



**KTIS**  
More Than Sugar

*Utilizing the sugarcane,  
sustaining company's growth*



*Annual Report 2020*  
รายงานประจำปี 2563

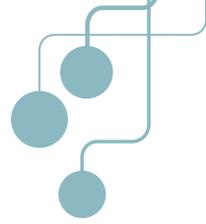




**KTIS**

*More Than Sugar*





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## Corporate Philosophy

The sustainability of KTIS  
is dependent on the success  
of sugarcane farmers

### Vision

KTIS Group is a leading organization with an outstanding world-class identity. It has maintained good governance, integrated closely with agricultural and industrial industry, maintained social awareness, added values and quality to sugar and its by products, and utilized clean and eco-friendly energy to sustain stability.

### Mission

- The company operates its businesses with keen knowledge and experiences, creative ideas and professionalism in order to generate innovation and value to its products and services ranging from upstream to downstream.
- The company creates a sustainable source of raw materials in order to support a fully integrated business network for the production of high-quality products as well as the generation of clean and eco-friendly biomass energy.
- The company conducts its business with high ethics and integrity while maintaining good governance in both existing and new business investments for valuable return in both financial and non-financial forms back to the community, investors, customers, employees, farmers and stakeholders.

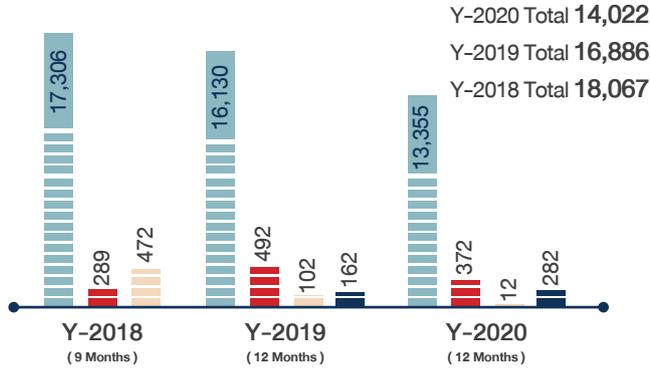
# Financial Highlight

	2018 ( 9 Months )	2019 ( 12 Months )	2020 ( 12 Months )
<b>Income Statements (Million Baht)</b>			
<b>Sales &amp; Services Revenues</b>	17,306	16,130	<b>13,355</b>
Sugar	12,219	10,484	<b>8,629</b>
Molasses	838	623	<b>924</b>
Electricity	1,217	1,457	<b>1,148</b>
Ethanol	1,313	1,619	<b>1,360</b>
Pulp	1,131	1,310	<b>698</b>
Others	588	637	<b>596</b>
Revenue from compensating of sugar productions and distributions	472	102	<b>12</b>
Revenue from the Cane and Sugar Fund under the project to support sugar cane planters and sugar plants	-	162	<b>282</b>
Other Income	289	492	<b>372</b>
<b>Total Revenues</b>	18,067	16,886	<b>14,022</b>
<b>Net Profit</b>	629	740	<b>569</b>
<b>Balance Sheet (Million Baht)</b>			
<b>Total Assets</b>	18,358	19,120	<b>15,395</b>
Current Assets	6,968	7,709	<b>4,185</b>
Non-Current Assets	11,390	11,411	<b>11,210</b>
<b>Total Liabilities</b>	10,164	10,778	<b>7,022</b>
Current Liabilities	6,314	7,592	<b>4,528</b>
Non-Current Liabilities	3,851	3,185	<b>2,494</b>
<b>Total Shareholders' s Equities</b>	8,194	8,342	<b>8,373</b>
<b>Ratio (Times)</b>			
Current Ratio	1.10	1.02	<b>0.92</b>
D/E	1.24	1.29	<b>0.84</b>

# 3 Years Financial Highlight

## Total Revenues

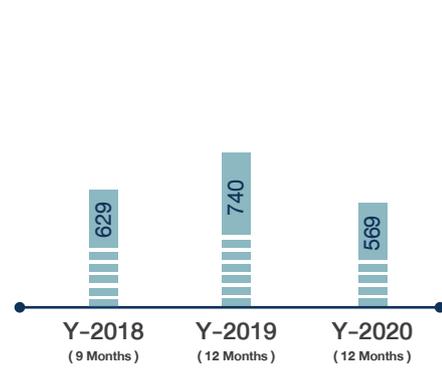
Unit : Baht million



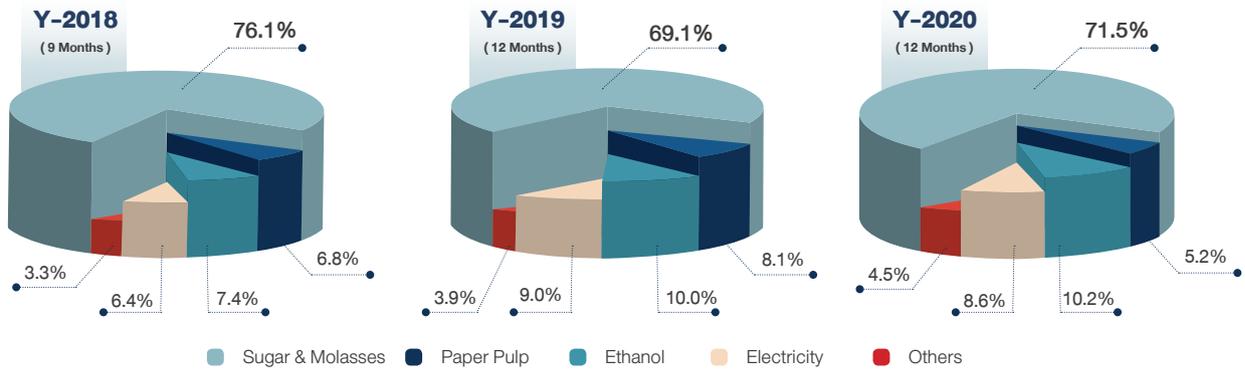
- Sales & Services Revenues
- Other Income
- Revenue from compensating of sugar productions and distributions
- Revenue from the Cane and Sugar Fund under the project to support sugar cane planters and sugar plants

## Net Profit

Unit : Baht million



## Sales & Service Revenue



## Balance Sheet

Unit : Baht million



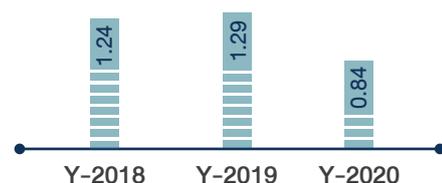
## Current Ratio

Unit : Times



## D/E Ratio

Unit : Times



# General Information and Other Information

## Company Information

<b>Company Information</b>	:	<b>Kaset Thai International Sugar Corporation Public Company Limited (the“Company”)</b>
Type of Business	:	Production and distribution of sugar and connected secondary businesses such as the production and distribution of bleached white paper pulp, ethanol and electricity
BKK office	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok
Head office and Factory	:	1/1 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province, Thailand
Factory (Branch 3)	:	1 Moo 7 Banmakhua Sub-District, Muang District, Nakhonsawan Province, Thailand
Registration number	:	0107556000116
Telephone	:	(66) 2692-0869 to 73
Facsimile	:	(66) 2246-9125, (66) 2692-0876, (66) 2246-9140
Website	:	<a href="http://www.ktisgroup.com">http://www.ktisgroup.com</a>
Company Secretary	:	Mr.Poomrerk Wangpreedalertkul Tel. (66) 2692-0869 to 73 ext. 175
Email	:	cs@ktisgroup.com
Investor Relations and Corporate Communications	:	Ms.Monathy Ploisook Tel. (66) 2692-0869 to 73 ext. 193 ext. 26
E-mail	:	ir@ktisgroup.com
Registered capital	:	3,888,000,010 Baht
Paid up Registered Capital	:	3,860,000,010 Baht

## Subsidiary Information

<b>Sugar Business :</b>	<b>Thai Identity Sugar Factory Co., Ltd.</b>
Business Type :	Production and distribution of sugar
Registered Share Capital	3,600,000,000 Baht
Paid-up Share Capital	3,600,000,000 Baht
BKK office :	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
Factory :	42/1 Moo 8 Ban Hardsuatan, Kungtapao Sub-District, Muang District, Uttaradit Province Telephone (66) 5544-9010 to 1, (66) 5540-7241
<b>Paper Pulp Business :</b>	<b>Environment Pulp and Paper Co., Ltd.</b>
Business Type :	Production and distribution of bleached paper pulp
Registered Share Capital	2,400,000,000 Baht
Paid-up Share Capital	2,400,000,000 Baht
BKK office :	(1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73 (2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok Telephone (66) 2692-0869 to 73
Factory :	(1) 9/9 Moo 1 Attavipach Rd., Nong Pho Sub-District, Taklee District, Nakhonsawan Province Telephone (66) 56-338-338, (66) 62-310-0314 to 6 (2) 200 Moo 6 Phayuha Sub-District, Phayuhakeeree District, Nakhonsawan Province Telephone (66) 56-338-338, (66) 62-310-0314 to 6



**Paper Pulp Business : Environment Pulp and Packaging Co.,Ltd**

**Business Type :** Production and distribution of Packaging from bagasse  
**Registered Share Capital** 650,000,000 Baht  
**Paid-up Share Capital** 650,000,000 Baht  
**BKK office :** (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
 (2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** 888 Moo 1 Nong Pho Sub-District, Taklee District, Nakhonsawan Province  
 Telephone (66) 56-338-338, (66) 62-310-0314 to 6

**Energy Business : KTIS Bioethanol Co., Ltd.**

**Business Type :** Production and distribution of ethanol  
**Registered Share Capital** 256,000,000 Baht  
**Paid-up Share Capital** 256,000,000 Baht  
**BKK office :** (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
 (2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** 9 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province  
 Telephone (66) 62-310-2406

**Energy Business : Kaset Thai Bio Power Co., Ltd.**

**Business Type :** Production and distribution of electricity  
**Registered Share Capital** 1,260,000,000 Baht  
**Paid-up Share Capital** 1,260,000,000 Baht  
**BKK office :** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** 555 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province  
 Telephone (66) 62-310-0311 to 5 ext 200

**Energy Business : Thaikaluck Power Co.,Ltd**

**Business Type :** Production and distribution of electricity  
**Registered Share Capital** 350,000,000 Baht  
**Paid-up Share Capital** 350,000,000 Baht  
**BKK office :** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** 42/2 Moo 8 Ban Hardsuatan, Kungtapao Sub-District, Muang District, Uttaradit Province  
 Telephone (66) 55-449-010 to 1 , (66) 55-407-241

**Energy Business : Ruamphol Bio Power Co.,Ltd**

**Business Type :** Production and distribution of electricity  
**Registered Share Capital** 395,000,000 Baht  
**Paid-up Share Capital** 395,000,000 Baht  
**BKK office :** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** 128 Moo 7 Banmakhua Sub-District, Muang District, Nakhonsawan Province  
 Telephone (66) 56-207-225 to 8

**Energy Business : Environment Pulp and Straw Co., Ltd.**

**Business Type :** Production and distribution of Packaging from bagasse  
**Registered Share Capital** 2,000,000 Baht  
**Paid-up Share Capital** 2,000,000 Baht  
**BKK office :** (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
 (2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** 888 Moo 1 Nong Pho Sub-District, Taklee District, Nakhonsawan Province  
 Telephone (66) 56-338-338, (66) 62-310-0314 to 6

**Energy Business : KTIS Biogass Power Co.,Ltd**

**Business Type :** Production and distribution of electricity  
**Registered Share Capital** 1,000,000 Baht  
**Paid-up Share Capital** 1,000,000 Baht  
**BKK office:** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
Telephone (66) 2692-0869 to 73

**Fertilizer Business: KTIS Bio Fertiliser Co.,Ltd**

**Business Type :** Production and distribution of fertilizers and soil  
**Registered Share Capital** 35,000,000 Baht  
**Paid-up Share Capital** 35,000,000 Baht  
**BKK office:** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
Telephone (66) 2692-0869 to 73  
**Factory :** 888 moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province  
Telephone (66) 93-182-0800

**Energy Business : KTIS Bio Energy Co.,Ltd**

**Business Type :** Production and distribution of ethanol  
**Registered Share Capital** 20,000,000 Baht  
**Paid-up Share Capital** 20,000,000 Baht  
**BKK office:** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
Telephone (66) 2692-0869 to 73

**Energy Business : KTIS BIO Natural Co.,Ltd**

**Business Type :** Production and distribution of alcohol  
**Registered Share Capital** 50,000,000 Baht  
**Paid-up Share Capital** 12,500,000 Baht  
**BKK office:** (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
Telephone (66) 2692-0869 to 73  
(2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok  
Telephone (66) 2692-0869 to 73  
**Factory :** 9 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province  
Telephone (66) 62-310-2406

**Holding Business : Permsinpattana Co., Ltd.**

**Business Type :** Shareholders engagement, which currently holds 26.0 per cent in EPPCO  
**Registered Share Capital** 317,000,000 Baht  
**Paid-up Share Capital** 317,000,000 Baht  
**BKK office:** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
Telephone (66) 2692-0869 to 73

**Property Business : Sapsirikaset Co.,Ltd**

**Business Type :** Real estate investment  
**Registered Share Capital** 311,000,000 Baht  
**Paid-up Share Capital** 311,000,000 Baht  
**BKK office:** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
Telephone (66) 2692-0869 to 73

**Asset management Business : Kaset Thai Wivat Co., Ltd.**

**Business Type :** Support company's asset management  
**Registered Share Capital** 61,000,000 Baht  
**Paid-up Share Capital** 61,000,000 Baht  
**BKK office:** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Ratchadaphisek, Din Daeng, Bangkok  
Telephone (66) 2692-0869 to 73

**Support and Development : Business KTIS Research and Development Co., Ltd.**

**Business Type :** Support company's businesses and its growth aspiration.  
**Registered Share Capital** 20,000,000 Baht  
**Paid-up Share Capital** 20,000,000 Baht  
**BKK office:** 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok  
Telephone (66) 2692-0869 to 73  
**Factory :** 99 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province  
Telephone (66) 62-310-2406 ext 133, (66)92-279-9210

## Other References

### SEC : Securities and Exchange Commission, Thailand

333/3 Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand

Telephone : (66) 2695-9999  
Facimile : (66) 2695-9660  
Email : info@sec.or.th  
Website : www.sec.or.th

### SET : The Stock Exchange of Thailand

93 Ratchadapisek Road., Dindaeng, Bangkok 10400, Thailand.

Telephone : (66) 2009-9000  
Facimile : (66) 2009-9991  
Contact Center : (66) 2009-9999  
Email : SETCallCenter@set.or.th  
Website : www.set.or.th

### Registrar : Thailand Securities Depository Co., Ltd.

93 Ratchadapisek Road., Dindaeng, Bangkok 10400, Thailand.

Telephone : 0-2009-9000  
Facimile : 0-2009-9991  
Contact Center : 0-2009-9999  
Email : SETContactCenter@set.or.th  
Website : www.set.or.th/tsd

### Auditor : EY Office Limited

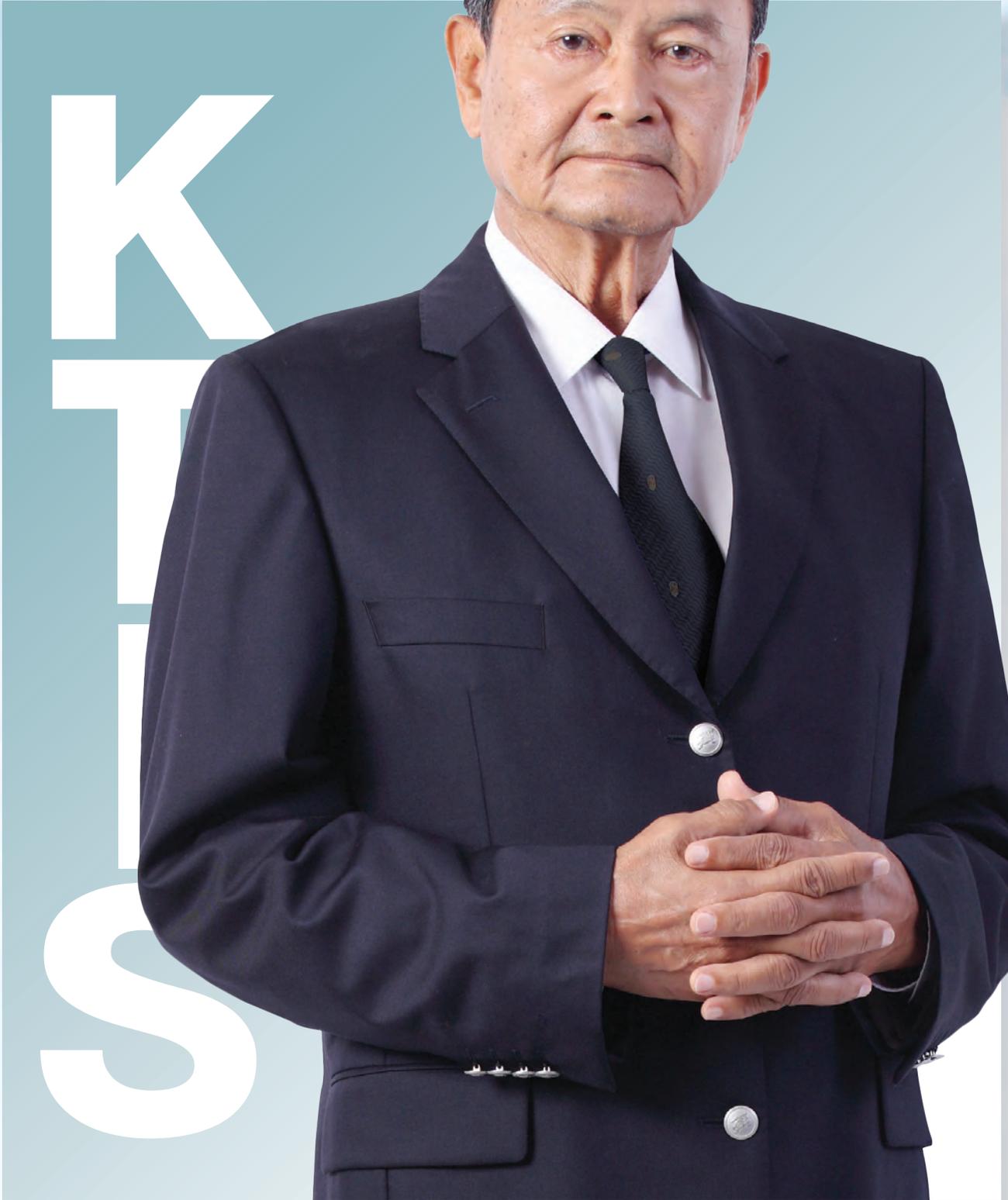
137-136/193 Lake Ratchada Office Complex, 33<sup>th</sup> Floor New Ratchadapisek Road, Klongtoei, Bangkok, 10110, Thailand

Telephone : (66) 2264-0777, (66)2661-9190  
Facimile : (66) 2264-0789 to 90  
Email : ernstyoung.thailand@th.ey.com  
Website : www.ey.com

### Legal Advisor : Kudan and Partners Co.,Ltd

127 Gaysorn Tower, 23<sup>th</sup> Floor, Unit Ratchdamri Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand

Telephone : (66) 2838-1750  
Facimile : (66) 2838-1795



## Messages from the Chairman

From last year, the global community has confronted one of the most severe crises in history. The occurrence of Corona virus or Covid-19 has created a negative impact in all aspects from public health, society and economy. The economic halt due to the lock down to control the pandemic is an unavoidable disruption for all businesses, and the new normal which is changing patterns of economic activities after the lock down due to the adjustment of people is also the ongoing challenge that all business sectors must adapt to react to the changing circumstance. All of these challenges are also KTIS group's concern.

The estimation of Thailand's total cane in this year is quite low due to the drought continuing from last year. In Brazil, the cane is chosen to be the raw material for sugar rather than ethanol due to the oil price being quite low. In India, the exporting sugar may become low, if the government does not provide the solid subsidy policy. In bio business, the demand for its products has significantly decreased due to Covid-19 pandemic and also decreased the sale revenue from the conventional market. However, there were also other business opportunities as some of bio business's products could satisfy the new demand in Covid-19 pandemic situation. And, these products make the consumers have a great healthiness under the fragile public health situation and also make the consumers live with a new normal lifestyle without giving up the environmental friendly consumption.

Under such challenging global situation, KTIS group has done its best to overcome the hard situation and also adhere to the principle that prioritizes all stakeholders. Therefore, the success in KTIS group's operation is the group's profit in the time of crisis and is also the survival of all stakeholders which includes their readiness to grow after the crisis. Moreover, KTIS group also adheres to its corporate responsibility to society which prioritizes morality and good governance such as the distribution of food and necessary supply to those affected by Covid-19 or the sale of health necessary products with fair price in a pandemic situation that causes scarcity. KTIS group's expression of responsibility to society in a time of crisis is a great pride to its board of directors that has taken a part in the social service through the drive of KTIS.

I would like to thank all stakeholders who still work with KTIS group in the time of hardship like last year. Once all chose to be KTIS' stakeholders in the time of crisis, it reflected the trust in KTIS group which is priceless. KTIS group would like to humbly accept the trust from all and would like to promise that we will do our best to help all stakeholders overcome current hardship and thrive with KTIS group in future.



Mr. Pricha Attavipach  
Chairman



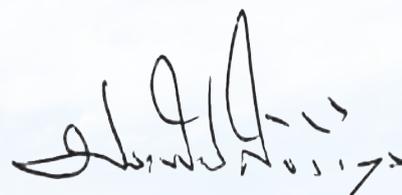
## Messages from the Chief Executive Officer – KTIS Group

Last year's Covid-19 pandemic did not significantly affect the operation of sugar business, since the pandemic in Thailand occurred after the end of production season and the electricity generation after production season has been conducted under the very strict preventive measure. Meanwhile the drought also decreased the nationwide total cane amount. However, KTIS group still maintained its sugar production market share to be closed to last year's market share. KTIS group's total amount of sugar production has ranked KTIS group as Thailand third largest in the sugar production market. This phenomenon has exhibited that KTIS group has well maintained its competitiveness in the sugar business.

For bio business section, although some raw materials which are sugar production's by-products and the worldwide demand of goods have decreased, but the bio business itself still generated significant profit from the good management and the good problem solving such as the procurement of substitute raw material, the development of new products like hand sanitizer alcohol. Moreover, last year the bio business has worked on behalf of KTIS group to implement CSR in process in a time of public health crisis. It has been conducting the massive production of hand sanitizer alcohol with the fair market to end the immediate scarcity of hand sanitizer alcohol in Thailand, and to end the unfair pricing of such product in the market.

I would like to inform all stakeholders that there are many challenges in the near future, since all critical factors still remain such as the drought, economic depression and the risk of the next Covid-19 pandemic. Therefore KTIS group has well prepared to handle the changing circumstances with the management that composes of agility and flexibility, the strict and thorough budget control is also implemented to ensure that every single Baht paid out will create the greatest value to the group and the greatest benefit to all stakeholders. Moreover, the structure of KTIS group is also an important factor which helps the group overcomes the challenges, since the variety of businesses is the risk allocation and the chance to generate income from the variety of the products which serve the swiftly changing demand of the world in current situation.

I would like to sincerely thank all stakeholders especially the employees and the cane farmers who contributed to KTIS' last year success. I also believe that the cooperation of all stakeholders in upcoming years will lead KTIS group to the business success for all stakeholders, and become one of the economic units that helps Thailand and the global community successfully overcome the current crisis.



**Mr. Praphan Siriviriyakul**  
Chief Executive Officer -  
KTIS Group

# Board of Directors



**1. Mr. Pricha Attavipach**

- Chairman



**2. Mr. Nathapun Siriviriyakul**

- Director
- Chairman of Executive Committee
- Deputy Executive Officer – KTIS group
- Risk Management Committee



**3. Mr. Parphan Siriviriyakul**

- Director
- Chief Executive Officer – KTIS Group
- Risk Management Committee



**4. Mrs. Darat Vibhatakalasa**

- Director
- Deputy Executive Officer – KTIS group
- Nomination and Remuneration Committee



**5. Mr. Prasert Siriviriyakul**

- Director
- Deputy Executive Officer – KTIS group
- Risk Management Committee



**6. Mr. Sirapak Siriviriyakul**

- Director
- Chief Financial Officer – KTIS Group



**7. Mr. Krairit Nilkuha**

- Independent Director
- Chairman of Audit Committee



**8. Mr.T-rayooth Changpetch** **9. Mr.Issakan Krivithaya** **10. Mr.Sathaporn Kotheeranurak** **11. Mr.Sirivuthi Siamphakdee**

- Independent Director
- Chairman of Risk Management Committee
- Audit Committee
- Independent Director
- Chairman of Nomination and Remuneration Committee
- Risk Management Committee
- Independent Director
- Audit Committee
- Director
- Risk Management Committee



**12. Mr.Phoonsak Boonsalee** **13. Mr.Kunihiko Tahara** **14. Mr.Apichart Noochprayoon** **15. Ms. Chua Eng Eng**

- Independent Director
- Nomination and Remuneration Committee
- Director
- Director
- Director

# Details of Company's Directors, Executives, Authorized Person and Company Secretary

1

**Name** : Mr.Pricha Attavipach

**Age** : 82 Year

**Position** : Chairman  
Authorized Director

**Period of Directorship** : 8 year (Appointed on 29 January 2013)

## Education/Training with IOD :

- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University
- Master of Engineering (Industrial Engineering & Management), Oklahoma State University
- Director Certification Program (DCP 39/2004)
- Audit Committee Program (ACP 11/2006)
- Finance for Non-Finance Director (FND 8/2004)
- Director Accreditation Program (DAP) 107/2014

**Shareholding (%)** : 0.158

**Family Relationship among Company's Directors** : None

Period	Positon	Company
<b>Current Positions in other listed companies</b>		
2013 – Present	Chairman	Kaset Thai International Sugar Corporation Pcl.
2008 – Present	Chairman	T S Flour Mill Pcl.
2008 – Present	Chairman and Independent Director	Thai Sugar Terminal Pcl.
<b>Current Positions in other non-listed companies</b>		
2019 – Present	Chairman	GGC KTIS Bio Industrial Co., Ltd
2013 – Present	Chairman	Ruampol Bio Power Co., Ltd.
2013 – Present	Director	Thaiekaluck Power Co., Ltd
2012 – Present	Chairman	Siri Charoen Sapraivan Co., Ltd
2011 – Present	Chairman	Kaset Thai Bio Power Co., Ltd.
2010 – Present	Chairman	S.I. Property Co., Ltd.
2008 – Present	Chairman	TSG Asset Co., Ltd.
2008 – Present	Chairman	T S Oil Industry Co., Ltd.
2004 – Present	Chairman	KTIS Bioethanol Co., Ltd.
<b>Past Experiences</b>		
2004 – 2020	Independent Director And Chairman of the Audit Committee	Thai Rung Union Car Pcl.
1999 – 2020	Director	Siam Cement Pcl.
	Member of The Audit Committee	
	Member of the Governance and Nomination Committee	

Period	Position	Company
2000 – 2020	Chairman	Pan-Paper (1992) Co., Ltd.
1993 – 2020	Director	H.C. Starck Co., Ltd.
2011 – 2013	Director	PTT Exploration and Production Public Company Limited
2008 – 2013	Chairman	Thai Sugar Industry Co., Ltd.
2000 – 2014	Chairman	Ruamkij Angthong Warehouse Co., Ltd.
1999 – 2000	Chairman	National Petrochemical Public Company Limited
1997 – 1998	Chairman	Petroleum Authority of Thailand
1997 – 1999	Chairman	Electricity Generating Authority of Thailand
1996 – 1999	Permanent Secretary	Ministry of Industry



**Name** : Mr. Nathapun Siriviriyakul **Age** : 56 Year

**Position** : Director  
 Chairman of Executive Committee  
 Deputy to Chief Executive Officer  
 Risk Management Committee  
 Authorized Director

**Period of Directorship** : 8 year (Appointed on 29 January 2013)

**Education/Training with IOD :**

- Bachelor of Engineering (Computer Engineering) (Second Class Honours), Chulalongkorn University
- Master of Business Administration, Washington State University, USA
- Advanced Security Management Program 2/2011
- Top Executive Program in Commerce and Trade 3/2010
- Top Executive Program in College of Commerce and Capital Markets 16/2013
- Director Accreditation Program (DAP96/2012)

**Shareholding (%)** : 0.705

**Family Relationship among Company's Directors** : Younger brother to Mr.Parphan Siriviriyakul  
 Younger brother to Mr.Prasert Siriviriyakul  
 Younger brother to Mrs.Darat Vibhatakalasa

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2020 – Present	Chairman of Executive Committee	Kaset Thai International Sugar Corporation Pcl.
2016 – Present	Deputy to Chief Executive Officer	
2013 – Present	Director and Risk Management Committee	
<b>Current Positions in other non-listed companies</b>		
2019 – Present	Director	GGC KTIS Bio Industrial Co., Ltd
2015 – Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
2015 – Present	Director	KTIS Research and Development Co., Ltd.
2014 – Present	Director	KTIS Bioenergy Co., Ltd
2014 – Present	Director	KTIS Biogas Power Co., Ltd

Period	Positon	Company
2013 – Present	Director	3S Holding Co., Ltd.
2013 – Present	Director	Thaiekaluck Power Co.,Ltd
2013 – Present	Director	Ruampol Bio Power Co., Ltd.
2013 – Present	Director	Sapsirikaset Co.,Ltd
2013 – Present	Director	Environment Pulp and Packaging Co., Ltd
2013 – Present	Director	KTIS Bio Natural Co., Ltd
2013 – Present	Director	Environment Pulp and Straw Co., Ltd
2011 – Present	Director	KTIS Bio Fertilizer Co., Ltd.
2010 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2010 – Present	Director	Jaroon Hatai Ek Holding Co., Ltd
2009 – Present	Director	S.I. Property Co., Ltd.
2008 – Present	Independent Director	King Wan Corporation Limited (Singapore)
2003 – Present	Director	Permsinpattana Co., Ltd.
2003 – Present	Director	Environment Pulp and Paper Co., Ltd.
2002 – Present	Director	Siam P.P. International Co., Ltd.
2001 – Present	Director	Thai Sugar Miller Co., Ltd.
1998 – Present	Director	KTIS Bioethanol Co., Ltd.
1997 – Present	Director	T.Y.T. Trading Co., Ltd.
1995 – Present	Director	Ruampol Enterprise Co., Ltd
1994 – Present	Director	Ruamkij Anghthong Warehouse Co., Ltd.
1989 – Present	Director	TISS Co., Ltd.
1989 – Present	Director	Thai Wisanu Nakornsawan Co., Ltd.
1983 – Present	Director	Thai Identity Sugar Co., Ltd.
1983 – Present	Director	Aekphol Sugar Co., Ltd.
Present	Director	NSC (Thailand) Co., Ltd.

### Past Experiences

2015	Director	Nakhonsawan Agriculture Co., Ltd.
2013 – 2016	Chief Executive Officer –Bio Energy & Product	Kaset Thai International Sugar Corporation Pcl.
2012 – 2013	Director and Chief Executive Officer – Bio Energy & Product	Kaset Thai Sugar Industry Co., Ltd.
2009 – 2015	Director	New Thai Identity Co., Ltd
2009 – 2015	Director	New Ruampol Co., Ltd.

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**Name** : Mr.Parphan Siriviriyakul **Age** : 68 Year**Position** : Director  
Chief Executive Officer  
Risk Management Committee  
Authorized Director**Period of Directorship** : 8 year (Appointed on 29 January 2013)**Education/Training with IOD :**

- Honorary Bachelor of Arts, Nakhon Sawan Rajabhat University
- Director Accreditation Program (DAP 96/2012)

**Shareholding (%)** : 0.000**Family Relationship among Company's Directors** : Father to Mr. Sirapak Siriviriyakul  
Elder brother to Mrs.Darat Vibhatakalasa  
Elder brother to Mr.Prasert Siriviriyakul  
Elder brother to Mr.Nathapun Siriviriyakul

Period	Positon	Company
<b>Current Positions in other listed companies</b>		
2013 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
	Chief Executive Officer	
	Risk Management Committee	
<b>Current Positions in other non-listed companies</b>		
2019 – Present	Director	GGC KTIS Bio Industrial Co., Ltd
2015 – Present	Director	KTIS Research and Development Co., Ltd.
2015 – Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
Present	Chairman of the Advisory	Chaopraya University
2014 – Present	Advisor	The Federation of Thai Industries Northern Chapter
2014 – Present	Director	KTIS Bioenergy Co., Ltd
2014 – Present	Director	KTIS Biogass Power Co., Ltd
2013 – Present	Chairman	Sapsirikaset Co., Ltd
2013 – Present	Chairman	Environment Pulp and Packaging Co., Ltd
2013 – Present	Chairman	KTIS Bio Natural Co., Ltd
2013 – Present	Chairman	Environment Pulp and Straw Co., Ltd
2013 – Present	Director	Ruampol Biopower Co., Ltd
2013 – Present	Director	3S Holding Co., Ltd.
2011 – Present	Director	KTIS Bio Fertilizer Co., Ltd.
2010 – Present	Director	Jaroon Hatai Ek Holding Co., Ltd
2010 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2009 – Present	Chairman	Thaiekaluck Power Co., Ltd
2004 – Present	Founder President	The Federation of Thai Industries Nakhonsawan Chapter
2003 – Present	Chairman	Permsinpattana Co., Ltd.

Period	Positon	Company
2003 – Present	Chairman	Environment Pulp and Paper Co., Ltd.
1998 – Present	Director	KTIS Bioethanol Co., Ltd.
1995 – Present	Director	Ruampol Industries Nakornsawan Co., Ltd.
1997 – Present	Director	T.Y.T. Trading Co., Ltd.
1989 – Present	Director	Thai Wisanu Nakornsawan Co., Ltd.
1983 – Present	Chairman	Thai Identity Sugar Co.,Ltd
Past Experiences		
2009 – 2012	Director	S.I. Property Co., Ltd.
2009 – 2015	Director	New Thai Identity Co., Ltd.
2009 – 2015	Director	New Ruampol Co., Ltd.
2008 – 2013	Chief Executive	Kaset Thai Sugar Industry Co., Ltd.
2008 – 2015	Director	Ekvisanu Co., Ltd.
2003 – 2012	Director	Siam PP International Co., Ltd.
1998 – 2015	Director	T.I. Business Co., Ltd.
1995 – 2015	Director	Nakhonsawan Agriculture Co., Ltd.
1982 – 2012	Director	Ruam Toon Warehouse Nakornsawan Co., Ltd.
2012	Director	Aekphol Sugar Co., Ltd.
2012	Director	Ruamkij Anghthong Warehouse Co., Ltd
2012	Director	TISS Co., Ltd.



