,792,013	1,811,801,833	1,766,231,871
Property, plant and equipment	18	25,800,581,775	25,868,493,738	9,474,701,899	9,362,626,387
Other intangible assets		37,358,296	39,755,582	29,309,177	20,168,954
Deferred tax assets	26.2	1,014,109	8,470,565	373,540	-
Other non-current assets	19	91,919,271	31,844,954	64,388,117	48,074,463
Total Non-Current Assets		36,347,910,592	36,696,602,345	21,559,573,733	22,724,284,160
TOTAL ASSETS		41,121,555,400	44,213,247,698	26,148,555,665	30,057,542,371

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT OCTOBER 31, 2020

UNIT : BAHT					
	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at	As at	As at	As at
		October 31,	October 31,	October 31,	October 31,
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	20	6,912,515,000	4,880,137,361	4,961,000,000	2,463,992,061
Trade and other current payables	21	1,191,331,175	1,282,665,697	784,475,002	1,110,864,362
Current portion of long-term debentures	22	1,349,772,503	3,490,448,960	1,349,772,503	2,499,448,960
Current portion of long-term borrowings	24	1,867,000,000	1,982,000,000	1,867,000,000	1,982,000,000
Short-term borrowings	23	3,300,000	3,400,000	545,500,000	447,600,000
Current income tax payable		8,230,797	51,916,152	-	-
Other current liabilities		51,944,783	118,121,307	18,318,881	52,366,800
Total Current Liabilities		11,387,894,360	11,817,691,697	9,466,666,386	9,573,272,203
NON-CURRENT LIABILITIES					
Long-term debentures	22	5,646,224,969	6,994,151,114	5,646,224,969	6,994,151,114
Long-term borrowings	24	2,585,000,000	4,767,000,000	2,585,000,000	4,767,000,000
Deferred tax liabilities	26.1	1,210,254,060	1,130,896,867	-	225,239,015
Non-current provision for employee benefit	27	260,620,383	295,823,796	109,262,766	125,517,463
Other non-current liabilities		85,669,525	94,419,611	28,647,965	34,947,296
Total Non-Current Liabilities		10,187,768,937	13,282,291,388	8,369,135,700	12,146,854,888
TOTAL LIABILITIES		21,575,663,297	25,099,983,085	17,835,802,086	21,720,127,091

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at	As at	As at	As at
		October 31,	October 31,	October 31,	October 31,
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
4,410,243,648 ordinary shares of Baht 0.50 each		2,205,121,824	2,205,121,824	2,205,121,824	2,205,121,824
Issued and paid-up share capital					
4,410,232,619 ordinary shares of Baht 0.50 each,					
fully paid		2,205,116,310	2,205,116,310	2,205,116,310	2,205,116,310
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199
RETAINED EARNINGS					
Appropriated					
Legal reserve		220,512,200	220,512,200	220,512,200	220,512,200
Unappropriated		11,456,284,012	11,785,941,395	1,629,706,647	2,292,102,621
OTHER COMPONENTS OF EQUITY		2,198,503,415	1,441,131,838	711,580,223	675,243,932
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT		19,026,855,136	18,605,740,942	7,713,354,579	8,357,415,393
NON-CONTROLLING INTERESTS		519,027,067	415,521,683	-	-
TOTAL SHAREHOLDERS' EQUITY		19,545,882,203	19,021,262,625	7,713,354,579	8,357,415,393
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		41,121,555,400	44,121,249,908	25,948,556,665	30,057,542,373

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

STATEMENTS OF PROFIT OR LOSS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

UNIT : BATH					
	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
Revenues from sales and rendering of services					
Revenues from sales		11,671,563,731	17,490,033,087	6,125,491,149	11,028,237,148
Revenues from rendering of services		180,943,628	363,384,462	141,216,499	195,771,521
		<u>11,852,507,359</u>	<u>17,853,417,549</u>	<u>6,266,707,648</u>	<u>11,224,008,671</u>
Costs of sales of goods and rendering of services					
Costs of sales of goods		(10,026,198,117)	(14,014,104,343)	(5,310,826,110)	(9,736,832,304)
Costs of rendering of services		(33,335,324)	(196,110,947)	(101,628,217)	(147,634,772)
		<u>(10,059,534,594)</u>	<u>(14,210,215,290)</u>	<u>(5,412,454,327)</u>	<u>(9,884,467,076)</u>
Gross profit		1,792,972,765	3,624,912,057	854,253,608	1,339,541,595
Other incomes		247,833,191	749,973,679	715,237,851	705,111,594
Contribution to the Cane and Sugar Fund	25	(329,899,051)	-	(190,928,017)	-
Gain (loss) on exchange rate		28,997,459	(13,596,744)	56,794,191	(80,113,002)
(Loss) gain from investments in derivatives	35	(194,331,954)	121,488,453	(242,457,993)	121,488,453
(Loss) gain on fair value adjustments of biological assets		(15,858,963)	(26,217,581)	2,165,151	(5,570,128)
Gain on fair value adjustments of investment property		122,974,698	206,670,000	39,625,695	73,654,000
Loss on impairment of investments in subsidiaries		-	-	(334,064,694)	(151,995,572)
Gain on sales and disposal of assets		31,218,098	26,626,377	321,086	5,171,027
Loss on impairment of property, plant and equipment		(112,019,862)	(61,646,265)	(5,232,297)	-
Distribution costs		(151,118,856)	(2,205,953,203)	(241,629,799)	(1,506,758,807)
Administrative expenses		(711,612,023)	(680,903,500)	(109,132,294)	(510,457,532)
Remuneration for Directors and executives	5.2	(142,195,227)	(151,292,812)	(48,811,118)	(64,225,894)
Finance costs		(496,533,061)	(710,132,209)	(461,714,423)	(637,979,929)
Share of gain on investment in associates		121,632,848	101,164,507	-	-
Profit (loss) before income tax (expense) income		<u>(164,191,738)</u>	<u>978,895,649</u>	<u>(661,909,768)</u>	<u>(311,842,195)</u>
Income tax income (expense)	26.1	66,352,762	(149,007,110)	737,161,918	73,909,253
NET PROFIT (LOSS) FOR THE YEAR		<u>(97,838,976)</u>	<u>829,888,539</u>	<u>(424,747,850)</u>	<u>(237,932,942)</u>
PROFIT (LOSS) ATTRIBUTABLE TO:					
Owners of the parent		(82,743,112)	821,581,367	(429,747,410)	(237,932,942)
Non-controlling interests		(14,888,064)	8,307,192	-	-
		<u>(97,631,176)</u>	<u>829,888,539</u>	<u>(429,747,410)</u>	<u>(237,932,942)</u>
EARNINGS (LOSS) PER SHARE	32				
Basic earnings (loss) per share	BASIC	(0.019)	0.186	(0.097)	(0.054)
Basic number of ordinary shares	SHARES	4,430,232,619	4,410,737,619	4,410,232,619	4,410,232,619

Note to the financial statements from an integral part of these statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
Profit (loss) for the year		(92,611,176)	829,888,159	(429,747,430)	(237,932,942)
Other comprehensive income (expense):					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating financial statements		46,198,388	(155,265,917)	-	-
Loss on remeasuring investments held as available for sale		(54,158,397)	(71,791,363)	(54,158,397)	(71,791,363)
Total items that will be reclassified subsequently to profit or loss		(7,960,009)	(227,067,283)	(54,158,397)	(71,791,363)
Items that will be not reclassified subsequently to profit or loss:					
Gain on revaluation of assets		376,391,441	649,326	92,494,668	-
Unrealized actuarial loss adjustment		(28,512,252)	-	(122,138,816)	-
Total items that will be not reclassified subsequently to profit or loss		347,879,189	649,326	80,355,852	-
Other comprehensive income (expense) for the year - net of tax		340,119,180	(226,407,954)	26,336,455	(71,791,363)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		742,688,004	603,480,405	(403,410,975)	(309,724,305)
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO:					
Owners of the parent		736,387,570	616,074,194	(403,549,975)	(309,724,305)
Non-controlling interests		6,300,434	(12,593,789)	-	-
		742,688,004	603,480,405	(403,549,975)	(309,724,305)

Note to the financial statements from an integral part of these statements

KAHONG KONG SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Note to the financial statements from an integral part of these statements

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

UNIT : BAHT

	Year	Issued and paid up share capital	Share premium account		Retained Earnings		Other components of equity				Total shareholders' equity
			Ordinary share	Legal reserve	Appropriated	Unappropriated	Other comprehensive income (expense)			Total	
							Cash (less) or non-monetary assets held for sale investments	Goodwill	Other components of equity		
For the year ended October 31, 2019											
Beginning balance as at November 1, 2018											
(Change in shareholders' equity during the year)											
• Dividends paid											
• Total comprehensive expense for the year											
Ending balance as at October 31, 2019											
For the year ended October 31, 2020											
Beginning balance as at November 1, 2019											
(Change in shareholders' equity during the year)											
• Dividends paid											
• Losses in financial loss adjustment											
• Total comprehensive income (expense) for the year											
Ending balance as at October 31, 2020											

Note to the financial statements from 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, 2020

	UNIT : BAHT				
	Notes	Consolidated Financial Statements	Separate Financial Statements		
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax (expense) income		(164,191,918)	978,605,669	(561,900,366)	(312,842,153)
Adjustments for:					
Dividend income		(5,265,639)	(6,329,533)	(501,023,398)	(67,107,197)
Doubtful accounts		55,497,644	63,007,520	4,015,341	9,847,379
Share of gain of investment in associates		(322,652,848)	(101,164,507)	-	-
Loss on sales of other long-term investments		1,818,600	-	1,818,600	-
Amortization (increase) of discount on bonds		(24,985)	(17,247)	-	-
Employee benefit expenses		14,137,129	23,634,206	5,934,575	10,591,114
Loss on diminution in value and obsolescence of inventories (reversal)		1,891,919	(53,110,953)	(8,361,659)	(42,511,132)
Loss from plantation and loss on impairment of biological assets (reversal)		2,071,618	(632,704)	1,069,194	-
Depreciation and amortization		1,080,164,455	1,204,712,920	374,285,850	468,556,157
Gain on sales and disposal of assets		(73,013,371)	(23,566,753)	(321,016)	(5,171,027)
Loss on impairment of assets		113,540,223	60,691,991	5,213,297	-
Loss on impairment of investments in subsidiaries		-	-	318,064,604	151,995,572
Gain on fair value adjustments of investment property		(122,974,668)	(206,630,000)	(19,623,693)	(73,654,000)
Unrealized loss (gain) on exchange rate		22,851	189,261	(33,107,491)	89,374,254
Loss (gain) on fair value adjustments of biological assets		17,658,949	(12,834,933)	(2,165,131)	5,320,127
Interest income		(88,546,956)	(90,749,402)	(162,040,855)	(195,307,821)
Interest expenses		496,535,051	710,332,239	451,734,423	637,979,929
		1,028,067,506	2,446,437,553	(215,380,137)	695,072,180
Operating assets (increase) decrease					
Trade and other current receivables		267,497,162	177,592,815	1,932,432,424	11,588,530,638
Inventories		917,191,192	1,157,656,687	409,716,106	1,292,811,373
Current biological assets		(28,156,355)	21,253,092	(1,051,777)	(1,750,810)
Other current assets		27,300,490	18,192,947	22,247,808	17,019,748
Trade and other non-current receivables		312,001,780	(130,320,531)	98,779,656	(39,157,382)
Other non-current assets		(10,195,113)	13,042,843	(18,113,655)	(8,510,537)
Operating liabilities increase (decrease)					
Trade and other current payables		(41,243,319)	(467,421,406)	(300,283,925)	(98,471,134)
Other current liabilities		(66,178,722)	45,551,491	(54,947,919)	42,450,664
Non-current provision for employee benefit		(84,173,442)	(26,634,083)	(37,132,792)	(13,646,350)
Other non-current liabilities		(8,750,083)	(7,414,278)	(6,295,331)	(16,116,916)
Cash received from operating activities		2,113,361,433	3,511,871,457	1,841,316,638	225,670,913
Interest paid		(526,559,694)	(714,272,419)	(492,688,515)	(642,168,000)
Income tax expense paid		(51,412,384)	(195,851,518)	(8,726,810)	(10,508,561)
Net cash provided by (used in) operating activities		1,534,813,434	2,621,745,520	1,339,911,309	142,994,443

STATEMENTS OF CASH FLOWS (CONTINUED)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

		UNIT : BAHT			
	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash payments for the purchase of temporary investments		(3,562)	(236,328)	-	-
Cash received from sales of other long-term investments		29,181,400	-	18,181,400	-
Decrease in short-term loans to related parties and others		-	220,379,928	1,174,397,568	409,206,580
Decrease (increase) in short-term loans to farmers		52,423,346	347,153,840	669,427,621	177,236,461
Decrease (increase) in loans for cane plantation development		49,433,383	31,644,905	5,689,142	(16,803,583)
Decrease in long-term loans to related parties and others		1,313,513	68,516,567	124,693,333	230,266,663
Cash received from interest income		57,165,915	81,985,041	151,242,138	218,797,513
Cash received from dividends of subsidiaries and others		25,638,431	11,939,137	504,677,921	18,474,494
Cash received from finance lease receivable		20,000,000	-	-	-
Cash payments for purchases of property, plant and equipment		(461,628,073)	(476,235,384)	(179,821,016)	(597,124,004)
Cash received from sales of property, plant and equipment		26,598,344	67,051,203	1,549,643	13,359,366
Cash payments for purchase of investment property		(16,847,953)	(263,117,883)	(2,944,051)	-
Cash received from sales of investment property		2,311,145	-	-	-
Cash received from sales of assets not yet used in operation		-	13,790,862	-	-
Cash payments of purchase of intangible assets		(1,303,935)	(5,169,025)	(1,150,000)	(495,346)
Cash received from sales of intangible assets		99,858	-	-	-
Net cash (used in) provided by investing activities		1228,358,249	126,682,945	1,725,378,201	453,221,132
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase (decrease) in short-term borrowings from financial institutions	4.2	3,023,369,560	(1,965,420,500)	3,425,000,000	(1,387,000,000)
Increase in short-term borrowings from related parties and others	4.2	3,700,000	638,166,005	102,500,000	482,303,958
Cash received from long-term debentures	4.2	-	5,000,000,000	-	3,000,000,000
Cash payment for long-term debentures	4.2	(1,500,000,000)	(5,000,000,000)	(3,500,000,000)	(3,000,000,000)
Cash received from long-term borrowings	4.2	-	5,000,000,000	-	3,000,000,000
Cash payment for long-term borrowings	4.2	(1,897,000,000)	(1,913,000,000)	(1,897,000,000)	(1,887,000,000)
Cash payments for dividends to shareholders of the parent		(220,510,328)	(330,511,621)	(220,510,328)	(330,511,621)
Cash payments for non-controlling interests		(521,496)	(521,496)	-	-
Net cash used in financing activities		11,590,962,324	(453,187,612)	(3,088,610,328)	(207,623)
Exchange differences on translation of cash of foreign subsidiaries		(8,154,263)	29,093,709	-	-
Net increase (decrease) in cash and cash equivalents		(2,292,657,801)	2,101,145,562	(23,321,215)	25,978,564
Cash and cash equivalents at the beginning of the year		2,431,387,204	129,241,332	34,607,221	8,629,157
Cash and cash equivalents at the end of the year	4.3	138,729,403	2,430,387,294	11,286,006	34,607,221

Note to the financial statements from 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, 2020

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY

Khon Kaen Sugar Industry Public Company Limited (the "Company") was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 32 No. 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, Sriyudathya 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 Lum Rang, Amphur Boploy, Kanchanaburi Province

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

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

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

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

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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.

Note 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, 2020

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 "Presentation of Financial Statements", and the regulation of the Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development dated October 11, 2016 regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559".

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

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

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at October 31, 2020	As at October 31, 2019		
	%	%		
Subsidiaries in which the Company holds shares directly				
New Kiang Thai Sugar Factory Company Limited	99.78	99.78	Thailand	Manufacture and distribution of sugar and molasses
Tanaka Sugar Industry Company Limited	99.21	99.21	Thailand	Manufacture and distribution of sugar and molasses
New Kiang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Material Supplier Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of fertilizer and growing spare part of agricultural
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
KSL Agro-Trade Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
WSP Logistics Company Limited	100.00	100.00	Thailand	Service transport and shipping goods
Saravijitwong Sugar Corporation***	58.00	91.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.****	88.00	87.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn Co. Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services
Subsidiaries in which the Company holds shares indirectly				
K.A.T. Export Trading Co., Ltd.**	19.25	19.25	Thailand	Export sugar as exporting agent
KSL Real Estate Company Limited**	51.00	51.00	Thailand	Having and land for agriculture estate including holiday resort for training and seminar center and office building for rental
Subsidiary in which the Company holds the shares indirectly through Wynn Co. Trading Co., Ltd.				
Koh Kong Plantation Company Limited****	80.00	80.00	Cambodia	Agricultural operation

* The Company holds shares indirectly through New Kiang Thai Sugar Factory Company Limited, Tanaka Sugar Industry Company Limited and New Kiang Soon Lee Sugar Factory Company Limited

** The Company holds shares indirectly through Tanaka Sugar Industry Company Limited

*** Saravijitwong Sugar Corporation receives the remaining share payments from minority shareholders. Therefore, the percentage of shareholding has changed

**** The Subsidiaries in Cambodia has continue operating losses. The management of the Group therefore has a plan to cease their operations in Cambodia. The Subsidiaries' assets and liabilities were appropriately reclassified and reclassified in the consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

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

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

2.3 New or revised Thai Financial Reporting Standards

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

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards except the revenue recognition under the Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" that requires the Group to recognize revenue when (or as) a performance obligation is satisfied at a point in time, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. This new accounting policy superseded the previous accounting policies regarding revenue recognition (see Note 3). However, the adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

Accounting Treatment Guidance on "The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak"

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities' management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended October 31, 2020.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

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

Thai Accounting Standard No. 28 "Investments in Associates and Joint Ventures"

This revised accounting standard clarifies about the application of TFRS 9, including its impairment requirements, to long-term interests. An entity does not take into account adjustments to their carrying amount required by TAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with TAS 28). This accounting standard requires retrospective.

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

The Group's management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standard No. 16 "Leases"

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

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

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

The Group's management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

2.3.3 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2021

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Definition of Business

The revised Thai Financial Reporting Standard No. 3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 "Presentation of Financial Statements" and Thai Accounting Standards No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures".

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

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

3.2 Temporary investments

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

3.3 Trade receivables, farmer receivables, and other receivables

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

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

3.4 Inventories

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

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

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

3.5 Biological assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

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

3.6 Investments

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

3.7 Investment property

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

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

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

3.8 Property, plant and equipment

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

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

3.9 Intangible assets

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

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

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

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

3.10 Impairment of assets

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

3.11 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.

3.12 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

3.13 Employee benefits

3.13.1 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.

3.13.2 Post-employment benefits

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

3.14 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.

3.15 Other components of equity

3.15.1 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.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

3.15.2 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.

3.16 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.

3.17 Revenue recognition

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

3.17.1 Revenue from sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and payment with traditional business practice to customers.

3.17.2 Rental income and its related services from an investment property

Rental income and its related services from an investment property are recognized on a straight-line basis over the term of the lease. Contingent rentals are recognized as income in the accounting period in which they are occurred. The related service income is recognized over the term of the lease.

3.17.3 Revenue from rendering of services

Revenue from rendering of services is recognized overtime when service have been rendered.

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

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

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

3.17.7 Other incomes are recognized on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

3.18 Expense recognition

Other expenses are recognized on an accrual basis.

3.19 Leases

Finance Lease

Finance lease receivables are carried at contract amount less unearned interest income plus initial direct costs and less allowance for doubtful accounts (if any).

Initial direct cost is recognized by the effective interest rate method.

Initial direct costs is amortized to expense over the term of the finance lease contracts in proportion to interest income recognition. In case of early termination of the finance lease contracts, initial direct costs is fully amortized as expenses.

Operating lease

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

3.20 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.

3.21 Foreign currency transactions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

3.22 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.

3.23 Income tax expenses

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

3.23.1 Current tax

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

3.23.2 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 measure 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.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

3.24 Earnings (loss) per share

The calculations of basic earnings (loss) 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 (loss) 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.

3.25 Sectorial business operations

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

3.26 Financial assets and liabilities

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

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

3.27 Fair value measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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.

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

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

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

- Values in use are estimated exercising the Company's management judgment in connection with the judgment on significant assumptions to forecast the results of operations depending on the price of sugar in the world market. The Company's management assessed that the present value of the future cash flows expected to be received of those subsidiaries in foreign at the end of the reporting period would be negative cash flows.
- Fair values of assets are estimated by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) and the costs to sell those assets are estimated by the Company's management.
- Estimate recoverable amount of investment in associates for impairment consideration, the management estimated the future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.
- Fair value of investment property and lands

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

Information about valuation techniques and inputs used in determining the fair value of investment property and lands are disclosed in Notes 17 and 18.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

- Unrecognized deferred tax assets

The Group recognizes deferred tax assets for temporary difference arising between the tax bases of assets or liabilities and their carrying amounts for financial reporting purposes at the statement of financial position date. Management judgment is used in assessing the Group's ability to generate its future profit. The Group recognizes deferred tax assets at end of reporting period only for amount being utilized considering that it is highly probable that the sufficient future taxable profit will be generated to utilize such amount (see Note 26).

ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

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

Type of Transactions	Consolidated		Unit : Thousand Baht	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Purchases of property, plant and equipment which have not yet been paid	13,597	9,958	1,429	4,743
Transfer of assets not used in operations to property, plant and equipment	234	650,418	-	3,393
Transfer of advance payment for shares to investments in subsidiaries	-	-	775,120	-
Transfer of short-term loans to investments in subsidiaries	-	-	3,707	-
Decrease in short-term borrowings from subsidiaries by offsetting against dividend received	-	-	-	45,000
Decrease in short-term borrowings from others by offsetting other receivables	-	1,029,349	-	626,654

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

2020

	Unit : Thousand Baht		
	Consolidated Financial Statements		
	Balance as at	Financing cash flows	Non-cash changes
	November 1, 2019		
Short-term borrowings from financial institutions	4,880,138	2,023,370	9,007
Short-term borrowings from related parties and others	3,408	3,708	-
Long-term borrowings from financial institutions	6,749,000	(1,897,000)	-
Long-term debentures	10,493,600	(3,500,000)	2,397
Total	22,126,138	(3,369,930)	11,404
			18,767,612

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

	Unit : Thousand Baht			
	Separate Financial Statements			Balance as at October 31, 2020
	Balance as at November 1, 2019	Financing cash flows	Non-cash changes	
Short-term borrowings from financial institutions	2,465,992	2,426,000	9,008	4,901,000
Short-term borrowings from related parties and others	442,600	302,900	-	545,500
Long-term borrowings from financial institutions	6,749,000	(1,897,000)	-	4,852,000
Long-term debentures	10,493,600	(3,500,000)	2,397	6,995,997
Total	20,151,192	(2,868,100)	11,405	17,294,497

2019

	Unit : Thousand Baht			
	Consolidated Financial Statements			Balance as at October 31, 2019
	Balance as at November 1, 2018	Financing cash flows	Non-cash changes	
Short-term borrowings from financial institutions	6,846,326	(2,961,320)	(4,668)	4,880,338
Short-term borrowings from related parties and others	374,583	658,266	(1,029,349)	3,400
Long-term borrowings from financial institutions	5,682,000	1,867,000	-	6,749,000
Long-term debentures	10,493,742	-	(1142)	10,493,600
Total	23,396,651	(256,534)	(1,034,159)	22,126,138

	Unit : Thousand Baht			
	Separate Financial Statements			Balance as at October 31, 2019
	Balance as at November 1, 2018	Financing cash flows	Non-cash changes	
Short-term borrowings from financial institutions	3,851,660	(1,381,000)	(4,668)	2,465,992
Short-term borrowings from related parties and others	631,950	482,304	(671,654)	442,600
Long-term borrowings from financial institutions	5,630,000	1,119,000	-	6,749,000
Long-term debentures	10,493,742	-	(1142)	10,493,600
Total	20,607,352	220,304	(676,464)	20,151,192

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

Type of Transactions	Unit : Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
Cash	2,998	1,350	1,418	475
Current accounts deposits	5,339	18,321	(3,174)	3,982
Savings accounts deposits	151,392	94,616	15,442	29,550
Deposit in transit	-	2,316,070	-	-
Total	159,729	2,430,357	13,686	34,007

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

TRANSACTIONS WITH RELATED PARTIES

The Company and its subsidiaries had transactions incurred with related parties through common shareholdings or directorship. Significant balances and transactions between the Company and its subsidiaries with related parties could be summarized as follows:

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

Type of Balances	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2020	2019	2020	2019
Trade and other current receivables				
Subsidiaries	-	-	208.37	2,535.73
Associates	1.39	1.15	1.19	1.15
Related parties	48.41	85.02	0.34	1.97
Total	<u>50.00</u>	<u>86.17</u>	<u>209.90</u>	<u>2,538.85</u>
Current portion of finance lease receivable				
Related parties	<u>20.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Short-term loans (Included current portion of long-term loans) (see Note 8)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>2,161.87</u>	<u>2,254.57</u>
Other current assets				
Subsidiaries	-	-	37.61	31.18
Associates	5.30	9.15	5.30	9.15
Related parties	0.91	1.94	-	0.46
Total	<u>6.41</u>	<u>11.09</u>	<u>43.11</u>	<u>42.79</u>
Finance lease receivable - net of current portion				
Related parties	<u>161.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term loans (Excluded current portion of long-term loans with presented in short-term loans)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,979.50</u>	<u>1,154.39</u>
Other non-current assets				
Subsidiaries	-	-	3.29	3.29
Related parties	0.02	0.02	-	-
Total	<u>0.02</u>	<u>0.02</u>	<u>3.29</u>	<u>3.29</u>
Trade and other current payables				
Subsidiaries	-	-	130.52	239.80
Associates	0.32	19.08	-	0.48
Related parties	46.35	92.54	7.07	27.68
Total	<u>46.67</u>	<u>112.62</u>	<u>137.59</u>	<u>267.96</u>
Other accrued expenses (included in other payables)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>0.15</u>	<u>25.57</u>
Short-term borrowings				
Subsidiaries	-	-	538.40	439.20
Related parties	7.10	3.40	7.10	3.40
Total	<u>7.10</u>	<u>3.40</u>	<u>545.50</u>	<u>442.60</u>

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Type of Balances	Consolidated		Unit : Million Baht	
	Financial Statements	2019	Financial Statements	2019
	2020		2020	
Other current liabilities				
Subsidiaries	-	-	0.04	0.03
Related parties	0.02	0.02	-	-
Total	0.02	0.02	0.04	0.03
Other non-current liabilities				
Subsidiaries	-	-	0.47	0.47
Related parties	1.19	1.19	1.19	1.19
Total	1.19	1.19	1.66	1.66

As at October 31, 2020 and 2019, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 1.40% - 3.97% per annum and 2.10% - 4.75% per annum, respectively.

As at October 31, 2020 and 2019, long-term loans to subsidiaries represented loans with maturity date within 2021 - 2027 carrying the interest rates at 2.03% - 3.97% per annum and 2.20% - 4.75% per annum, respectively.

As at October 31, 2020 and 2019, short-term borrowings from subsidiaries and related parties represented promissory notes payable on demand, carrying the interest rates at 1.22% - 1.30% per annum and 1.80% - 1.95% per annum, respectively.

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

Type of Transactions	Consolidated		Unit : Million Baht	
	Financial Statements	2019	Financial Statements	2019
	2020		2020	
Revenues from sales and rendering of services				
Subsidiaries	-	-	2,160.00	2,874.21
Associates	-	0.01	-	0.01
Related parties	1,335.66	2,019.87	525.74	1,603.55
Total	1,335.66	2,019.88	2,685.74	3,977.77
Cost of sales and rendering of services				
Subsidiaries	-	-	1,590.34	1,785.36
Associates	-	7.05	-	7.05
Related parties	19.06	23.49	-	3.49
Total	19.06	30.54	1,590.34	1,792.90
Interest income from finance lease				
Related parties	20.00	-	-	-
Other incomes				
Subsidiaries	-	-	139.81	185.65
Associates	30.54	12.62	28.19	27.88
Related parties	15.09	11.67	8.48	11.13
Total	45.63	24.29	176.48	219.16
Distribution costs				
Subsidiaries	-	-	5.55	5.01
Associates	23.12	59.47	6.10	4.93
Total	23.12	59.47	11.65	9.94

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Type of Transactions	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2020	2019	2020	2019
Administrative expenses				
Subsidiaries	-	-	3.07	5.59
Related parties	15.87	17.64	6.73	8.00
Related juristic person	10.92	10.97	9.85	9.88
Total	<u>26.79</u>	<u>28.61</u>	<u>19.65</u>	<u>23.27</u>
Financial costs				
Subsidiaries	-	-	7.54	7.81
Related juristic person	0.07	0.07	0.07	0.07
Total	<u>0.07</u>	<u>0.07</u>	<u>7.61</u>	<u>7.88</u>
Management compensation				
Short-term employee benefits	142.00	145.62	58.69	61.44
Post-employment benefits	9.40	5.67	0.19	2.78
Total	<u>142.40</u>	<u>151.29</u>	<u>58.88</u>	<u>64.22</u>

POLICIES OF INTER-PRICE SETTING

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

Company Names	Relationship	Connection
K S.L. IT Center Co., Ltd.	Related party	Same group of shareholder and mutual directors
On Naj Construction Co., Ltd.	Related party	Same group of shareholder and mutual directors
Raja Ceramics Co., Ltd.	Related party	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related party	Same group of shareholders
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building
KSL Green Innovation Public Company Limited	Related party	Same common shareholder and mutual directors
Bangchak Binnethanol (Chachengsao) Co., Ltd.	Related party	Same common mutual director

All of the aforementioned related entities are incorporated in Thailand.

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

6. TRADE AND OTHER CURRENT RECEIVABLES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Trade receivables	306,535	463,083	216,455	250,942
Current farmer receivables	248,503	320,159	141,423	196,616
Receivables from the Office of the Cane and Sugar Fund	446,728	245,203	246,617	191,306
Other receivables	9,897	81,732	62,873	1,709,134
Advance payment for shares	-	-	-	775,320
Prepaid expenses	23,684	10,337	18,124	19,842
Advance payment	1,178	4,350	394	3,275
Accrued income	166,166	142,369	61,548	56,021
Total trade and other current receivables	1,202,611	1,287,033	747,434	3,202,486

6.1 Trade receivables as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Related parties	48,077	84,124	149,351	108,623
Others	258,458	378,959	67,104	142,319
Total trade receivables	306,535	463,083	216,455	250,942

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

6.1.1 Trade receivables - related parties

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Domestic trade receivables				
Not yet due	48,077	84,124	136,924	108,623
Overdue not over 3 months	-	-	12,427	-
Total trade receivables - related parties	<u>48,077</u>	<u>84,124</u>	<u>149,351</u>	<u>108,623</u>

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

6.1.2 Trade receivables - others

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	118,063	114,111	26,721	31,342
Overdue not over 3 months	45,346	42,580	7,657	5,839
Total	<u>163,411</u>	<u>156,691</u>	<u>34,378</u>	<u>40,181</u>
Foreign trade receivables				
Not yet due	32,726	108,013	32,726	102,138
Total	<u>32,726</u>	<u>108,013</u>	<u>32,726</u>	<u>102,138</u>
Total of business are to manufacture and distribute sugar and molasses	<u>196,137</u>	<u>264,704</u>	<u>67,104</u>	<u>142,319</u>
Manufacture and distribution of electricity				
Domestic trade receivables				
Not yet due	21,576	82,552	-	-
Overdue not over 3 months	28,651	26,812	-	-
Total of business of manufacturing and distributing of electricity	<u>50,227</u>	<u>109,364</u>	<u>-</u>	<u>-</u>
Other business				
Domestic trade receivables				
Not yet due	1,476	1,845	-	-
Overdue not over 3 months	5,312	2,037	-	-
Overdue over 3 months and not over 6 months	2,014	61	-	-
Overdue over 6 months and not over 12 months	3,068	90	-	-
Overdue over 12 months	264	620	-	-
Total other business	<u>12,094</u>	<u>4,671</u>	<u>-</u>	<u>-</u>
Total trade receivables - others	<u>258,458</u>	<u>378,959</u>	<u>67,104</u>	<u>142,319</u>

The normal credit terms granted by the customers of the Company and subsidiaries range from 7 days to 30 days.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

6.2 Current farmer receivables as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Cane receivables				
Season 2019/2020	60,021	-	9,479	-
Season 2018/2019	67,002	84,599	11,066	13,969
Season 2017/2018	13,872	18,261	5,890	6,873
Season 2016/2017	22,225	25,196	7,897	11,144
Season 2015/2016	42,398	44,432	11,350	12,283
Before Season 2015/2016	122,333	127,301	26,605	27,301
Total cane receivables	329,851	299,789	72,287	71,570
Advance payment for purchases of cane				
Season 2020/2021	136,853	72	116,248	72
Season 2019/2020	-	210,334	-	169,865
Total advance payment for purchases of cane	136,853	210,406	116,248	169,937
Receivables from fuel oil, fertilizer and other services	19,061	14,769	17,014	13,676
Total	485,765	524,964	205,549	255,183
Less Allowance for doubtful accounts	(126,339)	(136,655)	(48,246)	(40,054)
Total farmer receivables	359,426	388,309	157,303	215,129
Less Non-current portion	(110,923)	(68,150)	(15,880)	(18,483)
Total current farmer receivables	248,503	320,159	141,423	196,646

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

6.3 Receivables from the Office of the Cane and Sugar Fund as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Receivable from sugar cane price	1,272,902	1,274,277	751,500	817,961
Receivable from compensation for production and distribution of sugar	533,074	541,573	310,500	346,217
Total receivables from the Office of the Cane and Sugar Fund	1,805,976	1,815,850	1,064,200	1,164,178
Office Short-term loans from the Office of Cane and Sugar Fund	(1,029,349)	(1,029,349)	(626,655)	(626,655)
Contribution to the Cane and Sugar Fund (see Note 25)	(529,899)	-	(190,928)	-
	446,728	786,501	246,617	537,523
Less Receivables from the Office of the Cane and Sugar Fund of non-current portion (see Note 15)	-	(541,298)	-	(346,217)
Total current receivables from the Office of the Cane and Sugar Fund	446,728	245,203	246,617	191,306

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

During the year 2019, the Group's management considered that the Office of the Cane and Sugar Fund will pay compensation for sugar cane price for the 2017/2018 and 2018/2019 harvesting years, bringing the short-term loans from the Office of the Cane and Sugar Fund under a loan scheme to increase the liquidity of sugar cane mills and the offset with the compensation. The classified the receivable for the remaining cane compensation as part that will be paid within one year and compensation receivable for production and distribution of sugar is part that will receive payment for more than one year.

As at October 31, 2020, the offset contribution to the cane and sugar fund the Company is overdue (see Note 25) with the receivables from the Office of the Cane and Sugar Fund in accordance with the resolution agreed by the Cabinet's meeting on 28 October 2020 and The management of the Company and subsidiaries expects the Cane and Sugar Fund to finalise the calculation and pay compensation for the sugar cane price and the compensation for the production and distribution of sugar in the next fiscal year therefore classified compensation expected to be received in the next fiscal year as "Current portion of amounts due from the Office of the Cane and Sugar Fund".

Subsequently, according to the Cabinet's meeting on November 10, 2020, the final sugar cane price and the final compensation for the production and distribution of sugar have been determined, the production season of 2017/2018 and the production season of 2018/2019, which differ from the estimates. Therefore, in the financial statements for the year ended October 31, 2020, the Company and its subsidiaries performed adjustments of the compensation for sugar cane price and the compensation for production and distribution of sugar.

7. FINANCE LEASE RECEIVABLE

A subsidiary had entered into the financial lease agreement with related party for land with structure and equipment, includes other assets as stipulated in the agreement. The related party will be able to purchase these assets not over 5 years after agreement date. As at October 31, 2020 finance lease receivable is as follows:

	Unit : Thousand Baht Consolidated Financial Statements
Within 1 year	19,350
Over 1 year - 5 years	447,310
	<u>466,660</u>
Less Unearned interest income	<u>(86,090)</u>
	380,600
Less Current portion of finance lease receivable	<u>(19,999)</u>
Total	<u>360,601</u>

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

8. SHORT-TERM LOANS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Short-term loans to subsidiaries and related parties (see Note 5.1)	-	-	1,090,432	1,194,266
Short-term loans to farmers	535,517	609,056	296,361	226,915
Current portion of long-term loans to subsidiaries (see Note 5.1)	-	-	1,062,440	1,160,300
Current portion of long-term loans to others	1,333	1,333	1,333	1,333
Current portion of loans for cane plantation development	195,884	255,217	51,561	76,463
Total short-term loans	<u>785,834</u>	<u>925,606</u>	<u>2,491,131</u>	<u>2,553,297</u>

As at October 31, 2020 and 2019, short-term loans to farmers in the consolidated financial statement of Baht 526.19 million and Baht 541.76 million, respectively, and in the separate financial statements of Baht 296.36 million and Baht 226.94 million, respectively, represent loans the form of discounted check purchase for post-dated checks which the Company and its subsidiaries issued to the farmers on purchases of sugar cane, which the farmers discounted sale to the Company and its subsidiaries with interest rates based on average lending rates of commercial banks. For the remaining in the consolidated financial statement of Baht 59.43 million and Baht 127.30 million, respectively, represent each advance to farmers to support their sugar cane plantation with certain terms and conditions attracted with interest rates based on rates of commercial bank.

9. INVENTORIES

Inventories as at October 31, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Sugar and molasses	1,344,941	1,091,583	871,845	1,103,901
Bio-fertilizer	23,863	25,144	-	-
Bagasse	142,587	181,087	-	-
Real estate development	119,750	62,712	-	-
Factory supplies	71,998	106,655	48,968	72,446
Machine maintenance supplies	427,366	474,516	259,369	304,824
	<u>2,130,505</u>	<u>2,847,697</u>	<u>1,187,182</u>	<u>1,566,171</u>
Less: Allowance for deteriorated or obsolete inventories	(25,324)	(21,943)	(5,480)	(2,981)
Allowance for diminution in value of inventories	(55,883)	(51,373)	(55,883)	(50,018)
Total inventories	<u>2,049,298</u>	<u>2,774,381</u>	<u>1,120,819</u>	<u>1,511,172</u>

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Beginning balance	(21,943)	(7,196)	(2,531)	(4,614)
Add: (Increase) disposal during the years - recognized as expense for the years	(3,381)	(14,547)	(2,499)	1,633
Ending balance	<u>(25,324)</u>	<u>(21,943)</u>	<u>(5,480)</u>	<u>(2,981)</u>

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Beginning balance	(51,373)	(119,030)	(50,018)	(90,898)
Add (Increase) reversal during the years - recognized as cost of sales for the years	(4,510)	67,657	(5,865)	40,880
Ending balance	<u>(55,883)</u>	<u>(51,373)</u>	<u>(55,883)</u>	<u>(50,018)</u>

10. CURRENT BIOLOGICAL ASSETS

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Beginning book value	52,168	60,800	2,537	6,506
Gain (loss) on arising from change in fair value	(37,059)	12,835	2,165	(5,320)
Additional plantation costs during the year	75,715	86,404	3,323	5,150
Amortization from harvesting during the year	(47,559)	(107,671)	(2,272)	(3,399)
Loss from plantation	(1,785)	-	(1,069)	-
Ending book value	<u>41,680</u>	<u>52,568</u>	<u>4,684</u>	<u>2,537</u>

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

11. INVESTMENTS HELD AS AVAILABLE FOR SALE

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

	Percentage of Shareholding		Consolidated		Unit : Thousand Baht	
	Direct and Indirect		Financial Statements		Financial Statements	
	2020	2019	2020	2019	2020	2019
	%	%				
Marketable equity securities-Available-for-sale-securities						
- Mahachulalongkornrajavidyalaya Public Company Limited	7.46	7.46	432,952	432,952	432,952	432,952
Change in fair value			<u>(283,387)</u>	<u>(277,689)</u>	<u>(283,387)</u>	<u>(277,689)</u>
Total investments held as available for sale			<u>149,565</u>	<u>155,263</u>	<u>149,565</u>	<u>155,263</u>

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

12. INVESTMENTS IN ASSOCIATES

Investments in associates as at October 31, consisted of:

Consolidated Financial Statements

Company Name	Paid-up		Percentage of		2018		2019		2020		Unit : Thousand Baht	
	Share Capital		Shareholding		Investment		Dividend		Investment		Equity	
	2018	2019	%	%	2018	2019	for 2018	for 2019	2018	2019	2018	2019
	THB	THB	2018	2019	method	method	the year	the year	method	method	the year	the year
The Sugar Terminal Public Company Limited	81,664	81,664	100	100	81,664	81,664	4,368	4,368	81,664	81,664	135,554	14,608
T S Co. Trading Co., Ltd.*	50,000	50,000	4.1	4.1	2,761	2,761	-	2,761	2,761	2,761	-	-
T S Co. Industry Co., Ltd.*	100,000	100,000	0.49	0.49	1,855	1,855	-	1,855	1,855	1,855	-	-
T S Plant Mill Public Company Limited*	100,000	100,000	0.1	0.01	101	100	11	101	101	101	101	0
T S Warehouse Co., Ltd.*	12,500	12,500	4.03	4.03	508	517	101	101	508	517	418	0
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.14	10.14	40,508	40,508	-	40,508	40,508	40,508	-	-
BBCG Public Company Limited	2,452,000	2,452,000	40.00	40.00	1,244,864	1,244,759	-	-	1,244,864	1,244,759	-	-
Total					2,240,838	2,113,789	4,368	4,368	2,240,838	2,113,759	14,162	

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment		Unit : Thousand Baht	
	Share Capital		Shareholding		Cost method		Proportion	
	2018	2019	%	%	2018	2019	for the year ended October 31,	2019
	THB	THB	2018	2019	2018	2019	2018	2019
The Sugar Terminal Public Company Limited	81,664	81,664	100	100	81,664	81,664	14,608	14,608
T S Co. Trading Co., Ltd.*	50,000	50,000	4.1	4.1	2,761	2,761	-	-
T S Co. Industry Co., Ltd.*	100,000	100,000	0.49	0.49	1,855	1,855	-	-
T S Plant Mill Public Company Limited*	100,000	100,000	0.01	0.01	101	101	92	0
T S Warehouse Co., Ltd.*	12,500	12,500	4.03	4.03	508	508	101	0
T S Transport and Logistic Co., Ltd.*	400,000	400,000	10.14	10.14	40,508	40,508	-	-
BBCG Public Company Limited	2,452,000	2,452,000	40.00	40.00	1,244,864	1,244,864	-	-
Total					1,887,459	1,887,459	11,701	14,762

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

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

	Unit : Million Baht									
	Percentage of Shareholding	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Total Revenues	Total Expenses	Profit
	%									
2020										
The Sugar Terminal Public Company Limited	100	1,155	4,017	5,172	881	503	1,382	2,123	2,149	151
BBCG Public Company Limited	40.00	2,629	9,195	11,824	2,543	2,224	4,767	11,364	10,443	522
2019										
The Sugar Terminal Public Company Limited	100	1,511	4,081	5,592	1,121	564	1,685	2,528	2,351	151
BBCG Public Company Limited	40.00	2,115	7,502	9,617	2,581	1,509	4,090	9,556	9,211	185

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

The Company assessed the impairment of investments in associates by estimating the recoverable amount of investment in associates. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at October 31, consisted of:

Separate Financial Statements

Company Name	Paid-up		Percentage of		Immunised		Unit : Thousand Baht	
	Share Capital		Shareholding		Over method		Debit	
	2020	2019	2020	2019	2020	2019	2020	2019
			%	%				
Siw Kongsak Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	874,394	854,794	-	-
Samut Sagar Industry Company Limited	800,000	800,000	99.21	99.21	520,137	525,007	-	-
New Kongsak Sugar Factory Company Limited	100,000	100,000	96.47	96.47	167,284	169,284	-	-
K.S.I. - Raw Cotton Company Limited	840,000	840,000	40.77	40.77	319,124	319,124	-	-
K.S.L. Export Trading Company Limited	20,000	20,000	51.43	51.43	4,115	4,115	1,010	1,010
K.S.L. Material Supply Company Limited	480,000	480,000	100.00	100.00	476,115	479,115	-	-
Koh Kong Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	4,70,892	-
K.S.L. Agribusiness Trading Company Limited	100,000	100,000	100.00	100.00	100,000	100,000	-	41,000
K.S.L. WSP Logistic Company Limited	250	250	100.00	100.00	250	250	-	-
Savanakhet Sugar Corporation	631,577	631,577	98.88	98.88	614,118	614,118	-	-
Koh Kong Sugar Industry Company Limited *	1,946,687	1,946,687	88.00	88.00	1,711,616	932,189	-	-
Wynn In Trading Company Limited *	487,491	487,491	100.00	100.00	487,491	487,491	-	-
Total					8,307,356	7,919,179	889,902	46,010
Less: Allowance for impairment of investments					(2,117,309)	(1,799,144)	-	-
Total investments subsidiaries					6,190,047	6,120,035	889,902	46,010

* These are foreign subsidiaries including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn In Trading Co., Ltd. at 80%. Furthermore, Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Company Limited has the decision to dissolve the Company if its net asset 75% of the registered share capital and could not solve the net loss within 1 year. As at October 31, 2020, net of Koh Kong Plantation Company Limited exceed 75% of the registered share capital. The Company's management is performing its duties as less than 75% of the registered share capital.