**Name** : Ms.Darat Vibhatakalasa **Age** : 67 Year

**Position** : Director

Deputy to Chief Executive Officer  
Nomination and Remuneration Committee  
Authorized Director

**Period of Directorship** : 8 year (Appointed on 29 January 2013)

**Education/Training with IOD :**

- Bachelor of Education, Chulalongkorn University (First Class Honours)
- Master of Education, Chulalongkorn University
- Doctor of Philosophy, Chaopraya University
- Certificate, National Defense, class 2006 (NDP 19), National Defense College
- Director Accreditation Program (DAP 96/2012)

**Shareholding (%)** : 0.320

**Family Relationship among Company's Directors** : Younger Sister to Mr.Parphan Siriviriyakul  
Elder Sister to Mr.Prasert Siriviriyakul  
Elder Sister to Mr.Nathapan Siriviriyakul



Period	Position	Company
<b>Current Positions in other listed companies</b>		
2013 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
	Deputy to Chief Executive Officer	
	Nomination and Remuneration Committee	
<b>Current Positions in other non-listed companies</b>		
<b>Private Sector</b>		
2017 – Present	Director	Samui Pearl Resort Co., Ltd
2015 – Present	Director	KTIS Research and Development Co., Ltd.
2015 – Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
2013 – Present	Director	Ruampol Bio Power Co., Ltd.
2013 – Present	Director	Thaiekaluck Power Co., Ltd.
2013 – Present	Director	3S Holding Co., Ltd.
2010 – Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
2010 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2007 – Present	Director	T.Y.T. Trading Co., Ltd.
2003 – Present	Director	Permsinpattana Co., Ltd.
2002 – Present	Executive Committee	Thai Wisanu Nakornsawan Co., Ltd.
1996 – Present	Owner	Publisher and Advertiser of Sawan News
1996 – Present	Director	Siriviriyakul Co., Ltd
1995 – Present	Deputy Managing Director	Ruampol Enterprise Co., Ltd
1983 – Present	Executive Committee	Thai Identity Sugar Co., Ltd.
1983 – Present	Director	Aekphol Sugar Co., Ltd
<b>Education Sector</b>		
2017 – Present	Vice President	Chaopraya University
2016 – Present	Qualified Member	Education committee, Nakhon Sawan
1990 – Present	Chairman of Executive Committee	Viriyalai Nakhonsawan Vocational College
<b>Economic Sector</b>		
2018 – Present	Executive Director	Federation of Thai Industries (F.T.I.)
2013 – Present	Senior President	The Federation of Nakhonsawan Industries
2010 – Present	Honorary President	Northern Region of F.T.I Provincial Chapters
<b>Administrative Sector</b>		
2020 – Present	Director	The committee of lower northern region 2's integrated provincial administration
2015 – Present	Chairman	Private Cooperation Center ,Nakhonsawan
2014 – Present	Subcommittee	Facilitation of the Decentralization to the Local Government Organization Committee, Nakhonsawan
2009 – Present	Director	Integrated Provincial Administration Committee of Nakhonsawan

Period	Positon	Company
<b>Social Sector</b>		
2008 – Present	Advisor	Chulalongkorn University Alumni Association of Nakhonsawan Chapter
<b>Past Experiences</b>		
2018 – 2020	Executive Committee	Federation of Thai Industries (F.T.I.)
2018 – 2020	Vice Chairman	The institute of human capability development, the federation of Thai industries
2016 – 2017	Director	Promoting University committee, Naresuan University
2015 – 2019	Subcommittee	The Justice fund subcommittee of Nakhonsawan province
2014 – 2018	Director	Federation of Thai Industries (F.T.I.)
2014 – 2018	President	The federation of Thai industries of Nakhonsawan province
2013 – 2015	Executive Committee	Association of Private Higher Education Institutions of Thailand Under the Patronage of Her Royal Highness Princess Maha Chakri Sirindhorm (APHEIT)
2012 – 2014	Vice Chairman	Federation of Thai Industries (F.T.I.)
2011 – 2015	Vice Chairman	Private Cooperation Center, Nakhonsawan
2011 – 2015	Advisor	Inspector General, Office of the Prime Minister, Academic Sector
2010 – 2012	Director	Forty-two Educational Service Office Area
2010 – 2012	Deputy to Secretary General	Federation of Thai Industries (F.T.I.)
2010 – 2012	President	Nakhonsawan Girls' School Alumni Association
2009 – 2016	Director	Board Governance Committee, Nakhonsawan
2007 – 2011	Advisor	Inspector General of Prime Minister office on Economy
2007 – 2008	Member	National People's Assembly of Thailand
2006 – 2012	Director	Vocational Education Area 1.
2006 – 2010	Chairman	Northern Region of F.T.I Provincial Chapters
2005 – 2007	President	Chulalongkorn University Alumni Association of Nakhonsawan Chapter
2000 – 2010	Director	Federation of Thai Industries (F.T.I.)
1998 – 2016	Vice President for Management	Chaopraya University
1992 – 2006	Director	Cane and Sugar Board
1991 – 1993	President	Provincial Red-cross of Phrae
1989 – 1991	President	Provincial Red-cross of Maha Sarakham

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**Name** : Mr. Prasert Siriviriyakul **Age** : 62 Year**Position** : Director  
Deputy to Chief Executive Officer  
Risk Management Committee  
Authorized Director**Period of Directorship** : 8 year (Appointed on 29 January 2013)**Education/Training with IOD :**

- Doctor of Dental Surgery, Chulalongkorn University
- Mini MBA, Thammasat University
- Director Accreditation Program (DAP 96/2012)

**Shareholding (%)** : 0.153**Family Relationship among Company's Directors** : Younger Brother to Mr.Parphan Siriviriyakul  
Younger Brother to Mrs.Darat Vibhatakalasa  
Elder brother to Mr.Nathapun Siriviriyakul

Period	Positon	Company
<b>Current Positions in other listed companies</b>		
2016 – Present	Deputy to Chief Executive Officer	Kaset Thai International Sugar Corporation Pcl.
2013 – Present	Director and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Current Positions in other non-listed companies</b>		
2015 – Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
2015 – Present	Director	KTIS Research and Development Co., Ltd.
2014 – Present	Director	KTIS Bioenergy Co., Ltd
2014 – Present	Director	KTIS Biogass Power Co., Ltd
2013 – Present	Director	3S Holding Co., Ltd.
2013 – Present	Director	Thaiekaluck Power Co., Ltd.
2013 – Present	Director	Ruampol Bio Power Co., Ltd.
2013 – Present	Director	Sapsirikaset Co., Ltd
2013 – Present	Director	Environment Pulp and Packaging Co., Ltd
2013 – Present	Director	KTIS Bio Natural Co., Ltd
2013 – Present	Director	Environment Pulp and Straw Co., Ltd
2011 – Present	Director	KTIS Bio Fertilizer Co., Ltd.
2010 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2010 – Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
2003 – Present	Director	Environment Pulp and Paper Co., Ltd.
2003 – Present	Director	Permsinpattana Co., Ltd.
1998 – Present	Director	KTIS Bioethanol Co., Ltd.
1995 – Present	Director	Ruampol Enterprise Co., Ltd
1992 – Present	Director	Thai Wisanu Nakornsawan Co., Ltd.

Period	Positon	Company
1990 – Present	Director	Ruam Toon Trading Nakornsawan Co., Ltd.
1989 – Present	Director	TISS Co., Ltd.
1984 – Present	Director	Nakhonsawan Ruamtoon Patthana Co., Ltd
1983 – Present	Director	Thai Identity Sugar Co., Ltd.
1982 – Present	Director	Ruam Toon Warehouse Nakornsawan Co., Ltd
Past Experiences		
2013 – 2016	Chief Executive Officer -Cane and Sugar	Kaset Thai International Sugar Corporation Pcl.
2012 – 2013	Director and Chief Executive Officer - Cane and Sugar	Kaset Thai Sugar Industry Co., Ltd.
2010 – 2012	Director and Deputy Managing Director	Kaset Thai Sugar Industry Co., Ltd.



**Name** : Mr. Sirapak Siriviriyakul **Age** : 37 Year

**Position** : Director  
Chief Financial Officer  
Authorized Director

**Period of Directorship** : 5 year 8 months (Appointed on 14 May 2015)

**Education/Training with IOD :**

- Bachelor of Education (Business Education), Chulalongkorn University
- Master of Business Administration, Chulalongkorn University
- CFO's Orientation Course for New IPOs No.4

**Shareholding (%)** : 4.940

**Family Relationship among Company's Directors** : Son to Mr. Parphan Siriviriyakul  
Nephew to Mrs.Darat Vibhatakalasa  
Nephew to Mr.Prasert Siriviriyakul  
Nephew to Mr.Nathapun Siriviriyakul

Period	Positon	Company
Current Positions in other listed companies		
2015 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
2020 – Present	Chief Financial Officer	Kaset Thai International Sugar Corporation Pcl.
Current Positions in other non-listed companies		
2020 – Present	Director	KTIS Bio Natural Co., Ltd
2020 – Present	Director	Sapsirikaset Co.,Ltd
2020 – Present	Director	Environment Pulp and Straw Co., Ltd
2019 – Present	Director	GGC KTIS Bio Industrial Co., Ltd
2018 – Present	Director	Kaset Thai Sugar Industry Co., Ltd.
2018 – Present	Director	Environment Pulp and Packaging Co., Ltd
2018 – Present	Director	HuaHinPearl Co., Ltd.



Period	Positon	Company
2017 – Present	Director	Thaiekaluck Power Co., Ltd.
2017 – Present	Director	Ruampol Bio Power Co., Ltd.
2016 – Present	Director	Siri Charoen Export Co., Ltd
2016 – Present	Director	Thai Identity Sugar Co.,Ltd
2016 – Present	Director	Environment Pulp and Paper Co.,Ltd
2016 – Present	Director	KTIS Bioethanol Co.,Ltd
2016 – Present	Director	Kaset Thai Bio Power Co.,Ltd
2016 – Present	Director	KTIS Bio Fertilizer Co.,Ltd
2016 – Present	Director	Sunshine Export Co.,Ltd
2016 – Present	Director	T.Y.T Trading Co.,Ltd
2016 – Present	Director	T.I.S.S Co.,Ltd
2016 – Present	Director	Poompattana Business Co.,Ltd
2016 – Present	Director	Suebsiri Sawat Co.,Ltd
2016 – Present	Director	Agro Ethanol Co.,Ltd
2016 – Present	Director	E.P.C Power Co.,Ltd
2016 – Present	Director	Ruampol Enterprise Co.,Ltd
2016 – Present	Director	Synphaet Nakhonsawan Co.,Ltd
2015 – Present	Director	KTIS Research and Development Co., Ltd.
2015 – Present	Director	Aekphol Sugar Co., Ltd.
2015 – Present	Director	Phuket Pearl Resort Co., Ltd
2015 – Present	Director	S.I. Property Co., Ltd.
2012 – Present	Director	Siri Charoen Sapraivan Co., Ltd
2010 – Present	Director	S.I. SiriCharoen Co., Ltd.
2008 – Present	Director	Ruamkij Angthong Warehouse Co., Ltd.
<b>Past Experiences</b>		
2015 – 2017	Director	Phoomlert Business Co., Ltd
2014 – 2020	Assistant Director – CEO Office	Kaset Thai International Sugar Corporation Pcl.

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**Name** : Mr.Krairit Nilkuha**Age** : 69 Year**Position** : Independent Director  
Chairman of Audit Committee**Period of Directorship** : 6 year 11 months (Appointed on 26 February 2014)**Education/Training with IOD :**

- Master of M.Sc. (Petroleum Engineering), New Mexico Institute of Mining and Technology, USA
- B-B.Sc. in Mechanics Engineering, Kasetsart University
- Diploma, the National Defense Course, Class 48 (2005), National Defence College
- Senior Executive Program, Batch#8, Capital Market Academy
- Director Accreditation Program (DAP 53/2006)
- Audit Committee Program (ACP 24/2008)
- Understanding the Fundamental of Financial Statements (UFS 6/2006)

**Shareholding (%)** : None**Family Relationship among Company's Directors** : None

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2014 – Present	Independent Director and Chairman of Audit Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Current Positions in other non-listed companies</b>		
2000 – Present	Chairman	Technical Petroleum Training Institute Foundation
<b>Past Experiences</b>		
2556 – 2557	Director	Thai Credit Guarantee Corporation (TCG)
2553 – 2558	Director	Bangchak Petroleum Pcl.
2553 – 2556	Director	PTT Public Company Limited
2552 – 2555	Director-General	Department of Alternative Energy Development and Efficiency
2551 – 2552	Deputy Permanent Secretary	Ministry of Energy

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**Name** : Acting Sub Lt. T-rayooth Changpetch**Age** : 78 Year**Position** : Independent Director  
Chairman of Risk Management Committee  
Audit Committee**Period of Directorship** : 8 year (Appointed on 29 January 2013)**Education/Training with IOD :**

- Bachelor of Laws, Thammasat University
- Director Accreditation Program (DAP 97/2012)
- Audit Committee Program (ACP 41/2012)
- Monitoring Fraud Risk Management (MFM 8/2012)

**Shareholding (%)** : None**Family Relationship among Company's Directors** : None

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Period	Position	Company
<b>Current Positions in other listed companies</b>		
2556 – ๒๕๖๕	Independent Director	Kaset Thai International Sugar Corporation Pcl.
	Chairman of Risk Management Committee	
	Audit Committee	
<b>Current Positions in other non-listed companies</b>		
None		
<b>Past Experiences</b>		
2012 – 2013	Independent Director and Audit Committee	Kaset Thai Sugar Industry Co., Ltd.



**Name** : Mr.Issakan Krivithaya      **Age** : 77 Year

**Position** : Independent Director  
 Chairman of Nomination and Remuneration Committee  
 Risk Management Committee

**Period of Directorship** : 8 year (Appointed on 29 January 2013)

**Education/Training with IOD :**

- Bachelor of Accounting , Thammasat University
- Master of Economics, North Dagota State University U.S.A
- Certificate, American Institute of Banking (New York) U.S.A.
- Director Accreditation Program (DAP 97/2012)
- Audit Committee Program (ACP 41/2012)
- Monitoring Fraud Risk Management (MFM 8/2012)

**Shareholding (%)** : None

**Family Relationship among Company's Directors** : None

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2013 – Present	Independent Director	Kaset Thai International Sugar Corporation Pcl.
	Chairman of Nomination and Remuneration Committee	
	Risk Management Committee	
<b>Current Positions in other non-listed companies</b>		
None		
<b>Past Experiences</b>		
2012 – 2013	Independent Director	Kaset Thai Sugar Industry Co., Ltd.



**Name** : Mr.Sathaporn Kotheeranurak **Age** : 64 Year

**Position** : Independent Director  
Audit Committee

**Period of Directorship** : 8 year (Appointed on 29 January 2013)

**Education/Training with IOD :**

- Master of Business Administration Chulalongkorn University
- Diploma in Auditing Thammasat University
- Bachelor in Accounting Rajamangala University of Technology Thanyaburi
- Certified Public Accountant Certificate No.3349
- Certified Professional Internal Auditor (CPIA)
- Degree in WorPorOr2005,National Defense College
- Royal Thai Army War College Program 44 Institute of Advanced Military Studies
- Diploma in higher PorSorSor 1, PorRorMor 1 and PorPorPor 1 King Prajadhipok's Institute
- Diploma in SorJorVor 81 Applied Psychology Institute
- Diploma BorRorOr 1 Royal Thai Police
- Diploma In higher BorMorChor 3 National Intelligence Agency
- Certificate of Public Law Class 6 Faculty of Law, Thammasat University and Office of the Council of State
- Study Meet on Strategic Merger and Acquisition for SMEs C43 Year 2010, Korea
- Study Mission to Nonmember Countries on Knowledge Creating Enterprises Year 2009, Germany
- China-ASEAN Young entrepreneurs Forum Year 2008, China
- Asean-China Young Entrepreneurs Workshop Year 2008, Brunei
- Top Management Forum : Corporate Governance Year 2003, Japan
- The Training Program on Industrial Property Rights (Fundamental Course for IP Practitioners (EIPF)) Year 2002, Japan
- Financing and Management Development in Market Oriented Economies Year 1998, Australia
- International Forum on SMEs : Acceleration Growth and Enhancing Competitiveness the Knowledge Economy Year 2001, India
- Director Accreditation Program (DAP 35/2009)
- Audit Committee Program (ACP 13/2013)
- Board Matters and Trends (BMT 6/2018)

**Shareholding (%)** : None

**Family Relationship among Company's Directors** : None

Period	Positon	Company
<b>Current Positions in other listed companies</b>		
2013 – Present	Independent Director and Audit Committee	Kaset Thai International Sugar Corporation Pcl.
2009 – Present	Independent Director and Chairman of Audit Committee	Surapon Foods Pcl.
<b>Current Positions in other non-listed companies</b>		
2019 – Present	Independent Director and Audit Committee	Plastics Institute Of Thailand
2014 – Present	Associate Judge	The Central Intellectual Property and International Trade Court
1995 – Present	Managing Director	Sahaporn & CO Co., Ltd.
1993 – Present	Managing Director	Sungora Co., Ltd.
1993 – Present	Managing Director	DBMT Co., Ltd.
1991 – Present	Managing Director	S.V. Evergreen Co., Ltd.
<b>Past Experiences</b>		
2015 – 2020	Chairman of Audit Committee and Independent Director	A A Electri Li Public Company Limited



Period	Position	Company
2012 – 2019	Member of Sub-committee : Selection the Candidates of NACC Integrity Awards Consideration	Office of the National Anti -Corruption
2012 – 2013	Independent Director and Audit Committee	Kaset Thai Sugar Industry Co., Ltd.
2012 – 2015	Chairman of Audit Committee	Gunkul Engineering Pcl.
	Independent Director	
	Risk Management Committee	
2011 – 2014	Member of Social Anti-Corruption Committee	Office of the National Anti - Corruption
2011 – 2014	Chairman of Team of Selection the Candidates of NACC Integrity Awards Consideration	Office of the National Anti - Corruption
2010 – 2019	Member of Sub-committee : Promotion and Incubation of Enterprises and Intellectual Property Management in Higher Education Institutions (UBI)	Office of the Higher Education Commission : OHEC
2009 – 2013	Special Qualified Directors and Faculty of Business Administration	Rajamangala University of Technology Thanyaburi
2009 – 2011	Independent Director and Chairman of Audit Committee	Interlink Communication Pcl.
2008 – 2012	Independent Director and Audit Committee	Gunkul Engineering Pcl.
2006 – 2009	Independent Director and Chairman of Audit Committee	Asia Fiber Pcl.
2005 – 2015	Independent Director and Audit Committee	Star Sanitary Ware Pcl.
2005 – 2006	Chairman of Audit Committee	Thailand Management Association
2005 – 2011	Associated Judge	The Central Intellectual Property and International Trade Court
2005 – 2011	Board Treasurer	The Thailand Chamber of Commerce and Board of trade of Thailand
2005 – 2011	Chairman of Accountance and financial	The Thailand Chamber of Commerce and Board of trade of Thailand
2002 – 2006	Advisor of Audit Committee	The Federation of Thai Industries
2000 – 2002	Vice President, Tax Business Land and Investment Committee	The Federation of Thai Industries

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**Name** : Mr.Sirivuthi Siamphakdee      **Age** : 77 Year

**Position** : Director  
Risk Management Committee  
Authorized Director

**Period of Directorship** : 8 year (Appointed on 29 January 2013)

**Education/Training with IOD :**

- Bachelor of Commerce, Banking and Finance, Thammasat University
- Director Accreditation Program (DAP 54/2006)

**Shareholding (%)** : None

**Family Relationship among Company's Directors** : None

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2013 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
	Risk Management Committee	
<b>Current Positions in other non-listed companies</b>		
2013 – Present	Director	KTIS Research and Development Co., Ltd.
2015 – Present	Chairman	KTIS Bioenergy Co., Ltd
2014 – Present	Chairman	KTIS Biogas Power Co., Ltd
2014 – Present	Director	Ruampol Biopower Co., Ltd
2013 – Present	Director	Thaiekaluck Power Co., Ltd
2013 – Present	Chairman	KTIS Bio Fertilizer Co., Ltd.
2011 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2010 – Present	Director	Thai Sugar Miller Co., Ltd.
2007 – Present	Director	KTIS Bioethanol Co., Ltd.
2007 – Present	Director	Ruampol Industries Nakornsawan Co., Ltd.
1995 – Present	Director	Thai Identity Sugar Co., Ltd.
Present	President of Association	Thai Ethanol Manufacturing Association (TEMA)
Present	Chairman	Thew River Place Condominium Juristic Person
Present	Director	The Grand UB Co., Ltd.
<b>Past Experiences</b>		
2020	Chairman	Liberty Plaza Condominium Juristic Person
2013 – 2020	Chairman of Executive Committee and Chief Financial Officer	Kaset Thai International Sugar Corporation Pcl.
2016 – 2017	Acting Manager	Thew River Place Condominium Juristic Person
2014 – 2016	Advisor and Director	Liberty Plaza Condominium Juristic Person
2010 – 2014	Chairman	Liberty Plaza Condominium Juristic Person
2010 – 2013	Director and Chairman	Kaset Thai Sugar Industry Co., Ltd.
2007 – 2012	Executive Committee Managing Director	KTIS Bioethanol Co., Ltd.

**12** **Name** : Mr. Phoosak Boonsalee **Age** : 72 Year  
**Position** : Independent Director  
Nomination and Remuneration Committee

**Period of Directorship** : 8 year (Appointed on 29 January 2013)

**Education/Training with IOD :**

- Doctor of Arts (Business Administration), Chaopraya University
- M.A. (Psychology) , Kasetsart University
- MBA.(Management) Eastern Asia University
- D.B.A (Honorary degree) Human Resource Management ,Uttaradit Rajabhat University
- Director Accreditation Program (DAP 97/2012)

Shareholding (%) : None

Family Relationship among Company's Directors : None

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2016 – Present	Director and Chairman of Executive Committee	Saksiam Leasing Pcl.
2013 – Present	Independent Director and Nomination and Remuneration Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Current Positions in other non-listed companies</b>		
None		
<b>Past Experiences</b>		
2012 – 2013	Independent Director	Kaset Thai Sugar Industry Co., Ltd.
1995 – 2016	Director and Chief Executive Officer	Saksiam Commercial Leasing Co., Ltd



**Name** : Mr.Kunihiko Tahara      **Age** : 44 Year

**Position** : Director  
Assistant to Chief Executive Officer  
Assistant to Chief Financial Officer

**Period of Directorship** : 3 year 8 months (Appointed on 12 May 2017)

**Education/Training with IOD :**

- Bachelor of Economics , Hitotsubashi University
- Director Accreditation Program (DAP 135/2017)

Shareholding (%) : None

Family Relationship among Company's Directors : None

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2017 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
	Assistant to Chief Executive Officer	
	Assistant to Chief Financial Officer	
<b>Current Positions in other non-listed companies</b>		
2016 – Present	Assistant to General Manager, Grain Oils & Sweeteners Dept.	Sumitomo Corporation Ltd.
<b>Past Experiences</b>		
2011 – 2016	Assistant to General Manager, Sweeteners & Beverages Dept.	Sumitomo Corporation Ltd.
2010 – 2011	Assistant to General Manager, Grain & Sweeteners Dept.	Sumitomo Corporation Ltd.
2009 – 2010	Senior Staff of Grain & Sweeteners Dept. (London)	Sumitomo Corporation Ltd.
2005 – 2009	Sales Manager	Sumitomo Corporation Ltd.
2004	Staff Member of Sweeteners & Beverages Dept.	Sumitomo Corporation Ltd.
2002 – 2004	Staff Member of Coffee & Alcoholic Beverages Dept.	Sumitomo Corporation Ltd.
2000 – 2002	Staff Member of Food Dept.,No.2 (Tokyo)	Sumitomo Corporation Ltd.

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**Name** : Mr.Apichart Noochprayoon **Age** : 48 Year**Position** : Director  
Chief Executive Officer – Bio  
Assistant to Chief Executive Officer  
Authorized Director**Period of Directorship** : 8 year (Appointed on 29 January 2013)**Education/Training with IOD :**

- Bachelor of Economics (International Economics), Chulalongkorn University
- Executive MBA, Sasri Graduate Institute of Business Administration of Chulalongkorn University
- Director Accreditation Program (DAP 96/2012)

**Shareholding (%)** : None**Family Relationship among Company's Directors** : None

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2016 – Present	Chief Executive Officer -Bio	Kaset Thai International Sugar Corporation Pcl.
2015 – Present	Assistant to Chief Executive Officer	Kaset Thai International Sugar Corporation Pcl.
2013 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
<b>Current Positions in other non-listed companies</b>		
2019 – Present	Advisor of Director	GGC KTIS Bio Industrial Co., Ltd
2015 – Present	Managing Director and Chief Executive Officer –Bio	KTIS Research and Development Co., Ltd.
2013 – Present	Director	Thaiekaluck Power Co., Ltd.
2013 – Present	Director	Ruampol Bio Power Co., Ltd.
2011 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2002 – Present	Director	Ruamkij Anghong Warehouse Co., Ltd.
2002 – Present	Director	Sunshine Export Co., Ltd.
2001 – Present	Director	TISS Co., Ltd.
2001 – Present	Director	T.Y.T. Trading Co., Ltd.
2000 – Present	Executive Committee	Aekphol Sugar Co., Ltd.
<b>Past Experiences</b>		
2015	Director	Siri Charoen Export Co., Ltd
2013 – 2014	Senior director – engineering	Kaset Thai International Sugar Corporation Pcl.
2012 – 2013	Senior director – engineering	Kaset Thai Sugar Industry Co., Ltd.
2008 – 2013	Director and Executive Committee	Kaset Thai Sugar Industry Co., Ltd.
2005 – 2015	Deputy Managing Director	Thai Identity Sugar Co., Ltd.
2005 – 2015	Deputy Managing Director	Ruampol Enterprise Co., Ltd.
2005 – 2015	Deputy Managing Director	Environment Pulp and Paper Co., Ltd.
2005 – 2012	Deputy Managing Director	Kaset Thai Sugar Industry Co., Ltd.

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**Name** : Miss Chua Eng Eng**Age** : 50 Year**Position** : Director

Authorized Director

**Period of Directorship** : 8 year (Appointed on 29 January 2013)**Education/Training with IOD :**

- Bachelor of Arts in Economics, National University of Singapore

**Shareholding (%)** : 0.558**Family Relationship among Company's Directors** : None

Period	Position	Company
<b>Current Positions in other listed companies</b>		
2013 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
<b>Current Positions in other non-listed companies</b>		
2013 – Present	Director	Grand Helio Pte.Ltd.
2013 – Present	Director	Soon Zhou Investments Pte. Ltd.
2012 – Present	Director	Siri Charoen Sapraivan Co., Ltd
2012 – Present	Director	Gold Topaz Pte. Ltd.
2012 – Present	Director	Gold Hyacinth Development Pte. Ltd.
2012 – Present	Director	Bukit Timah Green Development Pte. Ltd.
2011 – Present	Director	Nanyang International Education (Holdings) Ltd.
2011 – Present	Director	Chang Li Investments Pte. Ltd.
2011 – Present	Director	Li Ta Investments Pte. Ltd.
2011 – Present	Director	Soon Li Investments Pte. Ltd.
2010 – Present	Director	S.I. Property Co., Ltd.
2004 – Present	Director	King Wan Industries Pte. Ltd.
2002 – Present	Director	Xylem Investments Pte. Ltd.
2001 – Present	Director	King Wan Development Pte. Ltd.
1996 – Present	Director	King Wan Construction Pte. Ltd.
1994 – Present	Managing Director	K&W Mobile Loo Services Pte. Ltd.
<b>Past Experiences</b>		
2004 – 2014	Director	KTIS Bioethanol Co., Ltd.
2003 – 2014	Director	Environment Pulp and Paper Co., Ltd.

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**Name** : Mrs.Nomchit Acarameakin **Age** : 61 Year**Position** : Director – Accounting Department**Education/Training with IOD :**

- Bachelor of Accounting, Bangkok University

**Shareholding (%)** : None**Family Relationship among Company's Directors** : None

Period	Positon	Company
<b>Current Positions in other listed companies</b>		
2012 – Present	Director – Accounting Department	Kaset Thai International Sugar Corporation Pcl.
<b>Current Positions in other non-listed companies</b>		
None		
<b>Past Experiences</b>		
2008 – 2012	Assistant to General Manager	Kaset Thai Sugar Industry Co., Ltd.

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**Name** : Mr. Poomrerk Wangpreedalertkul **Age** : 29 Year**Position** : Company Secretary**Period of Directorship** : 25 March 2019**Education/Training with IOD :**

- Master of Laws , University of Pennsylvania
- Barrister at law
- Bachelor of Laws , Chulalongkorn University
- Company Secretary Program (CSP 96/2019)
- Director Accreditation Program (DAP SEC-2013)

**Shareholding (%)** : 2.97

**Family Relationship among Company's Directors** : Nephew to Mr. Parphan Siriviriyakul  
 Nephew to Mrs.Darat Vibhatakalasa  
 Nephew to Mr.Prasert Siriviriyakul  
 Nephew to Mr.Nathapun Siriviriyakul

Period	Positon	Company
<b>Current Positions in other listed companies</b>		
2019 – Present	Company Secretary	Kaset Thai International Sugar Corporation Pcl.
2020 – Present	Director of Legal Department	Kaset Thai International Sugar Corporation Pcl.
<b>Current Positions in other non-listed companies</b>		
None		
<b>Past Experiences</b>		
2012 – 2020	Head of Legal Department	Kaset Thai International Sugar Corporation Pcl.

## Details of Subsidiaries and Related Company's Directors

Company	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Kaset Thai International Sugar Corporation Plc.	X, V	I, II, V, IV	I, II, V, VI	I, V, IV	I, II, V, IV	I, II, V, IV	I, III, IV	I, III	I, VI, IV	I, VI	I, V, II	I, V	I, V	I, V	I, III	V
<b>Subsidiaries</b>																
Kaset Thai Bio Power Co., Ltd	X, V	I, V	I, V	I, V	I, V	I, V					I, V	I, V				
Thai Identity Sugar Co., Ltd		X, V	I, V	I, V	I, V	I, V					I, V					
Ekarat Pattana Co., Ltd	X, V	I, V		I, V	I, V	I, V					I, V					
Environment Pulp and Paper Co., Ltd		X, V			I, V	I, V					I, V					
Permsinpattana Co., Ltd		X, V	I, V		I, V	I, V										
Kaset Thai Bio Fertilizer Co., Ltd		X, V		I, V	I, V	I, V					I, V					
Thaieakluck Power Co., Ltd	I, V	X, V	I, V	I, V	I, V	I, V					I, V	I, V				
Sapsirikaset Co., Ltd		X, V			I, V	I, V					I, V					
Ruampol Bio Power Co., Ltd	X, V	I, V	I, V	I, V	I, V	I, V					I, V	I, V				
Environment Pulp and Packaging Co., Ltd		X, V			I, V	I, V					I, V					
KTIS Bio Natural Co., Ltd		X, V			I, V	I, V					I, V					
Environment Pulp and Straw Co., Ltd		X, V			I, V	I, V					I, V					
KTIS Bio Energy Co., Ltd		I, V		X, V	I, V	I, V										
KTIS Biogas Power Co., Ltd		I, V		X, V	I, V	I, V										
KTIS Research and Development Co., Ltd.		X, V	I, V	I, V	I, V	I, V					I, V	I, V				
<b>Related Company</b>																
S.I. Property Co., Ltd.	X, V				I, V						I, V			I, V		
Aekphol Sugar Co., Ltd.			I, V		I, V						I, V	I, V				
Nakhonsawan Ruamtoon Patthana Co., Ltd						I, V										
TISS Co., Ltd.					I, V	I, V					I, V	I, V				
Siam P.P. International Co., Ltd.					I, V											

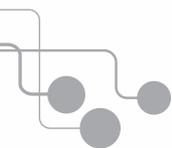
Company	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Ruamkij Anghong Warehouse Co., Ltd.			I, V		I, V						I, V	I, V				
Ruam Toon Warehouse Nakornsawan Co., Ltd.						I, V										
Thai Wisanu Nakornsawan Co., Ltd.		I, V	I, V		I, V	I, V										
Ruam Toon Trading Nakornsawan Co., Ltd.						I, V										
Siri Charoen Export Co., Ltd											I, V					
Siri Charoen Sapraiwai Co., Ltd	X, V										I, V			I, V		
Ruampol Enterprise Co., Ltd.		I, V					I, V									
Poom Pattana Business Co., Ltd.					I, V	I, V					I, V					
Suerb Sirisawat Co., Ltd.						I, V					I, V					
Agro Ethanol Co., Ltd.											I, V					
EPC Power Co., Ltd.											I, V					
Kaset Thai Sugar Co., Ltd.											I, V					
Siriviyakul Co., Ltd.			I													
Hua Hin Pearl Resort Co., Ltd.											I					

**Remark (1)**

- X = Chairman
- I = Director
- II = Executive Director
- III = Audit Committee
- IV = Risk Management Director
- V = Executive
- VI = Nomination and Remuneration Director
- VII = Controlling Person

**Remark (2)**

- 1. Mr. Pricha Attavipach
- 2. Mr. Parphan Siriviyakul
- 3. Ms. Darat Vibhatakalasa
- 4. Mr. Sirivuthi Siamphakdee
- 5. Mr. Nutthapun Siriviyakul
- 6. Mr. Prasert Siriviyakul
- 7. Mr. T-rayooth Changpetch
- 8. Mr. Sathaporn Kotheeranurak
- 9. Mr. Issakan Krivithaya
- 10. Mr. Phoonsak Boonsalee
- 11. Mr. Sirapak Siriviyakul
- 12. Mr. Apichart Noochprayoon
- 13. Mr. Kunihiro Tahara
- 14. Ms. Chua Eng Eng
- 15. Mr. Krairit Nilkuha
- 16. Mrs. Nomchit Acarameakin



# Business Overview

The Company and companies in KTIS group operate a fully-integrated sugar production and distribution business as No. 3 leader in Thailand. In addition to 3 sugar factories, of which 2 are owned by the Company and 1 is leased, the Company also have ethanol plant, bleached bagasse pulp plant, bagasse pulp mold plant, power plant and bio soil conditioner plant.