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

	Unit : Thousand Baht	
	Separate	
	Financial Statements	
	2020	2019
Beginning balance	4,131,385	4,283,380
Increase of investment	779,027	-
Increase in allowance for impairment of investments	-	-
Savanakhet Sugar Corporation	-	(20,497)
Koh Kong Sugar Industry Company Limited	(240,619)	(85,645)
Wynn In Trading Company Limited	(97,446)	(45,853)
Ending balance	4,572,347	4,131,385

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

As at October 31, 2019, Koh Kong Sugar Industry Company Limited is in the process of registering the capital increase in amount of USD 24,120,000 by issuing additional 67 shares at its par value of USD 360,000 per share for reduction of its deficit. The Company fully paid share subscriptions by offsetting to long-term loans in the subsidiary and Koh Kong Plantation Company Limited is in the process of registering the capital decrease in amount of USD 15,000,000 for reduction of its deficit by decrease its par value from USD 300,000 per share to USD 150,000 per share. As at October 31, 2020, the registration of capital increase and decrease has been completed.

As at October 31, 2020 and 2019, in consistent with Thai Accounting Standard No. 36 "Impairment of Assets", the Company has made an assessment of impairment loss to investment in Savannakhet Sugar Corporation, Koh Kong Sugar Industry Company Limited and Wynn In Trading Company Limited, the independent appraiser evaluates the assets that generate future cash inflows and recorded impairment loss of investments in subsidiaries amounting to Baht 338.06 million and Baht 152.00 million, in the separate statements of profit or loss for the years ended October 31, 2020 and 2019, respectively.

14. OTHER LONG-TERM INVESTMENTS

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

	Percentage of Shareholding		Consolidated		Unit : Thousand Baht	
	Direct and indirect		Financial Statements		Separate	
	2020	2019	2020	2019	2019	2019
	%	%				
General Investments						
- Thai Cane and Sugar Co., Ltd	3.92	3.92	787	18.7	329	323
- Thai Sugar Millers Co., Ltd	1.36	7.36	16	16	4	4
- TISCO Life Insurance Fund for Society			-	10,000	-	20,000
Total			803	30,197	333	20,327
Held-to-maturity debt securities - government bonds			6,749	6,749	-	-
Add (less) Amortization of premium on bonds			2	(20)	-	-
Net			6,751	6,729	-	-
Total other long-term investments			7,551	37,575	333	20,327

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

15. TRADE AND OTHER NON-CURRENT RECEIVABLES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Trade receivables and other receivables	21,099	27,368	7,286	11,972
Farmer receivables	237,262	204,805	64,126	58,537
Receivables from compensation for production and distribution of sugar (see Note 6.3)	446,728	543,298	246,617	346,217
Total	705,089	775,471	318,029	416,726
Less: Allowance for doubtful accounts	(143,434)	(158,027)	(54,284)	(50,486)
Total trade and other non-current receivables - net	561,655	617,444	263,745	366,240

16. LONG-TERM LOANS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Long-term loans to subsidiaries	-	-	3,041,940	4,314,690
Long-term loans to others	1,333	2,666	1,333	2,666
Loans for cane plantation development	448,134	503,631	126,647	132,337
Less: Allowance for doubtful debts	(104,903)	(106,244)	(15,411)	(14,988)
Less: Current portion (included as part of short-term loans, see Note 8)	(200,237)	(256,350)	(1,095,356)	(1,232,096)
Total long-term loans	144,347	143,503	2,059,173	3,202,609

As at October 31, 2020 and 2019, loans for cane plantation development included in the consolidated financial statements of Baht 426.48 million and Baht 483.98 million, respectively, and in the separate financial statements of Baht 105.00 million and Baht 110.69 million, respectively, were the loans to farmers the purpose to buy land for cane plantation, agricultural machineries and equipment. The loan agreements were entered into for the periods of 1 - 8 years, or longer. Loans carry interest rates of 7.50% per annum and rates of 8.00% per annum, respectively, which the farmers mostly use land and vehicles as collateral. For the remaining loans for cane plantation development of Baht 21.65 million for each year were loans to other personals and parties for purchases of agricultural machineries for planting cane for one of the Company's overseas subsidiary for periods of 3 - 4 years and carrying interest rate at MLR+1.00% per annum. The principal and interest are paid annually. The loans are secured by such agricultural machineries.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

17. INVESTMENT PROPERTY

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

2020

	Consolidated Financial Statements				Separate Financial Statements		
	Land	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
Fair value:							
As at November 1, 2019	3,336,482	2,087,069	13,742	5,437,292	3,152,158	512,894	3,665,052
Purchases	2,544	12,324	1,400	16,843	2,544	-	2,544
Disposals	(1,750)	-	-	(1,750)	-	-	-
Gain (losses) from fair value adjustments on investment property	196,722	(271,727)	-	122,875	45,900	(8,741)	39,026
As at October 31, 2020	3,334,358	2,025,666	14,642	5,374,643	3,200,752	504,153	3,704,905

2019

	Consolidated Financial Statements				Separate Financial Statements		
	Land	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
Fair value:							
As at November 1, 2018	3,205,453	1,561,515	-	4,766,968	3,092,881	602,737	3,695,618
Purchases	522,205	127,572	13,241	662,998	-	-	-
Gain (losses) from fair value adjustments on investment property	208,558	(2,018)	-	206,540	54,877	9,177	64,054
As at October 31, 2019	3,936,216	1,686,069	13,241	5,635,526	3,147,758	611,914	3,759,672

For the years ended October 31, 2020 and 2019, the Company and its subsidiaries recognized rental income from investment property of Baht 189.10 million and Baht 201.95 million, respectively, in the consolidated statements of income, and of Baht 45.50 million and Baht 43.54 million, respectively, in the separate statements of income.

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

18. PROPERTY, PLANT AND EQUIPMENT

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

2020

	Consolidated Financial Statements								Total
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Beaver Plant	
Cost:									
As at November 1, 2019	1,283,829	1,623,267	6,209,822	23,317,178	1,546,792	236,862	1,604,803	219,589	30,722,578
Adjustment and reclassification	-	(771)	1,378	(22,622)	28,530	(57)	(4,084)	-	(4,293)
Purchases	12,129	-	-	12,211	6,139	1,876	401,212	20,098	435,177
Disposal/Write-off	(111,112)	(74,549)	(33,320)	(117,989)	(46,879)	(7,513)	(21,503)	-	(407,476)
Transfer in (out)	-	86,352	122,023	1,206,513	5,092	7,583	(1,457,511)	-	-
Transfer of financial statements differences	-	16,599	(17,127)	19,201	(1,574)	471	-	(7,034)	81,701
As at October 31, 2020	1,194,846	1,638,896	6,315,528	24,028,923	1,541,603	294,325	542,544	266,221	35,818,123
Accumulated depreciation:									
As at November 1, 2019	-	(492,143)	(1,629,582)	(7,839,714)	(1,033,996)	(135,888)	-	(243,395)	(11,373,718)
Adjustment and reclassification	-	719	11	21,870	(72,688)	12	-	-	(1,944)
Depreciation for the year	-	(12,142)	(155,172)	(778,294)	(78,958)	(15,777)	-	(78,772)	(1,120,605)
Disposal/Write-off	-	9,118	5,551	36,665	24,156	7,594	-	-	123,462
Transfer of financial statements differences	-	(5,942)	(1,917)	(6,647)	(2,074)	(63)	-	(2,621)	(13,862)
As at October 31, 2020	-	(500,490)	(1,779,069)	(8,666,381)	(1,090,522)	(168,382)	-	(324,788)	(12,536,542)
Difference on revaluation of assets:									
As at November 1, 2019	2,746,015	-	-	-	-	-	-	-	2,746,015
Increased (Decreased)	1,038,574	-	-	-	-	-	-	-	1,038,574
Disposal/Write-off	(1,205)	-	-	-	-	-	-	-	(1,205)
As at October 31, 2020	3,583,384	-	-	-	-	-	-	-	3,583,384
Allowance for impairment of assets:									
As at November 1, 2019	(71,648)	(38,927)	(18,860)	(151,997)	(1,267)	-	-	(1,894)	(275,196)
Increased (Decreased)	(5,613)	(14,577)	(24,998)	(39,107)	-	-	-	(287)	(117,585)
Disposal/Write-off	-	-	-	-	875	-	-	-	875
Transfer of financial statements differences	-	(1,507)	(429)	(2,075)	(69)	-	-	(1,413)	(5,283)
As at October 31, 2020	(77,261)	(54,911)	(43,287)	(193,179)	(1,251)	-	-	(2,594)	(300,483)
Net book value:									
As at October 31, 2020	4,879,629	1,083,985	4,568,261	25,028,974	442,638	31,972	542,544	19,411	25,898,593

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

2019

Unit: Thousand Baht

	Condensed Financial Statements							
	Land	Land Improvements	Buildings and Constructs	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Other Plant
Cost:								
As at November 1, 2018	955,489	1,598,755	6,365,824	27,640,152	1,370,666	296,961	9,989,348	267,216
Adjustment and reclassification	338,122	(6,445)	(26,803)	(98,944)	(5,607)	174	22,206	-
Purchases	14,525	-	152	11,348	14,088	9,331	365,616	27,062
Disposal/write-off	-	-	(1,157)	(89,893)	(215,942)	(9,712)	-	(445)
Transfer to cost	-	12,851	304,239	1,716,851	2,061	5,448	(2,173,092)	-
Translation of financial statements differences	-	(44,075)	(23,473)	(67,458)	(16,114)	(1,542)	-	(5,744)
As at October 31, 2019	1,308,129	1,581,061	6,385,829	27,917,178	1,346,771	290,861	1,648,867	279,089
Accumulated Depreciation:								
As at November 1, 2018	-	(474,602)	(1,495,256)	(8,900,087)	(1,172,036)	(246,759)	-	(335,227)
Adjustment and reclassification	-	1,922	4,494	19,956	3,124	(126)	-	-
Depreciation for the year	-	(26,825)	(169,447)	(891,987)	(71,754)	(18,129)	-	(18,765)
Disposal/write-off	-	-	8,562	71,625	189,185	9,647	-	343
Translation of financial statements differences	-	17,118	7,318	(6,729)	11,689	1,483	-	3,660
As at October 31, 2019	-	(483,347)	(1,629,440)	(9,689,734)	(1,058,999)	(233,886)	-	(348,193)
Differences on revaluation of assets:								
As at November 1, 2018	2,315,570	-	-	-	-	-	-	-
Reclassification	429,343	-	-	-	-	-	-	-
As at October 31, 2019	2,744,913	-	-	-	-	-	-	-
Allowance for impairment of assets:								
As at November 1, 2018	(27,657)	-	(20,094)	(152,481)	(2,480)	-	-	(2,711)
Adjustment and reclassification	(43,775)	-	(143)	9,867	1,132	-	-	-
(Increased)/Decreased	-	(58,921)	(8,386)	(17,271)	(1,536)	-	-	733
Translation of financial statements differences	-	-	54	5,292	113	-	-	84
As at October 31, 2019	(71,432)	(58,921)	(18,869)	(153,793)	(2,881)	-	-	(1,890)
Net book value:								
As at October 31, 2019	3,965,776	1,125,029	4,861,579	17,677,411	278,771	26,976	1,648,867	28,256
Depreciation for the years ended October 31:								
2020								Thousand Baht 1,272,001
2019								Thousand Baht 1,197,171

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

2019

Unit : Thousand Baht

	Separate Financial Statements							
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant
Cost:								
As at November 1, 2019	456,509	412,931	1,996,549	3,498,355	514,409	120,272	1,393,085	28,817
Adjustment and reclassification	-	-	-	-	-	-	14,484	-
Purchases	9,350	-	-	5,327	7,478	1,975	782,205	1,129
Disposals/written off	-	(101)	-	(5,795)	(5,585)	(3,525)	-	-
Transfer in (out)	-	41,446	218,143	1,053,078	5,705	5,137	11,792,400	-
As at October 31, 2020	465,859	453,275	2,214,692	3,547,877	516,957	123,804	12,178,189	29,946
Accumulated depreciation:								
As at November 1, 2019	-	(82,717)	(458,173)	(3,815,903)	(241,995)	(112,417)	-	(27,748)
Depreciation for the year	-	(77,380)	(80,547)	(257,082)	(24,322)	(7,652)	-	(1,065)
Disposals/written off	-	5	-	4,538	5,384	3,564	-	-
As at October 31, 2020	-	(159,992)	(538,720)	(4,068,447)	(260,933)	(116,505)	-	(28,813)
Difference on revaluation of assets:								
As at November 1, 2019	-	-	-	-	-	-	-	974,292
Increase	115,618	-	-	-	-	-	-	-
As at October 31, 2020	1,029,912	-	-	-	-	-	-	974,292
Allowance for impairment of assets:								
As at November 1, 2019	(21,337)	-	-	-	-	-	-	-
Increased/Decreased	(5,212)	-	-	-	-	-	-	-
As at October 31, 2020	(26,549)	-	-	-	-	-	-	-
Net book value:								
As at October 31, 2020	1,540,223	293,283	1,675,972	5,486,430	124,717	17,306	12,162,089	1,133

2019

Unit : Thousand Baht

	Separate Financial Statements							
	Land	Land Improvement	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	Bearer Plant
Cost:								
As at November 1, 2018	486,311	379,591	1,827,033	3,187,355	593,491	152,487	1,371,714	27,748
Adjustment and reclassification	1,195	-	-	(13)	-	3	(5,155)	-
Purchases	12,219	-	-	5,065	4,568	5,136	524,265	1,060
Disposals/written off	-	-	(8,084)	(10,899)	(65,894)	(8,272)	-	-
Transfer in (out)	-	12,222	127,223	407,464	-	864	(819,361)	-
As at December 31, 2019	498,525	391,813	1,946,172	3,581,508	532,161	159,217	1,371,562	28,808
Accumulated depreciation:								
As at November 1, 2018	-	(66,852)	(437,510)	(3,448,951)	(277,572)	(149,146)	-	(27,748)
Adjustment and reclassification	-	-	-	(17)	-	3	-	-
Depreciation for the year	-	(15,862)	(56,510)	(170,831)	(26,895)	(5,074)	-	(1,065)
Disposals/written off	-	-	1,995	3,900	62,567	5,212	-	-
As at December 31, 2019	-	(82,717)	(492,025)	(3,615,881)	(241,900)	(113,410)	-	(28,813)
Difference on revaluation of assets:								
As at November 1, 2018	-	-	-	-	-	-	-	974,292
As at December 31, 2019	974,292	-	-	-	-	-	-	974,292
Allowance for impairment of assets:								
As at November 1, 2018	(21,337)	-	-	-	-	-	-	-
As at December 31, 2019	(26,549)	-	-	-	-	-	-	-
Net book value:								
As at December 31, 2019	1,429,976	209,096	1,454,147	4,965,627	192,561	17,806	12,150,527	1,133

Depreciation for the years ended October 31,

2020

Thousand Baht

127,510

2019

Thousand Baht

487,872

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

As at October 31, 2020 and 2019, buildings and structure of two foreign subsidiaries at book value of Baht 372.12 million and Baht 393.94 millions, respectively, in the consolidated financial statements, are located on the concessional and which the ownership will be transferred to the lesser when the agreements are expired (see Note 34.8.3).

As at October 31, 2020 and 2019, assets at cost of Baht 5,435.69 million and Baht 5,073.49 million, respectively, in the consolidated financial statements, and of Baht 2,728.09 million and Baht 2,660.18 million, respectively, in the separate financial statements, were fully depreciated but still in use.

As at October 31, 2020 and 2019, land which is recorded at revaluation method with the net value of Baht 4,875.63 million and Baht 3,963.38 million, respectively, in the consolidated financial statements and Baht 1,534.20 million and Baht 1,429.46 million, respectively, in the separate financial statements represented fair value of land which was determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using the market approach which is hierarchy level 3. As at October 31, 2020 and 2019, land net book value at the cost method of Baht 1,169.88 million and Baht 1,288.83 million, respectively, in the consolidated financial statements, and of Baht 479.84 million and Baht 476.51 million, respectively, in the separate financial statements.

19. OTHER NON-CURRENT ASSETS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Assets not yet used in operation - machinery and equipment	-	724	-	-
Other non-current assets	91,919	81,121	64,388	46,074
Total other non-current assets	91,919	81,845	64,388	46,074

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

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

20. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Promissory notes	6,912,515	2,889,146	4,901,000	475,000
Bills of exchange	-	1,990,992	-	1,990,992
Total short-term borrowings from financial institutions	<u>6,912,515</u>	<u>4,880,138</u>	<u>4,901,000</u>	<u>2,465,992</u>

As at October 31, 2020 and 2019, promissory notes are borrowings denominated in Baht, in the consolidated financial statements, of Baht 6,912.52 million and Baht 2,889.15 million, respectively, carrying interest rates at 1.14% - 2.35% per annum and 1.80% - 2.35% per annum, respectively, and in the separate financial statements, of Baht 4,901.00 million and Baht 475.00 million, respectively, carrying interest rates at 1.14% - 1.53% per annum and 1.80% - 2.04% per annum, respectively.

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

21. TRADE AND OTHER CURRENT PAYABLES

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Trade payables - related parties	26,750	14,211	42,776	252,847
Trade payables - others	595,130	122,362	115,790	10,783
Advances received for sales of goods	346,844	360,181	75,940	253,832
Other accrued expenses	221,372	368,623	128,379	270,368
Payables on purchases of assets	46,091	51,483	1,429	5,075
Other payables	155,144	365,786	220,161	117,959
Total trade and other current payables	<u>1,191,331</u>	<u>1,282,666</u>	<u>784,475</u>	<u>1,130,864</u>

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

22. LONG-TERM DEBENTURES

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

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	2020	2019
Unsecured senior debt debentures	6,995,997	10,493,600
<u>Less</u> Current portion	<u>(1,349,772)</u>	<u>(3,499,449)</u>
Net	5,646,225	6,994,151

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:

Bond Ser.No.	Symbol	Term	Maturity date	Unit : Thousand Baht				
				Consolidated Financial Statements/ Separate Financial Statements	at October 31, 2020			
				Interest rate per annum	Number of units issued	Total value	Deferred debenture amortization cost	Net
1	KSL211A	3 years	May 3, 2021	2.75	1,340,000	1,340,000	218	1,349,772
2	KSL218A	3 years	August 19, 2022	2.43	3,000,000	3,000,000	1,585	2,998,415
3	KSL2171A	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,569	1,998,431
4	KSL281A	10 years	May 3, 2028	5.00	650,000	650,000	212	649,788
Total long-term debentures					7,000,000	7,000,000	4,501	6,995,499

Bond Ser.No.	Symbol	Term	Maturity date	Unit : Thousand Baht				
				Consolidated Financial Statements/ Separate Financial Statements	at October 31, 2019			
				Interest rate per annum	Number of units issued	Total value	Deferred debenture amortization cost	Net
1	KSL202A	3 years	February 24, 2020	2.46	1,000,000	1,000,000	302	999,698
2	KSL201A	3 years	March 13, 2020	2.48	2,000,000	2,000,000	204	1,999,796
3	KSL209A	4 years	June 20, 2021	2.56	500,000	500,000	143	499,857
4	KSL215A	3 years	May 3, 2021	2.13	1,350,000	1,350,000	682	1,349,318
5	KSL228A	3 years	August 19, 2022	2.43	3,000,000	3,000,000	3,131	2,996,869
6	KSL2170A	10 years	December 7, 2027	3.74	2,000,000	2,000,000	1,770	1,998,230
7	KSL285A	10 years	May 3, 2028	5.00	650,000	650,000	246	649,754
Total long-term debentures					12,500,000	12,500,000	6,420	12,493,580

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	
	2020	2019
Beginning book value	10,493,600	10,493,742
Debentures issuance during the years	-	3,000,000
Redemptions during the years	(5,500,000)	(3,000,000)
Debenture issuance cost (amortized)	2,397	(142)
Ending book value	6,995,997	10,493,600

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

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

As at October 31, 2020 and 2019, the Company maintains the debts with interest to equity ratio in accordance with the conditions (see Note 30).

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

As at October 31, 2020, the credit rating of the debentures was not lower than the Company's credit rating.

23. SHORT-TERM BORROWINGS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Short-term borrowing from related parties	7,100	3,400	545,500	447,600
Total short-term borrowings	7,100	3,400	545,500	447,600

24. LONG-TERM BORROWINGS

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Borrowings	4,852,000	6,749,000	4,852,000	6,749,000
Less: Current portion	(1,867,000)	(1,987,000)	(1,867,000)	(1,987,000)
Long-term borrowings - net	2,985,000	4,762,000	2,985,000	4,762,000

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Beginning book value	6,749,000	5,632,000	6,749,000	5,630,000
Additional borrowings during the years	-	1,000,000	-	1,000,000
Repayment during the years	(1,897,000)	(1,931,000)	(1,897,000)	(1,881,000)
Ending book value	4,852,000	4,701,000	4,852,000	4,749,000

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
	%	%	%	%
Borrowings - Baht currency	2.10 - 3.00	2.94 - 3.57	2.10 - 3.00	2.94 - 3.57

Maturity of long-term borrowings were as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2020	2019	2020	2019
Within 1 year	1,867,000	1,932,000	1,867,000	1,982,000
Over 1 year and within 5 years	2,985,000	2,767,000	2,985,000	2,767,000

The significant terms of such borrowings are as follows:

Credit Limit	Balance		Interest rate	Principal repayment	Interest payment	Commencing repayment	Maturity
	At 31 October 31, 2020	2019					
	Thousand Baht	Thousand Baht					
The Company							
1 Baht 1,500 million	-	100,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2019	November 2019
2 Baht 1,000 million	100,000	500,000	AMLR - Fixed rate	Semi-annual	Quarterly	June 2016	December 2020
3 Baht 1,000 million	315,000	665,000	Fixed rate	Semi-annual	Monthly	April 2019	October 2021
4 Baht 1,000 million	250,000	500,000	AMLR - Fixed rate	Semi-annual	Quarterly	May 2019	November 2021
5 Baht 1,000 million	300,000	700,000	Fixed rate	Semi-annual	Monthly	June 2018	December 2022
6 Baht 1,000 million	400,000	400,000	MLR - Fixed rate	Semi-annual	Monthly	November 2018	May 2021
7 Baht 1,000 million	600,000	800,000	MLR - Fixed rate	Semi-annual	Monthly	March 2019	September 2023
8 Baht 1,000 million	567,000	980,000	AMLR - Fixed rate	Semi-annual	Quarterly	August 2019	August 2023
9 Baht 1,000 million	180,000	1,000,000	AMLR - Fixed rate	Semi-annual	Quarterly	January 2020	January 2024
10 Baht 1,000 million	180,000	1,000,000	AMLR - Fixed rate	Semi-annual	Quarterly	February 2020	February 2024
Total	4,852,000	5,749,000					
Less Current portion	(1,867,000)	(1,932,000)					
Net	2,985,000	3,817,000					

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

In addition, the Company and its subsidiaries have to abide to certain financial conditions, the Company and its subsidiaries have to maintain the debt with interest-to-equity ratio (see Note 30). And the Company have to maintain the shareholding ratio of the Company in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital and restriction on dividend payment of subsidiaries. As at October 31, 2020 and 2019, the Company and its subsidiaries can maintain the ratios as stipulated in the agreements.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

25. CONTRIBUTION TO THE CANE AND SUGAR FUND

According to the regulation of the Cane and Sugar Board regarding "the rules, procedures and conditions of funds contributed to the Cane and Sugar Fund ("the Fund") in support of Fund's objective implementation B.E. 2563 (2020)", the factory shall contribute fund at the rate of Baht 20 per ton of sugarcane to the Fund in each production season and the payment should be made by 4 equal installments in June, August, October and December of each year. The regulation shall come into the effect from January 15, 2018 onwards according to the Cabinet Resolution on April 15, 2020 and the announcement of the Royal Gazette dated May 26, 2020.

As the result, the Company and three subsidiaries have recognized the contributions to the sugar cane and sugar funds of previous production years, the year 2017/2018 and year 2018/2019, as "Contribution to the Cane and Sugar Fund" and the production season of year 2019/2020, the contribution to the Cane and Sugar Fund is recognized as part of production costs in the statement of profit or loss. In addition, the payable for contribution to the Cane and Sugar Fund of the previous production years, the year 2017/2018 and year 2018/2019, has presented by offsetting with the receivable compensation from the Cane and Sugar Fund which is the part of the fund has to pay to the Company and three subsidiaries in the statement of financial position (see Note 6.3).

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

26.1 Income tax expense (income)

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Current income tax				
Current income tax expense	45,337	164,465	-	-
Deferred income tax				
Deferred income tax income and temporary differences	(111,898)	(115,478)	(232,162)	(73,909)
Total	<u>(66,561)</u>	<u>149,007</u>	<u>(232,162)</u>	<u>(73,909)</u>

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Profit (loss) before income tax expense (income)				
- Promoted sector-exempted from income tax	-	1,511	-	-
- The portion that has been promoted except for income tax at 50% of income tax rate	28,935	407,474	-	-
- Non-promoted sector	(193,127)	369,911	(661,909)	(311,842)
Total profit (loss) before income tax expense (income)	(164,192)	978,896	(661,909)	(311,842)
Statutory tax rates (%)	20	20	20	20
Income tax expense				
- The portion that has been promoted except for income tax at 50% of income tax rate	2,894	40,747	-	-
- Non-promoted sector	-	113,982	-	-
Total income tax	2,894	154,729	-	-
Effect on income tax from non-deductible taxable expense	39,267	15,066	-	-
	42,161	169,795	-	-
Prior year income tax expense (income)	1,176	(5,310)	-	-
Deferred income income	(111,898)	(15,478)	(232,162)	(73,909)
Income tax expense (income)	(66,561)	149,007	(232,162)	(73,909)

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Deferred tax assets - net				
Allowance for doubtful accounts	-	-	13,854	-
Allowance for diminution in value of inventories	-	-	11,425	-
Allowance for impairment in subsidiary investments	-	-	426,642	-
Non-current provision for employee benefit	1,014	1,229	21,853	-
Gain on asset revaluation	-	-	(217,982)	-
Loss carried forward	-	4,039	585,521	-
Depreciation	-	-	(106,539)	-
Change in fair value of investment property	-	-	(298,078)	-
Change in fair value of biological assets	-	-	(972)	-
Gain from amalgamation	-	-	(482,573)	-
Others	-	3,203	47,223	-
Deferred tax assets - net	1,014	8,471	374	-

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

2020

	Consolidated Financial Statements			Unit : Thousand Baht
	As at November 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2020
Deferred tax assets - net				
Non-current provision for employee benefit	1,229	(275)	60	1,014
Loss carried forward	4,039	(4,039)	-	-
Others	3,203	(3,203)	-	-
Deferred tax assets - net	8,471	(7,517)	60	1,014

2019

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

2020

	Separate Financial Statements			Unit : Thousand Baht
	As at November 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2020
Deferred tax assets - net				
Allowance for doubtful accounts	-	13,854	-	13,854
Allowance for diminution in value of inventories	-	11,425	-	11,425
Allowance for impairment in subsidiary investments	-	426,642	-	426,642
Non-current provision for employee benefit	-	18,818	3,035	21,853
Gain on asset revaluation	-	-	(217,982)	(217,982)
Loss carried forward	-	585,521	-	585,521
Depreciation	-	(106,539)	-	(106,539)
Change in fair value of investment property	-	(298,078)	-	(298,078)
Change in fair value of biological assets	-	(972)	-	(972)
Gain from amalgamation	-	(482,573)	-	(482,573)
Others	-	7,136	40,087	47,223
Deferred tax liabilities - net	-	175,234	(174,860)	374

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

	Unit : Thousand Baht Consolidated Financial Statements	
	2020	2019
The following deferred tax assets have not been recognized		
Temporary differences	(36,833)	(44,895)
Loss carried forward	223,577	254,789
	<u>186,694</u>	<u>209,894</u>

As at October 31, 2020, the Company's management assessed that the deferred tax assets will not be utilized in full amount because the future taxable profit of subsidiaries will not be sufficient to utilize such deferred tax assets. The loss carried forward which is not recognized as deferred tax assets of Baht 223.58 million, will be matured by the years 2021 to 2025.

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Deferred tax liabilities - net				
Allowance for doubtful accounts	(52,803)	(49,270)	-	(13,115)
Allowance for diminution in value of inventories	(16,062)	(11,598)	-	(10,003)
Allowance for impairment in subsidiary investments	-	-	-	(359,029)
Non-current provision for employee benefit	(50,193)	(57,567)	-	(25,103)
Gain on asset revaluation	763,615	544,843	-	194,858
Loss carried forward	(734,313)	(472,796)	-	(374,360)
Depreciation	196,778	122,213	-	64,161
Change in fair value of investment property	655,181	625,421	-	294,633
Change in fair value of biological assets	(1,567)	(458)	-	753
Gain from amalgamation	482,573	482,573	-	482,573
Others	(52,937)	(52,464)	-	(30,131)
Deferred tax liabilities - net	<u>1,210,254</u>	<u>1,130,897</u>	<u>-</u>	<u>225,239</u>

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

2020

	Consolidated Financial Statements			Unit : Thousand Baht
	As at November 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2020
Deferred tax liabilities - net				
Allowance for doubtful accounts	(49,270)	(3,531)	-	(52,801)
Allowance for diminution in value of inventories	(11,598)	(4,464)	-	(16,062)
Non-current provision for employee benefit	(57,567)	13,834	(6,460)	(50,193)
Gain on asset revaluation	544,843	-	218,772	763,615
Loss carried forward	(472,796)	(241,537)	-	(714,333)
Depreciation	122,213	74,565	-	196,778
Change in fair value of investment property	625,421	29,760	-	655,181
Change in fair value of biological assets	(458)	(1,109)	-	(1,567)
Gain from amalgamation	482,573	-	-	482,573
Others	(52,464)	13,067	(13,540)	(52,937)
Deferred tax liabilities - net	1,130,897	(119,415)	198,772	1,210,254

2019

	Consolidated Financial Statements			Unit : Thousand Baht
	As at November 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at October 31, 2019
Deferred tax liabilities - net				
Allowance for doubtful accounts	(36,367)	(12,903)	-	(49,270)
Allowance for diminution in value of inventories	(22,981)	11,383	-	(11,598)
Non-current provision for employee benefit	(58,115)	548	-	(57,567)
Gain on asset revaluation	545,193	-	(650)	544,843
Loss carried forward	(374,572)	(98,224)	-	(472,796)
Depreciation	93,552	28,661	-	122,213
Change in fair value of investment property	572,107	53,314	-	625,421
Change in fair value of biological assets	(1,631)	1,173	-	(458)
Gain from amalgamation	482,573	-	-	482,573
Others	(36,623)	2,107	(17,948)	(52,464)
Deferred tax liabilities - net	1,163,436	(13,941)	(18,598)	1,130,897

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

2020

	Unit : Thousand Baht			
	As at November 1, 2019	Separate Financial Statements Items as recognized in profit or loss		As at October 31, 2020
			Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(13,115)	13,115	-	-
Allowance for diminution in value of inventories	(10,003)	10,003	-	-
Allowance for impairment in subsidiary investments	(359,029)	359,029	-	-
Non-current provision for employee benefit	(25,103)	25,103	-	-
Gain on asset revaluation	194,858	-	(194,858)	-
Loss carried forward	(374,360)	374,360	-	-
Depreciation	64,163	(64,163)	-	-
Change in fair value of investment property	294,633	(294,633)	-	-
Change in fair value of biological assets	753	(753)	-	-
Gain from amalgamation	482,573	(482,573)	-	-
Others	(30,131)	3,584	26,547	-
Deferred tax liabilities - net	225,239	(56,928)	(168,311)	-

2019

	Unit : Thousand Baht			
	As at November 1, 2018	Separate Financial Statements Items as recognized in profit or loss		As at October 31, 2019
			Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(10,088)	(3,027)	-	(13,115)
Allowance for diminution in value of inventories	(18,179)	8,176	-	(10,003)
Allowance for impairment in subsidiary investments	(328,630)	(30,399)	-	(359,029)
Non-current provision for employee benefit	(25,714)	611	-	(25,103)
Gain on asset revaluation	194,858	-	-	194,858
Loss carried forward	(290,577)	(83,783)	-	(374,360)
Depreciation	49,340	14,823	-	64,163
Change in fair value of investment property	276,457	18,176	-	294,633
Change in fair value of biological assets	(406)	1,159	-	753
Gain from amalgamation	482,573	-	-	482,573
Others	(12,538)	355	(17,948)	(30,131)
Deferred tax liabilities - net	317,095	(73,809)	(17,948)	225,239

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

27. NON-CURRENT PROVISION FOR EMPLOYEE BENEFIT

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

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Current service cost	9,745	15,252	4,247	7,157
Interest cost	4,392	8,382	1,708	3,438
Total	14,137	23,634	5,955	10,595

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Non-current provision for employee benefit brought forward	295,824	298,846	125,517	128,569
Current service cost	9,745	15,252	4,247	7,157
Interest cost	4,392	8,382	1,708	3,438
Actuarial loss on the estimation of the obligations	35,033	-	15,174	-
Benefit paid during the years	(84,374)	(26,656)	(37,383)	(13,647)
Non-current provision for employee benefit carried forward	260,620	295,824	109,263	125,517

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

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
	%	%	%	%
Discount rate	0.68 - 2.04	2.14 - 3.46	1.01 - 1.29	2.45 - 2.87
Expected rate of salary increase	5.00	5.00	5.00	5.00
Voluntary resignation rate (Depended on employee's age)				
- Monthly employees	6.00 - 33.00	5.00 - 35.00	8.00 - 14.00	8.00 - 14.00
- Daily employees	5.00 - 67.00	4.00 - 100.00	11.00 - 59.00	11.00 - 52.00

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2020	2019	2020	2019
Discount rate				
Discount rates, decrease of 0.5 percent	0.67 - 111.22	0.93 - 62.96	111.22	62.96
Discount rates, increase of 0.5 percent	0.62 - 107.41	0.86 - 59.24	107.41	59.24
Salary growth rates				
Salary growth rates, decrease of 0.5 percent	0.63 - 107.18	0.86 - 59.06	107.18	59.06
Salary growth rates, increase of 0.5 percent	0.67 - 110.76	0.93 - 63.13	110.76	63.13
Turnover rates				
Turnover rates, decrease of 1 percent	0.70 - 113.28	0.99 - 66.31	113.28	66.31
Turnover rates, increase of 1 percent	0.60 - 105.67	0.81 - 56.35	105.67	56.35

28. DIVIDENDS PAID AND LEGAL RESERVE

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

Dividends	Approved by	Number of shares Billion 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, 2018 to October 31, 2019	No. 1/2020 held on February 25, 2020	4.41	0.05	220.51	March 20, 2020
- Dividends paid from the Company's result of operations from November 1, 2017 to October 31, 2018	No. 1/2019 held on February 22, 2019	4.41	0.05	220.51	March 20, 2019

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

As at October 31, 2020 and 2019, the Company's legal reserve reaches 10 percent of the Company's authorized share capital.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

29. DIRECTORS REMUNERATION

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

	Unit : Thousand Baht Consolidated/Separate Financial Statements	
	2020	2019
For the years ended October 31,	9,040	8,958

30. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt with interest to equity ratio in the consolidated financial statements not to exceed the covenants of the debenture issuances (see Note 22) and the loan agreements (see Note 24).

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

	2020	2019
Debt with interest to equity	0.96 : 1.00	1.16 : 1.00

31. EXPENSES BY NATURE

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

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
Raw material and supply used	6,490,430	9,203,823	3,652,173	6,137,984
Purchase finished goods and supply	436,462	884,294	1,217,965	1,628,863
Changes in finished goods and goods in process	754,812	1,165,692	235,383	1,026,491
Salaries, wages and other employee benefits	1,090,282	1,251,767	435,447	505,133
Depreciation and amortization	1,080,164	1,204,711	174,267	488,556
Fees paid to the Office of the Cane and Sugar Fund	-	1,261,874	-	678,185
Contribution to the Cane and Sugar Fund	529,899	-	193,928	-
Maintenance expenses	527,956	797,134	155,632	242,619
Transportation expenses	442,922	936,297	242,565	628,414
Loss from investments in derivatives	394,332	-	242,458	-
Loss on impairment of investments in subsidiaries	-	-	138,665	151,406
Finance costs	456,535	710,112	461,714	657,950

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

32. BASIC EARNINGS (LOSS) PER SHARE

The calculations of basic earnings (loss) per share were based on dividing the profit (loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares held by the outsiders during the period. Basic earnings (loss) per share for the years ended October 31, 2020 and 2019 are as follows:

2020

	Consolidated Financial Statements			Separate Financial Statements		
	Loss for the year	Number of shares	Loss per share	Loss for the year	Number of shares	Loss per share
	Thousand Baht	Thousand Shares	Baht	Thousand Baht	Thousand Shares	Baht
Basic and diluted loss per share						
For the year ended to ordinary equity holders	(82,743)	4,410,233	(0.019)	(424,747)	4,410,233	(0.097)

2019

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

33. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS

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

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

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

Manufacture and Sale of Electricity

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Real Estate Rental

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

Geographical segments information is based on entity operating in the country and overseas. The overseas operations comprise Lao People's Democratic Republic and Kingdom of Cambodia.

Major Customer Information

For the years ended October 31, 2020 and 2019, the Group's revenues contains revenue from the following major external customers:

- Revenue from two oversea customers, international sugar traders, in manufacture and distribution of Sugar and Molasses sector in the amount of Baht 2,040.83 million and Baht 4,370.02 million, respectively.
- Revenue from a single customer in Thailand in electricity sector in the amount of Baht 1,025.52 million and Baht 1,061.85 million, respectively.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Disaggregation of revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 for the years ended October 31, are as follows:

		Unit : Million Baht									
	2020	Manufacture and Distribution of Sugar and Molasses		Manufacture and Sale of Electricity		Real Estate Rental		Others Business		Inter-Transaction	
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
		Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas	Thai	Overseas
All a point in time	13,135	479	15,261	385	2,135	2,675	-	1,239	3,115	(5,284)	(5,852)
Over time	-	-	-	-	456	913	156	192	404	(623)	(1,128)
Total	13,135	479	15,261	385	2,591	3,588	156	1,431	2,519	(5,907)	(7,980)

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

34. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2020 and 2019, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

- 34.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 1,820.98 million and Baht 3,217.40 million, respectively, and in the separate financial statements amounting to Baht 1,094.24 million and Baht 2,098.23 million, respectively.
- 34.2 The Company and three subsidiaries had issued post-dated checks to the farmers to purchase cane. The Company and its subsidiaries did not record such liabilities as the checks have not yet due and the cane has not been received from the farmers as at October 31, as follows:

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2020	2019	2020	2019
For the production season 2021/2022	10.20	-	10.20	-
For the production season 2020/2021	578.85	-	286.17	-
For the production season 2019/2020	-	623.69	-	226.83

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

34.5 A subsidiary entered into an electricity sale-purchase agreement with the Provincial Electricity Authority (PEA) on September 18, 2012, PEA agrees to buy electricity at the volume of 2.12 Megawatt at the voltage of 22,000 volts at Wangsaphung District, Loei Province, at the mutually-agreed price as stipulated in the agreement commencing from November 20, 2012 for the period of 5 years and automatically be renewed for consecutive 5 years-terms, unless either party terminate this agreement. (The Company postponed for sale electricity to December 27, 2014.)

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

Unit: Million

Consolidated Financial Statements							
	Currency	As at October 31, 2020			As at October 31, 2019		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	1,163.72	-	-	1,065.50	-
Credit facilities							
Letters of guarantee (unspecified credit limit)	THB	-	20.21	-	-	39.26	-
Letters of credit and trust receipts	THB	150.00	-	150.00	120.00	-	120.00
Letters of credit	USD	10.00	-	20.00	20.00	-	15.00
Overdraft and short-term borrowings	THB	21,139.50	5,341.72	15,897.72	23,522.50	3,229.15	25,303.35
Short-term borrowings	USD	20.50	-	20.50	20.50	-	20.50
Joint credit line in short-term borrowings	THB	2,763.00	1,570.74	1,192.26	2,910.00	1,680.00	1,230.00
Long-term borrowings	THB	4,852.00	4,852.00	-	6,749.00	6,749.00	-

Unit : Million

		Separate Financial Statements					
		As at October 31, 2020			As at October 31, 2019		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	1,103.72	-	-	1,004.50	-
Credit facilities							
Letters of guarantee (unspecified credit limit)	THB	-	4.04	-	-	4.12	-
Letters of credit and trust receipts	THB	10.00	-	52.50	52.50	-	10.00
Overdraft and short-term borrowings	THB	11,500.00	4,901.50	6,598.50	15,151.50	2,475.00	10,876.00
Short-term borrowings	USD	0.50	-	2.50	0.50	-	0.40
Joint credit line in short-term borrowings	THB	2,763.00	1,570.74	1,192.26	2,910.00	1,680.00	1,230.00
Long-term borrowings	THB	4,852.00	4,852.00	-	6,749.00	6,749.00	-

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

The above credit facilities are partially secured between the Company and its subsidiaries. In addition, for certain credit facilities, if they are utilized, certain inventories of the Company and its subsidiaries will be used as collateral. However, as at October 31, 2020 and 2019, the Company and its subsidiaries do not use those facilities.

As at October 31, 2020, the Company and three subsidiaries have secured loans issued by a bank to farmers in the consolidated financial statements amounting to Baht 185.58 million and in the separate financial statements amounting to Baht 26.53 million.

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

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

Unit : Million

Consolidated Financial Statements					
Currency	As at October 31, 2020		As at October 31, 2019		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	551.92	52.89	858.25	98.11
Machine and equipment purchase agreements	THB	586.80	84.43	281.72	22.83
	USD	0.56	-	0.35	-

Unit : Million

Consolidated Financial Statements Outstanding Contractual Commitments									
As at October 31, 2020					As at October 31, 2019				
Currency	Within 1 year	1 - 5 years	Over 5 years	Total	Within 1 year	1 - 5 years	Over 5 years	Total	
Leased concessions agreements	USD	0.14	0.56	4.46	5.16	0.14	0.54	4.59	5.28
Rental agreements	THB	12.40	20.46	-	33.86	12.79	19.15	-	31.94

Unit : Million

Separate Financial Statements					
Currency	As at October 31, 2020		As at October 31, 2019		
	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	551.92	44.17	874.74	76.13
Machine and equipment purchase agreements	THB	228.50	22.83	281.72	22.83

Unit : Million

Separate Financial Statements						
Outstanding Contractual Commitments						
As at October 31, 2020				As at October 31, 2019		
Currency	Within 1 year	1 - 5 years	Total	Within 1 year	1 - 5 years	Total
Rental agreements	THB	5.85	11.26	17.11	4.14	8.69

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

34.8 Other significant agreements

- 34.8.1 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) as a replacement when the Energy Industry Act B.E. 2550 was effective, for the period of 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions according to the license.
- 34.8.2 On February 16, 2006, Savarnakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 40 years which can be extended for another 20 years if approved by the counter party. As at October 31, 2020 and 2019, the subsidiary has already utilized the area of 5,636.35 hectares and 5,053.45 hectares respectively, at the rental rate.
- 34.8.3 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 18,057 hectares covering period of 90 years and the rental price has a grace period of the first 5 years, afterwards, the rate of rental price of USD 5 per hectare per annum and the rental fee will increase by 1% every year and later on February 25, 2016, the Government of Kingdom of Cambodia amended the new concession to 50 years. As at October 31, 2020 and 2019, the subsidiaries have already utilized the area of 9,398.69 hectares, equal for both years. Buildings and structure of subsidiaries, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 18).
- 34.8.4 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person to build port and land awaiting development dated June 1, 2007 and May 21, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 0.48 million. As at October 31, 2020 and 2019, the balances of the advance lease fee paid are USD 0.41 million for both years, which is presented as part of other non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

35. FINANCIAL INSTRUMENTS

Risk management policies

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

Risk on interest rate

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

Unit : Thousand Baht

Consolidated Financial Statements				
As at October 31, 2020				
	Fixed Interest Rate			Floating
	Within	More than	More than	Interest Rate
	1 year	1 year	5 years	
		to 5 years		
Financial Assets				
Saving account deposits	-	-	-	131,392
Fixed account deposits	264	-	-	-
Loan for cane plantation development	303,740	108,118	26,373	-
Short-term loans to farmers	585,447	170	-	-
Long-term loans to others	1,335	-	-	-
Other long-term investments	-	-	6,754	-
Total	795,784	308,288	33,127	131,392
Financial Liabilities				
Short-term borrowings from financial institutions	6,912,515	-	-	-
Short-term borrowings from related parties	7,100	-	-	-
Long-term debentures	1,349,772	2,998,011	2,648,214	-
Long-term borrowings	1,867,000	2,985,000	-	-
Total	10,136,387	5,983,011	2,648,214	-

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Unit : Thousand Baht

Consolidated Financial Statements					
As at October 31, 2019					
	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year to 3 years	More than 3 years	Interest Rate	
Financial Assets					
Saving accounts deposits	-	-	-	94,616	94,616
Fixed account deposits	260	-	-	-	260
Loans for cane plantation development	254,880	131,845	12,145	317	399,387
Short-term loans to farmers	622,194	171	-	46,781	669,056
Long-term loans to others	1,333	1,333	-	-	2,666
Other long-term investments	-	-	6,729	-	6,729
Total	878,577	133,349	19,074	141,714	1,172,714
Financial Liabilities					
Short-term borrowings from financial institutions	4,880,138	-	-	-	4,880,138
Short-term borrowings from related parties	3,400	-	-	-	3,400
Long-term debentures	3,499,449	4,346,166	2,647,985	-	10,493,600
Long-term borrowings	1,982,000	4,767,000	-	-	6,749,000
Total	10,364,987	9,113,166	2,647,985	-	22,126,138

Risk on exchange rates

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

Currency	Consolidated Financial Statements				Separate Financial Statements			
	2020		2019		2020		2019	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	2.22	0.82	82.22	25.13	30.59	-	86.63	-
YEN	-	2.50	-	4.34	-	-	-	-
RMB	180.57	10.51	180.52	291.85	-	-	-	-
LAK	87.14	269.67	189.14	169.75	-	-	-	-

As at October 31, 2020 and 2019, the Company and its subsidiaries entered into forward contracts and cross currency swap with commercial banks to hedge against exchange rate risk from receipts and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liabilities in the consolidated and separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

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

								Unit : Million	
Currency	Amount fixed in contract				Currency	Amount earned in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements		Financial Statements			Financial Statements		Financial Statements	
	2020	2019	2020	2019		2020	2019	2020	2019
USD	7.03	-	-	-	THB	222.21	-	-	-

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Net fair values of forward contracts	219.64	-	-	-

Risk on fluctuation of sugar and cane prices

The cane and sugar industry in Thailand are under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production. To manage risk on the fluctuation of gross profit, the Company and its subsidiaries have hedged the risk by entering into commodity swap contracts for the period not over 1 year. Gain or loss is recognized in the statement of profit or loss when the contracts are settled or expired.