The Company's businesses can be divided into 2 fields:

## 1. Sugar Production and Distribution Business

The Company produces sugar and distributes its sugar products to domestic and international customers through KTIS, TIS and KTIS (Branch 3). Sugar products of the Company are refined sugar, white sugar and raw sugar.

## 2. Downstream Business

By-products such as molasses and bagasse from the Company's sugar production process lead to many downstream business opportunities as listed below:

### (1) Bleached Bagasse Pulp and Pulp Mold Production and Distribution Business

The Company operates bleached bagasse pulp production and distribution business through EPPCO. The group's pulp factory is located near the Company's sugar plant and can produce pulp from bagasse which is a by-product from the sugar production process. EPPCO has 3 types of bleached pulp products: dry pulp, wet pulp and packaging products from bagasse pulp (Pulp Mold).

### (2) Ethanol Production and Distribution Business

The Company operates ethanol production and distribution business through KTBE and uses molasses derived from the group's sugar factories as a primary raw material. At present, KTBE manufactures and distributes 2 different grades of ethanol products: industrial alcohol and fuel alcohol.

### (3) Electricity Generation and Sale Business

At present, the Company's sugar factories and bleached bagasse pulp factories are equipped with electricity and steam generating modules which use bagasse, a by-product from production processes, as primary feedstock. The electricity and steam generated are used in the production processes of our 3 sugar factories and other factories. The surplus electricity is sold to the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authorities (PEA) under the power purchase agreements (PPAs). KTBP, TEP and RPBP have also been established to operate the 60MW, 50MW and 50MW biomass power plant which are currently in commercial operation.

### (4) Bio Soil Conditioner, Bio fertilizer Production and Distribution Business

The Group produces bio soil conditioner production, bio fertilizer and distribution business through KTBF and uses recycling filter cake from sugar production process and sludge from the biogas and ethanol production process to be raw materials in bio soil conditioner and bio fertilizer products. KTBF has 2 types of bio soil conditioner products: powder and pellet.

## Business Goals

The Company is committed to continuous development to build a solid foundation for its sustainable growth and development and to become a leading organization in vertical integration from agricultural products to Industrial products by expanding our internal and external business links. The Company aims to create a superior value chain for the Company's businesses which include sugar and sweetener production, biomass power generation, ethanol production, bagasse pulp production, and bio soil conditioner production. All of the Company's products and by-products are eco-friendly and safe for consumers.



### (3) Personnel Development

Human resources are one of its greatest assets for the Company and employees at all levels are continuously provided with learning opportunities which can help sharpen their functional skills and complement technique. Employees are encouraged to invent and be involved in innovation projects. As a part of its proactive human resources management process, the Company has worked with local and central educational institutes to offer opportunities to learn skills and knowledge relevant to the Company's business to students to build a pool of qualified candidates.

## Journey to Professional Integrity and Corporate Governance :

### (1) Corporate Transparency

The Company has in place the Corporate Governance Handbook and has properly disclosed relevant information in accordance with applicable requirements in the spirit of transparency and integrity. As a result, every step of the Company's processes is verifiable. The Company respects all of its stakeholders which include shareholders, executives, investors, employees, farmers, clients, suppliers, contractors, communities, governmental agencies, etc. In addition, the Company's activities have been regularly audited by internal auditors and external auditors who are independent.

### (2) Contribution to Social, Educational and Environmental Development

The Company has put importance to activities which contribute to the development of the society, education, and environment, and has encouraged relevant parties to join such activities. The Company's corporate social responsibility programs such as "The Home, Temple, School and Factory Participation Program" which the participated local temples, communities and schools will be trained proper sugar cane farming knowledge. The society will be more wealthy from sugarcane and breeding species.

"The Green Village Program" will also bring benefits for the participated farmers and communities by joining hands in the fire prevention from burning cane during harvesting season. From the program the farmers will get better price by selling unburned cane. The factory will get better cane quality and also the reduction of pollution from smoke of fire on society etc.

### (3) Promotion of Health and Occupational Safety

The wellness, life quality, and safety of the employees and surrounding communities are one of the Company's main focuses which the Company has to strictly comply with the Health and Safety Law. Additional to the law, the Company set up the teams to visit the community leaders, the religious leaders, including the nearby schools, and provide periodic medical check-up services to the residents of nearby communities. These activities has become the Company normal and continuous practice.

## History and Milestones

Kaset Thai International Sugar Corporation Public Company Limited ("the Company"), formerly known as Kaset Thai Sugar Industry Company Limited, and companies in KTIS group are founded by Mr. Jaroon and Mrs. Hathai Siriviriyakul. With more than 54 years of professional experience in sugar business, KTIS group has extended into integrated sugar production business.

In 2013, the Company has converted into a public limited company and increased its registered capital from Baht 3,274,573,000 to Baht 3,888,000,000. In 2014, the Company has been listed on the Stock Exchange of Thailand which its registered capital Baht 3,860,000,000 has been paid up and the security symbol "KTIS" on the Stock Exchange of Thailand. In 2015, the Company has increased its registered capital to Baht 3,888,000,010 and paid up capital Baht 3,860,000,010.

At the beginning, the group's sugar business was limited only to a sugar distribution in Nakhonsawan province. In 1967, Mr. Jaroon Siriviriyakul and a group of local distributors in Nakhonsawan province jointly acquired Mahakun Industry Company Limited, which has a sugar factory with the production capacity of 500 tons per day as a core asset, and renamed the company "Ruampol Enterprise Company Limited ("RPE"). With continuous improvement and development, the company's crushing capacity has increased from 500 tons of cane per day to 15,000 tons of cane per day.

In 1981, the Company acquired Thai Identity Sugar Factory Company Limited (TIS) and has continuously increased the production capacity of TIS's sugar plant to the level of 18,000 tons of cane per day.

In 1988, the Company further acquired Kaset Thai Sugar Company Limited which then had the production capacity of 6,000 tons of cane per day. To strengthen the financial structure and liquidity position of Kaset Thai Sugar Company Limited, our leadership has forged business partnership with UT Group Partnership Limited, a Singapore-based company, in 2008 to establish Kaset Thai Sugar Industry Company Limited which has incorporated sugar factory of Kaset Thai Sugar Company Limited in its umbrella and has further expanded its production capacity to stand today as the world's largest sugar factory with the capacity of 55,000 tons of cane per day.

In 2003, the Siriviriyakul family expanded into downstream business by establishing a joint venture with Permsinpattana Company Limited and 2 Singapore-based companies, i.e. King Wan Corporation Limited and Xylem Investment Partnership Limited. The JV was named Environmental Pulp and Paper Company Limited ("EPPCO") to produce bleached pulp from bagasse which is a by-product of the sugar production process. EPPCO can produce up to 100,000 tons of bleached pulp annually.

In 2004, the Siriviriyakul family founded a new company, namely Ekarat Pattana Company Limited ("EPC") under a joint venture with King Wan Industries Partnership Limited, Far East Distillers Partnership Limited and Sinotac Group Partnership Limited which are Singaporean entities to produce and sell ethanol from molasses. EPC has the production capacity of 230,000 liters per day. In 2017, changed its name to KTIS Bio Ethanol Co., Ltd. ("KTBE")

In 2010, the Siriviriyakul family commenced a new project that utilizes bagasse, a by-product from sugar production, for electricity generation. Kaset Thai Bio Power Company Limited ("KTBP") was established to run a 60MW biomass power plant which has commercially operated on 7 October 2013.

In 2011, the Siriviriyakul family furthered the advancement by recycling filter cake from sugar production process and vinasse from the biogas and ethanol production process into bio soil conditioner products. Kaset Thai Bio Fertilizer Company Limited ("KTBF") was established as a wholly-owned subsidiary of EPC in order to expand its integrated sugar business. KTBF has commercially operated and has the production capacity 15,000 tonnes of powder per year, 6,150 tons of pellets per year and 200,000 m3 of water per year. In 2017, changed its name to KTIS Bio Fertiliser Co., Ltd. ("KTBF")

To foster business growth through enhanced cane productivity and quality, in 2012 the Company furthered its cane farming and harvesting by purchasing 40 John Deere cane harvesters from T.K. Equipment Company Limited, an authorized dealer of John Deere in Thailand. As a condition under the cane harvester purchase agreement, John Deere will provide support the company with the training and consultation on the maintenance, repair, and development of farming tools and equipment in order to increase the crop productivity of farmers and in turn supply for business operations.

In 2013, the annual general meeting of shareholders approved the Company's acquisition of Thaiekaluck Power Company Limited ("TEP") to operate a 50MW biomass power plant with bagasse provided directly by TIS. In addition, the Company has established Ruampol Bio Power Company Limited ("RPBP") to operate a 50MW biomass power plant with bagasse provided directly by Ruampol factory.

The annual general meeting also approved the establishment of Sapsirikaset Company Limited ("SSK") to be in charge of the acquisition of lands to support KTIS group's business expansion. In 2013, SSK has purchased a total of 2,629-1-16 rais from parties not related to the Company.

In 2013, Sumitomo Corporation and Nissin Sugar Company Limited entered into the investment agreement to purchase the Company's ordinary shares worth up to Baht 2,650.0 million via 3S Holding Company Limited. As the companies are globally renowned trader and sugar manufacturer, the Company expects that the trilateral synergy will help strengthen the Company's competitiveness in the global market and business expansion in the Southeast Asia region.

In 2013, the Board of Directors approved the establishment of (1) Lopburi International Sugar Company Limited (“LIS”). In 2019, changed its name to Environment Pulp and Packaging Co., Ltd.(EPAC) (2) Lopburi Bioethanol Company Limited (“LBE”) In 2020, changed its name to KTIS Bio Natural Co., Ltd. (“KTBN”) and (3) Lopburi Biopower Company Limited (“LBP”) In 2020, changed its name to Enviroment Pulp and Straw Co., Ltd. (“EPAS”) to support the business expansion.

In 2014, the Board of Directors approved the establishment of (1) KTIS Biogas Power Company Limited (“KBGP”) to support the power business expansion, and (2) KTIS Bio Power Company Limited (“KBE”) to support the ethanol and biomass power business.

In 2015, the Board of Directors approved the establishment of: (1) Kaset Thai Wiwat Co., Ltd. (“KTW”) to support KTIS Group’s asset management, and (2) KTIS Research and Development Co., Ltd. (“KTIS R&D”) to support KTIS Group’s businesses and its growth aspiration.

In 2019, the Board of Directors approved (1) KTIS Bio Ethanol Company Limited (“KTBE”), a subsidiary of the Company to jointly invest with Global Green Chemical Public Company Limited in the project (Nakhonsawan Biocomplex: NBC) for eco-friendly chemical business which is located in Takhli district Nakhon Sawan Province under the joint invested subsiaidary named GGC KTIS Bio industrial Company Limited (GBKl) (2) joint investment with Eurasia Light Industry Equipment Manufacturing Company Limited (“EAMC”), a machine manufacturer for container production from bagasse pulp and distributor of container from bagasse in China. Container production plant from bagasse with a production capacity of 50 tons per day is under a joint invest entity named Enviroment Pulp and Packaging Company Limited (“EPAC”), a subsidiary of the Company which is a project company

## Events and major activities in the year 2020

### November 11, 2019

Lopburi Biopower Company Limited (“LBP”), a subsidiary of the Group Changed its name to Enviroment Pulp and Straw Co., Ltd. (“EPAS”)

### April 14, 2020

Lopburi Bioethanol Company Limited (“LBE”), a subsidiary of the Group Changed its name to KTIS Bio Natural Co., Ltd. (“KTBN”)

### April 2, 2020

KTIS Bio Ethanol Co., Ltd. was authorized by the department of Excise to use its alcohol in the production of sanitizing alcohol, and received the license to produce sanitizing alcohol from Thailand’s Food and Drug Administration. Therefore, the company has launched the new product which is sanitizing alcohol in forms of liquid and gel. The new product was massively donated to many organizations and was sold to the public with the fair price in the crisis of Covid-19 pandemic.

### August 5,2020

Environment Pulp and Straw Co., Ltd. launched the new product which is bagasse paper straw, and has already distributed to some food and beverage business.

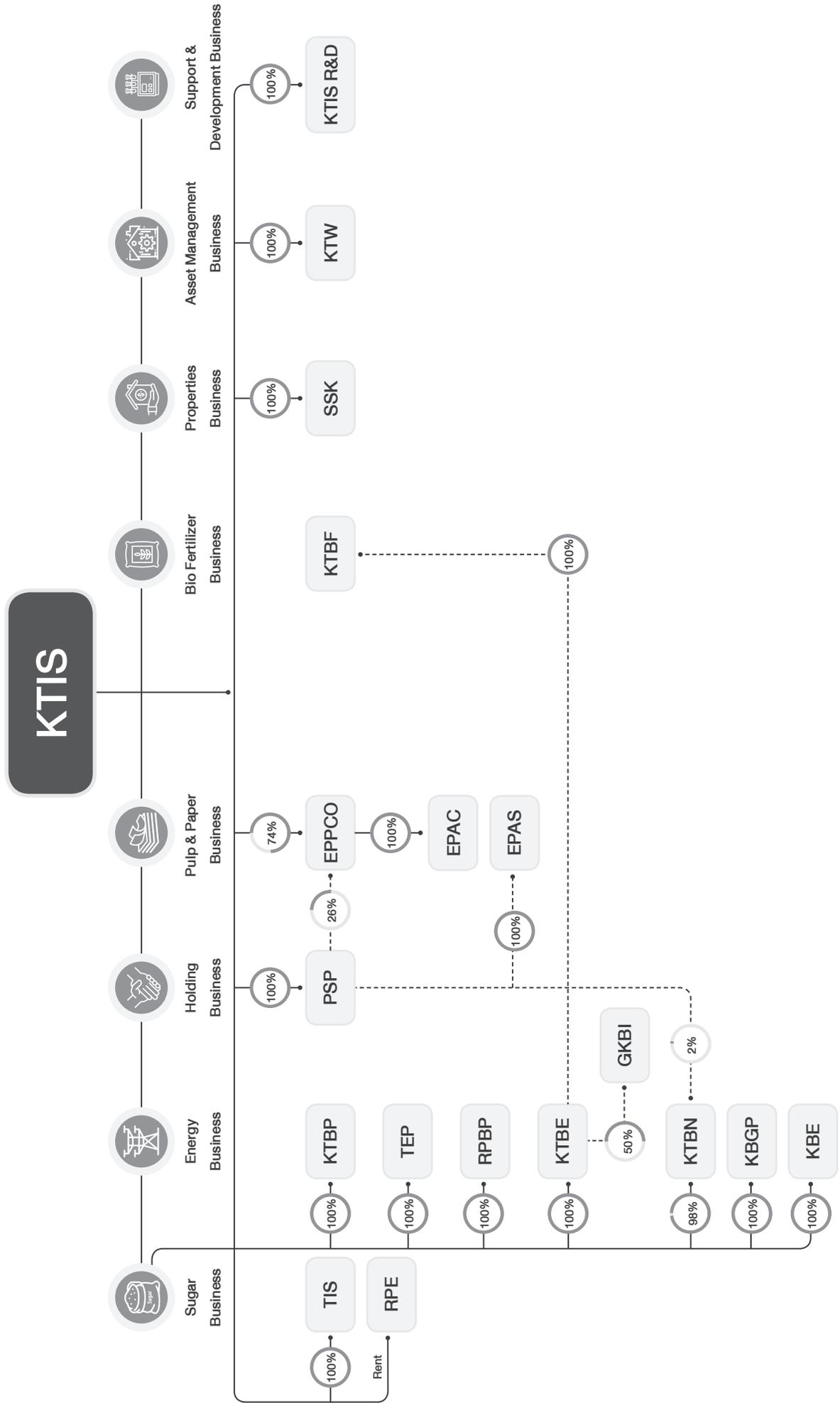
The Company had invested in 16 subsidiaries and leases fixed assets from Ruampol Enterprise Co., Ltd.(RPE) as detailed following : (As at September 30,2020)

Subsidiary	Type of Business	Shareholding (%)
Thai Identity Sugar Factory Co., Ltd.(TIS)	Sugar production and distribution	100.0
KTIS Bioethanol Co., Ltd. (KTBE)	Molasses-based ethanol production and distribution	100.0
Environment Pulp and Paper Co., Ltd.(EPPCO)	Production and distribution of bleached bagasse pulp and Pulp Mold	100.0 <sup>1</sup>
Environment Pulp and Packaging Co., Ltd.(EPAC)	Production and distribution of Pulp Mold	100.0 through EPPCO
Kaset Thai Bio Power Co., Ltd. (KTBP)	Electricity generation	100.0
Thaiekaluck Power Co., Ltd.(TEP)	Electricity generation	100.0
Ruampol Bio Power Co., Ltd.(RPBP)	Electricity generation	100.0
KTIS Bio Fertiliser Co., Ltd.(KTBF)	Production and distribution of bio soil conditioner and bio fertilizer products	100.0 through KTBE
Permsinpattana Co., Ltd.(PSP)	A holding company which holds 26.0% shares of EPPCO	100.0
Sapsirikaset Co., Ltd.(SSK)	Land acquisition to support the group's business expansion	100.0
KTIS Bio Natural Co., Ltd. (KTBN)	Ethanol production and distribution	100.0 <sup>2</sup>
Environment Pulp and Straw Co., Ltd. (EPAS)	Production and distribution of bleached Pulp Mold and Straw	100.00 through PSP
KTIS Biogas Power Co., Ltd.(KBGP)	Electricity generation and sale	100.0
KTIS Bio Energy Co., Ltd.(KBE)	Ethanol production and distribution	100.0
Kaset Thai Wiwat Co., Ltd. ("KTW")	Support company's asset management	100.0
KTIS Research and Development Co., Ltd. ("KTIS R&D")	Support company's businesses and its growth aspiration.	100.0
GGC KTIS Bio Industrial Co., Ltd (GKBI)	Joint venture in bio industry promotion zone	50.00 through KTBE

<sup>1</sup> Directly holds 74.0% of the total shares and directly holds 26.0% of the total shares through Permsinpattana Co., Ltd.

<sup>2</sup> Directly holds 98.0% of the total shares and directly holds 2.0% of the total shares through Permsinpattana Co., Ltd.

# Corporate Business Structure (As at September 30, 2020)



# Nature of Business

## Revenue Structure

In 2020, the Company's income from sugar production and distribution was 71.5 % of total revenues from sales and services of the Company. Moreover, the business income from the by-products of paper, pulp, ethanol and fertilizer 28.5% of the Company's sales and services. Details for 3 years were as follows:

	2018 (9 months)		2019		2020	
	Revenue (MB)	Percentage	Revenue (MB)	Percentage	Revenue (MB)	Percentage
1. Sugar and molasses sales revenue						
Domestic	3,878.5	22.4	3,398.5	21.1	3,905.9	29.2
International	9,178.4	53.0	7,708.9	47.8	5,647.1	42.3
<b>Total sugar and molasses sales revenue</b>	<b>13,056.9</b>	<b>75.4</b>	<b>11,107.5</b>	<b>68.9</b>	<b>9,553.0</b>	<b>71.5</b>
2. Pulp sales revenue						
Domestic	213.2	1.2	304.2	1.9	127.0	0.9
International	1,003.4	5.8	1,005.4	6.2	571.3	4.3
<b>Total pulp sales revenue</b>	<b>1,216.6</b>	<b>7.0</b>	<b>1,309.5</b>	<b>8.1</b>	<b>698.3</b>	<b>5.2</b>
3. Ethanol sales revenue						
Domestic	1,313.4	7.6	1,619.4	10.0	1,359.3	10.2
International	-	0.0	0.0	0.0	-	-
<b>Total ethanol sales revenue</b>	<b>1,313.4</b>	<b>7.6</b>	<b>1,619.4</b>	<b>10.0</b>	<b>1,359.3</b>	<b>10.2</b>
4. Other sales revenue						
Electricity sales revenue	1,131.2	6.5	1,456.8	9.0	1,148.5	8.6
Revenue from other sales and services	587.5	3.4	636.9	3.9	596.2	4.5
<b>Total other sales revenue</b>	<b>1,718.7</b>	<b>9.9</b>	<b>2,093.6</b>	<b>13.0</b>	<b>1,744.7</b>	<b>13.1</b>
<b>Total revenue</b>	<b>17,305.7</b>	<b>100.0</b>	<b>16,130.0</b>	<b>100.0</b>	<b>13,355.3</b>	<b>100</b>

Source: The Company's financial statements.

## Nature of Business

### Sugar : Production and Distribution Business

The capacity of the Company's sugar factories is approximately 88,000 tons of sugar cane per day. The Company produces and sales sugar to domestic and international customers. The products can be categorized into 3 types: refined sugar, white sugar, and raw sugar.

#### (1) Raw Sugar

Raw sugar crystals are dark brown in color and the color index of raw sugar ranges from 1,001 – 3,800 ICUMSA . This type of sugar must be purified and processed into white sugar or refined sugar and cannot be consumed directly.

The Company specially produces J-spec raw sugar according to the Japanese regulatory standards, for export to Japan and acquires high J-spec raw market share.

#### (2) White Sugar

White sugar is raw sugar that has been purified to remove impurities in sugar crystals. Its color is lighter than raw sugar, either light brown or white, and ranges from 46 – 1,000 ICUMSA. This type of product is typically used in soft drinks and convenience food businesses as well as household consumption.

#### (3) Refined Sugar

Refined sugar is raw sugar that, similarly to white sugar, has been processed to remove impurities in sugar crystal. Refined sugar has a higher level of purity than white sugar and is crystal white in color with the color index of 0 – 45 ICUMSA. This type of product is suitable for industries which required sugar with high purity index such as pharmaceutical industry and beverage and energy drinks industry.

Details of the Company's sugar products are shown in the table below:

Product	Color (ICUMSA)	Polarization <sup>2</sup> (%)	Moisture (%)
J-Spec Raw Sugar	1001 – 3800	96.00 – 97.99	Not exceeding 0.6
Raw Sugar	1001 – 3800	Not less than 98.00	Not exceeding 0.6
White Sugar	46 – 1000	Not less than 99.50	Not exceeding 0.04
Refined Sugar	0 – 45	Not less than 99.80	Not exceeding 0.04

Source: KTIS.

### Sugar : Market Conditions and Competition

#### Global Market Conditions

Sugar is one of the most important commodities in the world. Major sugar producers are Brazil, India, European Union, Thailand and China. Asia is the continent that records the 2nd highest sugar output following the previous crop, accounting for 42% of the global output in the production year 2019/2020. Thailand is the world's 3rd largest sugar producer but the domestic sugar consumption rate of Thailand is relatively small for its production. As a result, Thailand can export sugar in large quantity, being the 2nd largest sugar exporting country in the world.

<sup>1</sup> ICUMSA is a standard unit for measuring sugar color factor. Sugar with higher purity has lower color index level.

<sup>2</sup> Polarization is the apparent sucrose content of sugar i.e. sugar with 99.5% polarization value has 99.5% of sucrose in its mass content. A higher level polarization means higher sucrose content or higher level of sugar quality .

## Major Changes in Global Sugar Market in Past Decade

### The Impact of Coronavirus (COVID-19) on Macroeconomic Stability

In conclusion, the global deficit should narrow as a result of consumption changes and depend on the end of the pandemic. Production for the next season will be higher – however we may see disruptions on labour – especially in Thailand and India. In general, the global trade issues should ease with the broadening of origins.

### Sugar Trade Liberalization in Brazil

When the sugar trade liberalization was first introduced and the controls were eventually relinquished in Brazil, it had caused structural changes to Brazilian sugar industry and significant increase in the country's sugar exports. As Brazil is the largest exporter in the world market, any factors effect Brazilian sugar industry, will have material impact on the global sugar market such as the movement of Brazilian Real, Brazil's sugar and ethanol policies by Petrobras etc. Since 2018 Brazilian producer has been trying to maximize ethanol production due to world sugar price drop. On the other hands weaker Brazilian Real lower the dollar value of ethanol parity.

### Low Sugar Production in EU Countries, but restart sugar export from 2017

In 2004, the World Trade Organization (WTO) ruled that EU's sugar subsidies violated the General Agreement on Tariffs and Trade (GATT) and thus cut its support for EU's sugar production. Therefore, EU's revised sugar Quota system and it limit sugar production and export. However from October 2017, this system was de-regulated and the export was jumped up to 3.8 million tons in 2017/2018 crop from previous 1.5 million tons. On the other hands regarding 2018/2019 crop, the sugar production be expected to reduce by about 3.2 million tons due to dry weather across most of the key growing areas.

### Asian Economic Growth

The continuous economic growth of Asian countries, especially China, India and ASEAN countries, led to higher sugar consumption and production of the region. At present, Asia's sugar production is around 70-80 million tons per year while the consumption outpaces the production. Hence the need for sugar imports at more than 20.0 million tons each year.

### Sweet Tax

In Thailand sweet tax was installed in October 2017, and Philippines and Malaysia also introduced sweet tax in January 2018 and in July 2019 respectively. Since 2016, WTO recommends to install sweet tax system in order to reduce soft drinks consumption, which leading to obesity. After that USA and Mexico started to install in part of the countries. And so far, India and UK have installed the sweet tax as well. In addition to this, especially in ASEAN, some other countries are considering about this kind of sweet tax system. Which movement might damper the expanding sugar consumption.

### Higher Investment in Commodity Markets by Funds and Speculators

During the past 10 years, funds and speculators have increased their investment in commodity markets, especially agricultural commodities and sugar commodities. This has intensified the sugar price volatility and influence from non-fundamental factors, such as macro market, technical indicators, currencies, and ethanol parity.

### Sugar Demand and Supply

In 2017/2018, the global sugar output was 195.2 million tons, which was the record high number mainly due to big crop in India and Thailand. In 2018/2019, the global sugar output is forecast at approximately 186.3 million tons, which reduced by around 10 million tons mainly due to sugar mix reduction in Brazil. On the other hand the global sugar consumption is expected at around 183.4 million tons as historical high, but the number is still lower than sugar output. The global sugar supply/demand balance turned to big surplus in 2017/2018 and is still surplus in 2018/2019. Although Brazil sugar production dropped by maximizing ethanol production since 2018, it was not enough to compensate for the surplus. As a result, the global sugar price headed to downside and touched 10 years low of 9.83c/lb in August 2018, but after that has been remained mainly within a range between 11c/lb to 13c/lb.

In 2019/2020 the global supply/demand balance is expected to be turned deficit since 2016/2017. The main reason is that India is expected to reduce its production below 30 million tons, which is around 5 million tons drop from the previous crop and Thailand is also forecast to drop sugar output mainly due to draught. Then the volume of deficit is expected at around 4.7 million tons.

**Source:** LMC, Monthly Sugar & Sweeteners Update, A supplement to the World Sugar Price View October 2019

In the year 2019/2020, Thai sugar production was 8.294 million tons while domestic consumption was estimated at 2.318 million tons which showed supply was much more than domestic demand and excess sugar about 5.976 million tons would be exported.

In the production year 2019/2020, Thailand have 57 sugar mills and recorded the total sugar output of 8.29 million tons as shown below:

Producer	Number of Sugar Factory of Each Producer	Sugar Output (Ton)	Market Share (%)
Mitr Phol Sugar Group	7	1,610,640.17	19.42
Thai Roong Ruang Sugar Group	10	1,337,207.03	16.12
KTIS Group	3	602,337.29	7.26
Khon Kaen Sugar Group	5	581,910.75	7.02
Cristalla Sugar Group	3	497,415.56	6.00
Korat Industry Sugar Group	2	470,273.98	5.67
Eastern Sugar Group	2	338,097.16	4.08
Thai Kanchanaburi Sugar Group	2	329,827.34	3.98
Banpong Sugar Group	1	315,253.24	3.80
Kumphawapi Sugar Group	2	244,508.16	2.95
Wangkanai Sugar Group	4	223,237.88	2.69
Khonburi Sugar Group	1	188,833.05	2.28
Mitr Kaset Sugar Group	2	177,347.63	2.14
Ratchaburi Sugar Group	2	141,851.84	1.71
Rayong Sugar Group	2	105,878.83	1.28
Others	9	1,129,709.05	13.62
<b>Total</b>	<b>57</b>	<b>8,294,328.96</b>	<b>100.00</b>

**Source:** 2019/2020 Cane and Sugar Production Report as of the End of Cane-Crushing Period (Updated), Office of Cane and Sugar Board.

## Sugar : Competitive Strategy

### (1) Security of Raw Material Supply

The Company has put importance to investments and developments in terms of academic sectors, service excellence, farmers' knowledge and cultivation system which contribute to better quality of sugar products and plantations. With a reliable source of quality raw material supplies, our sugar business and other downstream businesses are able to proceed for continuous and sustainable growth. Further, the Company has implemented the standard for sustainable agricultural products "BonSucro" into the Company's plantation area which requires the examination of land before plantation, enrichment and harvest.

## (2) Production Efficiency and Cost Reduction

The Company has steadily invested in its human resources and machineries in order to improve the production efficiency, and also planned to increase the sugar production capacity to capture the advantage of economies of scale, which will result in lower average costs. The Company employs a team of engineers who are capable of investing and developing our own machinery at the lower cost than purchases of imported machineries. In addition, this team of engineers can maintain and repair the majority of our machineries without third-party assistance.

## (3) Mitigation of Impact of Natural Disasters

Recognizing the threats from natural disasters, such as drought and pest infection, to our raw material supply, the Company has developed several corrective and preventive measures by introducing innovations and techniques derived from the Company's researches and studies for better agricultural productivity. For examples the drip irrigation system which can solve the issue of water supply shortage during the dry season and the biological pest control technique which makes use of natural enemies such as *Trichogramma* spp., *Cotesia* sp. and Earwigs.

## (4) Development of Value-Added Products

The Company strives to convert by-products and waste into value-added products in order to increase the value for our shareholders and minimize waste from the sugar production processes. Under the visionary leadership of our management team, we aim to create an eco-friendly supply chain through the application of clean and eco-friendly technologies.

The Company has collaborated with Sumitomo Corporation Co., Ltd., our strategic partner and investor, and other world-class organization in continuously adding value to core products and by-products.

## Sugar : Distribution Channel

### (1) Industrial Customers

Industrial customers purchase sugar products with the intent of using them as raw materials in their production process and typically procure sugar products in a large volume under annual purchase agreement. The Company has successfully attracted and retained industrial customers who comprise a large proportion of the Company's sales revenue as a result of the Company's reliability in terms of stable supply, fine quality, and punctual delivery. The industrial customers are as follows,

Type of Industrial Customer	Dec 31, 2018 (9 months) (Sales Record)		2019 (Sales Record)		2020 (Sales Record)	
	Quantity <sup>1</sup> (Ton)	%	Quantity <sup>1</sup> (Ton)	%	Quantity <sup>1</sup> (Ton)	%
	Beverage Industry	72,908.670	52.01	50,607.250	54.81	40,568.03
Food Industry	20,795.700	14.83	7,616.150	8.25	33,526.00	39.73
Dairy Products Industry	49,146.365	32.92	33,838.05	36.65	7,298.77	8.65
Candy	330.00	0.24	270.20	0.29	3,002.15	3.56
Total	<b>140,180.735</b>	<b>100.00</b>	<b>92,316.65</b>	<b>100.00</b>	<b>84,394.95</b>	<b>100.00</b>

Source: KTIS

<sup>1</sup> Consolidated sales of the following 3 sugar factories:

1. Sugar factory operated by Kaset Thai International Sugar Corporation Pcl. (KTIS)
2. Sugar factory operated by Thai Identity Sugar Co., Ltd. (TIS)
3. Sugar factory which KTIS has leased from Ruampol Enterprise Co., Ltd. (RPE) under a long-term lease agreement

## (2) Distributors

The Company sells sugar by way of the “ex-factory” method to distributors which comprise a smaller proportion of the Company’s sales revenue, compared to industrial customers. This is partially because the Company has to sell sugar to distributors at a discount from monthly average surveyed selling price in the country. The discount rates depend on the prevailing market conditions and demand.

## (3) Overseas Customers

Sugar exports to Japan accounts for approximately 60.0% of the Company’s total export sales. Most of overseas customers are sugar traders, including well-known companies such as Alvean Sugar, S.L., Wilmar Trading Pte Ltd., Czarnikow Ltd., Cofco Co Ltd., Sumitomo Corporation and Sucden etc.

## Bleached Bagasse Pulp and Pulp Mold : Production and Distribution Business

The Company operates bleached bagasse pulp production and distribution business through EPPCO which has the production capacity of approximately 100,000 tons per year. The factory is currently the only mill that can produce bleached bagasse pulp which is a by-product from the Company’s sugar production process. EPPCO has 3 types of pulp products: dry pulp, wet pulp and packaging products from bagasse pulp (Pulp Mold)

### 1. Dry Pulp

Dry pulp is made from bagasse with a moisture content of about 10 - 12%. It weighs about 250 kilogram per bale and has a brightness of no less than 80% ISO with TAPPI dirt count of less than 10 ppm. Dry pulp is a core product of bleached bagasse pulp business.

### 2. Wet Pulp

Wet pulp is made from bagasse with moisture content of about 50. - 52.0%. It weighs about 225 kilograms per bale but has the same brightness and TAPPI dirt count as dry pulp. It can be used more easily than dry pulp in a paper manufacturing process because of its higher moisture content, which saves time in the re-boiling process. However, wet pulp has a shorter storage period than dry pulp and incurs higher transportation costs. Thus, EPPCO distributes wet pulp only to domestic customers.

### 3. Packaging products from bagasse pulp (Pulp Mold)

Pulp Mold used bagasse pulp 100% as raw material to produce different types of packaging products at EPPCO factory. The products will be bio-degradation which are Eco friendly products consistent with the demand trend for products that save the environment in both domestic market and worldwide. The products will add value to EPPCO bagasse pulp.

## Bleached Bagasse Pulp : Market Conditions and Competition

### 1. Global Market

In 2020, the situation in the pulp and paper market has been on the down side due to the trade war between China and the U.S and China’s policy of banning the import of low-quality paper. The Covid-19 pandemic also affected the bagasse price to highly decrease especially short fiber Bleached Eucalyptus Wood Pulp. The average of short fiber pulp in Q3 of 2020 was between 440-450 usd/ton which decreased about 20-30 usd/ton from Q3 of 2019. The price is expected to continuously decrease, if the international trade dispute of 2 major countries cannot be resolved and also the delay of Covid-19 vaccine test which will not be finished within 2020 and affect the great recession to world economic.

### 1.1 Selling Price of Pulp in September 2020

In Chinese market, the selling price of long fiber pulp increased from 530-580 usd/ton in September 2019 to 580-590 usd/ton in September 2020, due to the production capacity decrease of factories in northern America. The price of short fiber pulp decreased from 460-480 usd/ton in September 2019 to 440-450 usd/ton in September 2020. For other East Asian markets, the price of long fiber pulp increased from 540-580 usd/ton in September 2019 to 545-585 usd/ton in September 2020, while the short fiber pulp decreased from 460-480 usd/ton in September 2019 to 440-460 usd/ton in September 2020.

Source: PPI ASIA's report as of September 25, 2020

### 1.2 2021 Global Market Outlook

In 2021, the pulp and paper industry situation trends to slow down from the world economic regression occurred from Covid-19 pandemic which is the vaccine researching stage. The unsettled 25% import tax imposed to Chinese goods entering the U.S. shall deter the trade. Meanwhile the oversupply in bagasse still remains, and the demand for paper has decreased due to lockdown measures. Work from home has changed the working method to be more IT oriented which decreases the demand of paper, and shall make the bagasse price remain low throughout the year.

However, Covid-19 pandemic has cause an expansion of the pure fiber packaging industry in other countries apart from China, for the reason of sanitization and infection prevention. The environmental policy of Northern Europe countries and others will positively affect the bagasse pulp industry.

In 2021, there is not any investment to expand short pulp production from Eucalyptus in South America while the demand for paper pulp in this region will be gradually stable and cause the price of paper pulp in the world market remains at low level for the whole year.

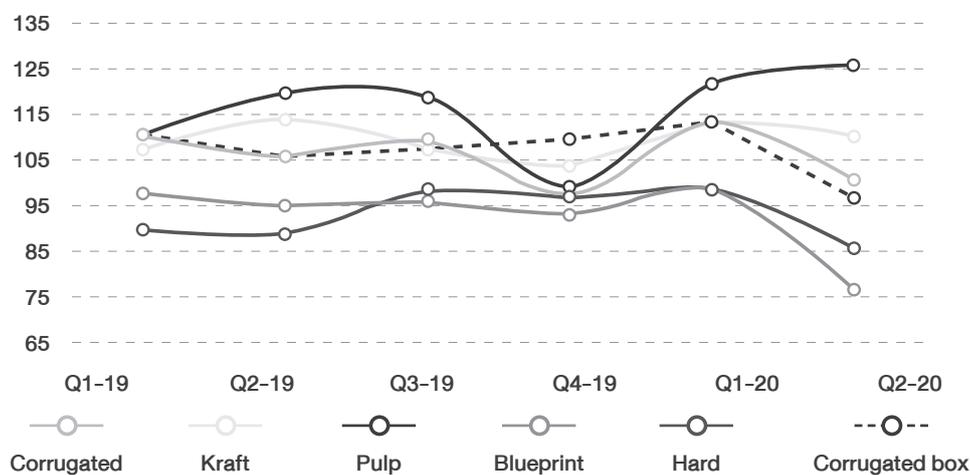
## 2. Domestic Situation

On Q2/2020 the pulp paper and publication index, when compared on (%QoQ) and (%YoY) basis, showed an increase in only in paper pulp that increased 3.60% and 5.30% accordingly, while other pulp and paper products slowed down. In terms of export, the total value when compared on (%QoQ) and (%YoY) basis, decreased except the paper pulp which increased. In terms of import, the total value increased when compared on (%QoQ) basis but decreased when compared on (%YoY) basis.

### 2.1 Production Situation

In Q2/2020, the production of paper pulp, when compared on (%QoQ) and (%YoY) basis, showed an increase of 3.60% and 5.30% accordingly, and most of the purchase order came from China. While the pulp and paper products decreased in all sectors, after the increase of production in the end of Q1/2020. The Covid-19 pandemic affected the production because of the decline of purchase order from both domestic and international markets.

Index of pulp and paper production

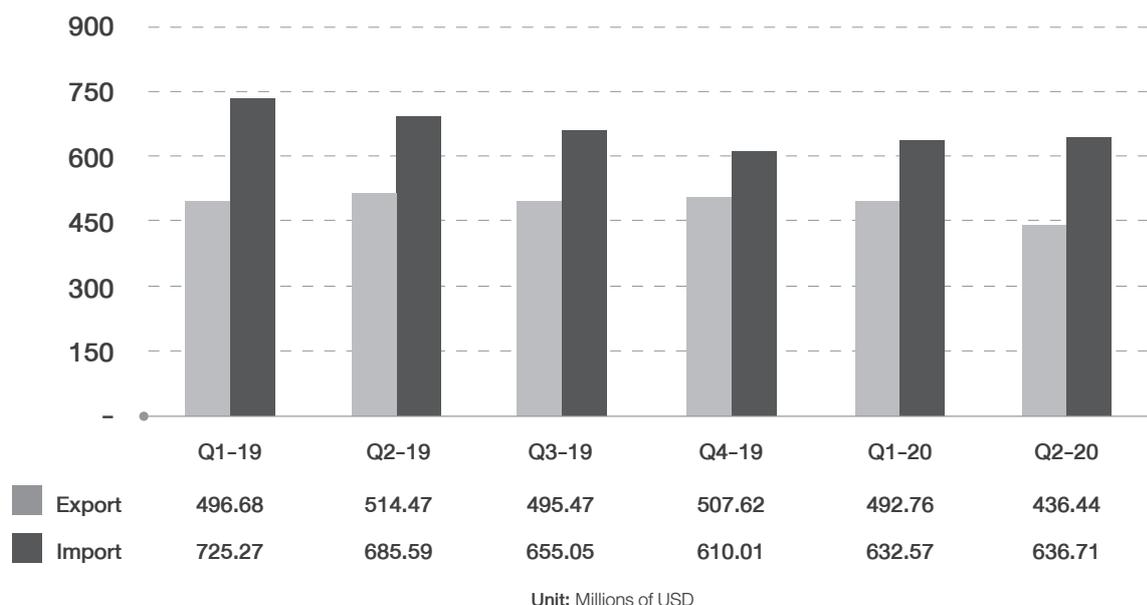


Source: Office of Industrial Economic

## 2.2 Export Situation of pulp and printing paper

In Q2/2020, the export value amounted to USD 436.44 million. The sections of paper and printing paper decreased 11.43% when compared on (%QoQ) basis. The section of paper pulp increased 36.96% when compared on (%QoQ) basis. 1,11.03% and 7.42% respectively due to the export of pulp made from reused paper and printing paper, which most export goes to China. When compared on (%YoY) basis, the total export value decreased for 15.17% in the sections of paper and printing paper, and increased 35.55% in the sections of paper pulp. The 75% majority of paper pulp export is exported to China.

Export-Import Paper Pulp and Printing Paper



Source: Information and Communication Technology Center, Ministry of Commerce

## 2.3 Import Situation of pulp and printing paper

In Q2/2020, the import value amounted to USD 636.71 million increased 3.70% when compared on a (%QoQ) basis due to pulp and paper products section after the relief of Covid-19 pandemic in the previous quarter. But when compared on a (%YoY) basis, the total export value decreased for 7.13% in both pulp and paper products section and paper pulp section. However, the domestic demand of paper has increased due to the changes of lifestyle after Covid-19 pandemic. The domestic production capacity could not recover to the previous one, so the import is necessary.

## Related Government Policies

Goods and services price authority has determined the price controlled goods list on 4th February 2020. Paper trash and recycle paper were also in such list, which shall have a positive effect to environment and domestic producers. However, some domestic producers need to import paper trash and recycle paper due to the lower price. Therefore, the price controlling measure should be fair to all stakeholders

### Industrial production situation

Indicators	2018	2019							2020						
	Year	Jul	Aug	Sep	Oct	Nov	Dec	Year	Jan	Feb	Mar	Apr	May	Jun	Jul
MPI	3.7	-3.2	-4.4	-5.0	-8.0	-8.0	-4.4	-3.6	-4.0	-4.2	-10.5	-18.2	-23.8	-17.8	-14.7

Industrial Economic Status in July 2020 as considered from the Manufacturing Production Index (MPI) decreased 14.7% compared to the same period of the last year.

Considering the three-month MPI (% YoY) MPI data, it is evident that the industrial production trends to slow down as a decrease 18.2% in April, a decrease 23.8% in May and a decrease 17.8% in June

Indicators	2019							2020						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	
MPI	-0.6	0.6	-3.4	-1.2	1.0	1.8	5.1	-2.9	2.7	-24.7	2.1	4.0	3.1	

For the 3 months of April, May and June, Manufacturing Production Index (MPI) has an exchange rate as follows: decrease 24.67% in April, increase 2.1% in May and increase 4.0% in June.

The industrial sectors which caused the decrease of MPI in July 2020 compared to the same period of last year are:

1. Automobiles and machines sector decreased 53.5% due to Covid-19 pandemic. The worldwide pandemic has affected the trade partner countries' and domestic economy, including the financial institutions' strict loan approval.
2. Petroleum refinery sector decreased 8.1% due to airplane fuel. Covid-19 pandemic has lessen the air travel which has decreased the production and use of petroleum.
3. Sugar sector decreased 57.4% due to very few this year's cane crop. The consequence will be less amount of raw sugar to be converted to white sugar.
4. Beer sector increased 25.0% due to the expedition to compensate the lessen capacity under lockdown period.
5. Chemical fertilizer increased 48.2% due to last year's out of season drought which lessen the demand. The better rainfall this year has helped the farmers plant their crop as usual, therefore, the demand has increased.

**Source:** Office of Industrial Economic, Ministry of Industry.

### Bagasse pulp market situation 2020, and trends in 2021.

The domestic and international demand for bagasse pulp in 2020 has declined due to the economy which has been affected by Covid-19 pandemic. However, the environmental policy that is strictly implemented in European countries, which includes the prohibition of plastic and foam packaging, will increase the demand of environmental-friendly packaging. The demand for take away packaging also increased due to lockdown measures of many countries. Therefore, the demand for bagasse pulp is high.

However, some food producer, especially those in China, have tried to reduce the cost by increasing the ratio of short-fiber wood pulp into their production.

or the company's own customers, there is still continuous demand for bagasse pulp. This group of customers produce environmentally-friendly packaging products and require bagasse pulp as raw material in order to create environmental image of the product in the printing paper and sanitary paper.

In 2020, the Company has adjusted down its sales price of bagasse pulp according to the price of world pulp by decreasing an average FOB price of 715 usd/ton in September 2019 to 680 usd/ton in September 2020. The order has also declined with the trend of the world economy.

In 2020, the world economy and the domestic economy will continue to regress, if the trade war could not be settled, and Covid-19 vaccine is not completed. The demand for bagasse pulp will continue to grow, especially overseas exports that results from environmental policies in EU countries which focus on the environmental friendly products, from the expansion of the production of the environmental packaging industry in country and abroad and the expansion of KTIS' bagasse pulp utensils production line .

The largest paper pulp manufacturers in 2020 were as follows,

Manufacturer	Capacity of production ( ' 000 tons)	The type of the raw materials
Double A	427	Eucalyptus wood.
Phoenix Pulp & Paper	252	Eucalyptus wood.
Panjapol Pulp Industry	110	Eucalyptus wood.
Thai Paper	290	Eucalyptus wood.
EPPCO	100	Bagasse
Fiber Pattana	56	Bagasse
EcoFriendly Thai	5	Recycle pulp
Total	1,208	Palm leaves.

Source: 2020 – 2022 Directory of the Thai Pulp and Paper Industries Association (TPPIA)

## Market situation of packaging products from bagasse pulp (pulp mold) 2019/2020

The growth of demand for Eco friendly packaging products, especially from bagasse pulp increases continuously, especially when the demand of packaging is increasing in Covid-19 pandemic.

The packaging for take away food is in a high demand, and is expected to be continuously high, together with the growth of food delivery business that grows with consumers' demand

For Thailand, While a demand for packaging is continuously growing under Covid-19 pandemic. The promotion and encouragement from government and private sectors has helped expand the domestic market of environment-friendly packaging in 2020, and trends to expand in 2020. KTIS has a policy to invest in pulp mold plant expansion to cover the growth of such demand. The project is estimated to be completed within 2021, and the consumer will be more accessible to pulp mold goods.

### Bleached Bagasse Pulp : Competitive Strategy

#### 1. Reliable Raw Material Source

EPPCO has a strong raw material security as its bagasse supply is primarily provided by the Company and factories in KTIS group which altogether record the cane-crushing capacity of more than 10,000,000 tons of cane per year. This enables EPPCO to effectively plan its bagasse-based production in advance.

With the raw material security, EPPCO can provide its clients with reasonable assurance of EPPCO's ability to satisfy their demand.

#### 2. Low Cost of Raw Materials

EPPCO has lower production costs, compared to other pulp manufacturers, largely thanks to the short distance between EPPCO factory and the Company's factories being EPPCO's suppliers. The delivery of supply through conveyor belt system instead of trucks will lead to substantially save transportation costs.

### 3. Environmental Friendliness

Bleached bagasse pulp of EPPCO is virgin pulp which is made from bagasse and thus is environmentally friendly. The increasing environmental awareness has led to the rise in demand for EPPCO's eco-friendly products. EPPCO's bleached bagasse pulp factory is the first pulping factory that is awarded the ISO 22000 food safety accreditation and the GMP&HACCP certification from SGS (Thailand) Co., Ltd. which guarantee that its products are safe for consumption and can be used as raw material for food packaging production.

#### Bleached Bagasse Pulp : Distribution Channel

##### 1. Domestic Distribution

EPPCO distributes bleached bagasse pulp directly to industrial customers on a monthly basis or as agreed with customers. Strategic customers of EPPCO include major leading paper product manufacturers in Thailand using eco-friendly pulp in their operations such as SCG Paper Pcl., Kimberly-Clark (Thailand) Co., Ltd., Berli Jucker Co. Ltd., Cellox Co. Ltd. and Biodegradable Packaging for Environment Co. Ltd. To promote customer satisfaction, EPPCO has technical sales personnel who are highly knowledgeable and can provide customers with useful information for correct and efficient use of bleached bagasse pulp.

##### 2. Overseas Customers

Generally, distribution of bleached bagasse pulp to international markets is made through brokers. Our sales through spot contracts comprise approximately 80.0% of our total export sales while the remaining 10.0% is under long-term contracts. To mitigate associated risks, our selection of brokers is based on their ability to penetrate markets which have strong pulp demands and their credibility. The other 10% is a direct sale to paper manufacturers. EPPCO's management team has implemented proactive marketing activities such as participation in trade expos to attract new customers. Sales through brokers enable EPPCO to determine the price and quantity of the product it intends to sell at its discretion, without having to negotiate with the end customers. EPPCO's revenue is primarily from international sales which accounted for approximately 70-78% of its total revenue during the year.

#### Pulp Mold products : Distribution channel

The sales proportion target is about 90-95% for the foreign market and 5-10% for domestic market at the beginning. The demand of domestic and foreign countries for eco-friendly products are still high, so the company continues to develop the type and variety of products to cope with the needs of consumers both domestically and abroad in the future.

##### 1. Export Sales

As the markets for Eco friendly packaging products are in Europe and America, the company has to sell through the experienced sale agents and distributors for large volume distribution in order to reach the dealers and consumers which are better ways than Original Equipment Manufacturer (OEM) or selling directly under its own brand abroad. In 2020 the Company sold pulp mold products about 2,250 usd/ton and in 2021 the price is expected to be not less than 2020.

##### 2. Domestic Sales

Domestic customers are environmental oriented group which the company has many distribution channels as follows,

- Large retail and modern trade stores (Big C, Lotus, Makro, The Mall, TOP, Central, Department Store, Seven Eleven) under own brand and/or OEM for large retail stores.
- Provincial wholesalers of packaging products, and sale agents across the country.
- Direct sales to organizations, government agencies, hospital, schools, universities and other institutions.
- Online Marketing (under development).



## Ethanol : Production and Distribution Business

The Company operates ethanol production and distribution business through KTIS Bioethanol Co.,Ltd (KTBE) and uses molasses derived from the Company's sugar factories as a primary raw material with the maximum production capacity of 230,000 liters per day or 75,900,000 liters per year. Presently, it produces and distributes only industrial alcohol (Quality equivalent to pharmaceutical grade) and fuel alcohol.

### Ethanol : Market Conditions and Competition

#### (1) Global Market Situation

##### Ethanol Price

The average U.S. ethanol price is 1.47 usd/gallon or approximately 12.11 Baht/liter, and has decreased in the period of April and May since the lock down in many states. Brazil Ethanol price of all grades has decreased due price competition in petroleum. The estimation of cane portion used in ethanol production is less than 60% and focuses on making profit in sugar production.

##### Production

The ethanol production has decreased from last year from 113.7 billion liters to 101.7 billion liters due to Covid-19 pandemic and many counties' lockdown. The U.S. ethanol plants have decreased their production capacity from the 1st quarter of 2019 to the 1st quarter of 2020 from 59.7 billion liters to 53.2 billion liters, which is an 11% decrease. Brazil has increased its portion of sugar production more than ethanol for profit, since the decrease of benzene price and Brazilian Real depreciation.

##### Cost of Production

The U.S. has enacted HEROES Act to support biofuel producers under the pandemic of Covid-19 by fund support under Higher Blender Infrastructure Incentive Program to increase ethanol blended benzene nozzles and increase E15 gasohol used in the U.S.

##### Export

The U.S. ethanol export increased 14% from last year from 5.6 billion liters due to the decrease of fuel oil consumption in end user markets in Brazil and Canada, including the decrease of oil price.

**Source:** Thailand ethanol situation reports, office of bio industry promotion, Cane and Sugar office.

#### (2) Domestic Market Conditions

##### Ethanol Price

The domestic reference price has increased due to increased raw material price. The average Thai ethanol is 23.02 Baht /liter which increases from the same period of last year's quarter.

##### Production

The estimated production of Thailand ethanol in 2020 has decreased 10% from last year which is 1.45 billion liters due to Covid-19 pandemic. In the beginning of March 2020, the Excise Department has issued the regulation about the procedure, method and condition of zero tax for Converted Alcohol over 80 degree for hand sanitizer. However, the sale of alcohol hand sanitizer resulted in 1-2% of total ethanol production capacity.

##### Demand

The demand of ethanol use in Thailand in 2020 decreased 5% from last year which is an average 4.2 million liters/day due to Covid-19 pandemic.

After the government authority (the Excise Department) has allowed the alcohol to be used for hand sanitizer, the demand has highly increased since 16 March 2020. The demand for alcohol for health purpose from ethanol plants are as follows:

	Amount of alcohol produced by ethanol plant in the market (liter)		
	non-commercial	commercial	Total
March 2020	1,485,023.75	9,937,642.00	11,422,665.75
April 2020	2,381,839.00	13,129,040.00	15,510,879.00
May 2020	256,179.00	2,156,652.00	2,412,831.00
June 2020	24,327.00	554,100.00	578,427.00
July 2020	13,268.00	107,428.00	120,696.00
August 2020	13,849.00	28,600.00	42,449.00
September 2020	638.00	40,000.00	40,638.00
<b>Total</b>	<b>4,175,123.75</b>	<b>25,953,462.00</b>	<b>30,128,585.75</b>

Source: The Excise Department, Ministry of Finance

In 2020 (as of 2020), Thailand has the running ethanol plants of 26 plants with the total registered capacity of 6.035 million liters/day, and the major ethanol producers are as follows:

#### The circumstance of installed capacity of Thailand ethanol plant

	Producer	Capacity registered with the Excise Department (liter/day)	Raw material
1	Mitr Phol Biofuel Co.,Ltd. (Chaiyabhum)	500,000	Molasses
2	E 85 Co.,Ltd.	500,000	Cassava/Starch
3	Ubol Bio Ethanol Co.,Ltd. (Public)	400,000	Cassava/Chip
4	Thai Agro Energy Co.,Ltd.	350,000	Chip/Molasses
5	Upvenger Co.,Ltd.	340,000	Chip
6	Mitr Phol Biofuel Co.,Ltd.(Kuchinarai/Kalasin)	320,000	Molasses
7	Thai Rungruang Power Co.,Ltd.	300,000	Molasses
8	KSL Green Innovation Co.,Ltd. (Public) (Bor Ploy)	300,000	Molasses
9	Tai Ping Co.,Ltd.	300,000	Cassava
10	KI Ethanol Co.,Ltd.	250,000	Molasses
	Others	2,745,000	
	<b>Total current capacity</b>	<b>6,305,000</b>	

Source: Department of Alternative Energy Development and Efficiency

## Ethanol Competition Strategy

### (1) Product variety

KTBE offers a wide range of products for different needs of customers in each industry. KTBE's ethanol plant is licensed to produce 3 different grades of ethanol products: potable alcohol, industrial alcohol and fuel alcohol. The product variety has contributed to competitive advantage in international markets over many other ethanol plants in Thailand which mostly are licensed to produce only fuel alcohol production for domestic distribution.

## (2) Reliable Product Delivery

KTBE's punctual and reliable product delivery to customers is one of its key strengths. With steady molasses supply from factories in KTIS Company for its ethanol production process, KTBE is safe from the raw material shortage issue and can punctually deliver products which are confident by its customers.

## (3) Product Quality

Committed to achieving excellent quality standards, KTBE has continuously attempted to develop the quality of its products. All ethanol products of KTBE are therefore meet regulatory quality standards. In addition, KTBE's distillation columns have been developed to accommodate the production of Korean B grade ethanol which is high quality product commonly sold in the international market.

## (4) Marketing Strategy

Recognizing the intensifying competition in the energy industry, KTBE has proactively formulated and implemented marketing strategy to grow its customer base, especially in offshore markets. This includes KTBE's regular participation in meetings and training courses arranged for domestic and international ethanol producers to reap benefits from opportunities to meet with customers and intermediaries as well as to continuously expand its customer base.

## Ethanol : Distribution Channel

### (1) Domestic Customers

KTBE produces ethanol with 99.5% purity for domestic oil dealers to use for blending as biofuels to support the government's policy to promote the consumption of alternative energy and the reduction of imported fuels and crude oil. KTBE's major customers, defined as "traders" under Section 7<sup>2</sup>, are PTTOR Plc., Thai Oil Plc. and Shell Company Of Thailand etc. As of 31 December 2019, revenue from domestic sales of fuel alcohol accounted for 100% of the total sale revenue.

Due to Covid-19 pandemic, the Excise Department has allowed the sale of ethanol for sanitizer production which has increased the income of the company.

### (2) Overseas Customers

KTBE's ethanol products are sold to overseas customers through distributors. Previously, KTBE exported industrial alcohol with 95.5% purity and fuel alcohol with 99.5% purity to overseas markets.

Following the implementation of the Ministry of Energy's policy to discontinue 91-octane gasoline sale on 1 January 2013, the rate of domestic ethanol consumption has risen and KTBE has not exported fuel alcohol and industrial alcohol to overseas markets.

## Electricity : Generation and Distribution Business

The Company's sugar factories, bagasse pulp mill, ethanol plant and biomass power plants are equipped with electricity and steam generating modules which use bagasse, a by-product from sugar production, as primary feedstock. The electricity and steam generated are used in the production processes of our 3 sugar factories and other factories. The surplus electricity is sold to the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authorities (PEA) under the power purchase agreements (PPAs) which the present selling contracts are under both Feed-in Tariff term and adder term, with the total capacity of 152 MWh.

Additionally, the Company has joined the investment with Global Green Chemicals Public Company Limited or GGC to develop "Nakhon Sawan Bio- Complex" through a joint venture named GCC KTIS Bio Industrial Co.,Ltd., to run a sugarcane crushing factory, which produces ethanol from sugarcane juice, and an 85 MWh power plant, of which to be used internally and 34 MWh available to be sold to grid.

<sup>2</sup> Under Section 7, Chapter 1 Fuel Trade and Transportation of the Fuel Trade Act B.E. 2543, fuel traders whose total fuel trade volume, either in a particular fuel type or all types combined, equals 100,000 metric tons per year or higher, or fuel traders of only liquefied petroleum gas whose total trade volume equals 50,000 metric tons per year or higher must hold license granted by the Minister.

## Market and Competition

### (1) Domestic Market and Industry

Energy Policy and Planning Office, Ministry of Energy, is currently in the process of creating a draft of the amendment of Thailand Power Development Plan : PDP 2018 (revised version) which is in the process of being proposed to the cabinet.

#### **The framework of the admendment of the renewable energy based powerplants**

- Change the target of electricity purchase from some certain types of renewable energy based and maintain the total target of 18,696 MW.
  - Decrease the target of whole picture electricity production of solar cells.
  - Increase the target of electricity production of EGAT's small hydro power plants for 69 MW. (24 projects)
  - Increase the target of electricity production of biogas power plants (energy crop)
- Increase the community power plants policy for fundamental economic (biomass, biogas (waste water), biogas (energy crop))
- Delay the PALANGPRACHARATH southern biomass power plants project which its grid connection was planned in 2021-2022 with the capacity of 60 MW to be in 2023-2024 with the capacity of 60 MW
- Expedite the purchase of electricity from wind farm which was planned to begin in 2034 to begin in 2022.
- The assumption of the purchase from renewable energy based power plants (non-community power plants) after the year of 2024 shall be the same assumption in PDP 2018

#### **Guidelines for studying the main power plants to be more appropriate**

- NPS power plants machinery no. 1-4 with the total capacity of 540 MW shall be changed the type of fuel from coal to gas and connected to the grid in November 2027
- Mae Moe power plants no.8 or 9's discharge shall be postponed from the end of 2021 to the end 2024 to stabilise the voltage at 230 kV while Mae Moe power plants no.3 shall be completed within 2024
- Mae Moe power plants no.12-13 's discharge shall be postponed from the beginning of 2025 to the end 2025

#### **The benefit of PDP2018 adjustment (The amendment to be in accordance with community power plants for the fundamental economic )**

- Encourage the community to sustainably participate in the production, consumption and distribution of electricity
- Encourage the community to power plants
- Encourage RE power plants according to the potential of fuel, and according to the electricity demand of each area.
- Create the security of the electricity system in the area, and decrease the government's burden to build grid and distribution systems.
- Encourage the fundamental economy to generate income to the community by the sale of RE fuel which is agricultural material and by the sale of electricity.
- Create community acceptance of the nation's power plants development project.
- Reduce CO2 emission in PDP2018 to be in accordance with COP21 agreement.
- Develop Grid Modernization and Smart Grid for efficient transmission and distribution system to cover the future technology.
- Develop an electricity network to cover the power trade of the region, and the center of ASEAN Grid Connectivity.

## (2) Situation of domestic electricity demand

As of 30th September 2020, in 2020, the Net Peak Generation Requirement (GRP) of the EGAT system has a value of 27,159.40 MW, which occurred on September 17, 2020 (19.30 hrs.), Which decreased from the previous month of 75.10 MW, and less 0.28% lower.

## (3) Domestic power generation

Under the new Power Development Plan (PDP) 2018–2037, Thailand's power production capacity from 3 systems will stand at 77,211 MW, with a new power generating capacity of 56,431 MW, up from 46,090 MW in 2017 and a retired power generating capacity of 25,310 MW during 2018–2037.

Details of the new power generating capacity of 56,431 MW are as shown below:

### Classified by type of Power Plant

Renewable Energy Power Plant	20,766 MW	36.80%
Pump Storage Hydro Plant	500 MW	0.89%
Co-generation Power Plant	2,112 MW	3.76%
Combined Cycle Power Plant	15,096 MW	26.75%
Coal / Lignite Power Plant	1,200 MW	2.13%
Alternative Energy Power Plant	6,900 MW	12.23%
Import	5,857 MW	10.38%
Conservation Measures	4,000 MW	7.09%
<b>Total</b>	<b>56,431 MW</b>	

### Classified by power producer

As at July 2020 ended, the power generating capacity was at 43,034 MW, of which excluded Very Small Power Producer (VSPP), as following details:

EGAT	16,034.83 MW	35.26%
Independent Power Producer (IPP)	14,248.50 MW	31.33%
Small Power Producer (SPP)	9,473.94 MW	20.83%
Import	5,720.60 MW	12.58%
<b>Total</b>	<b>45,477.87 MW</b>	-

### Classified by fuel type

accumulated from January–August 2020, Million GWH

Natural gas	7,8195.92 GWH	59.94%
Coal / Lignite	30,429.81 GWH	23.33%
Renewable (Hydro, other)	20,137.93 GWH	15.44%
Fuel oil	408.85 GWH	0.31%
Diesel	115.71 GWH	0.09%
(Lao, Malaysia, Lam Takhong Power Station)	1,169.19 GWH	0.90%
<b>Total</b>	<b>130,457.41 GWH</b>	-

**Note:** excluding Very Small Power Producer (VSPP)

### The Proportion of Renewable Energy for Electricity Generation

Renewable energy	Unit	Target 2036	2016	2017	2018	2019	Target 2020
Solar	MW	6,000.00	2,446.12	2,697.26	2,962.44	2,982.62	2,982.62
Wind	MW	3,002.00	507.04	627.82	1,102.82	1,506.82	1,506.82
Small hydro power	MW	376.00	182.12	182.28	187.72	187.85	189.00
Biomass	MW	5,570.00	2,814.70	3,157.28	3,372.94	3,410.14	3,465.38
Bio gas	MW	1,280.00	434.86	475.42	505.24	529.98	542.26
Waste	MW	550.00	145.28	191.47	317.82	314.67	324.44
Large hydro power	MW	2,906.40	2,906.40	2,906.40	2,919.66	2,919.66	2,919.66
<b>Total</b>	<b>MW</b>	<b>19,684.40</b>	<b>9,436.52</b>	<b>10,237.93</b>	<b>11,368.64</b>	<b>11,851.56</b>	<b>11,930.46</b>

## Electricity : Competitive Strategy

In addition to the production efficiency which the Company has consistently enhanced through the continuous improvement of the electricity generation process, feedstock is also another key success factor for the electricity business as bagasse from sugar production is the main feedstock source. The company, therefore, set out the energy saving policy to reduce production loss, which resulted in more bagasse as raw material for electricity generation. Additionally, the company encouraged more cultivations of sugarcane both vertically and horizontally for more sugarcane volume. Meanwhile, as per the cabinet's resolution on 11 June 2019 to reduce sugarcane burning, more fresh sugarcane its delivered to the sugar mills, and cane trash can be used as feedstock for power plant. Meanwhile, the company has also researched on a variety of energy crops to identify additional feedstock sources. These will be beneficial to farmers and our Company to increase revenues and reduce electricity production costs at the same time.

## Electricity : Distribution Channel

Steam and electricity generated by the Company's power plants are used in our sugar factories and while the surplus electricity is sold to EGAT or PEA according to each power plant's contract.

## Bio Soil Conditioner and Bio Fertilizer: production and distribution business

The Company has its own bio soil amendment manufacturing plant in Nakhonsawan which processes by-product from sugar production such as filter cake into bio soil amendment and bio fertilizer products in variety forms of powder product and pellet product. KTIS Bio Fertiliser Company Limited (KTBF) was established at Taklee District, Tambon Nongpho, Nakhonsawan as arm of the Company's integrated sugar business. In 2020, KTBF has registered its bio fertilizer in both forms of power and pillet under the trademark "Phaya Kodchasarn" (The great elephant), which is the new products produced and sold to the company's sugarcane farmers. The plant production capacity is at 50,000 tons of powder product and 10,000 tons of pellet product.

## Bio Fertilizer Amendment: Market and Competition

lthough the Bioeconomy as a part the government's Thailand 4.0 policy, which focuses on adding value to major economic crops i.e. sugarcane, rice, cassava etc., could help increase overall crop productions during the previous year. But the global sugar price, however, declined and caused the price of sugarcane decreased. So the sugarcane farmers had to control their costs of production which led to careful usage of chemical fertilizers and soil amendments. Most of them still believed that the use of chemical fertilizer for their crops in prior to bio fertilizers and bio soil amendments as it works faster. However, the company has developed strategies to promote the use of bio soil amendments together with chemical fertilizers which will reduce costs by using less chemical fertilizer, increase productivity and maintain soil quality for sustainable sugarcane plantation.



## Bio Fertilizer Amendment: Competitive Strategy

KTBF has targets and policies to encourage its contracted sugar cane farmers to use standard quality and cheap bio soil amendment for reducing their costs of production and also increasing their production yield per hectare that result to more revenues. The main policies are as follows,

1. The Company and farmers jointly analyze the bio soil amendment to identify which KTBF's products are suitable for their plantation.
2. As raw materials used in the bio soil amendment production are sourced among the Company, the products are sold at cheap price. Farmers can thus reduce their costs and increase productivity.
3. The Company treats the packaging as a priority, uses colored sacks and double seals for better durability.
4. The Company offers delivery services for its bio soil amendment products.
5. Periodic plant touring programs for the targeted farmers to see the production process and provide knowledge for proper products usage.
6. Run the demonstration farms so that the farmers are able to see the productivity resulted from the usage of bio soil amendment products.
7. The Company advertises its products and activities through advertising media and local radio stations,
8. The Company conducts the products requirement surveys from contracted farmers in order to make production plan.
9. The Company has many research projects coordinated with the Institute of science and technology of Thailand for developing the production standards to create the customer confidence.

### Bio Fertilizer: Distribution Channel

1. Sale to contracted cane farmers of the Company.
2. Sale to general customers.
3. Sale to merchants, agricultural cooperatives, Bank for Agriculture and Agricultural Cooperatives (BAAC)

## Support business

KTIS Research and Development Co., Ltd. (KTRD) was founded in 2015 with the initial registered capital of 1 million Baht. KTRD later increased its registered capital up to 10 million Baht on 27 December 2016, and up to 20 million Baht on 26 January 2018, of which 100% of its total shares held by KTIS.