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

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2020	2019	2020	2019
Gains (losses) on commodity swap contracts	(194.13)	121.49	(242.46)	121.49

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

	Currency	Unit : Million	
		Consolidated/Separate	
		Financial Statements	Financial Statements
		2020	2019
Net fair values for commodity swap contracts	USD	(0.17)	1.66

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

Credit risk

The Company and its subsidiaries have risk on credit regarding trade receivables, farmer receivable, loans to farmers, loans to related parties, loans to others, loans for cane plantation and development, and others receivable. However, the Company and its subsidiaries have many receivables and have conservative credit policy including allowance for doubtful accounts. In addition, the Company and its subsidiaries request farmers to pledge land or other assets as collateral or guarantee by individual. The Group's management of the Company and its subsidiaries believes that the risk of default by receivables is low.

Fair value

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

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

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

	Consolidated / Separate Financial Statement		Fair value Hierarchy	Valuation technique of fair value
	Carrying amount Million Baht	Fair value Million Baht		
As at October 31, 2020				
Financial liabilities				
Long-term debentures	6,996	6,842	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.
As at October 31, 2019				
Financial liabilities				
Long-term debentures	10,494	10,667	Level 2	Calculated from the closing price of the last Bond Market Association Thailand at the last day.

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

The Company and ten subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. For the years ended October 31, 2020 and 2019, the Group and their employees monthly contribute to the fund at the rate of 2% - 15% for both years. The fund, which is managed by Ayudhya Fund Management Co., Ltd. will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2020 and 2019, the Company and its subsidiaries contributed in amounts of Baht 29.45 million and Baht 32.29 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 12.61 million and Baht 14.59 million, respectively, in the separate financial statements.

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

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

Certain reclassification has been made to the consolidated and separate statements of income for the year ended October 31, 2019 to conform to the classification used in the consolidated and separate statements of income for the year ended October 31, 2020, as follows:

		(Unit : Thousand Baht)	
	Current	Consolidated	Separate
Previous presentation	presentation	Financial	Financial
		Statements	Statements
Revenue from commission for sugar production and distribution	Other incomes	191,009	18,163

NOTES TO THE FINANCIAL STATEMENTS

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED OCTOBER 31, 2020

39. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 23, 2020.



Sustainability Report 2020



Sustainability Report 2020

About this Report

Khon Kaen Sugar Industry PLC has been in business since 1945. At present, the registered capital amounts 2,205 million baht. On 7 March 2005, the Company became a listed company in the Securities Exchange of Thailand with its trading symbol "KSL".

The Sustainability Report 2020 covers the period 1 November 2019 to 31 October 2020. The making of this report is based on the Global Report Initiative (Standard) regarding the following aspects.

Environment



Energy

Aggregated Energy consists of heat energy and electricity energy used in the area of the Company or the factory. The data of heat energy is collected from quantity of fuel recorded in accounting or from meter multiplied with heat conversion. Data of electricity usage is collected from electricity invoice submitted by the provider.

Greenhouse Gas

The amount of GHG means the released quantity of GHG in the operation that is calculated according to the guideline for evaluating carbon footprint provided by the Greenhouse Gas Management Organization (Public Organization) revised the first time on 1 October with the following scope of report.

GHG with direct occurrence (Scope 1) is generated from activities within the Company's control e.g., boiler, vehicles used in Company transportation.

GHG with indirect occurrence (Scope 2) is generated from the purchase of electricity from external sources.

The report of quantity of GHG (Scope 1) and GHG (Scope 2) uses the quantity of used fuel multiplied with the parameter of released GHG based on the Greenhouse Gas Management Organization (Public Organization).

Emissions

Dust, Sulphur Oxide and Nitrogen Oxide are calculated by using the concentration measured pursuant to the law multiplied with the flow rate of wind and working hours of machinery.

Water Withdrawal

The volume of water withdrawal is the withdrawal of water from various sources to be used in the Company's activities. The data is collected from invoices. The water sources consist of surface water and underground water.

Waste

Waste is divided into two types, namely, hazardous waste and non-hazardous waste pursuant to the Notification of the Ministry of Industry on the management of waste or non-used materials B.E. 2548. The quantity of waste is reported from the weighing of waste.

Safety

Information regarding employees and business partners which is collected from company's staff, outsourced workers and contractors.

The recording of safety data consists of

1. Aggregated accident rate means the number of accidents which occur in each 200,000 hours per person.
2. Accident rate resulting in stoppage of work means the number of accidents which results in stoppage of work which occur in each 200,000 hours per person.
3. Rate of Stoppage of work from accident means the number of stoppage day resulting from accidents which occur in each 200,000 hours per person.
4. Rate of Leave means the number of days of leave resulting from accidents and sick leave due to work, not including leave for rest and leave to give birth which occur in each 200,000 hours per person.

Procedures of reporting issues of sustainability materiality (GRI102-46)

The group of companies has prescribed three significant issues on sustainability for the first time this year (between the fiscal year starting from 1 November 2019 to 31 October 2020), namely, economic, social and environmental issues and has prescribed important sub-issues together with the hearing from stakeholders with these steps.

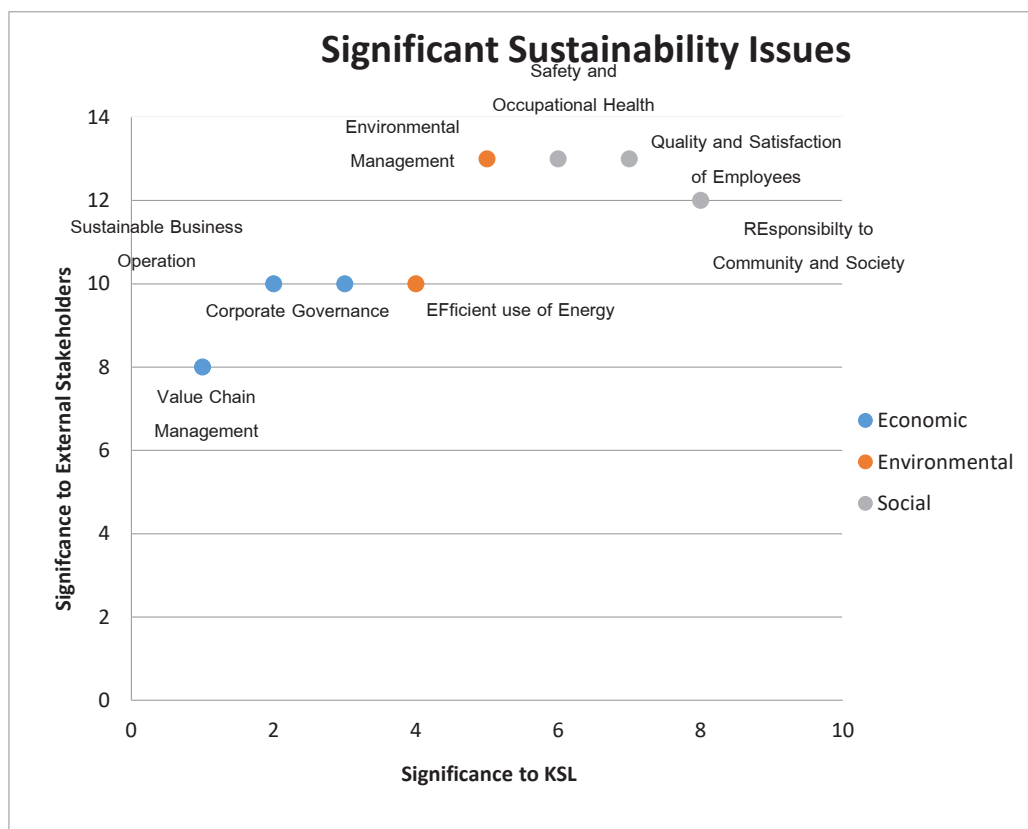


Step 1 Important issues are prescribed to be consistent with the Company's vision, mission, strategies, risks and the stakeholders' perspectives in accordance with the standard indicators used in Global Reporting Initiative (GRI).

Step 2 Prioritize the materiality of the issues obtained in Step 1 by assigning the relevant units to select the important issues within the framework which requires the priority of issues pursuant to the sustainable development of the group of companies and the benefits of the stakeholders.

Step 3 Re-check the materiality of the issues obtained in Step 2 by assigning the relevant units to present the issues which are reviewed in Step 3 to the Executive Board for approval the reporting of these sustainability issues to public.

Step 4 The Company assigns the internal audit office to recheck the procedures of evaluating material issues, collection and processing of data, participation of stakeholders, operation in respect of society, safety and environment so that the information is correct and complete.



Economic



- Sustainable Business Operation
- Management of Value Chain
- Corporate Governance

Environmental



- Efficient use of Energy
- Management of Environment

Social



- Safety and Occupational Health
- Quality and Satisfaction of Employees
- Responsibility to Communities and Society

Scope of the Report (GRI102-46)

The information regarding sustainability as hereby reported belongs to the group of companies which are value-chain related to each other, namely, the companies that operate sugar business, biomass electricity business and bio-fuel, dividing by branches where the factories are located.

Company	Environment					Safety	Human Resources
	Energy	Greenhouse Gas	Emission	Water With-drawal	Waste	Accident	Training
Khon Kaen Sugar Industry PLC (Namong Branch)	●	●		●	●	●	●
Khon Kaen Sugar Industry PLC (Wangsapung 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. (Namong Branch)	●	●	●	●	●	●	●
Khon Kaen Sugar Power Plant Co., Ltd. (Wangsapung Branch)	●	●	●	●	●	●	●
Khon Kaen Sugar Power Plant Co., Ltd. (Boploy Branch)	●	●	●	●	●	●	●

Corporate Governance Structure (GRI102-18)



The Corporate Governance Committee is the body which has roles and duties as reported in topic 28 at page 72. The mentioned roles and duties include the mission to supervise the Company to implement the policy regarding environment and society because apart from the good corporate governance to steer the operation with transparency, integrity, accountability and conscience, the policy also requires the Company to take into account the protection of environment and social development, risk assessment and impact on environment and safety before investment, compliance with laws concerning environment and natural resources, production management to minimize impact on environment and natural resources.

Material Issues and Scope of impact inside and outside the Company (GRI102-47,103-1)

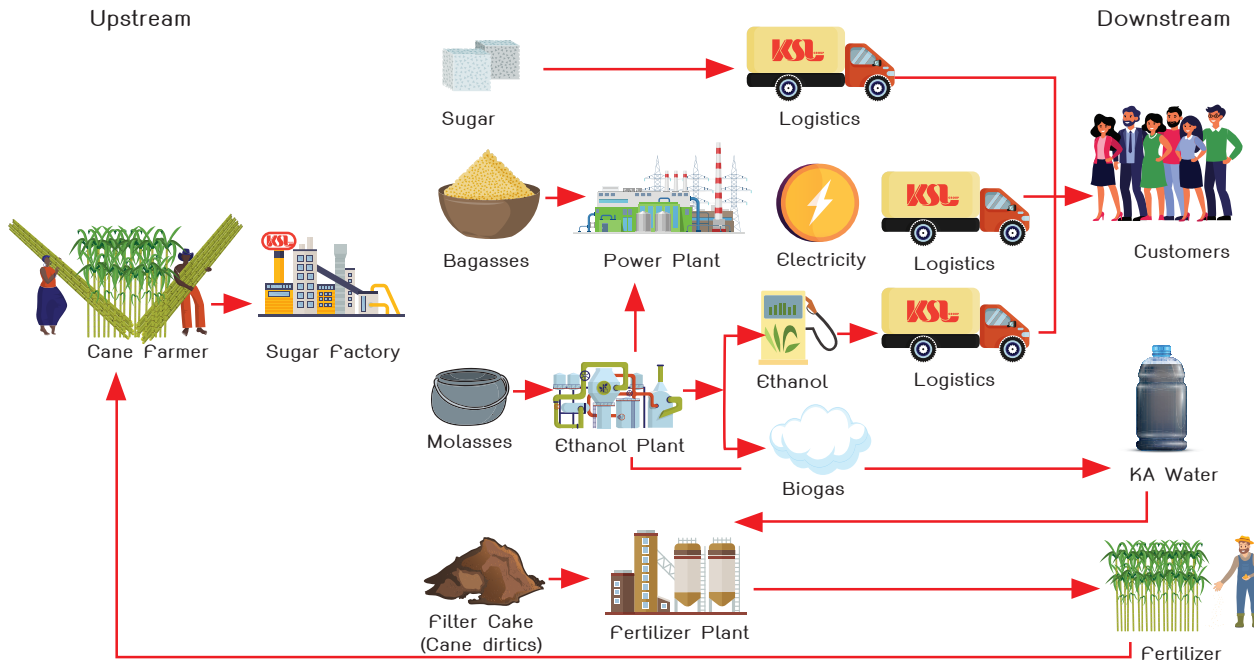
Sustainability Issues of the group of Companies		Sustainability Issues pursuant to GRI102-47	Scope of Impact		
			on internal units of the Company	on stakeholders outside the Company	related external stakeholders
1. Sustainable business operation	<ul style="list-style-type: none"> - proper strategies - risk management and internal control 	<ul style="list-style-type: none"> - strategy making process - corporate governance 	●	●	shareholders, creditors, farmers
2. value-chain management	<ul style="list-style-type: none"> - raw materials procurement - procurement of goods and contractors 	<ul style="list-style-type: none"> - evaluation of farmers and suppliers regarding environment aspects, labor protection and human rights 		●	farmers, suppliers, contractors
3. Corporate governance	<ul style="list-style-type: none"> - corporate governance - business ethics - measures against fraud and corruption 	<ul style="list-style-type: none"> - implementation of corporate governance policy and Manual on measures against fraud and corruption - recognition of integrity - corporate culture formulation 	●	●	shareholders, staff, farmers, suppliers, customers, society
4. Efficient use of energy	<ul style="list-style-type: none"> - reduction of energy use - optimization of energy use 	<ul style="list-style-type: none"> - measurement of used energy - energy management 	●	●	Community, government units
5. Environmental management	<ul style="list-style-type: none"> - reduction of emission - management of industrial waste 	<ul style="list-style-type: none"> - environment standard - community grievances 	●	●	Community, government units, customers
6. Occupational Health and Safety	<ul style="list-style-type: none"> - safety of staff - safety of machinery and equipment - emergency management 	<ul style="list-style-type: none"> - occupational health and safety - checking of machinery and equipment - safety manual compliance - handling emergency 	●	●	Staff, suppliers, government units
7. Personnel Development	<ul style="list-style-type: none"> - Personnel Development - Keeping of personnel and recruitment - benefits and welfare 	<ul style="list-style-type: none"> - training - staff recruitment - succession plan for high ranking staff - relationship management between employer and employee 	●		Staff, customers
8. Responsibility to community and society	<ul style="list-style-type: none"> - good relationship with community - solution of problems to community 	<ul style="list-style-type: none"> - steady relationship building - increase of quality of life to community 	●	●	Farmers, community, government units, customers
9. Innovation and Product Development	<ul style="list-style-type: none"> - Quality and Products 	<ul style="list-style-type: none"> - Production of goods with standard 	●		shareholders, staff, farmers, suppliers, customers, society, government units

Stakeholders related to the group of companies

Each group of stakeholders has different expectation and receives different impact from the operation of the companies
Table of Stakeholders GRI102-40, 42, 43, 44

Groups of Stakeholders	Behavior/incidents of interest	Issues received form the stakeholders
cane farmers 	<ul style="list-style-type: none"> - farmer visit - farmer meeting - invitation to company ceremony or activities 	<ul style="list-style-type: none"> - more promotion in terms of technology and revolving fund - rapid discharge of sugar cane at the factory - farmers' cooperation
shareholders 	<ul style="list-style-type: none"> - Annual General Meeting - Annual Report - disclosure of information to Stock Exchange of Thailand - Quarterly meeting with analysts (Opportunity Day for investors) - communication to various channels e.g., telephone, emails, website - inquiry or complaints through provided channels 	<ul style="list-style-type: none"> - appropriate and steady return of investment - prudent investment - transparency and accountability
Suppliers / contractors 	<ul style="list-style-type: none"> - meeting and seminars - communication to various channels e.g., telephone, emails, website - complaints through provided channels - attending activities of the companies 	<ul style="list-style-type: none"> - fair and transparent procurement - timeliness of job reception - timeliness of payment for goods /fee - work safety
Customers 	<ul style="list-style-type: none"> - visiting customers - inviting customers to visit factories - survey of customers' satisfaction - communication to various channels e.g., telephone, emails, website - complaints through provided channels 	<ul style="list-style-type: none"> - acknowledgment of customers' need - quality improvement of products - improvement of delivery - improvement of after sale service - compliance with human rights principles, environment standard and labor standard
Financial institution creditors 	<ul style="list-style-type: none"> - Annual Report - Financial statements - disclosure of information for credit analysis 	<ul style="list-style-type: none"> - timeliness of payment - use of appropriate financial service
staff 	<ul style="list-style-type: none"> - Newsletter - intranet ,video-conference - meeting / seminar / training - annual division meeting - meeting between supervisors and staff - annual employee evaluation 	<ul style="list-style-type: none"> - competitive benefit and remuneration - promotion through career path - self- development - recognition from supervisor and colleagues
Community / society 	<ul style="list-style-type: none"> - regular interaction with community - attending community's activities - advice on occupational opportunity to community 	<ul style="list-style-type: none"> - reduction of impact form factory to community - support to community's activities - elevation of community's living standard
Local administration / government units 	<ul style="list-style-type: none"> - attending and supporting activities - coordination with government agencies - permission or license seeking as required by law 	<ul style="list-style-type: none"> - compliance with laws - cooperation with government agencies for local development - abolition or reduction of environmental impact on community

Sustainable Value Chain GRI120-9



Economy Aspects



1. Sustainable Business Operation.

The Company is well aware that, in doing business sustainably, there must be a good balance between business stability (including yearly profit and long-term growth of business) and care of environment, society and corporate governance.

As for business stability, the Company has operated its business in line with the vision and strategies and reviewed or solved the problems to respond to the goals within the framework of corporate governance. The Policy has set a clear path that the Company's business process must not create environmental and social problems and shall promote activities that help protect environment and develop society simultaneously.

2. Value-chain management

The group of companies produces sugar from Value-chain picture main raw material – sugar cane. The Companies regard cane farmers very important stakeholder. Project iCane consists of four sub-projects. Project iFarm iMap iForm iCash. The project is meant to develop quality and efficiency of promotion for farmers and cane growing by applying information technology innovation to improve the process so as to be able to respond the farmers' need and to enhance the efficiency of service for the farmers.

iFarm project was aimed to change the large scale sugar-planting method to precision farming in the western region at Bo Ploy, Kanchanaburi. The KLS planting advisory team at Tamaka, Kanchanaburi, so-called KSL Ranger, was assigned to supervise the planting in the area by using appropriate GPS (Guidance and Auto Steering System) technology. The

application of appropriate technology and machinery together with sustainable and efficient management helped develop the planting process, maintenance and harvesting. As such, the increase of productivity and decrease of production cost regarding the use of chemicals, labour, burning, soil suppressing, drought, excessive water in the field and obstructed materials in the field.

iForm project is an innovation bringing technology to develop the work process of staff by reducing working steps and increasing convenience to farmers.

Previous pattern

1. Use paper forms for farmers
2. Bring papers to process in office
3. 5-14 days for total work process

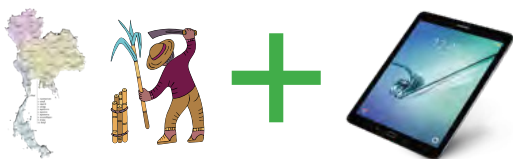
New pattern

1. Input farmers' information to tablets
2. Upload information for consideration
3. 2-6 days for total work process

The use of technology makes the work convenient and rapid and reduces unnecessary work process. The farmers can manage their time and receive quick service while the staff can solve problems immediately.



iMap project concerns the use of similar technology to iForm but focuses on the management of cane farm information, ranging from planting areas, maintenance, harvesting, logistics, monitoring as well as anticipation the time to harvest. It helps manage the cane farms more effectively by reducing the waiting time to load sugar cane at the mills. The sugar cane is thus of better quality. Apart from the above-mentioned, the group has renders organic cane project and CCS project.



Sustainable Sugar Cane Planting Project was aimed at changing to organic sugarcane by using organic fertilizer in the planting field to harvest 100% natural sugar cane. The period of the project would last three years. The use of organic fertilizer helped reduced production cost and top soil loss. The pilot project was done at Bo Ploy, Kanchanaburi. The participating farmers would get advice from the technical term of KSL throughout the project.

Fertilizer embedding Equipment in the Sugar Cane Filed Project

KSL Material Supplies Co., Ltd., which normally provided organic fertilizer to cane farmers, had developed an innovative fertilizer embedding equipment so as to solve the problem of ineffective equipment. Two types of equipment were developed to serve this purpose.

1. Mini-Combine was an equipment to prepare the soil for fertilizer embedding. This equipment helped embed fertilizer for more effectiveness and reduce the steps of soil preparation by farmers.
2. Fertilizer embedding equipment with twin tanks and boom spray to separate organic fertilizer from chemical fertilizer, which solved the breakdown flow of fertilizer feeding. The use of such equipment helped reduce work burden for farmers.

KMS WEB Project

KMS WEB is the collaboration among the sugar factories, KSL Material Supplies Company Limited (KMS) (Head Office) and suppliers with the objectives to monitor the delivery and billing between the suppliers and KMS, reduce daily process and errors, and simplify the verification. This project improves the product publication to create higher sale volume. KMS WEB has been implemented to reduce daily process as follows:

ORIGINAL PROCESS

1. Administration Department of each sugar factory gathers the orders placed by farmer weekly.
2. Administration Department summarizes the order (organic fertilizer, chemical fertilizer, chemical product) in Excel file and emails it to KMS.
3. KMS prepares the order for each supplier in Excel file and emails it.
4. The supplier receives the email from KMS and delivers the order.
5. After delivery, the supplier uploads the delivery bill through Line for verification by KMS who enters the data into SAP software for Accounting Department to proceed the billing to the sugar factory.
6. After uploading the document through Line, the supplier mails the original copy to KMS for billing.