### KTRD's VISION

KTRD aims to support KTIS's businesses, its growth, efficiency and sustainability in 3 aspects of developments, namely raw materials, production processes, and products.

Since 2016-2020, KTRD has been doing the research for the group with 29 projects and with more than 90 million Baht total budget. The research and development in raw material aspect focuses on the cane breed development such as the project to develop the new cane breed which is suitable to specific environment and contain local disease and pest tolerance. The new cane breed is expected to be available to contracting farmer in 2022, and is expected to create the increase cane yield and quality and the security of raw material of sugar business and continuing business.

Meanwhile, research and development projects in terms of products entail the study of the impact of planting soil and wastewater on tarramba and nepier, to which treated wastewater provides important nutrients for plant growth as well as helps reduce transportation costs, and the mature plants can be used in its biomass power plant.

KTRD's future plan is to provide the services for the group such as the laboratory analytic services for soil, fertilizer and water, laboratory analytic services for cane and sugar quality, the production of disease-free cane breed through the method of tissue culture and through the monitor of white leaf of sugarcane disease, microbial culture service and bio-refinery laboratory service. The company also responds for patent registration, the group research collection and advancement.

## **Joint research with government and private sectors in 2020**

In 2020, KTIS Research and Development Co., Ltd. conducted the joint research projects with 3 institutions for 5 projects with the total budget of 9.055 with following detail:

### **1. Mahidol University**

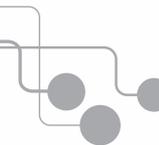
- Enhancement of drought tolerant in sugarcane by growth promoting bacteria : A field study
- Developing Biometrics by Unmanned aerial vehicle for Monitoring Sugarcane Yield Estimation
- The study of evapotranspiration and crop coefficient of sugarcane under climate change by Bowen ratio and Lysimeter

### **2. King Mongkut's University of Technology North Bangkok**

- Application of multi-layered PTA hardfacing on agriculture part

### **3. Naresuan University**

- Utilization and Development of Sugarcane Stubble Splitter on *Platy pleura cespitcola* Boulard Management and Ratoon Cane Improvement



# Risk Factors

## External Risk

### 1. Risk from fluctuation of foreign exchange rates

In the past year, Thai Baht currency was volatile compared to the US currency. The dramatic currency fluctuation has directly affected the group's business because more than 60% of its revenue is from exports of sugar products and the downstream businesses' eco-friendly products, and machinery imports. Therefore, company's income and investment expenses are also affected by the fluctuation of the exchange rate.

Moreover, the cost of sugar cane which is the major raw material of the sugar industry is determined by Thai Sugar cane and Sugar Co., Ltd. (TCSC) through its export of sugar. The export price composes of selling price and dollar exchange rate. The income after expenses from the sale of sugar made by TCSC and other sugar mills shall be the net income of the industry, such net income shall be distributed to the sugar cane farmers and the sugar mills in the proportion of 70:30 respectively in the form of sugar cane price paid to sugar cane farmers by sugar mills. Therefore, the exporting sugar mills at least must fix the export price and the exchange rate at equal rate to TCSC's rate which is the benchmark, so the actual income of the sugar mill shall not be less than the benchmarked income used in the calculation of income distribution to sugar cane farmers. If any sugar mill could sell with the lower price than the selling price made by TCSC, such sugar mill shall pay the higher than the standard price for sugar cane and bear the higher than the standard cost of production.)

The Company realized such risk, therefore it has established the financial risk management committee to monitor and determine the framework and plan financial management to protect the risk that may occur. The financial tools are implemented such as forward contract, option contract including natural hedge by repayment of foreign currency debt by the same currency derived from income.

The risk protection from such exchange rate can have either positive or negative figures which will be recorded in the annual financial statements as the gain and loss on exchange rate. This is because of the difference between fixed forward rate and the spot rates on the goods delivery dates under the Accounting Standard Basis. The Company is aware of the risk protection policy without speculation.

### 2. Risks of World Sugar Price Volatility

Sugar is a product with high price volatility due to the movement of many factors such as weather conditions, production, consumption, supply-demand by which the fluctuation of world sugar prices depends on supply and demand of the producing countries and the consumer countries and also includes the fund speculation in futures commodity markets, economic factors, and fuel prices which correlate with the ethanol price used as automobiles' fuel made from sugar and molasses. All the aforementioned factors significantly affect the volatility of world sugar price.

The price volatility in the global market may adversely affect the Company's sales, particularly export sales, while the domestic sales are not directly impacted. As the cane prices rely on the sugar prices, so the low cane prices will demotivate cane farmers and cause them to reduce cane planting or cane caring, hence lower cane supply available for sugar production.

To reduce the risks associated with the high volatility of sugar prices in the global market, the Company has the Pricing Policy to control the pricing volume to be close to Quota B pricing volume determined by the export of TCSC. The sugar price will determine the sugar cane price which is the main cost of sugar production. The Company has additional action plans to prevent negative effects, not more than an acceptable amount of money.

The Company also has a working team consisting of experts and officers from the international leading trading company, to monitor and manage the prices of exported sugar. The working team's analysts keep abreast of the sugar prices in global markets, the world economy, fuel prices, production and consumption figures, demands, supplies and stocks on a daily basis.



From the estimation of domestic ethanol industry, the current average growth rate shall be 2-3% (4.3-4.5 million liters per day), but due to the drought situation which caused raw material, molasses and capsava, in the production year of 2019/2020 to be scarce and high price and Covid-19 pandemic caused the ethanol production to be lower than estimated. There shall be an oversupply situation and cause more plants to shut down because the demand is lower than expected. Since the production capacity is over 6.3 million liters per day while the daily consumption is 4-4.5 million liters per day. Meanwhile, the Excise Department has allowed ethanol plants to use Converted Alcohol over 80 degree to produce the hand sanitizer but it results only 1-2% of total ethanol production.

According to such risk from government's change, the group company, as the member of Thai Ethanol Trader Association, has met with relevant authorities such as Energy Policy and Planning Office, Department of Alternative Energy Development and Efficiency to expedite the ethanol consumption to be suitable with production capacity through each kind of gasoline price mechanism and the money paid from and received in Oil Fuel Fund to support E20 to be standard fuel and to cancel gasohol 91, and also met with the Excise Department about the allowance of the usage of Converted Alcohol over 80 degree in other industries.

However, even the ethanol consumption decreases, the group company still prioritize the procurement of raw material so that the company can provide enough produce to serve the demand, and is capable to produce high quality alcohol for export by the relationship with international traders, the capability of port and storage facilities for export and the expertise in exporting process which was practiced many times. The company could also product the hand sanitizer 70% in both spray and gel to increase revenue. Meanwhile the consequence of price competition is more severe than last year. All aforementioned measures shall reduce risk from government's change, or shall mitigate, minimize or terminate such negative consequences.

## 6. Risk of sugar domestic trade.

Covid-19 has caused the clear severe consequences to public healthiness and decline economy, the domestic sugar consumption has declined from last year. The cancellation of domestic distribution quota system and the cancellation of price control caused the domestic market competition to be more severe, because the domestic price is always higher than export price. The company has continuously set up the policy to decrease the cost of production to maintain competitiveness, further has set up an improvement and development of the variety of products to fit customer's needs, and the most important is to participate in customers development and cost reduction which shall satisfy customers. The company also seeks for the distribution channels that shall increase the market share.

# Internal Risk

## 1. The Procurement Risk of Raw Material(Sugarcane) both quantity and quality

In the production year 2019/2020, the company's sugar mills, as well as other nationwide sugar mills, were affected by less than expected cane amounts. The amounts of nationwide cane decreased from the production year of 2018/2019 of 130 millions tons and decreased from the estimated nationwide cane amount of 2019/2020 from government authority from 110 million tons to actual amounts of 74 million tons. Although the company has anticipated that the cane amounts shall reduce due to drought and decreased plantation area, some risk mitigation measures are quite less effective such as fertilizer support at the end of August and the beginning of September 2019 due to no rainfall after such period.

However, in terms of cane quality of the production year 2019/2020, it is quite clear that it is better than the production year of 2018/2019. It results in positive consequences in production (sugar amount per ton cane) and in the company's performance. It shows the achievement of the determined measures such as fresh cane harvest to reduce burnt cane and the harvest and cane logistic management.

In 2020, the company's plantation area has decreased due to continuously serious drought from the end of 2019 until April 2020. The rainfall after such a period is not enough for the water consumption of cane and the rainfall dispersion is not comprehensive. In some areas, the rainfall is good and causes good yield but in some areas the rainfall is not good and causes the bad yield. Cane farmers decided to demolish the cane to restore the soil, or change to plant another plant until the suitable circumstance for cane plantation occurs again. The estimation of the production year 2020/2021 is that nationwide cane shall have higher yield per Rai than last year but the cane amount shall be the same or decrease. The total estimated nationwide cane of the production year 2020/2021 shall be 65-70 million tons.

To mitigate such risk, the company has issued following measures

1. The increase of cane production in some plantations that are worthy. The data from Thai Meteorological Department expected that the rainfall shall continue to the end of the year and expected that the storm shall enter into Thailand. Although some cane plantation areas could not be rehabilitated but some other plantation could be and the focus of rehabilitation shall be
  - A. New cane plantation in 2020 either drought cane and raining cane
  - B. Some cane plantations which are rehabilitable
  - C. Some plantations that could be watered by a specific consideration and the follow up of the progress to achieve the goal.
2. The encouragement of fresh cane harvest in the year of 2019/2020, once sugar mills received fresh cane, it significantly resulted in more sugar production per ton cane. In year 2020/2021, the government has determined the percentage of the fresh cane that each mill shall take into the process, the company has fully complied with such policy by
  - A. Meet with cane farmers to create understanding and acknowledge cane farmer's preparation for the fresh cane harvestment.
  - B. Arrange the cane harvesters of sugar mills and cane farmers to support fresh cane harvest, since the cane harvesters can harvest fresh cane without burning canes.
  - C. Educate and encourage the procurement and the use of cane leaf pruning machines for the cane farmers who still use the labor for the harvest.
  - D. Prevent cane burning which intentionally or negligently or accidentally occurred, or occurred by the abuse.
  - E. Purchase and store the cane leaf to increase income from fresh cane harvest to cane farmers and entrepreneurs.
3. The contract farming is increased, either the increase of ton cane from the currently contracted cane farmers who grow more cane or the non-contracted in year of 2019/2020 cane farmers who actually grow cane. The latter group of cane farmers used to have contract farming with the company in previous years. But due to the long milling period in 2017/2018 from December 2017 to the end of May 2018, such cane farmers decided not to get the contract farming in year 2018/2019. However, when such cane farmers realized that there is a demand of the company together with a demand of GKBI milling plant, they decided to get the farming contract with the company with no concern of long milling period.
4. The appropriate first milling date is carefully determined. When the cane amount is not so high and shall not cause the long milling period until the shortage of harvesting labor in Songkarn festival in April. The determination of the year 2020/2021 appropriate first milling date shall let the cane get the benefit from rainfall and additional fertilizers which shall increase productivity and quality of cane.

## **2. The risk of bad debts from advance payment for sugar cane procurement.**

After the production year 2019/2020, the cane farmers have unpaid debt due to the preliminary cane price at 750 Baht per ton at 10 CCS. according to the government regulation, and due to low productivity of cane caused by long period of drought. The encouragement of fresh cane harvestment and cane quality promotion to increase CCS. and to resolve some unpaid debt. Although these unpaid debts are not non-performing debt, but they also affect the performance of the company. Therefore, the suitable measure is required to mitigate the risk from non-performing debt. Such measure together with cane farmers' income additional to initial cane price such CCS for fresh cane fee, government subsidy which is 85 Baht per ton for every ton cane and 92 Baht for freshly harvested cane, income from service of cane harvest and logistic shall reduce the unpaid debt after the crushing season.

The already existed non-performing loan prevention measure, which minimize problems from contracting farming, are as follows:

1. The screening of contracting farmers. The screening process includes the background check, entrepreneurship check, asset check and asset of guarantor checks in a case of personal or collective guarantee. Furthermore, the screening focuses on plantation areas, labor support, agriculture tools and machinery.

2. The reduction of risk occurred from contract farming. Although the unpaid debt is not a non-performing debt, such debt also affects the company. The less the unpaid debt remains, the less the non-performing loan would occur. Therefore, the company emphasizes on the importance and strict implementation of such measures which includes the screening for appropriate plantation areas, the academic training for cane plantation, the monitor and suggestion of cane maintenance and the audit of previous crops.
3. The income increase from fresh cane harvest. According to the secretary of Cane and Sugar Office's policy, the fresh cane shall get a higher price than burnt cane for 200 Baht per ton, and the government subsidisation shall be exclusively granted to freshly harvested cane and not to burnt cane.
4. The arrangement of cane farmers' debt tracking system. After the production year of 2119/2020, the debt tracking under the new system has delivered a satisfying outcome. The assignment, which assigned the local operator to respond for debt collection under performance indicator, resulted in better outcome. Since the local operators have the knowledge about cane farmers and their activity which includes their asset and business, their spouse, their personal guarantor, the debt collection could be done on time which performs better than previous debt collection by central operators. Such new debt collection system shall be implemented from 2021 onward.

### 3. The risk of raw material scarcity in pulp production

The drought has decreased the total amount of nationwide cane, and significantly affected the company seriously. The decreased amount of cane means the decreased amount of bagasse derived from the milling process. While some of the bagasse shall be used to generate electricity, the remaining amount of bagasse for pulp production is not enough for the demand. The company, therefore, has continuously improved the efficiency of machinery to reduce production cost and increase production yield. The value added development has been researched to add higher value to bagasse.

The company has invested in environment-friendly pulp mould business to add value to bagasse under the entity named Environment Pulp and Packaging Co.,Ltd with the registered capital of 650 million Baht and 50 tons per day capacity or 850 million pieces per year capacity. The business shall fulfill the demand for environment-friendly varieties of products which shall replace the demand of foam and plastic products. The first product is estimated to be in the market in the first quarter of 2021. The company estimated that this business shall generate annual income more than 1 billions Baht and be a part of global environment conservation as well. Further the company has also studied and run the pilot plant of the straw from bagasse paper production, to cover the decrease of plastic straw in upcoming future.

### 4. The risk of raw material scarcity in electricity generation

The company has been prioritizing the electricity business since it has very low pricing volatility, is very less competitive. The company has entered into electricity sale agreements with Electricity Generating Authority of Thailand and Provincial Electricity Authority. Such electricity generation uses biomass from bagasse as raw material which is green energy. While the amount of cane has decreased which also decrease the amount of bagasse which may not be enough for electricity production, the company has researched the use of alternative agriculture material such as cane leaf, corn trunk, sorghum trunk. Such alternative material shall increase electricity generation capacity and farmers' income. While KTIS R&D, which is the company's subsidiary, focuses on research of alternative biomass plants to create the security and sustainability of company's electricity sale.

# Securities Details and Shareholding Structure

## Securities of the Company

As at September 30, 2020, the Company had registered capital Baht 3,888,000,010 and paid-up capital Baht 3,860,000,010. Ordinary shares 3,888,000,010 shares, par value Baht 1 per share.

## Shareholders

As at September 30, 2020, major shareholders of the company as following:

No.	Name	No. of Shares	% of Total Shares
1	HATHAI JAROON EK HOLDING CO.,LTD <sup>(2)</sup>	1,360,800,000	35.25
2	3S HOLDING COMPANY LIMITED <sup>(1)</sup>	972,000,010	25.18
3	BANK OF SINGAPORE LIMITED	243,138,600	6.30
4	MR. SIRAPAK SIRIVIRIYAKUL	190,698,000	4.94
5	DBS BANK LTD	128,000,000	3.32
6	MR. SIRAPAT SIRIVIRIYAKUL	120,892,900	3.13
7	MR. POOMLERK WANGPREEDALERTKUL	114,646,200	2.97
8	Group of KING WAN CORPORATION LIMITED	112,341,000	2.91
	KING WAN CORPORATION LIMITED	87,267,000	2.26
	KING WAN INDUSTRIES PTE. LTD.	25,074,000	0.65
9	MRS. NAWARAT WANGPREEDALERTKUL	96,862,926	2.49
10	MR. POOMRATA WANGPREEDALERTKUL	62,492,000	1.62
	<b>Total</b>	<b>3,401,871,636</b>	<b>88.11</b>

**Remark** (1.) The registered capital and paid up capital of **3S Holding Co.,Ltd** consists of 9,724,670 shares at par value of THB.100.00 per share or THB 972,467,000 At September 30, 2020, major shareholders of the company as following (exclude Treasury Stock)

No.	Name	No. of Shares	% of Total Shares
1	HATHAI JAROON EK HOLDING CO.,LTD <sup>(2)</sup>	6,807,261	69.8
2	SUMITOMO CORPORATION	2,431,173	25.2
3	NISSIN SUGAR CO.,LTD	486,234	5.0
	OTHER	2	0.0
	<b>TOTAL</b>	<b>9,724,670</b>	<b>100.0</b>

**Remark** (2.) The registered capital and paid up capital of **Hathai Jaron Ek Holding Co., Ltd** consists of 909 shares at par value of THB. 25,000,000 per share or THB 22,725,000,000 At September 30, 2020, major shareholders of the company as following (exclude Treasury Stock)

No.	Name	No. of Shares	% of Total Shares
1	MS.NATHAYA SIRIVIRIYAKUL	133	14.6
2	MS.SIRAARPA SIRIVIRIYAKUL	93	10.2
3	MR.PRIN SIRIVIRIYAKUL	77	8.5
4	MR. SIRAPAK SIRIVIRIYAKUL	69	7.6
5	MR.SIRAPAT SIRIVIRIYAKUL	69	7.6
6	MR. POOMLERK WANGPREEDALERTKUL	65	7.2
7	MR. POOMRATA WANGPREEDALERTKUL	63	6.9
8	MR.PRASONG SIRIVIRIYAKUL	54	5.9
9	MS.SAISIRI SIRIVIRIYAKUL	53	5.8
10	MR. PRACH SIRIVIRIYAKUL	50	5.5
11	MR.PUN SIRIVIRIYAKUL	50	5.5
	OTHER	133	14.7
<b>TOTAL</b>		<b>909</b>	<b>100.0</b>

### Agreement between the majority shareholders on the matter impacting the issuance and offer for sale of the securities or the management of Company on which the Company has countersigned.

-None-

### Other Securities

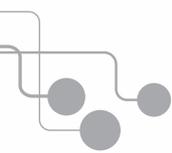
-None-

### Dividend Policy

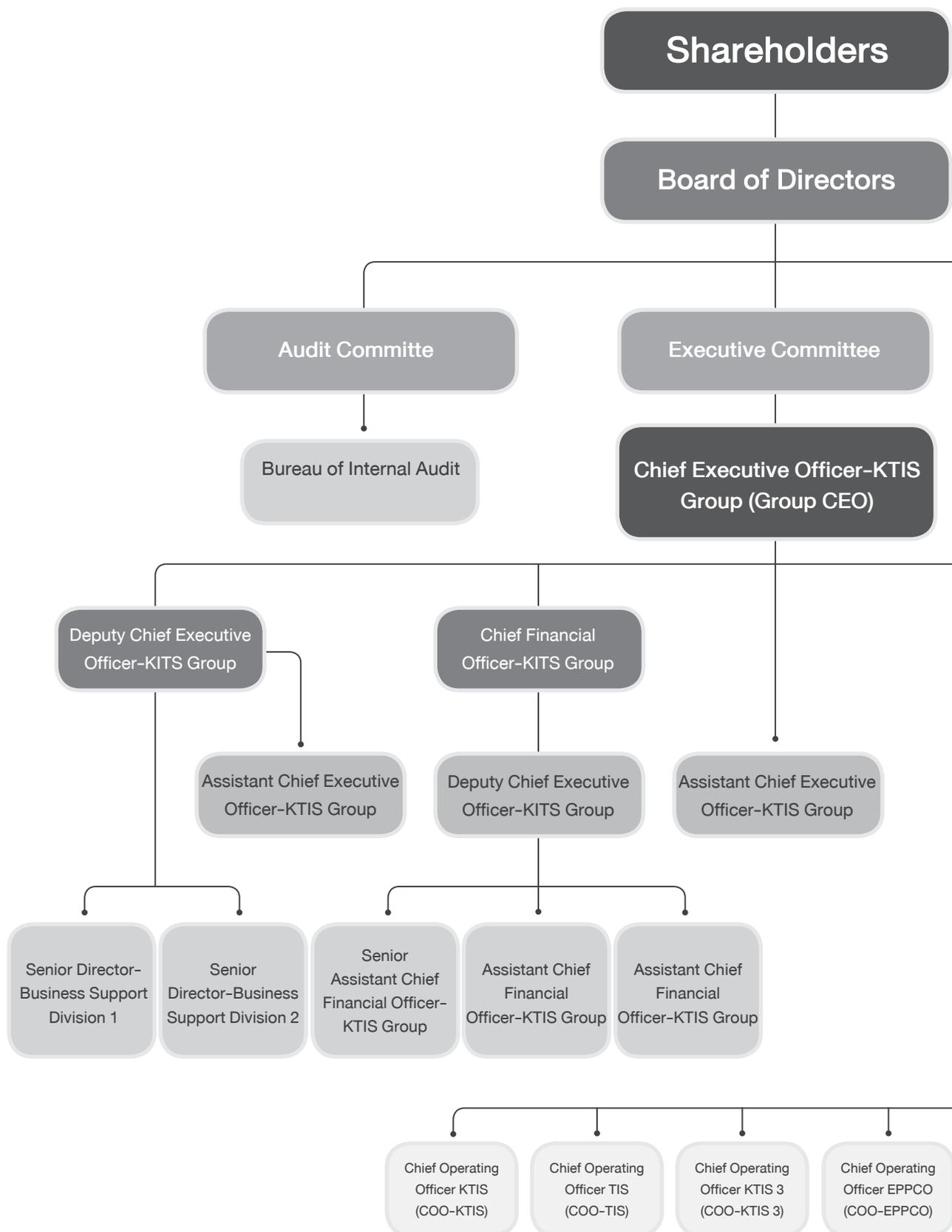
It is the Company's policy to pay out dividend at a minimum of 50% of its net profit according to the Company's separate financial statements, after the deduction of all legal reserves and provisions pursuant to the Company's Articles of Association and applicable laws, unless prohibited by necessities or loan agreements. Such dividend payment, according to the Board's judgment, shall not have material effects on normal business operations of the Company and shall be for the best interest of the shareholders. Annual dividend payments shall be proposed through the Board to the shareholders' meeting for approval whereas the interim dividend payment shall be subject to the Board's approval and reported to a subsequent shareholders' meeting for acknowledgment. The Company may propose to shareholders' to approve the non-payment of dividend in order to allocate the funds to investment projects as and where appropriate.

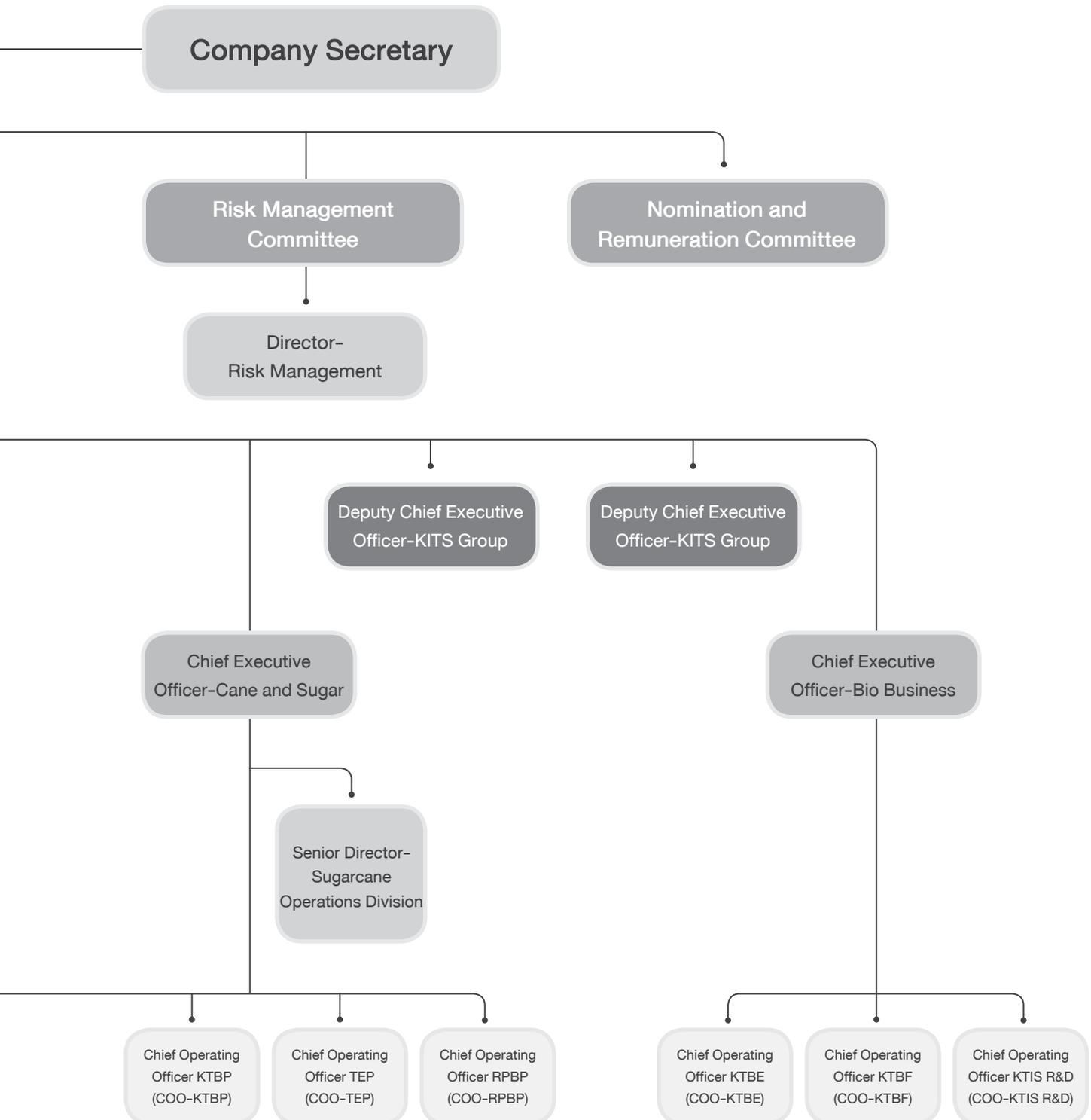
The Company's subsidiaries have the policy to pay dividend at a minimum of 50% of their net profit according to their financial statements, after the deduction of corporate income tax, statutory reserves and all other provisions. Considerations will also be given to their cash flow, financial status, liquidity position and investment plans at a particular period. Among companies in KTIS group.

Details of dividends	2018	2019	2020 (Proposed)
1. Net Profit (Baht)	315,548,967	379,160,109	459,019,562
2. Number of shares	-	-	-
2.1 Number of shares at interim dividend	-	-	-
2.2 Number of shares at the annual dividend	3,860,000,010	3,860,000,010	3,860,000,010
3. Total dividend per share (Baht : Share)	-	-	-
3.1 Interim dividend (Baht : Share)	-	-	-
3.2 Annual dividend (Baht : Share)	0.15	0.15	-
4. Total dividends paid (Baht)*	579,000,001.50	579,000,001.50	-
5. Dividend Payout Ratio	183.48%	152.71%	0%



# Management Structure





## Management Structure

The Company have five committees, namely, the board of directors (“Board” and the members of the Board, “Directors”), the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Executive Committee.

### Board of Directors

As at September 30, 2020, the structure of the board of directors consist of 15 members and 5 independent directors as follow:

Name	Position	Directors who are Authorized Signatories	Date to Appointment	Number of Meeting Attended in 2020
1. Mr. Pricha Attavipach	Chairman	Group 2	January 29,2013	4/4
2. Mr.Parphan Siriviriyakul	Director	Group 1	January 29,2013	4/4
3. Mr.Nathapun Siriviriyakul	Director	Group 1	January 29,2013	4/4
4. Mrs.Darat Vibhatakalasa	Director	Group 1	January 29,2013	4/4
5. Mr.Prasert Siriviriyakul	Director	Group 1	January 29,2013	4/4
6. Mr.Sirapak Siriviriyakul	Director	Group 1	May 14 ,2015	4/4
7. Mr.Sirivuthi Siamphakdee	Vice-Chairman	Group 2	January 29,2013	4/4
8. Mr.Phoonsak Boonsalee	Independent Director	-	January 29,2013	4/4
9. Mr.Apichart Noochprayoon	Director	Group 2	January 29,2013	4/4
10. Mr. Kunihiko Tahara	Director	-	May 12,2017	4/4
11. Ms. Chua Eng Eng	Director	Group 2	January 29,2013	3/4
12. Mr. Krairit Nilkuha	Independent Director/ Chairman of Audit Committee	-	February 26,2014	4/4
13. Mr.Sathaporn Kotheeranurak	Independent Director/ Member of Audit Committee	-	January 29,2013	4/4
14. Acting Sub Lt. T-rayooth Changpetch	Independent Director/ Member of Audit Committee	-	January 29,2013	4/4
15. Mr. Issakan Krivithaya	Independent Director	-	January 29,2013	4/4

Mr. Poomrek Wangpreedalertkul is the company secretary.



## Independent Directors of KTIS :

The present Independent Directors is equivalent to one-third of total board members. The qualification of independent director as specified by the Company is in compliance with the regulation of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as committed to good governance as follows:

- holding shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
- neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years prior to the date of appointment;
- not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
- not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non independent director or executive of any person having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years prior to the date of appointment.

The term 'business relationship' in the aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences; neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years from the date of appointment;

- neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and
- neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date of appointment;
- not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
- not operating any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1 percent of the total number of voting rights of any other company operating a business which has the same nature as and is in significant competition with the business of the Company or subsidiary;

- not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (1) to (9) of paragraph one, the independent director may be assigned by the board of directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

## Directors who are Authorized Signatories :

Our authorized signatories can be divided into the two following groups:

Group 1	Group 2
1. Mr. Parphan Siriviriyakul	1. Ms. Chua Eng Eng
2. Mrs. Darat Vibhatakalasa	2. Mr. Sirivuthi Siamphakdee
3. Mr. Prasert Siriviriyakul	3. Mr. Apichart Noochprayoon
4. Mr. Nathapun Siriviriyakul	4. Mr. Pricha Attavipach
5. Mr. Sirapak Siriviriyakul	

Any two Directors from Group 1, or any one Director from group 1 together with any one Director from Group 2, may jointly sign on our behalf and stamped by the Company Stamp.

## Term of Directorship :

One-third of all the current Directors shall resign at every annual general meeting of the shareholders. If the total number of Directors is not a multiple of three, the number of Directors closest to one-third of the total number of Directors on the Board shall retire from office. The Directors retiring from office in the first two years following our listing on the SET shall be selected by way of drawing lots. In the subsequent years, the Directors who have held office for the longest time shall retire. A retiring Director is eligible for re-election.

## Scope of power and duties and responsibility of our Board :

- The Board shall perform its duties with due diligence and honesty in accordance with the law our business objectives, our Articles of Association and resolutions of our Board meetings and shareholders' meetings;
- The Board shall consider and approve the vision, business strategies, business direction business policy, targets, guidelines, operational plan and annual budget as prepared by the Executive Committee and Management;
- The Board shall oversee the performance of the Executive Committee, the Chief Executive Officer, the Management or any other persons assigned to perform such duties, and ensure that they conform with policies that have been set out by the Board;
- The Board shall continuously monitor our performance and operations and ensure that they are in line with our action plan and budget;
- The Board shall ensure that we adopt appropriate and efficient accounting systems, and have implemented internal control and audit systems;
- The Board shall prepare balance sheets and profit and loss statements on the last day of our financial period, and shall execute such financial statements prior to submitting them at the annual general meeting of shareholders for further approval;

- Prior to presenting the proposal to the annual general meeting of shareholders for approval, the Board is to consider the selection and nomination of auditors and to determine their remuneration as proposed by the Audit Committee;
- The Board shall implement a written corporate governance policy to ensure that the interests of each group of stakeholders is equally protected;
- In appointing Directors, the Board shall appoint persons who have the requisite qualifications and who are not prohibited characters as prescribed by the Public Limited Company Act B.E. 2535 (1992) (as amended), the Securities Act, and any relevant notifications, rules and/or regulations. The Board shall also determine the remuneration of the Directors as proposed by the Nomination and Remuneration Committee before further submitting the proposal to a shareholders' meeting for approval;
- The Board shall be responsible for the appointment of our sub-committee members, and shall prescribe the power and responsibilities of such sub-committees;
- The Board shall ensure that our authorized signatories are changed from time to time
- The Board shall appoint Executives in accordance with the definitions prescribed by the SEC or the Capital Market Supervisory Board. The Board shall also appoint the Company Secretary and determine the remuneration of our Executives;
- If necessary, the Board shall seek professional advice from third-party organizations to facilitate its decision-making; and
- The Board shall encourage our Directors and Executives to participate in seminars conducted by the Thai Institute of Directors.

However, the Board or its grantee shall not approve transactions in which the Board or its grantee or any person who may have any conflicts of interest (as defined in the notification of the SEC or the Capital Market Supervisory Board) or who may benefit in any manner which may give rise to a conflict of interest with the Company unless such transaction is consistent with our internal policies and criteria approved by our shareholders or the Board.

## Category of Directors :

The table below shows the category of Directors in 2020.

Name	Non-Executive Director	Independent Director	Executive Director
1. Mr. Pricha Attavipach			✓
2. Mr. Parphan Siriviriyakul			✓
3. Mr. Nathapun Siriviriyakul			✓
4. Mrs. Darat Vibhatalakasa			✓
5. Mr. Prasert Siriviriyakul			✓
6. Mr. Sirapak Siriviriyakul			✓
7. Mr. Sirivuthi Siamphakdee			✓
8. Mr. Apichart Noochprayoon			✓
9. Mr. Kunihiko Tahara			✓
10. Ms. Chua Eng Eng			✓
11. Mr. Krairit Nilkuha	✓	✓	
12. Mr. Sathaporn Kotheeranurak	✓	✓	
13. Acting Sub Lt. T-rayooth Changpetch	✓	✓	
14. Mr. Issakan Krivitthaya	✓	✓	
15. Mr. Phoosak Boonsalee	✓	✓	

## Evaluation of Board of Directors :

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Board and individual director at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2020 evaluation, the overall rating under each category is as follows:

Evaluation Category	Performance of Individual Directors	Board Performance
1. Board structure and qualifications of directors	4.23	4.36
2. Board meeting	4.25	4.33
3. Roles, duties and responsibilities of Board	4.32	4.36
4. Performance of duties of directors	-	4.36
5. Relationship with the management	-	4.39
6. Self-development of directors and executive development	-	4.16
<b>Average</b>	<b>4.28</b>	<b>4.33</b>

**Remark:** 1. Total score = 5

2. Performance evaluation of Individual Directors have only 3 category.

## Onboarding Program for New Directors :

The Company has arranged an onboarding program for new directors which covers the Company's business overview and the following topics:

- (1) Relevant regulatory framework (legal requirements, the Cabinet's resolution, rules and regulations)
- (2) Operations and activities
- (3) Major projects
- (4) Organizational development and business development
- (5) Corporate governance
- (6) Corporate social responsibility

As part of the onboarding program, new directors visit the Company's plants and operating sites, and are provided with information about the Company's Board of Directors and executives in support of their duty of governance in the following dimensions:

- (1) Vision, mission, values and purposes of the Company
- (2) Organizational development and business development
- (3) Profiles of directors and executives
- (4) Qualifications and remunerations of directors
- (5) Roles, duties and responsibilities of directors
- (6) Management structure
- (7) Company's profile
- (8) Corporate governance policy

## Training Programs for Board of Directors :

The Company has encouraged its directors to attend training courses and programs which are related to corporate governance principles, regulatory compliance, and governance roles and responsibilities of directors. The training courses and programs attended by the Company's directors are as shown below:

Name	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Finance for Non-Finance Director (FND)	Monitoring Fraud Risk Management (MFM)	Understanding the Fundamental of Financial Statements (UFS)	Board Matters and Trends (BMT)
Mr.Pricha Attavipach	DCP39/2004		ACP11/2006	FND8/2004			
Mr.Sirivuthi Siamphakdee		DAP54/2006					
Mr. Krairit Nilkuha		DAP53/2006	ACP24/2008			UFS 6/2006	
Mr.Parphan Siriviriyakul		DAP96/2012					
Mr.Nathapun Siriviriyakul		DAP96/2012					
Mrs. Darat Vibhatakalasa		DAP96/2012					
Mr. Prasert Siriviriyakul		DAP96/2012					
Mr. Apichart Noochprayoon		DAP96/2012					
Mr. Sathaporn Kotheeranurak		DAP35/2009	ACP13/2013				BMT 6/2018
Acting Sub Lt. T-rayooth Changpetch		DAP97/2012	ACP41/2012		MFM8/2012		
Mr.Issakan Krivithaya		DAP97/2012	ACP41/2012		MFM8/2012		
Mr. Phoonsak Boonsalee		DAP97/2012					
Mr. Kunihiko Tahara		DAP135/2017					

## Summary of changes in KTIS 's shareholding by Directors as of September 30, 2020 :

Shareholding below represents the aggregate number of shares held by spouse ,minor child and people under Section 258 of the SEC Act.B.E 2535

Name	Position	Shares held on	During 2020 Number of Shares (Shares)	Shares held on	Total Percentage of Voting Shares (%)	Remark
		Sep 30,2019	Increase / decrease	Sep 30,2020		
1. Mr. Pricha Attavipach	Chairman	6,024,100	128,700	6,152,800	0.158	
2. Mr. Parphan Siriviriyakul	Director	3,100	-	3,100	0.000	
3. Mr. Nathapun Siriviriyakul	Director	27,216,000	-	27,216,000	0.705	
*Spouse and Minor Children		10,000	-	10,000	0.000	
4. Mrs. Darat Vibhatakalasa	Director	12,349,900	-	12,349,900	0.320	
5. Mr. Prasert Siriviriyakul	Director	5,937,500	10,000	5,947,500	0.153	

Name	Position	Shares held on	During 2020 Number of Shares (Shares)	Shares held on	Total Percentage of Voting Shares (%)	Remark
		Sep 30,2019	Increase / decrease	Sep 30,2020		
*Spouse and Minor Children		5,832,000	-	5,832,000	0.150	
6. Mr. Sirapak Siriviriyakul	Director	190,698,000	-	190,698,000	4.940	
7. Mr. Sirivuthi Siamphakdee	Vice-Chairman	-	-	-	-	None
8. Mr. Phoosak Boonsalee	Independent Director	-	-	-	-	None
9. Mr. Apichart Noochprayoon	Director	500	-	500	0.000	
10. Mr. Kunihiko Tahara	Director	-	-	-	-	None
11. Ms. Chua Eng Eng	Director	21,544,000	-	21,544,000	0.558	
12. Mr. Krairit Nilkuha	Independent Director/Chairman of Audit Committee	-	-	-	-	
*Spouse and Minor Children		5,000	-	5,000	0.001	
13. Mr. Sathaporn Kotheeranurak	Independent Director/Chairman of Audit Committee	-	-	-	-	None
14. Acting Sub Lt. T-rayooth Changpetch	Independent Director/Chairman of Audit Committee	-	-	-	-	None
15. Mr. Issakan Krivithaya	Independent Director	-	-	-	-	None

## Committees

The Board of Directors appointed 4 sub-committees to control the Company's businesses as follows:

### (1) Audit Committee

As at September 30, 2020, Audit Committee consists of the following members:

Name	Position
1. Mr. Krairit Nilkuha	Chairman/Independent Director
2. Mr. Sathaporn Kotheeranurak	Member/Independent Director
3. Acting Sub Lt. T-rayooth Changpetch	Member/Independent Director

Mrs. Natthira Paisayom is the secretary of the Audit Committee.

**Remark:** Audit Committee no. 1-2 have sufficient knowledge and experience to verify the reliability of financial statement. The detail of experiences in verifying financial statement is according to the detail of each director (Attachment 1)



## Membership Term :

The term of membership of the chairman and members of the Audit Committee is three years from the date of their appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

## Scope of power and duties and responsibility of the Audit Committee :

- The Audit Committee shall ensure that our financial statements are complete and accurate;
- The Audit Committee shall ensure that we have implemented appropriate and efficient internal controls and audit systems, and that the Internal Audit Bureau is independent. It shall also be responsible for the approval of the appointment, transfer or termination of the Chief of the Internal Audit Bureau, or any other unit responsible for internal audit;
- The Audit Committee shall ensure that we comply with securities and exchange laws, regulations of the SET and laws relating to our business operations;
- The Audit Committee shall recruit and nominate an independent third-party as our auditor, determine the auditor's fees and hold at least one meeting per year with the auditor, without the participation of the management;
- The Audit Committee shall ensure that our connected transactions, or transactions that may result in conflicts of interest, are conducted in compliance with the law and rules of the SET, and shall ensure that such transactions are reasonable and in our best interests;
- The Audit Committee shall prepare an Audit Committee's report which will be disclosed in our annual report. The report must be signed by the chairman of the Audit Committee and shall contain the following details:
  - an opinion on the accuracy, completeness and reliability of our financial statements;
  - an opinion on the sufficiency of our audit control system;
  - an opinion on compliance with securities and exchange laws, regulations of the SET and the laws relating to our business;
  - an opinion on the suitability of the auditor;
  - an opinion on transactions which may result in conflicts of interest;
  - number of meetings held by the Audit Committee and the attendance record of each member of the Audit Committee;
  - comments or overall remarks obtained by the Audit Committee in relation to its performance under the Audit Committee Charter; and
  - other matters of which our shareholders and general investors should be informed;
- if the Audit Committee, in the course of their duties, finds or is suspicious of one of the following transactions or actions which has significantly affected our financial standing and operating results, the Audit Committee shall report such transaction or action to the Board such that the relevant rectifications can be made:
  - a transaction resulting in a conflict of interest;
  - fraud or any major irregularity or defect in our internal control system; or
  - a violation of securities and exchange laws, regulations of the SET and the laws relating to our business.

If the Board or Management fails to rectify the problem within the time specified, any member of the Audit Committee may make a report to the SEC or the SET; and

- The Audit Committee shall perform any other activities as designated by the Board with the Audit Committee's approval.

## Number of Meeting Attended :

The table below shows the attendance of the Audit Committee in 2020.

Name	2020
1. Mr. Krairit Nilkuha	5/5
2. Mr. Sathaporn Kotheeranurak	5/5
3. Acting Sub Lt. T-rayooth Changpetch	5/5

## (2) Nomination and Remuneration Committee

As at September 30, 2020, Nomination and Remuneration Committee consists of the following members:

Name	Position
1. Mr. Issakan Krivithaya	Chairman
2. Mrs. Darat Vibhatakalasa	Member
3. Mr. Phoonsak Boonsalee	Member

Mr. Poomrerk Wangpreedalertkul is the secretary of Nomination and Remuneration Committee .

## Membership Term :

The term of membership of the chairman and members of the Nomination and Remuneration Committee is three years from the date of their appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

## Scope of power and duties of the Nomination and Remuneration Committee :

- The Nomination and Remuneration Committee shall review our business organization and the qualifications of our Directors and Chief Executive Officer in accordance with our business requirements;
- The Nomination and Remuneration Committee shall nominate only persons whose qualifications are appropriate for holding office as Directors and our Chief Executive Officer, and shall set up transparent nomination criteria and procedures for such persons. The nominations shall be presented at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall implement procedures and rules to ensure that fair and reasonable remuneration, both in cash and in kind, will be granted to our Directors and the Chief Executive Officer. The Nomination and Remuneration Committee shall propose such remuneration at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall report to the Board on its performance and shall prepare a Nomination and Remuneration Committee's report which will be disclosed in our annual report. The report must be signed by the chairman of the Nomination and Remuneration Committee;

- The Nomination and Remuneration Committee shall conduct performance evaluations and prepare an evaluation report for the Board; and
- The Nomination and Remuneration Committee shall perform any other activities as designated by the Board.

## Number of Meeting Attended :

The table below shows the attendance of the Nomination and Remuneration Committee in 2020.

Name	2020
1. Mr. Issakan Krivitthaya	1/1
2. Mrs. Darat Vibhatakalasa	1/1
3. Mr. Phoonsak Boonsalee	1/1

## (3) Risk Management Committee

As at September 30, 2020, Risk Management Committee consists of the following members:

Name	Position
1. Acting Sub Lt. T-rayooth Changpetch	Chairman
2. Mr. Parphan Siriviriyakul	Member
3. Mr. Sirivuthi Siamphakdee	Member
4. Mr. Prasert Siriviriyakul	Member
5. Mr. Nathapun Siriviriyakul	Member
6. Mr. Issakan Krivitthaya	Member

Mr. Worrawit Klawwikorn is the secretary of the Risk Management Committee.

## Membership Term :

The term of membership of the chairman and members of the Risk Management Committee is three years from the date of their appointment. Any retiring member of the Risk Management Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

## Scope of power and duties of the Risk Management Committee :

- Before making management policy proposals to the Board for approval, the Risk Management Committee shall consider our risk management policies in light of changes in our business and circumstances;
- The Risk Management Committee shall determine business strategies in accordance with our risk management policies;
- The Risk Management Committee shall approve risk management indicators;
- The Risk Management Committee shall monitor management's compliance with our risk management policies and control the efficiency of risk management;

- The Risk Management Committee shall monitor the sufficiency of resources such as staff and systems for risk management;
- The Risk Management Committee shall implement risk management procedures and rules for evaluating significant transactions before such transactions are presented to the Board and relevant committees for approval;
- The Risk Management Committee shall monitor and report our risk status to the Board and the Audit Committee ;
- The Risk Management Committee shall integrate corporate governance, risk management and legal compliance in order to achieve integrity-driven operations;
- The Risk Management Committee shall set up a working team as may be appropriate; And
- The Risk Management Committee shall perform any other activities as designated by the Board.

## Number of Meeting Attended :

The table below shows the attendance of the Risk Management Committee in 2020.

Name	2020
1. Acting Sub Lt. T-rayooth Changpetch	4/4
2. Mr. Parphan Siriviriyakul	4/4
3. Mr. Sirivuthi Siamphakdee	4/4
4. Mr. Prasert Siriviriyakul	4/4
5. Mr. Nathapun Siriviriyakul	4/4
6. Mr. Issakan Krivithaya	4/4

## (4) Executive Committee

As at September 30, 2020, Executive Committee consists of the following members:

Name	Position
1. Mr. Nathapun Siriviriyakul	Chairman
2. Mr. Parphan Siriviriyakul	Member
3. Mrs. Darat Vibhatakalasa	Member
4. Mr. Prasert Siriviriyakul	Member
5. Mr. Sirapak Siriviriyakul	Member

Mr. Poomrerk Wangpreedalertkul is the secretary of the Executive Committee.

## Membership Term :

The term of membership of the chairman and members of the Executive Committee is three years from the date of their appointment. Any retiring member of the Executive Committee may be re-elected. In the event that there is a vacancy in a Director's office for reasons other than retirement, the Board shall elect a sufficiently qualified candidate as a member to ensure that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

## Scope of power and duties of the Executive Committee :

- The Executive Committee is responsible for managing our business in accordance with the objectives of our business operations, provided that management of our business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval;
- The Executive Committee shall prepare our vision, business strategies and direction, business policies, targets, guidelines, operational plans and our annual budget, and shall present the same to the Board for approval;
- The Executive Committee shall set up business policies and management authorization, shall approve our annual budget and comply with the business plan and strategy according to the policies and business model presented to the Board;
- The Executive Committee shall efficiently oversee and monitor our operations in accordance with our management policies and guidelines as approved by the Board;
- The Executive Committee shall approve matters or actions to be taken in the ordinary course of our business, so long as it is within the Board's approved budget, does not involve the incurring of liabilities or encumbrances exceeding Baht 1,000 million, and does not have a term of over five years (liabilities or encumbrances include project finance facilities granted to us);
- The Executive Committee shall have the power and authority to approve borrowing or lending transaction, including credit transactions with banks and companies in KTIS group, or obligations as a guarantor of affiliates, or payments and expenses required for the Company's operations in normal course of business.
- The Executive Committee shall have the power and authority to appoint the Company's employees at the level below Group CEO
- The Executive Committee shall make the following reports on our results of operations:
  - a quarterly report of our performance shall be submitted within the timeframe prescribed by the SET;
  - an auditor's report in respect of our financial statements, including our annual and quarterly financial statements, shall be submitted within the timeframe prescribed by the SET; and
  - other reports deemed appropriate by the Executive Committee;
- The Executive Committee shall perform any other activities as designated by the Board;

Nevertheless, the Executive Committee shall not have the power to approve any transactions in which members of the Executive Committee or any other person may have a conflict of interest (as defined in the notification of the SEC) with the Company. In such event, the Executive Committee must present the transaction to the Board and/or the shareholders for approval in accordance with the relevant articles, notifications and laws.

## Number of Meeting Attended :

The table below shows the attendance of the Executive Committee in 2020.

Name	2020
1. Mr. Nathapun Siriviriyakul	10/12
2. Mr. Parphan Siriviriyakul	12/12
3. Mrs. Darat Vibhatakalasa	10/12
4. Mr. Prasert Siriviriyakul	12/12
5. Mr. Sirapak Siriviriyakul	3/3 ( Date of appointment 1 July 2020)

## Evaluation of Committee :

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Audit Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2020 evaluation, the overall rating under each category is as follows:

Evaluation Category	Performance of Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
1. Board structure and qualifications of directors	5.00	4.81	4.48	4.20
2. Board meeting	4.89	4.83	4.61	4.27
3. Roles, duties and responsibilities of Board	4.95	4.61	4.53	4.23
<b>Average</b>	<b>4.95</b>	<b>4.75</b>	<b>4.54</b>	<b>4.02</b>

**Remark:** Total score = 5

## Executives

As at September 30, 2020, Executives, as defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities, consists of the following members:

**Remarks:** An executive means a Director, a manager or the next four executives succeeding the manager, a person holding an equivalent position to the fourth executive, including a person holding the position of manager or the equivalent in the accounting or finance departments.

Name	Position
1. Mr. Parphan Siriviriyakul	Chief Executive Officer – KTIS Group
2. Mr. Sirapak Siriviriyakul	Chief Financial Officer – KTIS Group
3. Mrs. Darat Vibhatakalasa	Deputy Chief Executive Officer – KTIS Group
4. Mr. Prasert Siriviriyakul	Deputy Chief Executive Officer – KTIS Group
5. Mr. Nathapun Siriviriyakul	Deputy Chief Executive Officer – KTIS Group
6. Mrs. Nomchit Akaramekin	Director – Accounting Department

## Scope of power and duties of the Chief Executive Officer – KTIS Group :

- The Chief Executive Officer – KTIS Group shall be responsible, overall, for our operations in accordance with our business objectives and the rules prescribed by the Board;
- The Chief Executive Officer – KTIS Group shall implement and comply with the business strategies and directions approved by the Board;
- The Chief Executive Officer – KTIS Group shall perform any activity designated by the Board and shall comply with policies prescribed by the Board;

- The Chief Executive Officer – KTIS Group shall introduce regulations, notifications and memorandums in accordance with our policies;
- The Chief Executive Officer – KTIS Group shall approve transactions taken in the ordinary course of our business, including transactions which do not bind any of our assets, and transactions which the Board has authorized the Chief Executive Officer – KTIS Group to approve;
- The Chief Executive Officer – KTIS Group shall monitor management and officers to ensure that they are in compliance with our internal policies and business directions prescribed by the Board;
- The Chief Executive Officer – KTIS Group shall review transactions affecting our rights and assets before referring proposals of such transactions to the Executive Committee or the Board for approval;
- The Chief Executive Officer – KTIS Group shall monitor all expenses relating to our ordinary business operations and ensure that they are in accordance with the Board's approved budget;
- The Chief Executive Officer – KTIS Group shall approve all investments in instruments and securities as approved by the Board;
- The Chief Executive Officer – KTIS Group shall approve investments in business expansion and co-investment with other operators and submit proposals of such matters to the Board for approval;
- The Chief Executive Officer – KTIS Group shall approve investment funds as prescribed in our annual budget or as approved by the Board;
- The Chief Executive Officer – KTIS Group shall monitor our employees and ensure that they are in compliance with our internal policies and regulations, including our corporate governance regulations;
- The Chief Executive Officer – KTIS Group shall take measures to enhance our employees' performance in order to improve our business performance;
- The Chief Executive Officer – KTIS Group shall appoint relevant advisors necessary for our business operations;
- Pursuant to the policies prescribed by the Board, the Chief Executive Officer – KTIS Group shall approve related party transactions conducted on an arm's length basis. Such transactions may involve trading at market prices, servicing with ordinary fees and the provision of credit on similar terms;
- The Chief Executive Officer – KTIS Group shall approve the appointment, transfer and termination of employees, and may also delegate any of his duties to such other persons as he deems fit; and
- The Chief Executive Officer – KTIS Group shall perform other activities as designated by the Board;

The Chief Executive Officer – KTIS Group shall not approve the following transactions:

- a related party transaction that is not in the ordinary course of our business;
- an acquisition or disposal of our material assets; and a transaction in which the Chief Executive Officer – KTIS Group, or any other person may have a conflict of interests with KTIS Group, except where the transaction is in the ordinary course of our business, is prescribed by our Board and shareholder approved policies and provisions, and is in compliance with the relevant SEC regulations.

## Evaluation of Chief Executive Officer– KTIS Group :

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Chief Executive Officer– KTIS Group at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2020 evaluation, the overall rating under each category is as follows:

Evaluation Category	CEO Group
1. Leadership	4.37
2. Strategy formulation	4.23
3. Strategy execution	4.35
4. Financial planning and performance	4.38
5. Relationship with Board of Directors	4.43
6. Relationship with external parties	4.40
7. Administration and employee relations	4.32
8. Product and service knowledge	4.47
<b>Average</b>	<b>4.36</b>

**Remark:** Total score = 5

## Company Secretary

In compliance with Article 89/1 and Article 89/2 of the SEC Act (No.4) of 2008, Board of Directors Meeting No.3/2019 of March 25, 2019, appointed Mr.Poomrerk Wangpreedalertkul as Company Secretary. The Company Secretary performs his duties under the laws in preparing and maintaining key corporate documents, namely the director registra, meeting notices, Board of Directors minutes of meeting, shareholders' minutes of meeting, Annual Report and Reports of Related Parties Transaction of Directors and Executives. He also takes action concerning the Board of Directors and shareholder's meetings. The Company Secretary attends key training courses helpful to his complete range of duties.

## Nomination of Directors and Executives

The Nomination and Remuneration Committee shall be responsible for recruiting, selecting and nominating persons with the appropriate qualifications to be presented to the Board and/or the shareholders for approval. Such persons shall have the qualifications prescribed under Section 68 of the Public Limited Company Act B.E. 2535 (1992) (as amended) and must not be of character prohibited under the notification of the SEC No. ThorChor. 24/2551 re: Prerequisites of Directors and Executives of Securities Issuer Companies (as amended). In appointing Directors and Executives, the candidate's knowledge, ability and work experience will also be taken into account.

The composition and appointment of the Board, Audit Committee, Corporate Governance Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee can be summarized as follows:

## Composition and appointment of the Board :

The Board shall consist of no less than five Directors. At least half of the Directors must be domiciled in Thailand. The Directors may or may not be shareholders.

In appointing Directors, the Nomination and Remuneration Committee shall be responsible for recruiting and selecting persons with the requisite knowledge, ability and experience related to our business. The appointment of new Directors shall be approved at a Board meeting and/or a shareholders' meeting. Pursuant to our Articles of Association, the election of Directors at a shareholders' meeting shall be in accordance with the following rules and procedures:

- each shareholder shall have one vote per share;
- each shareholder shall use all of his votes to elect one or several persons as a Director or Directors. However, he may not divide his votes among multiple candidates; and
- the persons who receive the most votes will be elected as Directors. The Chairman shall have a casting vote in the event that the election of two candidates who have equal votes will cause the number of Directors to be elected to exceed that prescribed in the meeting.

Any Director who desires to resign from office is required to submit a resignation letter. The resignation will be effective from the date the resignation letter is received.

Shareholders may, by passing a resolution by a majority consisting of three quarters or more of the total number of votes cast for and against such resolution at a shareholders' meeting, remove any Director from office prior to his retirement.

## Composition and Appointment of the Audit Committee :

The Audit Committee shall consist of at least three independent directors. At least one independent director of the Audit Committee must have sufficient knowledge and experience in accounting or finance to perform audits of our financial statements. Under the relevant Capital Market Supervisory Board's notifications, the Audit Committee/independent director:

- including related persons of such independent director, shall not hold shares exceeding one per cent of the total number of shares in KTIS, our parent company, subsidiaries, associates, major shareholders or controlling persons;
- must not:
  - have participated in management;
  - have been an employee, staff or advisor receiving a regular salary from us; and
  - have been a controlling person of KTIS, our parent company, subsidiaries, associates, subsidiary company in the same level, major shareholders or controlling persons;

unless the foregoing has ended not less than two years prior to the date of filing of an application with the Office of the Securities and Exchange Commission ("Office of the SEC") or if such independent director was a government official or government advisor of a unit which is our major shareholder or controlling person;

- must not be the father, mother, spouse, sibling or child (including his or her spouse) of a Director or an Executive (including prospective Executives), major shareholder or controlling person (including prospective controlling persons), whether such relationship is determined by blood relations or legal relations;

- must not:
  - have or used to have a business relationship with KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, in a manner which may interfere with his independent judgment;
  - be or used to be an indirect significant shareholder or controlling person of any person having a business relationship with KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons;

unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC.

- must not be or must not have been the auditor of KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, or a significant shareholder, controlling person or partner of an audit firm carrying out the audit of KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC;
- must not:
  - be or have been a professional service provider, including legal or financial advisor receiving fees exceeding Baht 2 million per annum from KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons;
  - be or have been a significant shareholder, controlling person or partner of such professional service provider;

unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC;

- must not be a director appointed to be a representative of Directors of KTIS, our major shareholder or shareholder who is a connected person of the major shareholder;
- must not undertake any business which is in competition with us;
- must not be
  - a significant partner in a partnership;
  - a Director participating in management;
  - an employee; or
  - an advisor;
    - receiving a regular salary from or holding shares in a proportion exceeding 1% of the total number of shares of another company which is in competition with us;
- must not have any other characteristics which may prevent him from expressing an independent opinion on our operations;
- must not being a Director assigned by the Board to make decisions on business operations of KTIS, our subsidiaries, associates, subsidiary company in the same level, major shareholders or our controlling persons; and
- must not being a director of listed subsidiaries.

## Composition and Appointment of the Executive Committee :

The Board selects Members of the Executive Committee from our Directors or key Executives. The Executive Committee shall report directly to the Board.



## Composition and Appointment of the Nomination and Remuneration Committee :

The members of the Nomination and Remuneration Committee are selected and appointed by the Board. At least one third of all the members of the Nomination and Remuneration Committee shall be independent directors.

The Nomination and Remuneration Committee shall report directly to the Board.

## Composition and Appointment of the Risk Management Committee :

The members of the Risk Management Committee are selected and appointed by the Board. At least two members of the Risk Management Committee shall be independent directors. The chairman should be an independent director.

The Risk Management Committee reports directly to the Board.

## Remuneration of the Board and Executives

### (1) Remuneration of the Board

Directors' remuneration are categorized into monthly remuneration and meeting allowance per meeting. Our shareholders determined the remuneration of Directors at the AGM Meeting held on January 31, 2020 to be as follows:

Committee		Remuneration per month	Attendance Fee per meeting
Board of Director	Chairman of the Board of Directors	50,000	50,000
	Director	25,000	25,000
Audit Committee	Chairman	-	60,000
	Member	-	30,000
Risk Management Committee	Chairman	-	40,000
	Member	-	20,000
Nomination and Remuneration Committee	Chairman	-	40,000
	Member	-	20,000

**Remark:** There are not any other benefit.

<sup>1</sup> Such business relationships include commercial transactions made in the ordinary course of business, renting or leasing of property, transactions in relation to assets or services, granting or receipt of financial support by receiving or giving loans, guarantees, providing assets as collateral and any other similar actions, which may result in us or a counterparty being subject to indebtedness amounting to an equivalent of 3% or more of our net tangible assets or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method of calculating the value of connected transactions specified in the notification of the Capital Market Supervisory Board governing rules on connected transactions. Such indebtedness shall include indebtedness incurred one year prior to the date in which the business relationship commences.

The below table shows the remuneration details of our Directors for the year 2019 and 2020.

Name of Director	Position 2020	2019						2020					
		Remuneration	BOD	Audit Committee	Nomination and Remuneration	Risk management	Total (baht)	Remuneration	BOD	Audit Committee	Nomination and Remuneration	Risk management	Total (baht)
1. Mr. Picha Attavipach	Chairman	600,000	300,000				900,000	600,000	200,000				800,000
2. Mr. Parphan Siriviryakul	Director	300,000	150,000			80,000	530,000	300,000	100,000			80,000	480,000
3. Mr. Nathapun Siriviryakul	Director	300,000	150,000			80,000	530,000	300,000	100,000			80,000	480,000
4. Mrs. Darat Vibhatakakasa	Director	300,000	150,000		20,000		470,000	300,000	100,000		20,000		420,000
5. Mr. Prasert Siriviryakul	Director	300,000	150,000			80,000	530,000	300,000	100,000			80,000	480,000
6. Mr. Sirapak Siriviryakul	Director	300,000	150,000				450,000	300,000	100,000				400,000
7. Mr. Sirivuthi Siamphakdee	Director	300,000	150,000			80,000	530,000	300,000	100,000			80,000	480,000
8. Mr. Apichart Noochprayoon	Director	300,000	150,000				450,000	300,000	100,000				400,000
9. Ms. Chua Eng Eng	Director	300,000	50,000				350,000	300,000	75,000				375,000
10. Mr. Sathapom Kotheeranurak	Independent Director	300,000	150,000	120,000			570,000	300,000	100,000	180,000			580,000
11. Acting Sub Lt. T-rayooth Changpetch	Independent Director	300,000	150,000	120,000		160,000	730,000	300,000	100,000	180,000		160,000	740,000
12. Mr. Issakan Krivithaya	Independent Director	300,000	150,000		40,000	80,000	570,000	300,000	100,000		40,000	80,000	520,000
13. Mr. Phoosak Boonsalee	Independent Director	300,000	125,000		20,000		445,000	300,000	100,000		20,000		420,000
14. Mr. Krairit Nilkuha	Independent Director	300,000	150,000	240,000			690,000	300,000	100,000	360,000			760,000
15. Mr. Kunitiko Tahara	Director	300,000	150,000				450,000	300,000	100,000				400,000
<b>Total</b>		<b>4,800,000</b>	<b>2,275,000</b>	<b>480,000</b>	<b>80,000</b>	<b>560,000</b>	<b>8,195,000</b>	<b>4,800,000</b>	<b>1,575,000</b>	<b>720,000</b>	<b>80,000</b>	<b>560,000</b>	<b>7,735,000</b>

## (2) Remuneration of the Executives

The table below represents the remuneration details of our Executives in 2018 ,2019 and 2020.

Type of Remuneration	Number (persons)	2018 (Baht)	2019 (Baht)	2020 (Baht)
Salary	6	22,521,141.00	30,125,412	28,878,993
Bonus	6	2,498,298.00	2,915,514	-
<b>Total</b>		<b>25,019,439.00</b>	<b>33,040,926</b>	<b>28,878,993</b>

**Remark:** 1. 6 executives are (1) Chief Executive Officer – KTIS Group (Group CEO) (2) Chief Financial Officer – KTIS Group (3-5) Deputy Chief Executive Officer – KTIS (6) Director - Accounting Department  
2. Since Mr. Sirivuthi Siemphakdi resigned from a position of Chief Financial Officer from 1st July 2020 onward. And, Mr. Sirapak Siriviriyakul has been appointed to such position. Therefore this information shows the compensation paid to such both persons as the Chief Financial Officer.

## (3) Other Remuneration

- Provident fund amount

The following table displays the details of the provident fund amount in 2018 ,2019 and 2020.

Type of Remuneration	Number (persons)	2018 (Baht)	2019 (Baht)	2020 (Baht)
Provident fund	6	501,809.67	672,968.52	688,663.6
<b>Total</b>		<b>501,809.67</b>	<b>672,968.52</b>	<b>688,663.6</b>

**Remark:** 1. 6 executives are (1) Chief Executive Officer – KTIS Group (Group CEO) (2) Chief Financial Officer – KTIS Group (3-5) Deputy Chief Executive Officer – KTIS (6) Director - Accounting Department  
2. Since Mr. Sirivuthi Siemphakdi resigned from a position of Chief Financial Officer from 1st July 2020 onward. And, Mr. Sirapak Siriviriyakul has been appointed to such position. Therefore this information shows the compensation paid to such both persons as the Chief Financial Officer.

## Personnel and Remuneration

The Company has a total of **3,103** employees and the remuneration expenses in 2020 amounted to Baht **946,337,289.62** which included expenses such as salary, overtime expenses, allowance, special bonus, special financial assistance, contribution to the Social Security Fund and contribution to the provident fund.

Company	2020				
	Service No. of Employee	Management No. of Employee	Head Office No. of Employee	Total	Total 2020 Personnel Expenses
Sugarcane and Sugar Business	2,675	99	145	2,919	<b>886,530,724.57</b>
Bio Business	152	12	20	184	<b>59,806,565.05</b>
<b>Total</b>	<b>2,827</b>	<b>111</b>	<b>165</b>	<b>3,103</b>	<b>946,337,289.62</b>

**Note** The information was only permanent employees of KTIS Group and did not include seasonal hiring employees and advisers.

None of the Company's employees is a union member. The Company believes that our employer - employee relationship is healthy and strong.

Moreover the company has complied all labor law and no significant labor dispute or strike has occurred within the last 3 financial years. The company does not acknowledge any remaining or coming labor dispute.

## People Development Policy

### Human Resource Development

The company understands and values the human resource development as a key to improving its performance. HRD program is designed to help the company to increase its enabling capabilities to increase productivity, to produce and deliver quality products and satisfy its customers, as well as to create a learning culture for the improvement of its organization, safely work, and corporate social responsibility and eco-friendly concerned.

The company aims to develop "quality and valued employees, committed to organizational culture and core values", as follows:

#### Organizational culture

1. Diligence
2. Innovation
3. Familiness
4. Corporate Governance
5. Knowledge Empowerment and Self Development
6. Sugarcane Farmer Support and Care
7. Corporate Social Responsibility

#### Core value

1. Knowledge and development :

The company emphasizes on continuous learning and development to elevate employees' knowledge and capability in order to adapt to changes and trend disruption, to increase their productivity and efficiency with safety consciousness, as well as to boost their creativity and be better able to think of innovative solutions for sustainable growth of the organization.

2. Teamwork spirit :

The company encourages its employees to develop systematic approaches, understand their roles and responsibilities, open-minded, reasonable, and respect each other, as well as be involved, dare to think, speak and make brave decisions, for workplace productivity and efficiency.

3. Intelligent and good people :

The company encourages its employees to enhance 7 quotients, namely IQ (Intelligence Quotient), EQ (Emotional Quotient), CQ (Creativity Quotient), MQ (Moral Quotient), PQ (Play Quotient), AQ (Adversity Quotient) and SQ (Social Quotient), which will highlight KTIS core value that "We are capable of thinking, getting things done, and learning as well as be a good person".

#### 4. Smart Goal and service mind :

S = Specific

M = Measurable

A = Attainable

R = Relevant

T = Timely

The company supports its employees to unlock their ambition, determination, and never give up attitude in overcoming challenges for work success. Moreover, the employees are encouraged to be highly reliable, responsible, service-minded and customer-orientated with positive human relationships to satisfy all stakeholders ranging from internal and external customers, cane farmers, suppliers and shareholders.

## Human Resource Development

KTIS has guidelines in Human Resource Development as follows:

### 1. Workforce Recruitment

1.1 Academic scholarships are awarded to children and youth including those of KTIS's employees and its contracted cane farmers'. Qualified scholars will be eligible for joining with KTIS after graduations.

1.2 Cooperative education programs are available for student interns and those qualified students will be eligible for joining with KTIS after graduations.

### 2. Training and development programs aim to enhance employees' skills and knowledge, which provided to all levels of employees, ranging from officer to management, and covers such topics as technical, general knowledge, management and leadership.