KMS WEB PROCESS

1. Each factory has their own account or username. Once an order from a farmer is placed, a staff will log in to the account to fill in the order form.
2. Administration Department or an authorized personnel approves the order in the system and forwards it to KMS.
3. KMS receives the order from KMS WEB (with auto-reply email or notification email to KMS) and reapproves to forward the order to the suppliers.
*KMS WEB automatically separates the order for each supplier.
4. KMS verifies the order in KMS WEB (with auto-reply email or notification email to the supplier) and delivers the order.
5. After delivery, the delivery personnel uploads the relevant document to KMS WEB.
6. KMS downloads the documents for billing process.

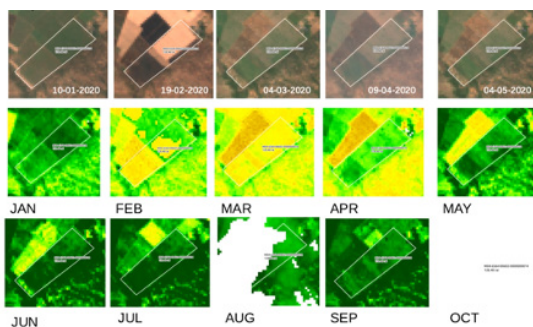


Picture of KMS WEB website page for log in

KSL SATELLITE TECHNOLOGY APPLICATION

The European Union has been developing the Sentinels, the satellite technology to acquire optical imagery for natural resource survey. This project supports to member countries, developers, researchers, and scientists worldwide a broad range of services and applications, including natural resource monitoring over land and atmosphere, and application to the Common Agricultural Policy (CAP) of the European Union (<http://esa-sen4cap.org/>). This potential has inspired us since 2019 to study and develop the processing system of the data collected by Sentinel-1 and Sentinel-2.

The study found that the data collected by Sentinel-2 at high spatial resolution (10x10 m) can be processed to the vegetation index for monitoring canes planted in the field under contracts to indicate their planting time, growth, and quantity. From the study and development of processing system in 2019-2020 crushing season, the data was applied to the factory performance in the harvest monitoring report and to accurate quantity forecast. In 2020-2021 crushing season, the monthly data was processed to monitor the cane growth and quantity in the fields of 5 factories. The potential assessment system was tested and developed for the cane fields surrounding the factories (outsourced fields) to enhance the cane monitoring in order to support the farmers in the future.



Picture of application of Vegetation Index for monitoring sugarcane growth and monitoring sugarcane harvesting

Quality Policy

"Quality Sugar with highest efficiency, on-time delivery, customer's confidence, consumer's safety"

Quality Policy

Manufacturing Standards and Customers' Need

Manufacturing Standard

Manufacturing standard includes accepted manufacturing process in the mills. As all of customers are industrial customers, the companies deem manufacturing standard as high priority. The products must comply with the customers' standards or internationally or domestically accepted standards.

The group of companies have corporate governance policy and guidelines in respect of customers in a Chapter on Roles of Stakeholders such as the use of international standard, quality management, TIS 56-2552.

Apart from the said corporate governance policy, the group emphasizes on sustainable business operation throughout the value chain. The world class standard regarding sustainable production of agricultural goods in cane and sugar industry, namely, Bonsucro, is adopted. The standard applies to the production process, starting from the growing of sugar cane in the farm, the production of sugar in the mills to the delivery of goods to customers. As such, the standard integrates sustainability of the economic, social and environmental aspects. It helps reduce cost, develop quality and quantity of production, comply with labor standard and human right protection and

conserve environmental balance as well as develop the cane farmers' quality of life.

At present, buyers in the world market accept Bonsucro standard in respect of sustainability ranging from upstream to downstream and have procurement policy to use raw materials that pass the production process under certified sustainability standard. This is a further step of the Company to build up sustainability and to increase competitive edge in the world market.

Customers' need

To respond to customers' highest satisfaction regarding quality and product standard, the Company deems very important to deliver the goods on time, to extend international standard service and to maintain customers' confidential information as well as to exercise business ethics in respect of responsibility and relationship with the customers in the long run.

The Company communicates with customers through various channels and makes customer visits to acknowledge customers' needs and to convey useful information to customers.

By the same token, the Company invites customers to visit and to audit the work process of the Company and the factories so that the customers can consider the Company's potential and capacity to supply the products as per the customers' standard. The Company also surveys the customers' satisfaction annually and takes into consideration the customers' comments to improve the Company's service and production process.

Factory's Standard of Quality

The companies continually improve the quality of factories. In 2020, the companies are granted with the following quality systems: ISO9001:2015, ISO22000:2005, ISO22000:2018, GMP, HACCP, FSSC22000, Halal, Kosher, Bonsucro and good governance in environment.

3. Corporate Governance

The Company considers the corporate governance an essential mechanism for the Company to administer a good relationship with all stakeholders, namely, shareholders, staff, farmers, suppliers, customers, community and government agencies. The Company therefore has a clear policy of corporate governance regarding each group of stakeholders so that the operation shall be subject to transparency, accountability, efficiency and responsibility to society and environment.

This report alludes to the Corporate Governance Policy and the governance at page....

4. Environmental Aspects

.Efficiency in Energy Use (GRI302-1)

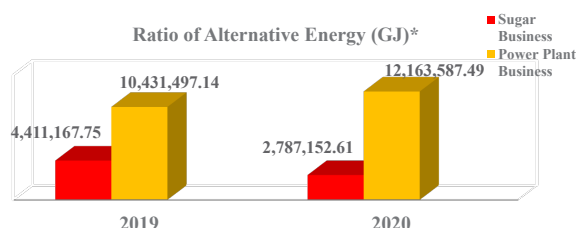
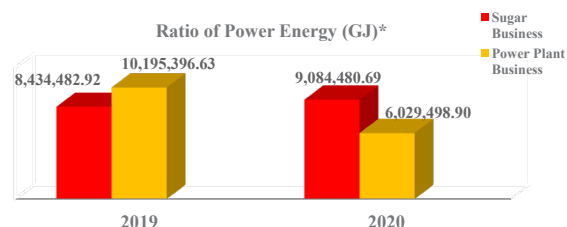
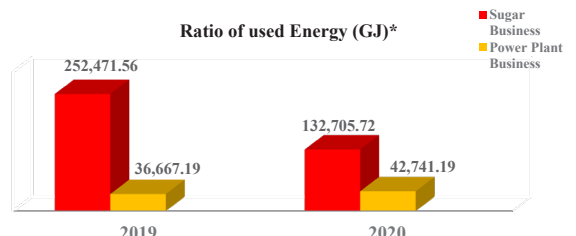
The group of companies regards the management of energy and climate change as important matters to prevent any effect to community, environment and cost-saving related to energy. Furthermore, the stakeholders also emphasize in issues related to climate change and global warming caused

Note

* Diesel/Benzene (Litre) X Conversion rate (Megajoule)/1000

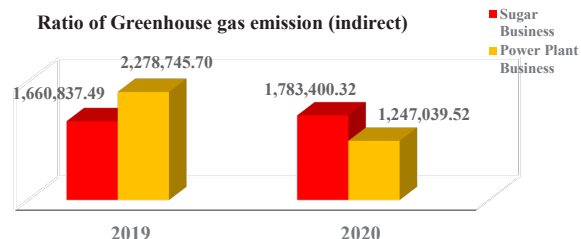
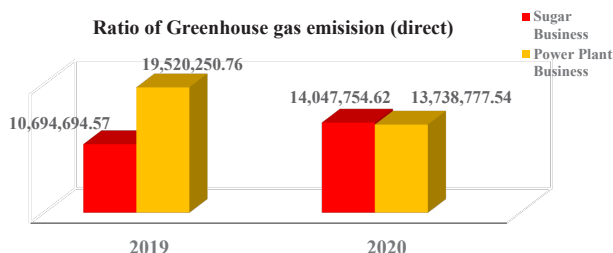
** Alternative Energy is bagasse derived from sugar production process

** Bagasse (Ton) X Low Heating Value/0.004186



Greenhouse Gas Management (GRI 305-1, GRI 305-2)

The group of companies conducts measures to reduce greenhouse gas, both direct and indirect, to reduce energy use in sugar manufacturing process and in office. Also, there is a promotion to reduce energy use along with increasing area for containing greenhouse gas by increasing green area in factory, reforestation and to promote activities related to community forest across country by cooperation with government agencies and other organizations.



Note

* Direct Greenhouse Gas Emission is the volume of diesel/benzene/LPC (litre) x Emission factor = Ton carbon dioxide

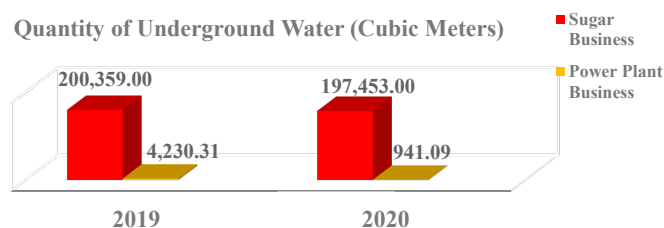
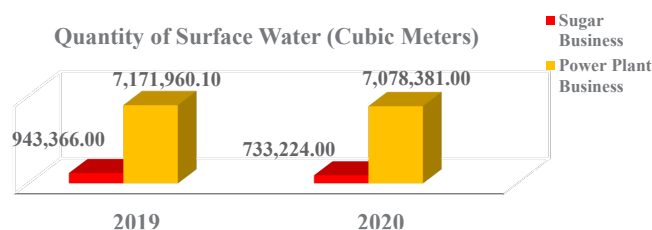
* Indirect Greenhouse Gas Emission is the volume of electricity bought from external source (Megawatt / Hour) X Emission factor = Ton carbon dioxide

* Emission Factor is referred to Thailand Greenhouse Gas Management Organization (Public Organization)

5. Environment Management

Water Management (GRI303-1)

Water pumping from raw water source is classified into 2 portions, namely water in manufacturing process and water in office. Wastewater from sugar manufacturing process is mainly water from cooling system used in exchanging temperature. Wastewater will be transmitted into treatment system by sedimentation and deposition and then reduced temperature approximate with nature, before emission from factory, in order to ensure water quality as emitted in line with required standard such as standards of Royal Irrigation Department and Ministry of Industry. The process is meant to prevent adverse effect to biological diversity of water source. For water used in office, after standard treatment, the treated water will be used in watering system, agriculture demonstration plot and wetlands.





The group of companies has measures to control quantity of water for best utilization by applying with 3R as follows;

Reduce quantity of using water in factory during crushing period, by using condensate water (water derived from condensed steam) in manufacturing process to reduce the use of soft water, controlling proper blow down rate of steam boiler and controlling the use as necessary of soft water to reduce using chemical/water.

Reuse Reusing water/using water effectively; water from cooling system (condenser water) will be used with water system to get rid of ash from steam boiler, to wash boiler, to clean floor of factory; reusing water from cooling system of operating room; taking blow down water from cooling tower to blend with condenser water system.

Recycle used water will be treated and used in condenser cooling system, fire protection system, spraying bagasse, spraying truck parking ground to prevent dust and watering trees and green areas to ensure limitation of quantity of drainage out into environment as necessary, The group of companies installs treatment system suitable with wastewater in each type to be effective in treatment system and to get post-treatment quality water in order to prevent effect to water source and utilization by the community.

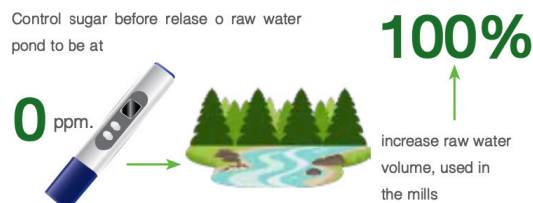
Submerge Aerated Fixed Film Project (Reused Water)

Each year, there is condensate water of approximately 400,000 – 600,000 cubic meter (varying to the crushed sugar cane volume). The group of companies are aware of this waste and attempt to treat the waste water so that it can be reused for utmost benefit and shall not cause adverse effect to community and environment. The project is accordingly designed.

The objectives of the project are

1. To treat and to reduce the sugar which is mixed in the condensate water and to reuse the water
2. To reduce the shortage of raw water to be used in the mills
3. To reduce environmental impact

Goals of the project



Benefit from the project

1. 100 % reuse of water
2. Reduce the discharge of waste water to environment to zero waste which no effect to community and environment

Note The Information as to Submerge Aerated Fixed Film (SAF) belongs to New Krung Thai Sugar Factory Co., Ltd.

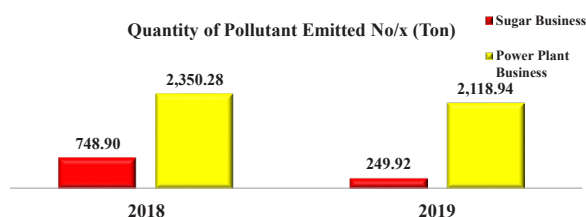
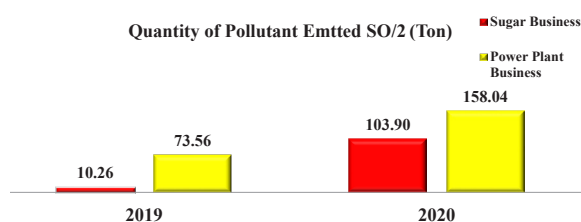
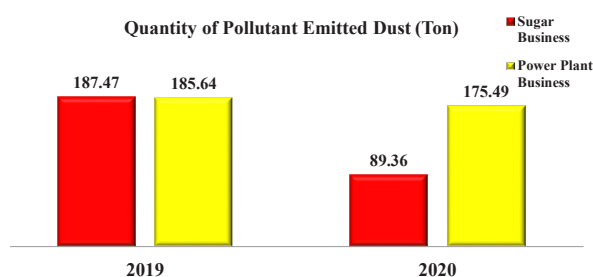
The Company had measures to prevent and solve environment impact as follows

- Reducing Cane burning with a campaign to buy fresh sugar cane with higher price than the burn one and to disseminate the knowledge about the adverse impact of sugar cane burning
- Reducing dust from trucks by setting up cleaning points before entering and after leaving the factory
- Transporting bagasse to power plant by closed conveyor to reduce diffusion of bagasse
- Reducing particles from storing calcium oxide by keeping in building having electric shutter
- Cleaning road in front of factory regularly and, particularly in crushing season, collecting fallen sugar cane on the road to factory daily
- Water spraying parking lot for trucks, road in front of factory and roads in the villages as requested to reduce the spread of dust
- Visiting villages around the factory during crushing season to receive complaints and information and to conduct community relationship activities
- Disposing general garbage by preparing enough litter bins in the factory and separating types of garbage before collecting and sending for disposal at the municipality
- Storing molasse in steel tanks for delivery to customers and giving filter cake derived from production process to farmers for use as an ingredient of fertilizer
- Managing used lubricants by keeping the usable oil in closed 200 litre barrel to sell to legitimate buyers and keeping the un-usable one in tightly closed barrels for disposal
- Keeping filter paper contaminated with lead from laboratory, approximately 3 tons per year, in tightly closed 200 liter barrel at a specified place to send for disposal by licensed entity

- Managing noise reduction by using machinery that was designed to generate noise in accordance with international standard and installing the machines in closed building to lower noise level and planting trees around the factory to absorb noise
- Measuring water quality before and after treatment on monthly basis
- Treating waste water by using the treatment system within the factory and reusing the treated water for appropriate purpose
- Conducting environmental quality measurements and working conditions inside the factory and the area surrounding the factory according to the EIA measure

Air Pollution Reduction (GRI305-7)

The group of companies materializes the reduction of impact occurring from operation and also realizes the importance of being with community surrounding the factory by closely measuring the amount of gas emission as required by law, inspecting operation related to environment aspects to be in line with plan and target to ensure that the impact on the surrounding community shall be minimized and the operation shall be respectively improved

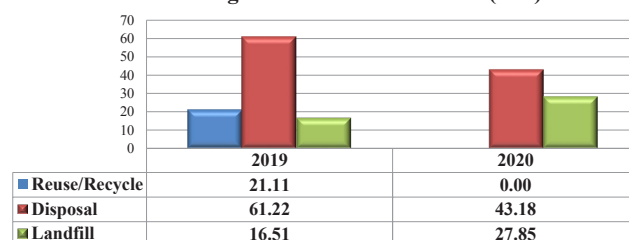


Industrial Solid Waste Management (GRI306-2)

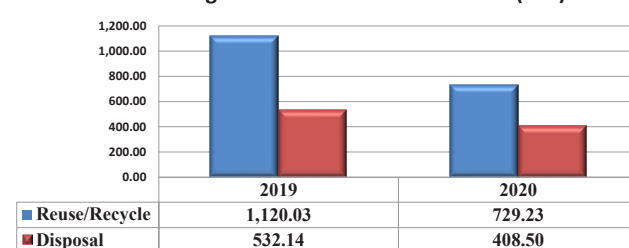
To ensure least quantity of remains from manufacturing and maintenance process to be disposed, the group of companies controls the use of raw materials and equipment for maintenance effectively and selects the method of disposing remains with minimal effect against environment. Each factory is careful about selecting the waste management provider and its careful disposal method which must be in compliance with the laws. Furthermore, the factory keeps monitoring the disposal of the waste management provider to ensure that the waste will be managed correctly and properly, in accordance with standard Ministry of Industry.

In sugar manufacturing process, there is organic residue called filter cake, that is the mixture of soil, sand and organic matters from sugar cane. The sugar factories usually use this filter cake as raw material for producing natural fertilizer or soil improvement element or deploy it in the sugar cane field to help increase the soil quality.

Waste Management Hazardous Waste (Ton)



Waste Management Non-Hazardous Waste (Ton)



Remark

Reuse/Recycle: for some hazardous waste that can be reused as containers, such as oil barrels or used to mix with other products.

Landfill: In manufacturing process, there is organic residue called filter cake, that is the mixture of soil, sand and organic matters from sugar cane, and ash. Filter cake and/ or ash are used as raw materials for producing natural fertilizer or soil improvement element or deployed in the sugar cane field to help increase the soil quality.

sometimes does not match with the on-site problems.

Social Aspects

6.Safety and Occupational Health (GRI403-2)

The Company regards the importance of safety and hygienic conditions in the workplace both at the office and factories and sets up a Committee on Safety, Occupational Health and Environment in the factories to take care of the safety and hygienic conditions of the employees by examining the safety in the workplace regularly, installing alarm system within the premises, providing fire extinguishers and fire exit, scheduling annual fire evacuation. The factories additionally build work environment which is safe for employees, contractors and visitors with controlling measures as well as provide training for security staff to build confidence to the stakeholders.

Safety is priority. The group of companies, therefore, sets a target to be the organization without any accident to employees, contractors and all interested parties to prevent any losses to life and property.

Kiken Yoshi Training (KYT) activities- Training for Alert

KYT activity were organized to promote work safety for employees in the workplace for employees of Khon Kaen Sugar Industry PCL, Tamaka Sugar Industry Co., Ltd, New Krung Thai Sugar Factory Co., Ltd. Activity is a training for awareness of hazard. It is a group activity to encourage work safety by training the anticipation of hazard with the concept of quick and accurate cooperation by pointing fingers and verbal repeat. The training covers technical knowledge, sensitivity of hazard awareness including concentration, enthusiasm, unity building and all in one coordination.

KYT activity emphasizes on self-problem fixing by promoting the uncompelled activity by the staff. The activity is important to build discipline, unity, enthusiasm that are all useful in the workplace.

KYT activity keeps the staff alert of human error before start working as the accident may happen at any time and may cause unpredictable damage.

It is the activity that the operating staff shall participate by thinking of imminent danger in the work and warn themselves by applying “finger pointing and keep saying” method.

The conditions of KYT activity is that everyone must speak out with sincerity and must listen to opinions of others. It needs serious co-thinking or brainstorming. It is well aware that the order for safety of the supervisors is not enough because the staff would practice only when they get the order which



Photos showing KYT of Khon Kaen Sugar Industry PCL at Nampong, Khon Kaen





Photos showing KYT of New Krung Thai Sugar Factory Co., Ltd.

Safety, Health and Environment Activity (SHE Day)

SHE Day activities were organized to promote work safety for employees by New Kwang Soon Lee Sugar Factory Co., Ltd. at Panusnikom, Chonburi. The activity focuses on educating the staff in respect of using safety equipment. The expert in each field shall be invited to teach the employees. There is a monthly safety check in each section in the factory so that the staff shall be repeatedly warned of work safety with a valuation by giving marks to employees. The employee who gets the highest mark shall be awarded.



Photos showing SHE Day activities of New Kwang Soon Lee Sugar Factory Co., Ltd. at Panusnikom, Chonburi

Zero Accident Project

The Zero Accident Project or Zero Accident in 1,000,000 working hours was initiated by Khon Kaen Sugar Power Plant Co., Ltd. at Wangsaphung, Loei and conducted by the factory's Committee on Safety, Occupational Health and Work Environment so as to promote safety in the workplace to achieve the level that there was no serious accident in work that caused a minimum three-day leave.



Photos showing Zero Accident of Khon Kaen Sugar Power Plant Co., Ltd. at Wangsaphung, Loei

SAFETY ANNOUNCEMENT

Safety Announcement by KSL in Wang Saphung, Loei, provides safety knowledge, advice and news gathered by the safety officer and personnel from each department who share their safety experiences. This activity is on schedule every Saturday, at 11.30 am - 12.00 pm.



Photos showing Safety Announcement of Khon Kaen Sugar Industry PLC. at Wangsaphung, Loei

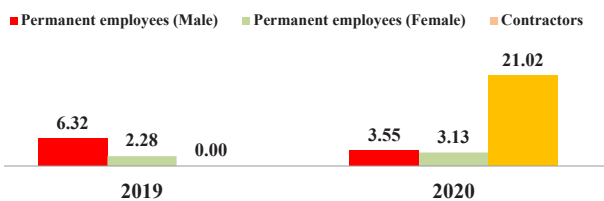
SAFETY WALK THROUGH SURVEY

Safety Walk through Survey by KSL in WangSaphung, Loei, surveyed each department with Safety, Occupational Health and Workplace Environment Committee to assess the risks and indicate the hazards in the working process. The survey was conducted from May to September 2020 and the results were analyzed for further safety development.

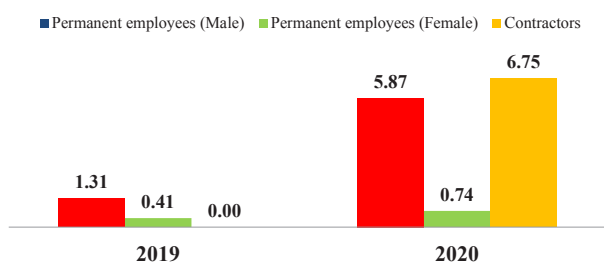


Photos showing Safety Walk through survey of Khon Kaen Sugar Industry PLC. at Wangsaphung, Loei

Injury Rate (IR)



Occupational Diseases Rate (ODR)

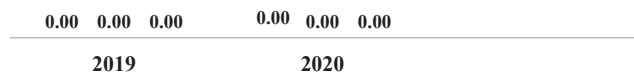


Note

- Accident Frequency Rate is the index to measure accident in the organization which is calculated from the number of persons who would incur accident Comparing with the standard of 100 employees, working 8 hours a day in 250 days per year which is equivalent to 200,000 man-hour per year
- Information regarding contractors are from 4 companies – Khon Kaen Sugar Industry PLC (Wangsaphung Branch), New Kwang Soon Lee Sugar Factory Co., Ltd., New Krung Thai Sugar Factory Co., Ltd. , Tamaka Sugar Industry Co., Ltd.

Lost Day Rate (LDR)

■ Permanent employees (Male) ■ Permanent employees (Female) ■ Contractors



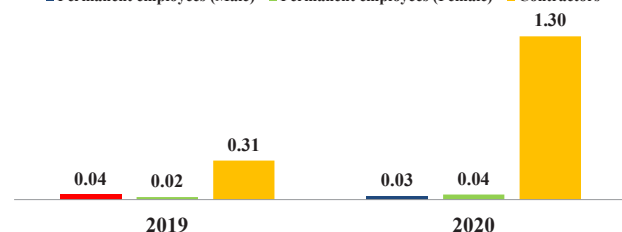
Fetalities Rate

■ Permanent employees (Male) ■ Permanent employees (Female) ■ Contractors



Absentee Rate(AR)

■ Permanent employees (Male) ■ Permanent employees (Female) ■ Contractors



7. Quality and Satisfaction of Employees (GRI401-2)

Employee is a starting point to drive business towards success. Therefore, the group of companies adheres for human resource management by promoting employee potential throughout working period including active recruitment for qualified employees ready to help propel the organization to sustainable growth. The group of companies also focuses on management and personnel development to make the group of companies the organizations at the top ranking which people want to work with.

The group of Companies uses recruitment channels to solicit both insiders and outsiders by appropriate testing and interviewing to ensure that the companies would have persons suitable to the jobs on the basis of capability and right qualifications and non-discrimination against race, nationality, tribes, religion, social status, gender, age, disability, political thought and marital status.

In 2020, the Company plans to hire more disabled as employees by increasing the number from 40 employees to 20 employees. The Company has a memorandum with the Nampong Hospital to hire the disabled to work in the hospital and may assign additional work if they feel convenient to commute to the factory of 11 employees. In addition, the Company cooperates with the Natural Agriculture Center at KSL River Kwai to hire the disabled of 9

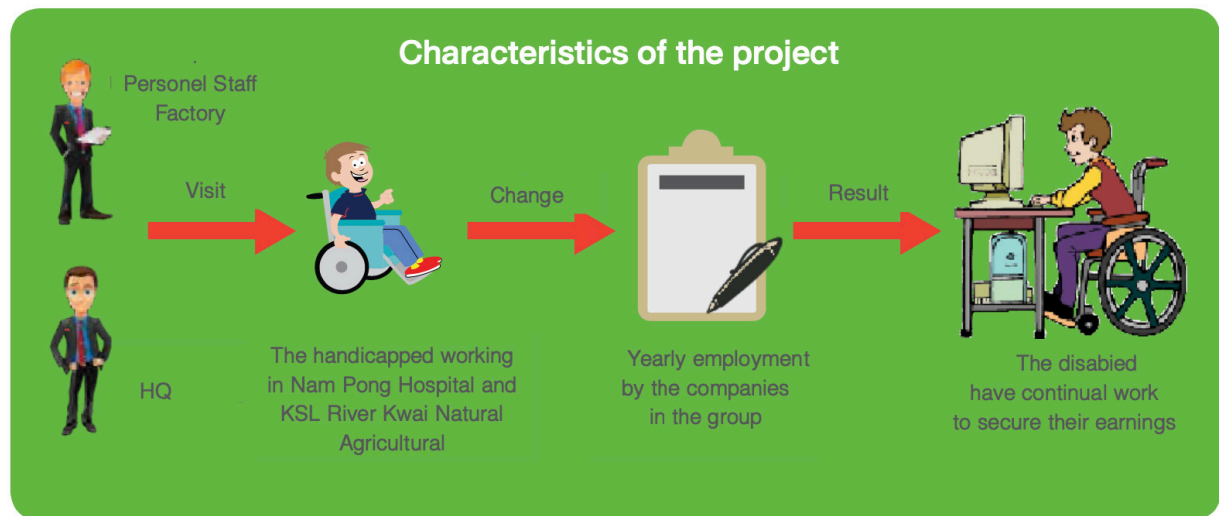
employees to work in several learning centers. Until being able to hire the disabled to work of 40 employees according to the law instead of fee payment to the Disabled Supporting Fund.

The change from fee payment to the Disabled Supporting Fund to direct employment is a way to create human value to the disabled so that they can have their own earning to rely on themselves and live among others with dignity. The adaptation of selection process and potential development to decrease social inequality are deemed a creation of social value that is consistent with the Sufficiency Economy Principles of the late King Rama IX.

It is an opportunity to expand corporate social responsibility in the coming years. In case an employee becomes crippled due to sickness or accident and is not able to do the normal work and dismissed, he could be further supported by doing this yearly work instead. This could be an extension of the project to benefit the members of KSL family.

The Company and all related parties put effort to render policy and implement various practices to help develop the employees' quality of life and, at the same time, to build a better standard of corporate social responsibility.

The group of companies provide welfare and service in



addition to those required by law to all levels of employees to promote quality of life and to stabilize their future such as provident fund, life insurance and accident insurance. Furthermore, KSL provides the welfares and benefits in addition to those required by law to all levels of employees with the objectives to promote their life quality and stabilize their financial future; provident fund; group life and accidental insurance; Happy Home by Government Housing Bank providing home loan with special interest rate for KSL employees; Happy Home Phase 2 with home loan for day employees; UOB Workplace Banking, the collaboration between KSL and UOB to provide welfares to KSL employees in the form of fixed deposit and home loan; other loans and occasional grants-in-aid; and annual leave entitlement in

accordance with length of service in order to promote the work-life balance.

In 2020 KSL was awarded Moral Business Prize in Moral Business Forum 2020 by the Thai Health Promotion Foundation collaborating with the Moral Promotion Center and Volunteering Heart Foundation. This prize was awarded to 50 business organizations giving precedence to moral promotion to employees, corporate governance to the sustainable development and moral promotion under the National Strategy (Sufficiency, Discipline, Honesty, Voluntary Spirit).

As for right and liberty, the group of companies communicates

to employees through intranet so that the employees shall get useful information and updated operation of the companies thoroughly and rapidly. The employees are encouraged to express their opinion or to negotiate various matters and take into account their opinions and suggestions which are useful for the employees and the companies.

Employees of all levels are important to the companies no matter of race, religion, gender. All employees are equal and are treated equally. They are entitled to welfare without discrimination. The promotion is done by a committee which consists of executives from different units to ensure transparency and fairness.

The group pays serious attention to the Thai labor standard because the compliance with the standard is the respect to basic human rights and is well accepted by all stakeholders. The result also benefits the employers, employees and the nation.

Employers' benefits

1. Goods and services are accepted that they are generated from a source that is reliable and trustworthy as to fair management of labor and social responsibility regarding labor standard
2. Marketing mechanism for competition in both domestic and international markets
3. Good image that fosters creative public relations
4. Support and respect internationally-declared human rights
5. Good relationship between employers and employees

Employees' benefits

1. Good morale and work security through human right protection
2. Protection of employees' rights not less than that provided by law
3. Freedom to collective bargaining
4. No employment discrimination due to differences in nationality, race, religion, age, gender, attitude and disability
5. Safety, occupational health and good working environment

Nation's benefits

1. Competitive edge to develop economy with equality to integrate with world economy
2. Elevation of the country's image regarding quality of goods and services under standard criteria, fair labor management and corporate social responsibility

The commitment of the Company to maintain its Thai labor standard has been recognized by being awarded Thailand Labor Management Excellence Award in 2017 as it kept maintaining the standard for 10 consecutive years.

Management and Personnel Development (GRI404-1)

The Company sets target to have personnel trained in line with the directions and strategies of the Company so that the employees have potential and efficiency in handling the work and have opportunity to progress in their career paths. The internal training by internal or external facilitators covers matters which are related to the work as well as ethics. The employees may attend external training or seminars to enhance their knowledge. The Company establishes training plan and budget each year and encourages the transfer of knowledge among employees in the group of companies.

The Company regards that an important part of personnel development is to create courses that are necessary for the employees which consist of mandatory courses and courses for potential development.

Mandatory course is either the course that requires all employees to attend or the course that is specially designed for specific group of employees.

New Employee Orientation

This course provides basic knowledge about sugar cane industry and the Company's history, culture, structure, management system, and products. With this knowledge, new employees can understand the KSL's work environment and begin to work with their colleague smoothly.

Work Place Safety

This course provides knowledge on workplace safety. It will make employees aware of hazardous areas in the workplace and learn how to work safely and prevent dangerous accidents. The Company also created a



committee to ensure health and environmental safety according to the required standard of 2543. In 2020, there were curriculum as follows.

1. The safety officer in supervising level
2. Behavior Based Safety
3. Confined Space
4. GHPs & HACCP System Draft Revision 5--2020 Requirement and Interpretation
5. ISO 9001:2015 Requirement and Interpretation
6. Train The Trainer of The Occupational Health and Safety Act in the Work Environment for Employee
7. Safety Committee
8. (Food Safety) FSSC Version Update

Quality Management System (ISO 9001: 2015)

This course provides relevant employees with knowledge and understanding of the ISO 9001:2015 quality management system. Employees shall learn to master their assigned tasks and responsibilities and follows the required production and quality standard so that customers can have confidence in our products that are managed and produced under internationally accepted standards.

Food Safety System (FSSC 22000)

This course provides relevant employees with knowledge and understanding of Food Safety according to the FSSC 22000 standard. Employees shall learn and plan to prevent food contamination to ensure customer's confidence in our products.

Thai Labor Standard (TLS 8001-2553)

This course is to provide employees with knowledge and understanding of Thai Labor laws and standard such as freedom of expression, non-discrimination practice, respect for human rights, and workplace health and safety regulations.

The Company put much importance to environment aspect.

The problem regarding environment mostly occurred because of lack of knowledge and understanding about environment. The approach, therefore, was to create awareness and to train employees in respect of environment by providing relevant curriculum for directors, executives and staff who were related to the matter and those who were interested in. In 2019, there were curriculum as follows.

1. Sustainable sugar cane production under changing policy and environment
2. Controller of industrial waste management
3. Controller of water pollution treatment system
4. Controller of air pollution treatment system
5. Disclosure of information about greenhouse gas emissions in the registration statement and form 56-1 One Report

KSL KNOWLEDGE HUB

Due to the COVID-19 pandemic in 2020, the work performance has been adjusted, including personnel training and development. Human Resources Development (HRD) team developed the online media for KSL employees under the name KSL Knowledge Hub, gathering interesting courses and knowledge from many reliable leading websites. The online orientation media was developed for small group participation via computer and mobile under the name KSL Freshy Guide.

HRD team also organized KSL Explorers, the online learning activity collaborating with SEAC Training Center on YourNextU platform, providing virtue/online class to 30 selected participants for 3 months. This activity is considered the adaptation to new learning model.

Courses for Potential Development

The Company recognized the importance of continuous improvement of its employees' skills and knowledge and therefore provides training courses to enhance those skills and knowledge so that the Company can increase work effectiveness and efficiency of employees at all level.

Executive Level

The development courses and training for executive level focuses on new management knowledge and techniques so that the executives can set future direction for the Company, make strategic plan to achieve future goals and in time for the rapid changes in the competitive environment. Examples of courses are: Strategic Thinking and Executives, Directors Strategic Workshop, and Risk Management Workshop, CFO's Orientation Course for New IPOs, Discovering your potentials and team power, How the pandemic is Affecting the Thai sugar industry and how industry is mitigating risks, New Normal (TMA), UOBAM Investment Outlooks Strategy for the New normal, Labour Law, Executive Forum on Competitive 2020 (TMA), How to Create People Effectiveness.

Management Level

The development courses and training for management level emphasizes on general management to make better and more efficient management plan and leadership development for sustainable growth. Examples of courses are: Mini MBA for KSL, HR for Non-HR, The Leader as Coach, Competency for Executive Management, Effective Performance Management System, and Business Continuity Management System.

Supervisor Level

The development courses and training for supervisor level focuses on increasing their personal skill sets, knowledge of the job operation, art of communication, and team work to improve work effectiveness and efficiency as well as to create positive attitude towards the Company. Examples of courses are: Effective Presentation Technique, Negotiation for Results, KSL Excellence Team work, and writing courses for reports and for formal correspondence with government agencies and other businesses.(Negotiation for Results), KSL Excellence Team Work

Operation Level

The development courses and training for operation level emphasizes on increasing employee's knowledge of their skills and work responsibilities as well as the tools that can help them increase their efficiency. Examples of courses and activities are: 5 Sor, QCC, Workplace Safety, Anti-Corruption and Anti-Bribery Policy, etc.

One Point Knowledge (OPK) and One Point Lesson (OPL) and One Point Sharing (OPS) Programs

OPK, OPL, and OPS programs are the Company's knowledge management tools. The employees share knowledge in different areas of operations as they learn them through their jobs and outside meetings, conference, and seminars. The written reports submitted by each employee are stored and shared with colleagues within the department and when relevant, shared with the entire organization. These tools are implemented to encourage learning and sustainable organizational improvement that would help the Company's realize its goals more efficiently.

The Company requires all managers to plan a budget and training courses for employees under their supervision as well as to monitor and to make assessment after each course.

Average Hours of Training per year/per person

Classified by Sex

Male Hour (s) 5.04

Female Hour (s) 5.52



Classified by Level



**Executive Hours (s)
1.71**



**Management Hour (s)
9.31**



**Staff Hour (s)
5.43**

Human Rights and Ethical Treatment to Labour

KSL group respects human rights and legitimate treatment to people and providing this issue in the Corporate Governance Policy covering a fair treatment to shareholders and other stakeholders including staff, customers, supplies, creditors and the society as a whole.

The Company establishes guidelines for practice regarding the employees' rights and provides the business ethics to be consistent with the basic rights and standards including healthcare, occupational health and work safety. Moreover, the employees may submit suggestions or opinions to the management or in case of complaints or clues of misconduct to Chairman of Audit Committee or Internal Audit Office. The informants are safeguarded from punishment or disclosure of his identity to warrant that they will be protected from abuse of power.

The Company regards its workforce as significant resource. The promotion of skills and work quality will benefit both the staff and the Company to achieve mutual development, growth and success

Respect and Fair Treatment to Employee

Important principles of this matter include

1. Respect to privacy. Personal information shall not be disclosed to outsiders or irrelevant person except the disclosure is required by law
2. Equal treatment to all. Discrimination that causes deprivation of rights or benefits due to similarity or difference, e.g. physical condition, mind, race, nationality, religion, gender, age, education, status, etc., in any way shall be prohibited.
3. Respect to dignity, status or opinion.

Building corporate culture for growth with sustainability

The group commits to achieve its vision with sustainable growth. Core values of desired characteristics are established and communicated to all employees so that they know, understand and practice continuously with the expectation that the core values shall soon be developed to the corporate culture.

The core values are D-I-S-C, consisting of:

D-Dynamic which is broadly defined as energetic and prompt to changes for the better. The meaning is elaborated to include the following characters.

- Ability to change and to adapt including to evaluate strategies, plans and work process to cope with the change of surrounding circumstances
- Ability to obtain knowledge in the work and the business, to develop skills and expertise as necessary for the future
- Ability to decide in appropriate time and on sufficient information.

I-Integrity means, in the broad sense, honesty, keeping one's words and doing the right things. The meaning is elaborated to include the following characters.

- Commitment to honesty, transparency, accountability and promise keeping
- Treating people with equality, non-discrimination and respect to others' dignity
- Adherence to good governance, business ethics and social responsibility
- Punctuality and communication with correct information at the right time with no distortion or concealing the facts that should be disclosed including expression of useful opinions

S-Synergy means coordination, combination of strength to make multiple impacts. The meaning is elaborated as the following characters.

- Co-thinking, co-working and sharing of knowledge
- Clear communication of duties, responsibility and expectation
- Creative conclusion and recommendations

C-Creativity is meant to include development and application of new things to reality. The meaning is elaborated as the following characters.

- Development of work methodology, new products or services
- Making decision and implementation subject to acceptable risk level through risk assessment, monitoring the success and failure for further improvement

The group of companies put much emphasis on sustainable growth with the Company's core values to lead the work environment continually until they become corporate culture, KSL Virtual Run 2020 program for the second year, which is a continuous activity and received great attention from the past, the main focus on promoting the behavior of the core values of the organization.

In 2020, KSL Virtual Run 2020 was an activities with the main purpose to promote behavior consistent with the core values of all personnel in the head office, factories and subsidiary companies.

KSL Virtual Run 2020 was a synergy within KSL to achieve the 333,333 kilometers target within 5 months from June to October 2020. The distance was converted to donation at 3 baht per kilometer to Wangsaphung Hospital to buy medical equipment. As such, the donation was jointly made by the Company and its subsidiaries, Thai Fermentation Co., Ltd. and Racha Ceramics Co., Ltd.

The runners were the group of companies' personnel and outsiders, total 1,820 persons. The target distance was achieved with the total distance of 326,774.52 kilometers. Accordingly, the donation was more than expected as the distance was converted to 980,324 baht with additional donation from external persons of 21,400 baht. KSL Virtual Run 2020 was an activity with the project slogan "Run Together". The achievement reflected the truth that if people dedicated to something whichever for themselves or for others, they could finally achieve.

Innovation

In 2020, the Company continued the KSL Innovation Award Project to promote creativity, which is one of the Company's core values and to achieve the Company's vision. The project was a competition of innovative work, both software and hardware, submitted by the personnel of group of companies. A requirement was that the work would be practical for today or future to support the business. Each type of work was divided into three levels, i.e., conceptual, prototype and commercial.

There were 16 contested innovative works which were awarded. Eleven of them were hardware type as follows.

1. Conceptual Level: Bagasse Moisture Online with Arduino; Circulation Improvement in Batch Vacuum Pan from the Improvement of Non-Condensable Gas Emission Control System from Calandria; Nano Cellulose From Bagasse; Hydro Turbine; and Fuel Dryer.
2. Prototype Level: Circulation Improvement in Batch Vacuum Pa by New Arrangement of Calandria (Honeycomb Calandria); Molasse Usage for Biochemical Plastic; Improvement of Heat Exchanger Efficiency in Sugar Factory with 439 Stainless Steel Tubes; Barometric Condenser Enhancement to Increase Efficiency and Reduce Electricity Usage by Water Jet Ejector Installation; Semi-Automatic Molasse Scale Comparison System; and Molasse Value Addition.

3. Commercial Level: Sucrose Sweet Refine; Ash Conveyor Belt System; Improvement of Sugar Loss Monitoring System by Vapor Sampling Condenser Installation; White Sugar Sifter; and Recycled Cane Knife.

10 awarded innovative projects under software category were as follows:

1. Conceptual Level: Bagasse Moisture Online with Arduino; Circulation Improvement in Batch Vacuum Pan from the Improvement of Non-Condensable Gas Emission Control System from Calandria; and Nano Cellulose From Bagasse
2. Prototype Level: Efficient Production Process Monitoring System; HR-AI: Real Time Management System; DCS Molasse Scale; and Quick Cane Assessment Wheel.
3. Commercial Level: AUTOC-SEED, Modified People Smart #2; and Electricity Cost Reduction by Electricity Purchase.



Photo showing project presentation "KSL Innovation Award 2020"



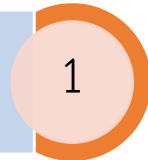
Responsibility to Community and Society

Khon Kaen Sugar Industry Public Company Limited or KSL Group is a sugar and energy business which has long conducted social activities to create sustainable benefits and happiness to community and society by applying the Sufficiency Economy Philosophy of King Bhumibol the Great (Rama IX) among the organization and all stakeholders, including cane farmers, suppliers, communities surrounding the factories, and external entities through corporate social responsibility (CSR) activities and KSL River Kwai Natural Agriculture Center.

In 2020, the COVID-19 pandemic has globally affected the economic situation, including KSL business. However, the CSR activities still carried on under the royal wish of King Vajiralongkorn (Rama X) in order to continue, maintain and further the King's Philosophy to the sustainable development.

Apart from CSR activities, KSL also promotes 6 of 17 United Nations Sustainable Development Goals (UN SDGs) through performance frameworks covering economic, social, and environmental aspects in order to drive the efficiently sustainable development as follows:





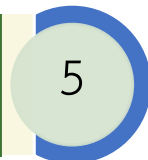
- Provide knowledge to the farmers in order to generate income daily, monthly and annually by and for themselves, focusing on the integrated farming system via sustainable cane project.

- Promote the organic farming for school lunch.
- Promote to the farmers and community the organic food cooking for domestic consumption and sharing with their neighbors.
- Create food storage model located in KSL River Kwai Natural Agriculture Center.



- Organize the training on the King's Philosophy for the schools under the Education Fund, schools around the factories, and interested schools at KSL River Kwai Natural Agriculture Center, and develop model for learning in school.

- Create jobs for people with disability, create value to personnel and generate income to family.
- Employ people in community to work at KSL River Kwai Natural Agriculture Center.



- Plant trees in the area of KSL River Kwai Natural Agriculture Center.
- Promote the forestation in accordance with the Principles of Organic Agriculture.

- Create the sustainable development network consisting of: the organic agricultural network; the community, natural resource and environmental development network; 17th Military Circle, Kanchanaburi Provincial Prison; Tankhun Organic Farm; the Education Fund school network; Srinakharinwirot University; and King Mongkut's Institute of Technology Ladkrabang



1. POVERTY ERADICATION

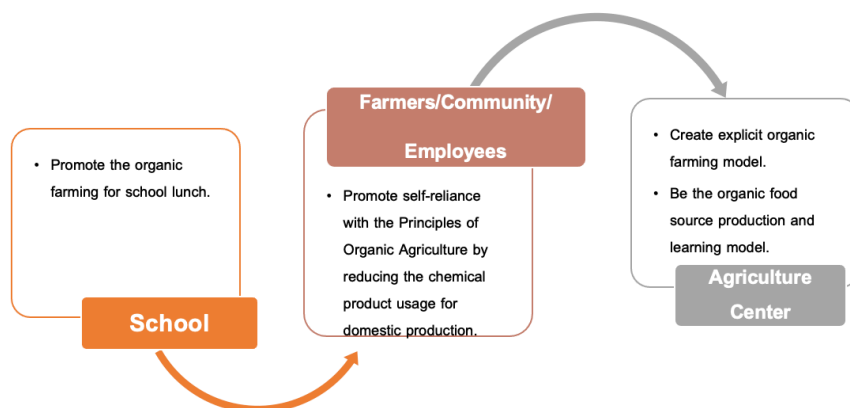
The field trips were conducted to promote to the farmers and community the self-reliance following the Sufficiency Economy Philosophy in order to generate income daily, monthly and annually by and for themselves, and to support the professional skill learning to the community by reducing the agricultural area model based on the aforementioned philosophy by applying integrated farming system.

Cane Farmers	Community
<ul style="list-style-type: none"> Promote the daily, monthly and annually income generation Reduce production cost by using organic fertilizer 	<ul style="list-style-type: none"> Promote the organic cane processing through KSL Together We Care Elderly People.