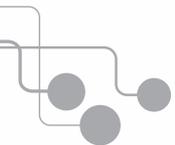
The programs include technical scholarships, on-the-job trainings, knowledge and experience sharing within teams, to make valuable human resources aligning with the organizational culture and core value.

Since Covid-19 pandemic, the company has focused on employees' health and safety. Preventive and control measures and social distance have been implemented. Although such implementation may hinder the training, but the company still encourage the training through electronic or online channels. Further Federation of Thailand Industry also provided some online training to the employees.

### 3. Innovation and work process improvement are encouraged to increase competitiveness, productivity, efficiency and safety in the workplace. The company therefore sets up innovative projects or work improvement plan, in which received greater involvement from employees.

The company has complied with the human resource development guidelines constantly and continuously, therefore has been awarded "outstanding business establishment in the promotion of skill development" from Department of skill development for 8 consecutive years.

In 2020, the company received additional fund from last year sponsored by Labor Skill Development Fund, since the company had organized skill development and training beyond minimum requirement. Between October 2019 to September 2020, the company arranged the total 155 courses of human resources training and development.



# Corporate Governance

The Company endeavors to manage its business by adhering to principles of good corporate governance, as it recognizes the benefit and importance of good corporate governance, which contributes to the management of work and business operations in a transparent manner and takes into consideration the best interests of the interested parties in all respects, as well as maintaining verifiability. In order to increase its competitiveness and the shareholders' equity in the long term, the Company has, therefore, established a corporate governance policy in writing which it will communicate to the directors, executives, and all levels of employees in the Company to sign and implement, the details of which are set out below.

## Rights of the Shareholders

### 1. Corporate governance policy with respect to the rights of the shareholders

The Company has established its corporate governance policy with respect to overseeing the rights of the shareholders in writing, whereby it places particular emphasis on ensuring that all shareholders have equal access to the Company's operating results, and that they take part in making various important decisions, as well as ascertaining that the shareholders' rights are protected, promoted and supported, and that the shareholders are not deprived of their rights. The Company's Corporate Governance Policy is as follows:

- 1) The Company has the duty to protect and respect the basic rights of the shareholders, which include the right to purchase, sell or transfer shares, the right to be allocated profits derived from business operations, the right to adequately receive news and information with respect to the business, the right to attend the shareholders' meeting in order to appoint or to remove directors from office, to appoint the Auditor, to allocate dividends, to determine or to make amendments to the Articles of Association or Memorandum of Association, to reduce or increase the capital, and to approve special transactions, etc.
- 2) The Company has a duty to promote and encourage the shareholders to exercise their rights with respect to various matters in the annual general meeting of shareholders, such as the right to propose agenda items to be included in the shareholders' meetings in advance, the right to nominate persons for election as directors in advance, the right to send questions to the meeting prior to the shareholders' meeting, and the right to express their opinions and to raise questions in the shareholders' meeting, etc.
- 3) The Company has a duty to refrain from undertaking any acts deemed to be a violation or limitation or deprivation of the rights of the shareholders to review the information which the Company is required to disclose in compliance with the various requirements and the right to attend the shareholders' meeting; for example, additional documents containing material information shall not be presented unannounced and meeting agenda items shall not be added or material information shall not be changed without prior notice being given to the shareholders.
- 4) The Company has a duty to facilitate the shareholders in exercising their rights, such as by providing updated material information via the Company website including to support and facilitate the shareholders to attend the general meetings of shareholders by selecting meeting venues of appropriate size to serve the shareholders and where the location is not an obstacle to attending the meetings, and is safe. The Company provides opportunities for the shareholders to submit registration documents for attending the meeting in advance of the meeting date in order to minimize the time for document verification on the meeting date. The Company provides registration channels at the meeting venue and also arranges for a barcode system for registration and vote counting to expedite the registration and vote computation process. To facilitate the shareholders, the Company provides stamp duty for the appointment of proxies.

### 2. Disclosure of Information regarding the Shareholders' Meeting

- 1) The Company's policy is to inform the shareholders of information regarding the date, time, location and agenda items for the shareholders' meetings, as well as all information relevant to the matters which will be voted on at the shareholders' meeting in advance, whereby the timeframe shall, as a minimum, be in compliance with that prescribed by the law with respect to each shareholders' meeting. The Company shall give the shareholders the opportunity to review the information prior to the date of

the shareholders' meeting by accessing the said information through the Company website. This is to allow the shareholders sufficient time to study the information relevant to the meeting prior to receiving documentary information from the Company and to provide various channels for shareholders to enquire about the details of the shareholders' meetings.

- 2) After the Shareholders' Meetings, the Company will compile the matters discussed thereat, comprising the details of the agenda items, meeting resolutions, and the voting procedure, as well as the questions and opinions of the shareholders, and incorporate them in the "Minutes to the Shareholders' Meeting". These meeting minutes shall then be published on the Company website within 14 days from the date of the meeting, which is in accordance with the rules prescribed by the Securities and Exchange Committee and the Stock Exchange of Thailand.

### 3. Conducting meetings

- 1) The Company's policy is to facilitate, to the fullest extent possible, the shareholders in exercising their rights to attend and to vote at the shareholders' meeting and will not undertake any acts that would restrict the shareholders' opportunity to attend such meeting in order to allow the shareholders to participate in making decisions regarding the matters which affect the rights and benefits available to them.
- 2) The Company will notify the shareholders of the rules, regulations and procedures for attending the shareholders' meeting in the invitation to the shareholders' meeting, as well as at the shareholders' meeting. The person chairing the meeting shall notify the shareholders attending the meeting of the rules and regulations for conducting the meeting as well as the voting procedures thereat, at which the procedure and the system will be transparent, convenient, fast, and efficient. The resolution result will be shown in a short period of time and the shareholders will know the result immediately. The notification shall be recorded in all minutes of the shareholders' meeting. In addition, the Company may give the shareholders the opportunity to submit questions relevant to the matters to be discussed at the shareholders' meeting prior to the date of the meeting as the Board of Directors deems appropriate.
- 3) The Company shall give the shareholders the opportunity to raise questions relevant to the meeting's agenda items or to the Company and to express their opinion, whereby the Chairman of the Board of Directors will ask the meeting regarding the questions or opinions with respect to each agenda item. All questions and comments of the shareholders with respect to the meeting agenda items or to the Company, as well as the clarifications given by the Board of Directors and/or the executives, shall be recorded in all minutes of the shareholders' meeting.
- 4) The Company gives importance to and respects the rights of the shareholders to convene the annual general shareholders' meeting and encourages all shareholders to attend such meeting.

## Equitable Treatment of Shareholders

The Company recognizes that all shareholders must be treated equally and has established the following important policies:

### 1. Proposing additional matters to be discussed at the shareholders' meeting

The Company's policy is to facilitate the minor shareholders in proposing additional meeting agenda items prior to the date of the shareholders' meeting. In this regard, all additional agenda items proposed for discussion at the meeting by the shareholders and consideration thereof shall be in accordance with the regulations prescribed by the Company.

The major shareholders who hold executive positions shall not add additional meeting agenda items without giving advance notice thereof unless in the case of necessity, particularly important agenda items which require the shareholders to take time to study the information before making a decision.

### 2. Nomination of candidates for directorship

The Company's policy is to facilitate its minor shareholders in nominating candidates for the position of directors. In this regard, all nominations by the shareholders and consideration thereof shall be in compliance with the regulations prescribed by the Company.

### **3. Encouraging shareholders to use the proxy form in the case that they are unable to attend the meeting in person**

The Company encourages the shareholders to use the Proxy Form, which allows the shareholders to indicate their vote. At least 1 independent director shall be nominated as their proxy, and instructions to complete the form and the background and personal information of each Independent Director for consideration will be provided. The Company will attach the aforementioned Proxy Form to the invitation to the meeting. Moreover, shareholders can download the proxy form from the website [www.ktisgroup.com](http://www.ktisgroup.com). Any proxy who submits a completed proxy form to the committee at the Shareholders' Meeting shall be allowed to attend the meeting and vote on behalf of the named shareholder.

### **4. Encouraging shareholders to use voting ballots**

The Company encourages the use of voting ballots for important meeting agenda items, such as the entering into connected transactions, acquisition or disposal of material assets, etc. in order to maintain transparency and verifiability in the event of disagreements at a later date.

### **5. Giving shareholders the opportunity to exercise the right to appoint individual directors**

The Company encourages the shareholders to exercise their right to appoint directors on an individual basis.

### **6. Preventive measures against the use of inside information to seek unlawful benefits**

The Company has established measures in its Code of Conduct to prevent its directors, executives and employees from unlawfully using inside information for their own benefit or that of others, for securities trading, conflicts of interest, and confidentiality. Such measures are stipulated in the Code of Conduct, organized in the form of training, and are disclosed on the Company website. Furthermore, the Corporate Secretary has also been assigned as the person responsible for conveying the regulations with respect to the disclosure of information and monitoring and ensuring that the Board of Directors and the executives report their securities holding in compliance with the law, including disclosing information regarding the interests of, and related transactions between, the directors and executives and requiring that all directors and executives who have the duty to report their interests, as provided by the law, notify the Company thereof.

### **7. Treatment of Foreign shareholders**

Every shareholder has the right to receive the information and documents, either in Thai or in English. Any document provided for foreigners shall be translated into English.

## **The Role of Interested parties**

### **1. Corporate governance policy regarding interested parties**

The Company recognizes and gives importance to the rights of all groups of interested parties and not only those which it is required to take into consideration in compliance with the law. In the previous year, the Company re-identified groups deemed as interested parties and established additional policies and measures for acting in the interests of the interested parties in line with its Corporate Governance Policy and Corporate Social Responsibility Policy, both of which have been adhered to. The interested parties of the Company can be categorized into 10 groups as follows:

- 1) **Employees and their families**
- 2) **Farmers**
- 3) **Customers and creditors**
- 4) **Shareholders or investors**
- 5) **Communities local to each Company place of business**
- 6) **Governmental organizations**

**7) Suppliers and Contractors****8) Academics****9) Educational institutions****10) Competitors**

In this regard, the Company has established policies and measures for acting in the interests of the interested parties as follows:

**Employees and their families**

- (1) The Company will compensate the employees properly and in line with the standard industry salary rate, including the welfare package pursuant to the relevant laws and provident fund based on the consideration of their work in a fair manner and in a way that is quantifiable under the regulations of the Company.
- (2) The Company aims to continuously promote and develop the skills, knowledge and abilities of its personnel, such as by means of organizing training sessions and seminars for its executives and employees in order to build their potential and the readiness of the organization to be a better quality Company.
- (3) The Company treats all of its employees fairly and equally, for example, with respect to employee evaluations, confidentiality regarding employment history, welfare, fundamental rights and the exercise of the various rights of the employees in addition to the rights stipulated by law. Such rights will be informed to employees on a regular basis.
- (4) The Company places emphasis on the rights of its employees and gives them the opportunity to file complaints in the event that they do not receive equitable treatment by means of various channels such as a comments box, or contacting the human resources department responsible for such matters.
- (5) The Company has a duty to ensure that the employment environment is safe, healthy, and effectively facilitates work. The Company has a policy on the matters relating to occupational health, safety, security and environment by specifying and promoting good health and the provision of a safe working environment, as well as security and relevant measures to prevent accidents and illness occurring at work for every employee.
- (6) The Company encourages policies to protect the environment, which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. In addition, the Board of Directors of the Company encourages employee education and training with regard to environmental matters. The program covers the Company's policy on environmental protection, energy consumption and emissions of air pollution, waste handling and recycling, as well as the working environment.

**Farmers**

- (1) The Company has a duty to build good relations and encourage cooperation with farmers in the long term based on the principles of honesty, reliability and mutual trust.
- (2) The Company supports the establishment of security with respect to the farming profession by acting in the interests of and giving importance to the farmers who are also contractual parties.
- (3) The Company continuously encourages farmers who are contractual parties to develop knowledge regarding farming by means of, for example, organizing an agricultural school training program, so that the farmers can apply the knowledge obtained therein to their profession in order to increase the efficiency of the product with a view to generating high returns from farming. The Company encourages the protection of the environment by supporting the use of more environmentally-friendly technologies, and building awareness of the impact on the environment and encouraging the efficient handling of waste such as utilizing the agricultural waste to the fullest extent possible.

**Customers and Creditors**

- (1) Customer Relations Policy
  - The Company has a duty to maintain good relations and to cooperate with customers in the long term, based on the principles of honesty, reliability and mutual trust.

- The Company has a duty to satisfy its customers to the extent possible by means of taking responsibility for, acting in the interests of and considering the issues and needs of the customers as its priority, whereby all executives and employees shall comply with the measures pursuant to this policy.
- The Company will perform work based on the principles of Ethics and will not solicit, receive or pay dishonest benefits to the customers and creditors.
  - The Company is committed to presenting and delivering products and services of high standard which meet the needs of the customers;
  - The Company strives to adhere to the various conditions as agreed upon with the customers to the best of its abilities.

(2) Creditor Relations Policy

- The Company has a duty to establish good relations with its creditors and to treat them based on the principles of honesty, reliability and mutual trust by providing information that are accurate, transparent, and accountable to creditors.
- The Company has a duty to be responsible for, pay attention, and give importance to the various promises and conditions as agreed upon with its creditors to the best of its abilities in repaying debts, loans, and interest and in pledging various collateral. In the case that the Company cannot perform the obligations under the agreements, The Company will inform creditors in advance to mutually find solutions to the problems.

**Shareholders or Investors**

- (1) See Section 1. Rights of the Shareholders

**Communities local to each Company place of business**

- (1) The Company and its employees are committed to behaving and conducting themselves as good citizens and in ways that benefit society and the community.
- (2) The Company has a duty to treat the communities local to each Company place of business amicably and to give assistance to and promote the livelihood of the communities, as well as to be responsible for remedying any situation arising as a consequence of the Company's business operations, in a fair and equitable manner.
- (3) The Company has a duty to oversee and support activities which are beneficial to society and to willingly cooperate with governmental and non-governmental organizations and to make sacrifices for the better good.

**Governmental Organizations**

- (1) The Company has a duty to act in compliance with all applicable and prescribed laws and rules.
- (2) The Company will promote the various activities of governmental organizations as is deemed appropriate.

**Suppliers and Contractors**

- (1) The Company has a duty to maintain good relations with all suppliers and contractors.
- (2) The Company has a duty to give all suppliers and contractors an equal opportunity to present their products/services, whereby the executives and employees related to the suppliers and contractors shall comply with the following measures. All executives and employees shall:
  - Treat the suppliers and contractors honestly and equitably;
  - All considerations and decisions shall be based on the comparison of quality and various conditions, while at the same time taking into account the interests of the Company, both in the short and long term, and the Procurement Manual must be strictly complied with in the following areas:
    - quality and services
    - pricing
    - delivery time
    - reliability
    - Company reputation and referred successful cases
    - records of business dealings of the Company
    - condition of transactions
    - other aspects as appropriate

### Academics

- (1) The Company gives academics the opportunity to learn the information, methods and work procedures of the Company, as well as the opportunity to exchange knowledge for academic purposes and for conducting various research studies which are beneficial to the Company.
- (2) The Company encourages the participation in studies in the use of technology for improving various work procedures, as well as studies for the purpose of developing innovations which would be beneficial to the development of the Company.

### Educational Institutions

- (1) The Company will promote knowledge-sharing regarding technology and the manufacturing process at educational institutions, whereby it will place particular emphasis on schools and educational institutions in communities local to each Company place of business as a priority.
- (2) The Company will promote the various activities of the educational institutions as is deemed appropriate.

### Competitors

- (1) The Company will not perform any act which would violate or contradict any competition law or may cause damage to the reputation of its competitors.

## 2. Measures for compensating interested parties in the event of damage arising from wrongful acts

### 1) Preventive measures against the use of inside information by the directors, executives and employees

The Company has established measures relating to the use of inside information which its directors, executives, and employees must comply with as follows:

- The Corporate Secretary has the duty to inform the directors and executives to report their securities holding, and that of their spouses, as well as their children who are minors in the Company, and to report any changes thereto pursuant to Section 59 and the terms of punishment pursuant to Section 275 of the Securities and Exchange Act B.E. 2535.
- The Company will advise its directors, executives and employees who are in possession of inside information against the disclosure of material information prior to the sale and purchase of Company shares, including the Company's financial statements, which will have an impact on the price of securities to be offered to the public, up to and including one month prior to the public disclosure, as failure to do so would be deemed a violation of the Securities and Exchange Act.

### 2) Preventive Measures against Conflicts of Interest of Executives and Employees

The Company has established measures to prevent its directors and executives from unlawfully using inside information for their own benefit or that of others in the Code of Conduct for its executives and employees as follows:

- Executives and employees shall not undertake acts with a view to either seeking benefits or misappropriating assets which are the property of the Company or of the customers of the Company, as their own or for others, which are deemed to be in conflict with the interests of the Company.
- Executives and employees should avoid situations or personal activities and gaining financial benefits which may be in conflict with the work duties by which they are bound and which have an impact on the protection of the Company's interests.
- The Company will avoid delegating duties and responsibilities to the executives and employees in the event that such acts may lead to situations that may be in conflict with the interests of the Company or that of the Company's customers.
- In the event that the executives and employees participate in external activities or hold external positions, such as that of directors, advisors, representatives, or employees in other organizations, the said activities or positions shall not be in conflict with the interests of the Company, whether directly or indirectly, and shall not cause the Company to suffer any damage, and shall not have any impact on the performance of their work duties.
- All executives and employees are prohibited from participating or holding positions in other organizations operating the same type of business as that operated by the Company or those deemed to be the Company's competitors, or those whose business may be in conflict with the interests of the Company.

In this regard, the Company shall be given a report on the interests regarding the entering into transactions with companies belonging to the directors, executives and employees on a regular basis. The Company's Internal Auditor has a duty to report information regarding various interests to the Audit Committee for its acknowledgment and consideration. The Audit Committee will then give the Board of Directors a report on the summary of information on various interests for its further acknowledgment and consideration, whereby the Internal Auditor will be responsible for monitoring the results on a regular basis.

Furthermore, the Company has established measures for compensating the interested parties in the event that they suffer damage as a consequence of the following violations:

- **Preventive measures against damage arising from violations against employees and their families**

The Company has established locations for receiving complaints and/or suggestions from employees as channels for employees who have been affected by the work operations to file complaints.

- **Preventive measures against damage arising from violations against customers and creditors**

The Company deals with customers in compliance with its customer relations policy and has established a customer service department as a center for receiving customer complaints in the event that customers encounter issues or require assistance.

In order to prevent against any damage arising from violations against the debtors and creditors, the Executives will consider the qualifications of all debtors and creditors prior to entering into transactions with a view to avoiding future problems, and in doing so, base their consideration on the principles of honesty and reliability.

- **Preventive measures against damage arising from violations against shareholders**

The Company undertakes steps to protect and oversee the basic rights of the shareholders, including the right to receive information, the right to attend shareholders' meetings, as well as to encourage the shareholders to exercise their rights beyond the provisions of law.

- **Preventive measures against damage arising from violations against local to communities of each Company place of business**

The Company has established measures to prevent damage arising from violations against the communities local to each of the Company place of business in line with its Corporate Social Responsibility Policy by building good relationships with the surrounding communities as well as giving them assistance and support with a view to promoting their livelihoods.

- **Preventive measures against damage arising from violations against government organizations**

The Company has established measures to prevent damage arising from non-compliance with the various applicable laws and regulations, whereby the Company's legal department will be responsible for monitoring the work performance of the departments of the Company on a regular basis in order to ensure their compliance with the law.

- **Preventive measures against damage arising from violations against suppliers and contractors**

The Company has established measures for preventing damage arising from violations against the suppliers and contractors, whereby the Company has a policy to build good relations with all of its suppliers and contractors and, furthermore, treats all suppliers and contractors equitably.

- **Preventive measures against damage arising from violations against academics**

The Company gives academics the opportunity to visit and observe the work process for providing services and also provides information on the methods and procedures pertaining to the provision of services for academic purposes. It also cooperates with the academics in studying and improving technologies to be used for providing services on a regular basis.

- **Preventive measures against damage arising from violations against educational institutions**

The Company cooperates with educational institutions by giving them the opportunity to visit its places of operation on-site and by organizing seminars to share technological knowledge and details relating to its service process. The Company also gives the educational institutions financial support for various activities on a regular basis.

### 3. Participation channels of interested parties

The Company has established numerous participation channels for interested parties as follows:

- (1) The Company has established a channel for receiving complaints and/or opinions and an additional channel via email, which will be sent to the Executives via **the Internal Audit Department**,  
**Tel. 02-692-0869-73 Ext. 183 Ext. 154**  
**E-mail : internalaudit@ktisgroup.com**
- (2) The Company gives its employees the opportunity to submit suggestions to the Board of Directors via the Company website under the Investor Relations section via **the Company Secretary Department**,  
**Tel. 02-692-0869-73 Ext. 175**  
**E-mail : cs@ktisgroup.com**
- (3) The Company has taken steps to ensure that its representatives visit the community in the areas neighboring the factories every year.

#### 4. Mechanisms for protecting Whistle-Blowers

- (1) The Company has established channels for filing reports or complaints regarding violations of the law or of the Code of Conduct, Financial Reports or deficiencies in the internal control system according to the channel in No. 3.3.
- (2) The Company has established measures for protecting employees who are Whistle-blowers, whereby:
  - The Whistle-Blowers can choose not to reveal themselves if they believe that the revelation would lead to lack of security or damage.
  - The Company will keep the information secret and safeguard the security of the Whistle-Blowers by setting up systems to protect the Whistle-Blowers who are employees, including those cooperating in investigation of the facts of such complaint such as work disturbance, transfer, dismissal of employment, and intimidation etc.
- (3) The Company has put in place procedures to be followed upon receiving reports from Whistle-Blowers, whereby the Internal Audit will first compile and summarize the issues and present them to the Internal Audit Committee for consideration and investigation of facts and evidence. If it is found that such information impacts on the Company, the issue shall then be proposed to the Board of Directors of the Company for further consideration.

## Disclosure of Information and Transparency

The Company has a policy to disclose information regarding the Company, including financial information and other information, in an accurate, complete, timely, and transparent manner, via easily-accessible channels, and in a fair and reliable manner.

### 1. Internal control and entering into transactions with potential conflicts of interest

- (1) The Company's policy is to prevent and eliminate any potential conflicts of interest by prescribing that all transactions with potential conflicts of interest be in compliance with the regulations and steps determined by the Company and all applicable laws.
- (2) The Company will undertake acts to ensure that its directors, executives, and/or major shareholders, as the case may be, do not operate businesses that are similar to or in competition with that of the Company, or that decrease the Company's competitiveness, or enter into related transactions whereby the other benefits resulting thereof may be in conflict with the best interests of the Company or its subsidiaries. The directors, executives and/or major shareholders of the Company, as the case may be, shall inform the Company if the directors, executives, and/or major shareholders hold shares in companies whose business operations are similar to those of the Company or its subsidiaries in order for the Company and the Audit Committee to consider whether or not such shareholding is in conflict with the best interests of the Company or its subsidiaries.
- (3) The Company also places emphasis on the importance of a good internal control system and has arranged for an Internal Audit Office to audit the performance of work in each field of work so as to prevent errors and to ascertain that work is performed in a transparent manner. Auditing is completed periodically and reports thereof are submitted to the Audit Committee for consideration.

## 2. Disclosure of Information

The Company discloses information in compliance with the relevant laws or regulations via the Stock Exchange of Thailand and the Company website under the Section entitled “Investor Relations”. The Company has delegated the Investor Relations and Corporate Communications Department to be responsible for the disclosure of information as well as for regularly updating information, and acting as the representative in communicating information, news and updates on activities to the Company and the investors, analysts, and general public. Please contact the Investor Relations and Corporate Communications Department, Tel 02-692-0869-73 Ext. 193 Ext, 26, E-mail : ir@ktisgroup.com

Activity	Time/Year
Opportunity Day	2
Company Visit	1
Contact Us by Email	13
Factory Visit	13

## 3. Disclosure of the Corporate Governance Policy

The Company has disclosed its approved Corporate Governance Policy, as well as the results with respect to compliance with the aforementioned Policy via various channels such as the Annual Report and the Company website.

## 4. Report on the responsibilities of the Board of Directors with respect to the Financial Report

The Company requires that there be a report on the responsibilities of the Board of Directors with respect to the financial report, which shall be presented alongside the auditor’s report in the annual report. The contents thereof shall verify compliance with accounting principles and the financial report shall consist of accurate, complete and actual information in accordance with accounting standards. The aforementioned reports shall bear the signatures of the Chairman of the Board of Directors and the Managing Director.

## 5. Disclosure of the Roles and Duties of the Board of Directors and Subcommittees

The Company has disclosed the roles and duties of the Board of Directors and Subcommittees, the number of meetings held and the number of times each Board member attends meetings in the previous year, as well as the comments in relation to the performance of their duties in the Annual Report.

## 6. Disclosure of possession of the Company’s shares

The Company requires that Directors report their purchase-sale of / possession of shares in the Company to the Board of Directors.

## 7. The monitoring of the subsidiaries and associates’ operation

The Company has implemented the monitoring measures on the operation of its subsidiaries and associates by the nomination of directors of such subsidiaries and associates to utmost reflect the ratio of share holding in such companies. The implementation also includes the policy of company legal binding signatures’ conditions that at least 1 director nominated by the Company must provide the signature to be legal binding upon the subsidiaries and associates

The Company also determined that the subsidiaries and associates’ operation and turnover must be periodically reported the Company’s executive committee. The Company also encourages its subsidiaries and associates to implement the Company’s corporate governance framework.

### **The shareholders agreement between the Company and other shareholders for the management of the subsidiaries and associates**

Currently, the Company holds shares of GGC KTIS Bio Industrial Co., Ltd. (GKBI) through its subsidiaries named KTIS Bio Ethanol Co., Ltd. (KTBE) for the portion of 50% of all issued shares. So GKBI is an associate of the Company.



KTBE also entered into shareholder agreement between GGC Bio Chemical Co., Ltd. (GGC Bio) who is also a shareholder of GKBI for the portion of 50% of all issued shares. CCG Bio is a subsidiary of Global Green Chemical PLC. (GGC). The summary of shareholder agreement of GKBI between KTBE and GGC is as follows:

- GGC Bio shall study, research the marketing plan and support the marketing of GKBI, shall support the research and development of GKBI ethanol production, shall assign its personnel to participate in GKBI construction project.
- KTBE shall support the procurement of and plan for the procurement of GKBI's raw material, shall support the research and development of cane breeding, shall provide utility to GKBI, shall assign its personnel to participate in GKBI construction project.
- GKBI's board of directors composes of 7 directors. 3 directors are nominated by KTBE and 3 directors are nominated by GGC Bio. 1 independent director shall be nominated by mutual agreement of both shareholders, and the independent director shall be the chairman of the board.
- The general resolution of the board of directors shall get an approval at least 50% of directors attending the quorum. The special resolution of the board of directors shall composes get an approval at least from 2 directors nominated by KTBE and from 2 directors nominated by GGC Bio.
- The general resolution of the shareholder meeting shall get an approval from shareholder at least 51% of all issued shares. The special resolution of shareholder meeting shall get an approval from shareholder at least % of all issued shares.

## Responsibilities of the Board of Directors of the Company

The Company recognizes the importance of selecting directors who demonstrate leadership, are visionaries, and who have experience, knowledge and ability and demonstrate independence in making decisions in the best interests of the Company and the shareholders overall. The Company also recognizes the importance of clearly separating the roles and duties of the Board of Directors and the Management and overseeing the work system to ensure that its various activities are in compliance with the laws and ethical standards.

The Company has established its corporate governance policy while taking into consideration various factors including the responsibilities of the directors, whereby the important policies relevant to this matter are as follows:

### 1. Structure of the Board of Directors

- (1) The Company values transparency and verifiability in its work operations, and, therefore, the Chairman of the Board of Directors is not the person holding the position of the Chief Executive Officer or the President. The Board of Directors of the Company has, furthermore, approved the definition of the independent director in line with the criteria and definitions prescribed by the Securities and Exchange Committee.
- (2) The Company has prescribed formal procedures for selecting directors, and in doing so, it adheres to principles of transparency and is free of influences by the Management or shareholders with authority. That is to say, the Nomination and Remuneration Committee shall be responsible for recruiting persons to hold directorship positions and shall consider and select appropriate candidates based on their educational background, ability, work experience etc., whereby such persons shall also be qualified and shall not possess the prohibited characteristics as prescribed by the law as well as to be in line with the business strategy of the company. Candidates shall be selected in line with the duties and responsibilities of the position of a director of the Company and/or a director who is a member of various subcommittees who will be recruited from experts in various specialized fields or Professional Search Firms or Directors Pools or similar organizations. Upon having selected the appropriate candidates for directorship, the names of the said candidates shall be proposed to the Board of Directors for further consideration and appointment as directors.
- (3) The Company requires that the names of the members of the Board of Directors and Subcommittees be disclosed, whereby details relating to each director's name, position, age, educational background, shareholding proportion and relationship with the executives are disclosed via various channels, including the Annual Report and the Company website.
- (4) The directors of the Company shall hold their positions for a term of three years. Any retiring director may be re-appointed by the meeting of shareholders.

- (5) The Board of Directors of the Company shall consist of a minimum of three independent directors, being an aggregate of not less than one-third of the total number of directors. The independent directors of the Company shall be qualified and shall not have the prohibited characteristics determined by the Board of Directors, and such requirements shall not be less stringent than those prescribed by the Capital Market Supervisory Board and the Stock Exchange of Thailand.
- (6) The Company will appoint a Corporate Secretary to perform the various duties prescribed by the law as well as those delegated by the Board of Directors of the Company.

## 2. Leadership and Vision

- (1) The Board of Directors shall demonstrate leadership, and shall be visionary, implementing Company strategy, goals and policy in managing the business plan, and annual budget of the Company and be independent in making decisions in the best interests of the Company and the shareholders overall. The Company has, therefore, clearly separated the roles and duties of the Board of Directors and those of the Management, whereby the Management shall be responsible for obtaining various information required for consideration while the Board of Directors shall have the duty to make decisions on such matters accordingly.
- (2) The Company hopes that its business will be stable and successful in the long term, and has therefore coordinated with the Management to consider, review and establish a vision and mission that corresponds to the changing environment, as well as the targets in the Business Plan and Financial Statement in the previous year, while taking into consideration the maximum increase in economic value and long-term stability of the Company and its shareholders. The Board of Directors shall also have the duty to oversee and monitor the administration of the Management to ensure that they are in line with the Business Plan in an efficient and effective manner.
- (3) The Board of Directors shall monitor the management to ensure that the management takes the Company strategy into consideration in management meetings and conforms to the strategies set out. The management reports to the Board of Directors 4 times per year.
- (4) The Board of Directors of the Company encourages corporate governance practices within the organization. The Board of Directors are, therefore, leaders in establishing guidelines for good corporate governance, the Code of Conduct, measures and steps for approving related transactions with related companies or persons with potential conflicts of interest, and in clearly separating the scope of authority of the shareholders from that of the Board of Directors and the scope of authority of the Board of Directors from that of the Executives, and the various Subcommittees, so as to create a balance of power and ensure mutual verifiability in an independent manner.

## 3. Conflicts of Interest

- (1) The Company will consider related transactions which may cause potential conflicts of interest between the shareholders, directors and the Management with due care, honesty, reason and independence within the framework of good ethics. The Company will also fully disclose all information while considering the overall best interests of the Company as a priority and will strictly comply with the rules and procedures provided in the notifications, orders or regulations of the Stock Exchange of Thailand. The Audit Committee will give its opinion as is necessary and appropriate given that particular related transaction.
- (2) The Company has established measures and steps for approving related transactions with related companies or persons who have potential conflicts of interest, whereby persons with direct and indirect conflicts of interest shall be prohibited from considering the approval of the said transactions, and the Audit Committee shall participate in considering and giving its opinion as is necessary and appropriate for the best interest of the Company. Information pertaining to the related transactions shall be disclosed in the remarks to the financial statement in line with generally accepted accounting standards in the Annual Report.

## 4. Business Ethics

- (1) The Company has established a Code of Conduct for use by all executives and employees as a guideline for performing their work, and to which they shall adhere strictly and at all times. The said Code of Conduct includes issues regarding honest business practices, fair and equitable treatment of interested parties, prevention of wrongful acts against interested parties, conflicts of interest, confidentiality, and misuse of information, as well as bribery, gifts, and rewards. The Company has assigned the Internal Audit Department to monitor and conduct investigations in relation to compliance with such Code of Conduct.

- (2) The Company will monitor and oversee its business operations and the performance of work duties by the directors, Management, and employees, and adhere to the principles of virtue and ethics in addition to the rules and regulations of the Company and applicable laws.
- (3) The Company's policy requires that its directors, executives and employees avoid or refrain from selling and purchasing securities of the Company within a period of one month prior to the disclosure of material information to the general public which may have an impact on the price of the securities of the Company, such as financial information.

## 5. Joining or separating positions to create a balance of power with respect to work management

The Company has clearly defined and separated the scope of authority and responsibilities of the Board of Directors, the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, as well as the Chief Executive Officer. The Company also requires that Chairman of the Board of Directors is not the person holding the position of the Chief Executive Officer or the President and that he/she has is not related to the Management in order to prevent an executive from having unlimited power and to be able to audit and establish a balance for work management.

## 6. Subcommittees

The Board of Directors of the Company has arranged for the appointment of Subcommittees to assist the Board of Directors in studying relevant details and monitoring and overseeing the performance of work, as well as to screen the matters to which they have been assigned. The scope of authority and responsibilities of the said Subcommittees have been clearly defined.

## 7. Roles, Duties and Responsibilities of the Chairman of the Directors of KTIS Group

- (1) The Chairman of the Directors summons the yearly Board of Directors meeting, and monitors the distribution of invitation letters, including any accompanying documents for the Board of Directors to obtain adequate information in timely manner.
- (2) The Chairman of the Directors takes the position of the Chairman of the meeting and encourages the Directors to perform in accordance with the laws and regulations.
- (3) The Chairman of the Directors allows directors to express their opinions and considerations, and makes decision with thorough consideration and with honesty and integrity.
- (4) The Chairman of the Directors shall receive reports from the management and subcommittees to follow up on the operation and progress of work of the Company in the Board of Directors' meeting.
- (5) The Chairman of the Directors encourages and sets up standards to monitor the corporate governance of the Board of Directors.
- (6) The Chairman of the Directors takes the position of the chairman of the shareholders' meeting and ensures that the meeting is in compliance with the articles of association and meeting agenda.
- (7) The Chairman of the Directors encourages the Directors and shareholders to communicate efficiently.
- (8) The arrangement of report from the company's management and sub-committee to be presented in the board of directors meeting, for the purpose of the monitor of the company's operation and the progress of business.