2. GOOD HEALTH AND WELL-BEING

The promotion of good health and well-being by KSL focused on organic farming to create food storage for community, school and employee residence. KSL also focused on organic farming model development in KSL River Kwai Natural Agriculture Center to provide good health and environment to all stakeholders and to deliver organic food to the community through activities organized by schools surrounding the factories, farmers, community and employees.





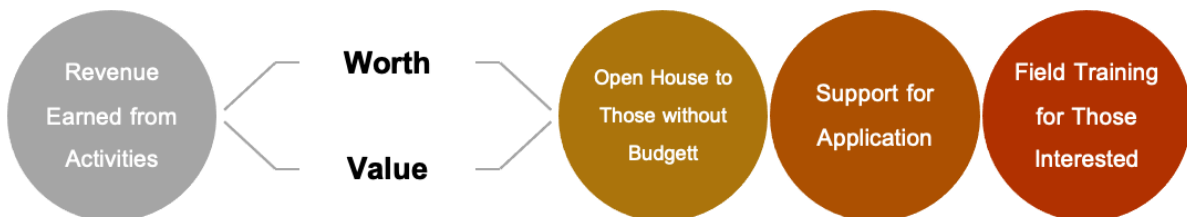
Pictures of Activities to improve children's well-being in school



Pictures of Activities to improve community well-being

3. EQUITABLE EDUCATION

KSL promotes the equitable education by following the practices adapted from the King's Philosophy. KSL River Kwai Natural Agriculture Center created 18 knowledge bases offering theoretical and practical activities to all interested people, which can be applied primarily using the community's existing resources, followed by KSL's support as the secondary resource. The revenue earned by KSL River Kwai Natural Agriculture Center has been allocated for learning as follows:



Pictures of study visits from King Prajadhipok's Institute

KSL also provides equitable education to the schools under the Education Fund under the supervision of General Paiboon Khumchaya, Privy Councilor. The students can access the King's Philosophy without leaving the area and participate in the learning activities jointly created as seen fit to each area.

Background of Education Fund

Thai people had been under charitable care of King Bhumibol the Great for more than 70 years through a great number of his royal tasks, including educational ones. His royal guidance reflected his love and wish to see the gracious growth of Thailand. He expressed the thought regarding Thai education that apart from being intelligent, being good is also crucial in accordance with his royal guidance given on Children's Day 1987 that

"Children not only have to learn, but also have to do work and do good. because doing work helps them gain competence, diligence, patience, and independence while doing good helps them gain happiness, prosperity and morality."

In 2002, King Bhumibol the Great ordered the establishment of the Education Fund which was his last royal project and the establishment of "Morality School" to produce good people for the nation as mentioned to the Privy Council that

"I will establish the Education Fund from my own money. Do whatever is necessary. The goal is to produce good people for the nation."



Led by Mr. Sorasak Saiyahut, Director of Nongpruepittayakom School, the teachers from Nongpruepittayakom School, Banhuaywai School, and Nongsarai School under the Education Fund in Nong Prue, Kanchanaburi, participated in the workshop regarding the King's Philosophy at KSL River Kwai Natural Agriculture Center. Then the CSR team from KSL visited the schools to develop the school lunch and participated in the Moral Community Network Exhibition, Nong Prue, Kanchanaburi. General Paiboon Khumchaya and Secretary of the Education Fund foresaw the benefit as the result of this activity and, therefore, appointed the CSR team, on behalf of KSL River Kwai Natural Agriculture Center, to be a partner of Education Fund Development Network since with the plan to expand the development to Uthai Thani in the future.

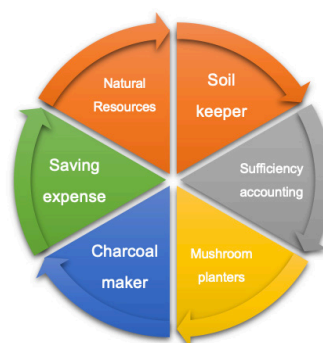
The king's school Educational Fund Schools in Kanchanaburi and Suphanburi Provinces Operation Year 2020

Kanchanaburi Province

1. Nongpruepittayakhom School
2. Banhuanwai School
3. Bannongsarai School
4. Banhuasuea School
5. Bandongsalao School
6. Srisawatphittayakhom School

Suphanburi Province

1. Watkhogchang School
2. Banlawawungkwai School
3. Banhauyhindum School
4. Banphunamron School
5. Bankluai School
6. Thungmakok School
7. Banwangyao School



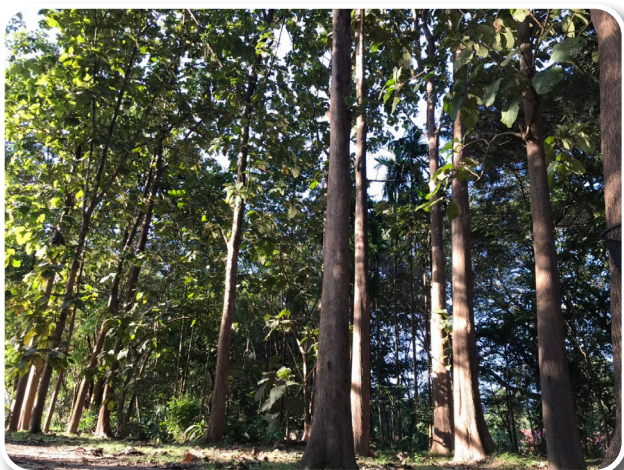


4. VALUED EMPLOYMENT AND ECONOMIC GROWTH

CSR team was assigned to employ people with disability and elderly people within the community to work at KSL River Kwai Natural Agriculture Center as activity developers and lecturers in order to create more values to themselves and pass on their knowledge. This also gave them the opportunity to care and provide other vulnerable people the access to the activities.



5. CLIMATE CHANGE MANAGEMENT



KSL River Kwai Natural Agriculture Center applied the forest development theory of King Bhumibol the Great to conserve the forest within the center and organized the activities with some external agencies to provide knowledge of integrated farming in accordance with the Principles of Organic Agriculture.

Forest Rehabilitation and Development Theory Natural Reforestation

Alarmed by Thailand's dwindling forest cover, King Bhumibol the Great searched for sustainable, simple, and cost-saving methods to increase the size of the country's first area by supporting the natural cycle of the forest. He offered 3 ideas in this regard as follows:

1. Reforestation without Planting

- “Fertile forests would grow itself if the area has been left untarnished.”
- “Leave the trees untouched. Let them naturally grow.”
- “The trees in denuded forests can branch again. Despite no beauty, they can grow to become big and strong trees.”

Three Forests, Four Benefits

“Three-type forests should be grown for four uses: edible products, commercial timber, and lumber; the fourth benefit, the most important one, is soil and water conservation.”

Royal Speech of King Bhumibol the Great

Given on January 7, 1980 at Rin Kham Hotel, Mueang Chiang Mai, Chiang Mai



Benefits of Three Forests, Four Benefits

Forest for Shelter: Hardwood trees and economic trees with longevity to build houses and furniture, such as Hopea odorata (takhian in Thai), resin tree, teak, Siamese rosewood, taloora lac tree, etc.

Forest for Food: Edible plants for fruit consumption and medical benefits, such as hummingbird tree, drumstick tree, durian, bitter bean, Melientha, Indian redwood, yellow vine, banana, gac, and other fruit plants.

Forest for Fuel: Fast grown trees to be used for firewood, handicrafts or detergent, such as soapberry, rattan, bamboo, etc.

Forest for Shade: Other benefits on top of these are environmental improvements as well as richer ecosystem.

5-Layer Agriculture

Following the Principles of Organic Agriculture, this method introduces the planting of various types of trees and crops categorized into 5 height ranges as follows:

High Plants: Tall trees with longevity, such as Hopea odorata (takhian in Thai), resin tree, Taengwood Balau (teng in Thai), red lauan, etc.

Medium Plants: Plants with edible fruits, such as mango, jackfruit, mangosteen, santol, bamboo, bitter bean, etc.

Low Plants: Shrubs, such as chili, Thai eggplant, holy basil, mampat, Melientha, melinjo, etc.

Ground Plants: Climbers and creepers, such as pepper, laurel clockvine, kabocha squash, cucumber, etc.

Underground Plants: Edible root plants, such as potato, taro, wild yam, Pueraria mirifica (Kwao Khrua in Thai), ginger, galanga, etc.



6. COLLABORATION FOR SUSTAINABLE DEVELOPMENT



In 2020, CSR team, on behalf of KSL River Kwai Natural Agriculture Center, participated in Hillock, Swamp and Farm of Kindness and Hope Project, a royal project by King Vajiralongkorn, by teaching and promoting career to 439 pardoned prisoners for 14 days using a replica of hillock, swamp and field in small area for their own application in the future.



Examples of knowledge given to trainees consist of 9 steps of theoretical knowledge transfer to sufficiency. Bio-fertilizer production growing plants according to the principles of natural agriculture food processing, mushroom cultivation, product making, reduce household expenses. Burning charcoal to collect wood vinegar and adequate accounting



The project included the Principles of Self-Sufficiency Theory, biofertilizer production, the Principles of Organic Agriculture, food processing, mushroom farming, product making for domestic use, charcoal production for wood vinegar collection, and self-sufficiency accounting.



KSL GROUP ACTIVITIES AND AWARDS IN 2020

KSL WAS AWARDED MORAL BUSINESS PRIZE 2020 BY THE THAI HEALTH PROMOTION FOUNDATION COLLABORATING WITH THE MORAL PROMOTION CENTER AND THE VOLUNTEERING HEART FOUNDATION

On August 14, 2020, KSL, represented by Mr. Piripon Chinthammit, Vice President - Raw Material Supply, was awarded Moral Business Prize presented by Mr. Ittipol Khunpluem, Minister of Culture, in Moral Business Forum 2020. This prize was awarded to 50, out of more than 500, business organizations giving precedence to moral promotion to employees, corporate governance to the sustainable development and moral promotion under the National Strategy (Sufficiency, Discipline, Honesty, Voluntary Spirit).

Mr. Ittipol Khunpluem, Minister of Culture, delivered the special speech on Moral Businesses Drive Thailand to Sustainability. Other special lectures regarding the importance of moral business organizations and driving moral society were also delivered at the forum. Moral Business Forum 2020, the collaboration among the Thai Health Promotion Foundation, Moral Promotion Center and Volunteering Heart Foundation, was held at Vibhavadee Grand Ballroom, Centara Grand at Central Plaza Ladprao, Bangkok



NEW KWANG SOON LEE SUGAR FACTORY ORGANIZED 3RD FACTORY IN SCHOOL 2020

On August 14, 2020, New Kwang Soon Lee Sugar Factory Company Limited organized the 3rd Factory in School 2020 at Bannongprom School, Phanat Nikhom, Chon Buri, by Phanat Nikhom CSR team collaborating with

support team of the factory. The students learned about the sugar production process including cane crushing, boiling, simmering, and blending.



KSL CG & ANTI-CORRUPTION DAY 2020

On October 20, 2020, KSL Head Office organized KSL CG & Anti-Corruption Day 2020 under the theme Because CG is KSL Foundation. Mr. Chamroon Chinthammit, Chief Executive Officer and President, delivered an opening speech and led the oath taking on anti-corruption with other KSL executive team and employees. There was an exhibition of the corporate governance principles for listed companies and KSL anti-corruption as well as other activities including quiz on corporate governance.

Lessons of Life and Soul was presented to reflect the corrupted society by Mr. Sinchai Sirirattanaphonkun, Senior Assistant Vice President - CEO's Office, followed by the salon under the topic Because CG is KSL Foundation by Mr. Thanyawat Walaikitphanit, Assistant Vice President - Office Administration and Director of Purchase and Inventory, and Ms. Lalana Wiwitsurakan, Manager - Risk Management Office, who shared their working experiences and emphasized the application of corporate governance principles to the organization for transparency and anti-corruption.



KSL RECEIVED THE HIGHEST RESULT OF QUALITY ASSESSMENT ON ORGANIZING THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF 2020

On February 25, 2020, KSL received the highest result of quality assessment on organizing the annual general meeting of shareholders of 2020 at 100 percent by the collaboration of the Office of the Securities and Exchange Commission, the Thai

Investor Association and the Stock Exchange of Thailand. This guarantees the importance of good corporate governance and equitable practice to all stakeholders.

KSL WAS A CERTIFIED MEMBER OF THAILAND'S PRIVATE SECTOR COLLECTIVE ACTION COALITION AGAINST CORRUPTION (CAC)

KSL received a certificate and became a certified 3-year member of Thailand's Private Sector Collective Action Coalition Against Corruption after the announcement on November 4, 2020.

The Collective Action Coalition Against Corruption is founded by 8 leading business organizations from Thailand's private sector in 2010 and sponsored by the Thai government and

the Office of the National Anti-Corruption Commission (ONACC). The founding members are the Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, Joint Foreign Chambers of Commerce of Thailand, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organization, Federation of Thai Industry, and Tourism Council of Thailand



NEW KWANG SOON LEE SUGAR FACTORY WAS AWARDED STANDARD ON PREVENTION AND SOLUTION TO DRUGS PROBLEMS IN AN ESTABLISHMENT CERTIFICATE 2020

On September 21, 2020, New Kwang Soon Lee Sugar Factory Company Limited was awarded the Standard on Prevention and Solution to Drugs Problems in an Establishment Certificate 2020 as it enabled to undertake the administration and

management to fulfil standard's criteria on prevention and solution to drug problems in the establishment during New Normal. The award ceremony was held at Bangsaen Heritage Hotel, Saen Suk, Mueang Chon Buri, Chon Buri.



NEW KRUNG THAI SUGAR FACTORY RECEIVED A CERTIFICATE AFTER PARTICIPATING IN INDUSTRY AND ENVIRONMENTAL GOVERNANCE EXHIBITION 2020

On September 3, 2020, New Krung Thai Sugar Factory Company Limited received a certificate as a participant to Industry and Environmental Governance Exhibition 2020 at Kanchanaburi Provincial Industry Office.

KHON KAEN SUGAR POWER PLANT NAM PHONG WAS CONFERRED CSR-DIW AWARD 2020

On November 17, 2020, Khon Kaen Sugar Power Plant Company Limited in Nam Phong, Khon Kaen, was conferred CSR-DIW AWARD 2020 (Corporate Social Responsibility - Department of Industrial Works) presented by Mr. Prakob Vivitjinda, Director

General of Department of Industrial Works, Ministry of Industry, under the project to promote the sustainable corporate social responsibility to the community.



KSL NAM PHONG WAS CONFERRED BRONZE AWARD ON ECO SOCIAL VALUE FACTORY 2020

On November 17, 2020, KSL in Nam Phong, Khon Kaen, was conferred the bronze award on Eco Social Value Factory 2020 presented by Mr. Kobchai Sungstittisawat, Permanent

Secretary of Industry. This award aims to elevate and develop the eco-social value factory (ESV-Factory).



Khon Kaen Sugar Industry PLC's corporate governance in 2019 was assessed at the level excellent for the second consecutive year.

In 2019, Khon Kaen Sugar Industry PLC was assessed a listed company having corporate governance as excellent for the second consecutive year. The Thai Director Institute conducted the survey pursuant to the project on corporate governance survey on listed companies for the year 2019 to survey and monitor development of corporate governance of the Thai listed companies by applying the assessment criteria developed from the major five principles laid down by the

Organization for Economic Cooperation and Development (OECD), namely, (1) rights of shareholders (2) Equal treatment to shareholders (3) Roles of Stakeholders (4) Disclosure and Transparency and (5) Responsibilities of Directors. The survey resulted was presented to general public so that the listed companies would use as guidelines to develop their corporate governance.



New Krung Thai Sugar Factory Company Limited received the Role Model Disability Award for year 2020

On 3rd December 2020, Miss Supicha Kunchon, the employee of New Krung Thai Sugar Factory Company Limited which located at Bo Phloi District, Kanchanaburi Province, received the Role Model Disability Award for year 2020 on International Day of Persons with Disabilities year 2020 from Mr. Chuti Krairiksh, the Minister of Social Development and Human Security who is the chairman on the opening ceremony of such International Day of Persons with Disabilities which organized by Department of Life

Promotion and Development for Persons with Disabilities, Ministry of Social Development and Human Security, Bangkok.

This event took place under the UN's theme is Building Back Better: toward a disability-inclusive, accessible and sustainable post COVID-19 World, which emphasizes the restoration of society back to normalcy and better after the coronavirus infection (COVID) epidemic.



Khon Kaen Sugar Industry PLC received Sustainability Disclosure Recognition Certificate 2020 from Thaipat Institute

On 22 December 2020, Khon Kaen Sugar Industry PLC received the award (Sustainability Disclosure Recognition) in the result announcement of Sustainability Disclosure Award for the year 2020 from Mr. Vorranut Piantam, Director of Thaipat Institute. The award is aimed to encourage listed companies and business organizations that are members of the SDC to disclose information about sustainability covering economy, social, environmental or ESG (Environmental, Social and Governance) beyond the financial information in

sustainability reports, which will be useful for the group of stakeholders and develop Organization for long-term sustainability

The Sustainability Disclosure Award 2020 is classified into three categories. There were 34 organizations awarded the Sustainability Disclosure Award, 42 organizations awarded the Sustainability Disclosure Recognition and 20 organizations awarded the Sustainability Disclosure Acknowledgement.



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE / WEBSITE	SDGs	EXTERNAL ASSURANCE
GRI 101 : Foundation 2016				
General Disclosures				
General Disclosures 2016	ORGANIZATIONAL PROFILE			
	102-1	Name of the organization	4	-
	102-2	Activities, brands, products, and services	4	-
	102-3	Location of headquarters	4	-
	102-4	Location of operations	4	-
	102-5	Ownership and legal form	12,26-27	-
	102-6	Markets served	14-17	-
	102-7	Scale of the organization	196,4-5,8,14-17	-
	102-8	Information on employees and other workers	56	-
	102-9	Supply chain	11	-
	102-11	Precautionary Principle or approach	23-25,79-80	-
	102-12	External initiatives	59-61	-
	102-13	Membership of associations	13	-
	STRATEGY			
	102-14	Statement from senior decision-maker	6	-
	ETHICS AND INTEGRITY			
	102-16	Values, principles, standards, and norms of behavior	198-199,57-67	-
	GOVERNANCE			
	102-18	Governance structure	28,72,183	-
	102-22	Composition of the highest governance body and its committees	28,34,62,74,73-74 38-51	-
	102-23	Chair of the highest governance body	46	-
	102-24	Nominating and selecting the highest governance body	73-74	-
	102-25	Conflicts of interest	65-66	-
	102-26	Role of highest governance body in setting purpose, values, and strategy	71-72, 76	-
	102-28	Evaluating the highest governance body's performance	65-66	-
	102-29	Identifying and managing economic, environmental, and social impacts	23	-
	102-30	Effectiveness of risk management processes	79-80	-
	102-35	Remuneration policies	56	-
	102-36	Process for determining remuneration	56	-
	102-37	Stakeholders' involvement in remuneration	56	-
	STAKEHOLDER ENGAGEMENT			
	102-40	List of stakeholder groups	185	-
	102-42	Identifying and selecting stakeholders	185	-
	102-43	Approach to stakeholder engagement	185	-
	102-44	Key topics and concerns raised	185	-
	REPORTING PRACTICE			
	102-45	Entities included in the consolidated financial statements	182-183	-
	102-46	Defining report content and topic Boundaries	182-183	-
	102-47	List of material topics	184	-
	102-50	Reporting period	181	-
	102-51	Date of most recent previous report	181	-
	102-52	Reporting cycle	181	-
	102-53	Contact point for questions regarding the report or its contents	181	-
	102-55	GRI content index	216-218	-

GRI STANDARD		DISCLOSURE	PAGE / WEBSITE	SDGs	EXTERNAL ASSURANCE
MATERIAL TOPICS					
GRI 200 ECONOMIC STANDARD SERIES					
GRI 103 Management Approach 2016	ECONOMIC PERFORMANCE				
	103-1	Explanation of the material topic and its Boundary	102-103		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 103 Economic Performance	201-1	Direct economic value generated and distributed	8,102-103	SDG 2 /SDG 5 /SDG 7 /SDG 9 Infrastructure investments SDG 8 - Economic performance SDG 9 - Research and development	-
	201-3	Defined benefit plan obligations and other retirement plans	59-60		-
GRI 103 Management Approach 2016	ANTI-CORRUPTION				
	103-1	Explanation of the material topic and its Boundary	65-66		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 205 Anti-corruption	205-1	Operations assessed for risks related to corruption	65-66	SDG 16 - Anti-corruption	-
	205-2	Communication and training about anti-corruption policies and procedures	65-66	SDG 16 - Anti-corruption	-
Material Topics					
GRI 300 Environmental Standard Series					
GRI 103 Management Approach 2016	ENERGY				
	103-1	Explanation of the material and its Boundary	189		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 302 Energy	302-1	Energy consumption within the organization	189	SDG 7 /SDG 8 / SDG 12 /SDG 13 Energy efficiency	Yes
GRI 103 Management Approach 2016	WATER				
	103-1	Explanation of the material and its Boundary	189		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 303 Water	303-1	Water withdrawal by source	189	SDG 6-Sustainable water withdrawals SDG 6-Water efficiency, Water recycling and reuse	Yes Yes
	303-3	Water recycled and reused	182	SDG 8 /SDG 12-Water efficiency	
GRI 103 Management Approach 2016	EMISSIONS				
	103-1	Explanation of the material topic and its Boundary	190		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	190	SDG 3/ SDG 12 - Air quality SDG 13 - GHG emissions	Yes
	305-2	Energy indirect (Scope 2) GHG emissions	190	DG 3/ SDG 12 - Air quality SDG 13 - GHG emissions	Yes
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	192	SDG 3/ SDG 12 - Air quality SDG 13 - GHG emissions	Yes
GRI 103 Management Approach 2016	EFFLUENTS AND WASTE				
	103-1	Explanation of the material topic and its Boundary	190		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 306 Effluents and Waste	306-2	Waste by type and disposal method	191	SDG 3 -Spills , SDG 6 /SDG 12 - Waste	Yes

GRI STANDARD	DISCLOSURE		PAGE / WEBSITE	SDGs	EXTERNAL ASSURANCE
Material Topic					
GRI 400 Social Standard Series					
GRI 103 Management Approach 2016	EMPLOYMENT				
	103-1	Explanation of the material topic and its Boundary	195-196		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 401 Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	195-196	SDG 8 - Earnings, wages and benefits	-
GRI 103 Management Approach 2016	OCCUPATIONAL HEALTH AND SAFETY				
	103-1	Explanation of the material topic and its Boundary	192-193		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 403 Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	192-193	SDG 3 /SDG 8 - Occupational health and safety	Yes
GRI 103 Management Approach 2016	TRAINING AND EDUCATION				
	103-1	Explanation of the material topic and its Boundary	197		-
	103-2	The management approach and its components			-
	103-3	Evaluation of the management approach			-
GRI 404 Training and Education	404-1	Average hours of training per year employee	197	SDG 4 / SDG 8 - Employee training and education	-
	404-2	Programs for upgrading employee skills and transition assistance programs	197	SDG 8 - Earnings, wages and benefits	-



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