## 8. Roles, Duties and Responsibilities of the Board of Directors of KTIS Group

- (1) The Board of Directors shall define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.
- (2) The Board of Directors shall ensure that the company's annual and medium-term (for example, 3-5 years) objectives, goals, strategies, and plans correlate and align with the company's long-term objective, while considering the business environment, opportunities, and the company's risk appetite. The board shall ensure that the company's medium-term objectives, goals, strategies, and plans are annually reviewed and updated as appropriate.
- (3) When developing strategies and plans, the Board of Directors shall promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.

- (4) The Board of Directors has a duty to consider and approve material issues with respect to the operation of the business, as well as to oversee that the Management operates the business in line with the prescribed policies and plans, including the budget, in an efficient and effective manner.
- (5) With respect to the Board of Directors having established a Corporate Governance Policy in writing and given its approval thereof as previously mentioned; the Board of Directors revises the said Corporate Governance Policy at least once a year.
- (6) The Board of Directors has issued a Code of Conduct in writing and distributed the same to the directors, executives and new employees. The Board of Directors has, furthermore, revised the various guidelines for conduct with respect to the directors, executives and existing employees in order to understand the moral standards which the Company applies in operating its business, whereby the Board of Directors of KTIS group has assigned the Internal Audit Department to closely monitor compliance with the said Code of Conduct.
- (7) The Board of Directors has exercised due prudence in considering conflicts of interest, as well as connected transactions with potential conflicts of interest with those of the Company whereby the interests of the shareholders are deemed as the priority. Notwithstanding this, the material connected transactions have to be approved by the Board of Directors.
- (8) The Board of Directors has put in place a system for controlling financial reporting and compliance with the various rules and regulations, whereby an Internal Audit agency shall be responsible for such duties. The said duties must be independent of the performance of other work and such system shall be revised at least once per year.
- (9) The Board of Directors and the Audit Committee have a duty to jointly consider the annual and quarterly financial statements and financial information in the Annual Report and to jointly evaluate the adequacy of the internal control system of the Company for disclosure to the investors.
- (10) The Board of Directors and the Risk Management Committee have a duty to jointly consider and determine the Risk Management Policy to be applied throughout the organization, whereby the Management has been assigned to oversee compliance with the said policy and to report relevant issues to the Board of Directors and/or Risk Management Committee on a regular basis. The Board of Directors will ensure that the system is reviewed or that the effectiveness of the risk management is evaluated at least once per year and in the event that there are changes to the risk level, and will also give importance to early warning signs and unusual transactions.
- (11) The Board of Directors has a policy to encourage the Directors to develop their knowledge by specifying that, annually, at least 1 director has to take a course or seminar activity which increases their knowledge regarding the position of director of the Company.
- (12) The Board of Directors consider the effectiveness of directors and has a policy that the number of director positions directors can hold simultaneously in other companies but should not exceed five listed companies
- (13) For businesses that the company has or plans to hold a significant investment in (such as between 20 percent and 50 percent of shares with voting rights), other than subsidiaries, the Board of Directors shall ensure that shareholder agreements or other agreements are in place to enable the company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is to ensure that the company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards
- (14) The Board of Directors shall prioritize and promote a corporate culture that embraces innovation and ensure management's inclusion of innovation in corporate strategy, operational development planning, and operation monitoring.
- (15) The Board of Directors shall nurture innovation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with partners.
- (16) The Board of Directors shall establish a framework for governance of enterprise IT that is aligned with the company's business need and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives by allocating adequate and optimal investment in IT resources. And also ensures IT security policies and procedures are in place.

- (17) In assessing the effectiveness of the company's internal controls and risk management, the Board of Directors shall consider the results of internal controls and risk management at its subsidiaries and businesses in which it has a significant investment (between 20 percent to 50 percent of shares with voting rights).

## 9. Authorization of the Board of Directors

- (1) Appoint, remove, and/or delegate authority to a consultant of the Board of Directors of the Company and other subcommittees
- (2) Arrange for consultation with the expert or the consultant of the Company (if any) or an outsourced expert if necessary at the expense of the Company
- (3) Approve policies or principles, and assign them to the management to implement in accordance with the agenda efficiency and effectively
- (4) Approve the investment in fixed assets, equity instruments, debt instruments, investments or joint ventures in new projects in amounts that exceed the authorization power of the executive committee and laws
- (5) Approve debt write-offs from the account according to the conditions specified by the Company
- (6) Approve the business plan and the annual budget of the Company
- (7) Approve share repurchase of not over 10% of the paid up capital or according to the laws Specified
- (8) Approve financial transactions which exceed the authorization power of the management
- (9) Approve the disposal of the fixed assets of the Company in amounts which exceed the authorization power of the executive committee and according to the laws.
- (10) Approve financial transactions which exceed the authorization power of the executive Committee
- (11) Approval on appointment of person(s) who will be director(s) casting the vote(s) in subsidiaries whereby such person(s) who will be appointed as director(s) shall do any act for the best interest of the subsidiaries (not the Company). The Company has specified that the appointed person(s) shall cast the vote in the subsidiaries in accordance with the approval of the Board of Directors of the Company on material matter(s) which is required the resolution of the Board of Directors of the Company if such matter(s) is done by the Company. The appointment of person(s) to be director(s) of subsidiaries on behalf of the Company shall be done in proportion to the Company's shareholding in the subsidiaries. The person(s) appointed as director(s) in subsidiaries shall procure the subsidiaries to have their Articles of Association contained information regarding the related parties transaction, acquisition and disposition of assets, or other material transaction in compliance with the Company regulations for the disclosure of mentioned transactions, including keeping information and accounting records so that they could be verifiable by the Company and prepare the financial statements in time.

## 10. Board of Directors' Meeting

- (1) The Board of Directors will convene a Board of Directors' Meeting at least five times per year and such meetings shall be conducted in accordance with the Company's Articles of Association, the Public Limited Companies Act B.E. 2535, and the rules and regulations prescribed by the Stock Exchange of Thailand. The Chairman of the Board of Directors, in acting as the Chairman of the Meeting, will encourage the exercise of discretion in a prudent manner and will allow sufficient time for the Executives to propose matters for consideration, as well as for the directors to carefully discuss the material issues. The Chairman will also arrange for the minutes of each meeting to be recorded in order to ensure verifiability by the directors and relevant persons. The directors have a duty to attend all Board of Directors' Meetings unless in the case of special circumstances. The Directors who will receive direct or indirect benefits have no right to vote and shall leave the meeting during that particular agenda item.
- (2) The minimum quorum at the time that the Board of Directors votes is two-thirds of the total number of Directors.
- (3) The Company requires that the Management prepare and submit a report on the operating results to the Board of Directors for acknowledgment on a regular basis in order for the Board of Directors to be able to continuously and promptly supervise, control and oversee the performance of work by the Management. The Company shall issue the minutes of the meeting in written form and retain an original copy of the invitation letter and accompanying document in electronic files in order for them to be convenient for directors and relevant persons to examine.

- (4) The Chairman of the Board of Directors shall convene the Board of Directors' Meeting and shall consider and determine the meeting agenda items, whereby he/she may consult with the Managing Director, Corporate Secretary or Company Advisor in doing so. Each director has the right to propose matters to be included in the agenda of the Board of Directors' Meeting.
- (5) The Board of Directors may invite the Executives, employees, or Advisor(s) of the Company to attend the Board of Directors' Meeting to give additional information on the matters discussed thereat.
- (6) The secretary of the Board of Directors shall, prior to the date of the Board of Directors' Meeting in the following year, prepare a schedule for the meetings for the coming year in order for the Board of Directors to be informed thereof in advance and so that they can plan ahead and allocate time for attending the said meetings accordingly.
- (7) In determining the number of Board of Directors' Meetings, consideration shall be given to their appropriateness based on the duties and responsibilities of the Board of Directors. The Corporate Secretary will prepare an agenda for the annual general meeting specifying the matters to be considered at each meeting so that the Board of Directors is informed of the various details to be considered thereat in advance.
- (8) In each of the Board of Directors' meetings, the company secretary will distribute the meeting documents to the Directors to consider before the meeting, pursuant to the relevant laws, prepare documents and disclosures relevant to the meeting and distribute them to the Directors at least 5 working days before the meeting.
- (9) All Board of Directors' Meetings shall be strictly in compliance with the Company's Articles of Association and the Public Limited Companies Act B.E. 2535. All directors shall be given equal opportunity to discuss the material issues and the Secretary of the Board of Directors shall attend the meetings and record the minutes thereof including the various questions and suggestions of the directors to ensure that the matters discussed can be monitored and verified by the directors and relevant persons.
- (10) The Chairman of the Board of Directors shall be responsible for allocating adequate time for presenting the information provided by the Management and for all of the directors to discuss the material issues with due prudence. The Chairman of the Board of Directors shall encourage the directors attending the meeting to exercise their discretion in a prudent manner and ask the meeting whether or not there are any further questions or disparate opinions with respect to each agenda item being considered.
- (11) The Board of Directors' policy requires that the directors who are not Executives meet amongst themselves as necessary in order to discuss the various management issues at hand. Members of the Management shall not attend the said meetings and the Managing Director shall be informed of the meeting results.
- (12) The Board of Directors has a policy for the Company Secretary to set the schedule for the annual Board of Directors' meetings in advance for the Directors to perform their duties efficiently.

## 11. Self-Evaluation of the Board of Directors

- (1) There is annual self-evaluation of the Board of Directors as a whole to acknowledge their efficiency in working together and development in the following areas:
  - Qualifications of the Directors
  - Roles, duties and responsibilities of the Directors
  - Board of Directors' meetings
  - Performance of the Directors
  - Relationship with the management
  - Self-development of the Directors and development of executives
- (2) Process of self-assessment of the Board of Director as a group
  - The Board of Directors considers the self-assessment form of the Board of Directors as a group to be accurate in accordance with specified regulations.
  - The Company Secretary summarizes the self-assessment of the Directors as a group and reports to the Board of Directors for their consideration.
- (3) There is an annual self-assessment of the individual members of the Board of Directors to consider their performance and their position as a Director of the Company in order to improve their performance in the following areas:

- Qualifications of the Director
  - Board of Directors' Meetings
  - Roles, duties and responsibilities of the Director
- (4) Process of self-assessment of the individual members of the Board of Director is as follows;
- The Board of Directors considers the self-assessment form of the individual members of the Board of Directors to be accurate in accordance with the specified regulations.
  - The Company Secretary summarizes the self-assessment forms of the individual members of the Board of Directors and reports to the Board of Directors for their consideration.
- (5) There is an annual self-assessment of the subcommittees as groups, namely the audit committee, nomination and remuneration committee, executive committee, and risk management committee, to acknowledge the performance of working together and in order to improve themselves in the following areas:
- Qualifications of the Directors
  - Board of Directors' Meetings
  - Roles, duties and responsibilities of the Directors
- (6) Process of self-assessment of the subcommittee as a group is as follows;
- The subcommittee considers the self-assessment form of the subcommittee as a group to be accurate in accordance with the specified regulations.
  - The Secretary of each committee summarizes the self-assessment of the subcommittee as a group and reports to the subcommittee for their consideration.
  - The Company Secretary reports the results of the self-assessment of the subcommittees to the Board of Directors.

## 12. Remuneration of directors and executives

- (1) The Board of Directors of the Company shall consider and determine the remuneration of the directors and shall propose the same to the meeting of shareholders for approval. In this regard, in determining the directors' remuneration, the Board of Directors shall compare the standards pertaining to the payment of remuneration in companies in the same industry and shall give consideration thereof based on fair standards. Consideration shall be given to the experience, obligations and duties, scope of the role, as well as accountability and responsibility, including the benefits which the Company would receive from each director. The directors who have been delegated additional duties and responsibilities should receive higher remuneration as appropriate. For example, a director who is a member of the Audit Committee may receive a higher rate of remuneration for his role in the Audit Committee.
- (2) The remuneration of the Chief Executive Officer and Executives shall be in accordance with the principles and policies determined by the Board of Directors, whereby consideration shall be given to the best interests of the Company. The determination of salaries, bonuses and incentives in the long term shall be in line with the performance of the Company as well as that of each individual executive.
- (3) All the Directors who are not executive directors will assess the performance of the Chief Executive Officer of the groups of the Company annually in order to use such assessment in the remuneration consideration of the Chief Executive Officer of the groups of the Company by applying the standards agreed with the Chief Executive Officer of the groups of the Company according to the main criteria. This includes the results of the financial operations, the results of their implementation in accordance with the Company's strategic objectives in the long term, and the development of the executives. Notwithstanding the above, such directors who are not executive directors shall propose the results of Managing Director's assessment to the Board of Directors to consider.

## 13. The Subcommittee Members: duties and responsibilities

The Board of Directors shall appoint members of the subcommittee from the Board members to serve on the committee to perform special duties. The subcommittee members will be assigned from the current Board of Directors to set up 4 committees; Executive Committee, Audit Committee, Nomination and Remuneration Committee and Risk Management Committee.

## 1) Executive Committee

The term of membership of the chairman and members of the Executive Committee is three years from the date of their appointment. Any retiring member of the Executive Committee may be re-elected. In the event that there is a vacancy in a Director's office for reasons other than retirement, the Board shall elect a sufficiently qualified candidate as a member to ensure that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

### • Scope of power, duties and responsibilities of the Executive Committee

- The Executive Committee is responsible for managing our business in accordance with the objectives of our business operations, provided that management of our business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval;
- The Executive Committee shall prepare our vision, business strategies and direction, business policies, targets, guidelines, operational plans and our annual budget, and shall present the same to the Board for approval;
- The Executive Committee shall set up business policies and management authorization, shall approve our annual budget and comply with the business plan and strategy according to the policies and business model presented to the Board;
- The Executive Committee shall efficiently oversee and monitor our operations in accordance with our management policies and guidelines as approved by the Board;
- The Executive Committee shall approve matters or actions to be taken in the ordinary course of our business, so long as it is within the Board's approved budget, does not involve the incurring of liabilities or encumbrances exceeding Baht 1,000 million, and does not have a term of over five years (liabilities or encumbrances include project finance facilities granted to us);
- The Executive Committee has an authority to approve the lending, the loan, the credit from financial institution and from affiliated company, include the guarantee of subsidiaries or the payment or the spending of money for the company's normal business transactions.
- The Executive Committee has an authority to appoint, demote the company's staff whose position is lower than the group's chief executive officer.
- The Executive Committee shall make the following reports on our results of operations:
  - (1) A quarterly report of our performance shall be submitted within the timeframe prescribed by the SET;
  - (2) An auditor's report in respect of our financial statements, including our annual and quarterly financial statements, shall be submitted within the timeframe prescribed by the SET; and
  - (3) Other reports deemed appropriate by the Executive Committee;
- The Executive Committee shall perform any other activities as designated by the Board;

Nevertheless, the Executive Committee shall not have the power to approve any transactions in which members of the Executive Committee or any other person may have a conflict of interest (as defined in the notification of the SEC) with the Company. In such event, the Executive Committee must present the transaction to the Board and/or the shareholders for approval in accordance with the relevant articles, notifications and laws.

## 2) Audit Committee

The term of Directorship of the chairman and members of the Audit Committee is three years from the date of their appointment. Any retiring member of the Audit Committee may be re-elected. Where a Director's office in the Audit Committee is vacated by reason other than retirement, the Board shall elect a sufficiently qualified candidate to ensure that the requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time as the vacating Director was entitled to remain in office.

### • Scope of power, duties and responsibility of the Audit Committee

- The Audit Committee shall ensure that our financial statements are complete and accurate;
- The Audit Committee shall ensure that we have implemented appropriate and efficient internal controls and audit systems, and that the Internal Audit Bureau is independent. It shall also be responsible for the approval of the appointment, transfer or termination of the Chief of the Internal Audit Bureau, or any other unit responsible for internal audit;
- The Audit Committee shall ensure that we comply with securities and exchange laws, regulations of the SET and laws relating to our business operations;
- The Audit Committee shall recruit and nominate an independent third-party as our auditor, determine the auditor's fees and hold at least one meeting per year with the auditor, without the participation of the management;

- The Audit Committee shall ensure that our connected transactions, or transactions that may result in conflicts of interest, are conducted in compliance with the law and rules of the SET, and shall ensure that such transactions are reasonable and in our best interests;
- The report of the Audit Committee disclosed in the annual report of the Company will be signed by the Chairman of the Audit Committee and will consist of the following information:
  - (1) The opinion regarding the accuracy, completeness, and credibility of the financial statements.
  - (2) The opinion regarding the adequacy of the internal control of the Company.
  - (3) The opinion regarding the compliance of the Securities Act, regulations of the Stock Exchange of Thailand or the laws related to the business of the Company.
  - (4) The opinion regarding the appropriateness of the auditor.
  - (5) The opinion regarding the conflicts of interest.
  - (6) The number of meetings of the Audit Committee and the attendance of each auditor thereat.
  - (7) The opinion or the general remarks arising from the Audit Committee's compliance with the charter of the Audit Committee.
  - (8) Other transactions that the shareholders and investors should be informed about regarding the duties and responsibilities of the Board of Directors.
- if the Audit Committee, in the course of their duties, finds or is suspicious of one of the following transactions or actions which has significantly affected our financial standing and operating results, the Audit Committee shall report such transaction or action to the Board such that the relevant rectifications can be made:
  - (1) A transaction resulting in a conflict of interest;
  - (2) Fraud or any major irregularity or defect in our internal control system; or
  - (3) A violation of securities and exchange laws, regulations of the SET and the laws relating to our business.

If the Board or Management fails to rectify the problem within the time specified, any member of the Audit Committee may make a report to the SEC or the SET; and

- The Audit Committee shall perform any other activities as designated by the Board with the Audit Committee's approval.

### 3) The Nomination and Remuneration Committee

The term of membership of the chairman and members of the Nomination and Remuneration Committee is three years from the date of their appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

#### • Scope of power, duties and responsibilities of the Nomination and Remuneration Committee

- The Nomination and Remuneration Committee shall review our business organization and the qualifications of our Directors and Chief Executive Officer in accordance with our business requirements;
- The Nomination and Remuneration Committee shall nominate only persons whose qualifications are appropriate for holding office as Directors and our Chief Executive Officer, and shall set up transparent nomination criteria and procedures for such persons. The nominations shall be presented at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall implement procedures and rules to ensure that fair and reasonable remuneration, both in cash and in kind, will be granted to our Directors and the Chief Executive Officer. The Nomination and Remuneration Committee shall propose such remuneration at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall report to the Board on its performance and shall prepare a Nomination and Remuneration Committee's report which will be disclosed in our annual report. The report must be signed by the chairman of the Nomination and Remuneration Committee;
- The Nomination and Remuneration Committee shall conduct performance evaluations and prepare an evaluation report for the Board; and
- The Nomination and Remuneration Committee shall perform any other activities as designated by the Board.

#### 4) Risk Management Committee

The term of membership of the chairman and members of the Risk Management Committee is three years from the date of their appointment. Any retiring member of the Risk Management Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

- **Scope of power, duties and responsibilities of the Risk Management Committee**

- Before making management policy proposals to the Board for approval, the Risk Management Committee shall consider our risk management policies in light of changes in our business and circumstances;
- The Risk Management Committee shall determine business strategies in accordance with our risk management policies;
- The Risk Management Committee shall approve risk management indicators;
- The Risk Management Committee shall monitor management's compliance with our risk management policies and control the efficiency of risk management;
- The Risk Management Committee shall monitor the sufficiency of resources such as staff and systems for risk management;
- The Risk Management Committee shall implement risk management procedures and rules for evaluating significant transactions before such transactions are presented to the Board and relevant committees for approval;
- The Risk Management Committee shall monitor and report our risk status to the Board and the Audit Committee ;
- The Risk Management Committee shall integrate corporate governance, risk management and legal compliance in order to achieve integrity-driven operations;
- The Risk Management Committee shall set up a working team as may be appropriate; and
- The Risk Management Committee shall perform any other activities as designated by the Board.

## 14. Professional Development of Directors and Executives

- (1) The Company promotes and facilitates training for professional development and with a view to training all relevant directors, including directors who are members of numerous Subcommittees, so as to continuously improve work operations.
- (2) The Corporate Secretary shall arrange for the preparation of a manual for the directors as well as the determination of rules relevant to the disclosure of information, background, securities holding proportion, changes to securities holding etc., which shall be submitted in the event of changes to the directors. The Corporate Secretary will, furthermore, invite the new directors to visit the Company's factory with a view to introducing them to the nature of the business as well as to the guidelines for business operations.
- (3) The Company requires that the Chief Executive Officer prepare a report on the plans for the development and succession of work which the Chief Executive Officer and Managing Director have prepared in the event that they are unable to perform such work themselves. The Company has put in place a structure for developing the Executives, whereby the Chief Executive Officer is assigned to give an annual report on the acts undertaken during the year, which will then be considered in conjunction with the plan for work succession.

## 15. Corporate Social Responsibility Policy

### 1) Fair Business Operations

The Company places emphasis on conducting its business within the framework of fair and honest competition in compliance with the relevant laws and regulations, and has established the following practice guidelines. The Company shall:

- Encourage its employees to recognize the importance of compliance with competition laws and the principles of fair competition;
- Support various public policies which promote fair competition; and
- Undertake acts in a manner which is compliant with competition laws and requirements, as well as cooperate with government officials

### 2) Anti-corruption

The Company endeavors to conduct its business in a transparent manner, while adhering to principles of good corporate governance and taking into consideration the interests of the interested parties in all respects. It has established anti-corruption guidelines and also supports activities which promote and encourage the executives and employees to comply with the applicable laws and regulations, whereby the practice guidelines are as follows:

- The Company must instill right practices, values and perspectives within its employees to comply with the rules and regulations in an honest manner;
- The Company shall undertake steps to ensure that its internal control system is efficient, and that the reviewing thereof and the balance of power is appropriate;
- All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be soliciting or accepting assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner;
- All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be the offering of assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner.

### **3) The Process for assessing the risk from corruption**

- The internal audit and the risk management department recommend continuously monitoring and examining the accounts annually in accordance with the opinion of the Audit Committee and reporting material issues and suggestions to the Audit Committee.
- The risk management department is responsible for continuous testing and risk assessment of corruption in order to implement anti-corruption measures effectively. These measures have to be reviewed regularly and the assessment results have to be reported to the Risk Management Committee and also to the Board of Directors regularly
- If it is found that the Company operations do not comply with the anti-corruption policy, the Audit Committee will report this to the Board of Directors to improve within the appropriate timeline.

### **4) Respecting human rights and fair treatment towards labor**

The Company's policy is to supervise and treat all employees fairly, whereby the Company shall not discriminate against individuals on the basis of similarities or differences in race, religion, sex, age or any other characteristics. Furthermore, the Company has a policy to strictly comply with the labor protection laws.

### **5) Community or social development**

The Company recognizes the importance of taking part in corporate social responsibility and has, therefore, continuously organized projects to help and develop society, and primarily focuses on donating funds and promoting education, supporting religion, and helping and attending community activities on occasions.

### **6) Environmental conservation**

- The Company gives importance to the potential impacts of the manufacturing processes on the environment and its policy is to strictly comply with the applicable rules, regulations and standards with respect to the environment. In addition, the Company plans to promote ideas for making use of waste produced during the manufacturing process in order to increase their value.
- The Company has a policy to educate and train employees in environment matters annually so that every level of employee understands the impact of pollution in all aspects and to teach good management policies to reduce cost, expense and environmental problems for the sustainable growth of the Company.

### **7) Innovations and the diffusion of innovations obtained from work operations involving responsibility towards society, the environment and interested parties**

The Company aims to support sugar cane farmers with a view to encouraging their progress and stability alongside the Company. The Company has therefore continuously organized research projects for furthering the potential of the sugar cane farmers.

### **8) Non violation of Intellectual Property Rights or Copyrights of others**

The Company has a policy of non-violation of Intellectual Property Rights or Copyrights, such as non-violation of computer crime laws, complying with copyrights of software in both work or in non-work related issues and complying with Intellectual Property Rights, Copyright law and related laws and regulations.

## Supervising the use of Internal Information

We have implemented the following policy prohibiting Directors and Executives from using internal, non-public information for personal benefit and for securities trading:

- (1) We informed our Directors, Executives and employees holding managerial positions, including their equivalent or higher in the accounting and finance departments, of their obligation to prepare and submit reports containing information on securities in their possession, including securities in the possession of their spouse and children, to the Office of the SEC pursuant to Section 59 of the Securities Act. They have also been informed of the corresponding penalties set out in Section 275 of the Securities Act.
- (2) Our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, are to prepare and submit reports containing information on securities in their possession, including securities in the possession of their spouse and child, to the Company Secretary. The report shall be prepared and submitted within thirty days of the date of appointment of the Director or Executive. Any change in possession of securities is to be reported within three working days from the date of the purchase, sale, transfer or receipt of securities.
- (3) We require our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments and relevant operators who have access to internal information which may materially affect our share price, to abstain from trading in our securities for a specified period before our financial statements or our status our financial condition is disclosed, or until such information has been disclosed to the public. We will issue a notification in writing to our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, at least thirty days prior to the disclosure of such information to the public. Such material information shall also not be disclosed to any third party.
- (4) Should there be a breach of the abovementioned rules, the disciplinary sanctions imposed may vary from a written reprimand to wage reduction, suspension of work or termination of employment. The severity of the sanction imposed shall be determined based on whether the breach was intentional and the severity of the misconduct.

## Remuneration for the External Audit

### 1) Audit Fee

The Company and its subsidiaries have paid audit fees as follows:

- The Company's external audit (Miss Vilailak Laohasrisakul) in the last year total 0 baht.
- The audit company (EY Office Ltd.) person and businesses related to the external auditor and the audit company in the last year.

No.	The Company and its subsidiaries	2018	2019	2020
1	Kaset Thai International Sugar Corporation Pcl. (KTIS)	1,240,000	1,290,000	1,290,000
2	Thai Identity Sugar Factory Co., Ltd.(TIS)	430,000	520,000	550,000
3	Environment Pulp and Paper Co., Ltd.(EPPCO)	250,000	360,000	360,000
4	KTIS Bioethanol Co.,Ltd. (KTBE)	340,000	390,000	390,000
5	Kaset Thai Bio Power Co., Ltd. (KTBP)	250,000	250,000	290,000
6	Thaiekaluck Power Co., Ltd.(TEP)	150,000	250,000	290,000
7	Ruampol Bio Power Co., Ltd.(RPBP)	150,000	250,000	290,000

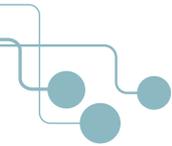
No.	The Company and its subsidiaries	2018	2019	2020
8	Permsinpattana Co., Ltd.(PSP)	35,000	35,000	35,000
9	Sapsirikaset Co., Ltd.(SSK)	47,000	47,000	50,000
10	Environment Pulp and Packaging Co., Ltd.(EPAC)	35,000	35,000	65,000
11	KTIS Bio Natural Co., Ltd.(KTBN)	35,000	35,000	35,000
12	Environment Pulp and Straw Co., Ltd.(EPAS)	35,000	35,000	35,000
13	KTIS Bio Energy Co., Ltd.(KBE)	35,000	35,000	35,000
14	KTIS Biogas Power Co., Ltd.(KBGP)	35,000	35,000	35,000
15	Kasetthai Wiwat Co., Ltd.( KTW)	100,000	100,000	100,000
16	KTIS Research and Development Co.,Ltd (KTIS R&D)	38,000	38,000	90,000
17	KTIS Bio Fertiliser Co.,Ltd (KTBF)	45,000	50,000	110,000
<b>Total</b>		<b>3,250,000</b>	<b>3,755,000</b>	<b>4,050,000</b>

## 2) Non-audit fee

No.	The Company and its subsidiaries .	2019			2020		
		Non-audit service	Remuneration for other services (Baht)		Non-audit service	Remuneration for other services (Baht)	
			The paid during the fiscal year.	The paid in the future.		The paid during the fiscal year.	The paid in the future.
1	Kaset Thai Bio Power Co., Ltd. (KTBP)	Review BOI (in Baht)	57,500	-	Review BOI (in Baht)	62,500	-
2	Thai Ekarak Power Co.,Ltd (TEP)	"	57,500	-	"	62,500	-
3	Thai Ekarak Power Co.,Ltd (TEP)	"	57,500	-	"	62,500	-
<b>Total</b>			<b>150,000</b>	<b>-</b>	<b>"</b>	<b>187,500</b>	<b>-</b>

## Corporate Governance Code : CG Code

The Board of Directors reviewed and acknowledged CG Code in the Board Meeting No. 3/2020 dated May 15, 2020 and recognized the roles and duties of the governing body in creating sustainable value for the Company and overview evaluation of CG Code which some practices had been added in the Company CG Policy as well as considered the explanation, assessment and summary of the unimplemented items of CG Code in details from the Company Secretary.



# Corporate Social Responsibility

More than 5 decades of integrated sugar business, KTIS group has consistently applied the good corporate governance policy and the corporate social responsibility (CSR) based on the stakeholders' benefits. The Company, as a community member, pays attention to the environmental surroundings of local communities by caring, engaging and creating shared value between business, community, society and good environment so that they can grow steadily, consistently and sustainably.

## KTIS's Zero Waste Management

KTIS group has applied CSR in its production processes (in-process CSR) and adopted the principle of zero waste management for all production processes by recognizing the value of resources and utilizing them at best. Also giving priority to the eco-friendly process, recycling wastes to be more valuable by-products which will optimize existing resources at most benefits and raise the price of agricultural crops as well.

KTIS group's in-process CSR activities start from the development of the sugarcane quality, sharing the knowledge of successful sugarcane management to the contracted farmers through programs such as the cane farmers' school program, the village's fresh cane program (green and no fire village), the village's rich soil program, the village temple school and sugar factory project and the integrated sugarcane farming educational park etc. These programs are designed to train the farmers about organic farming, chemical-free approaches, use of parasitic wasps for biological pest control, harvesting techniques, the benefits of fresh cane harvesting over burnt cane harvesting, ratoon maintenance for multiple cropping, trash tillage to enrich the soil and reduce the need for fertilizers. Moreover KTIS set up "The Next Gen Cane Farmer" Project to encourage the next generation cane farmers to succeed their families' cane farming business, as well as to help absorb unemployed labors suffering from COVID-19 outbreaks to work in agricultural sectors in their hometown.



Demonstration of sugarcane planting by Shute Planter



Agricultural machinery demonstration at sugarcane field



Agricultural machinery demonstration at sugarcane field



Agricultural machinery demonstration and sugarcane breeding Lesson at Sustainable and Integrated Cane Farming Education Park

KTIS group has also modified the advanced sugarcane farming techniques called “5 step plan+2” and agricultural machineries from Australia and applied to be suitable for Thai terrain and climate such as sonic planters machinery, shute planter machinery, cultivating and fertilizer feeding machinery (CRB, MPI), cane harvesting machinery etc. Contracted farmers are encouraged to use these agricultural machines to reduce costs, increase productivity and solve labor shortage problem.

For the water source development, the movable dripping irrigation system has been developed by KTIS group to improve the efficiency of crop water management. The device has hose that can be reeled and moved to different areas of the cane field. Moreover, solar water pumps are developed and used for sugarcane farm irrigation, which help reduce fuel costs significantly. In 2017 KTIS group cooperated with the government sector and cane farmers in The Groundwater Drilling Project in order to service the sustainable and concrete solutions as drought management to provide cane farmers with sufficient water for personal and agriculture usage throughout the year. Such irrigation system will utilize water at most.

Having worked to continuously improve the three pillars of sustainability: economic, social and environmental viability, in 2019 KTIS group therefore became the first SET-listed company with certified Bonsucro Certification, which is the standard used to demonstrate sustainability in the production of sugarcane and its derived products. Alongside the Bonsucro standard, KTIS group additionally achieved all requirements and has become a partner with VIVE with the VIVE CLAIM LEVEL AWARD, which is a global voluntary, continuous improvement sustainability program for ingredient supply chains, covering all operations and activities for producers through to end users including such stakeholders as community, investors, customers, suppliers, employees, cane farmers and shareholders, that have a bearing on sustainability.



**KTIS with Bonsucro Certification  
and VIVE CLAIM LEVEL AWARD**



**KTIS with Bonsucro Certification  
and VIVE CLAIM LEVEL AWARD**

The Company continues to develop innovations that enhance its work processes for valuable contribution to the society and satisfy the needs of every customer segment. Last year KTIS group started producing the Japanese-standard liquid sucrose and super refined sugar production to serve the food and beverage industry and other clients for premium-grade sugar.

Molasses is one of the by-products from the sugar production and can be processed into ethanol which has multiple usages. Energy ethanol is blended with petrol to produce gasohol which is an alternative clean energy, reduces pollution, and decrease carbon emission which is a major cause of global warming. Industrial-grade ethanol is used as a cosmetic and pharmaceutical ingredient. Molasses is also used in the food industry as a raw material for the production of dark soy sauce, monosodium glutamate, animal feeds, etc.

Bagasse is another by-product from the sugar production process and can be used as a material for producing bleached pulp (100% bagasse) which is environmentally friendly and can save up to 32 million trees from being cut each year. As no chlorine (which causes cancer) is used in the pulp bleaching process, the Company's bleached bagasse pulp is the first pulp in Thailand that received the ISO 22000, “GMP” and “HACCP” food safety accreditations. Food containers (molded pulp) which are made of the bleached pulp (100% bagasse) are disposable and eco-friendly and are alternatives to foam containers. Bagasse is extracted into cellulose powder which is an

ingredient for foods such as fiber cookies, healthy sausages and healthy ice cream. In 2020, KTIS group announces a new product launch, namely bagasse straws with surpass the most stringent waters soak test, contain none of heavy chemicals, they are, therefore, 100% food safety and also compostable and biodegradable in 45 days. These bagasse straws are indeed environmental friendly, in conformity with our CSR approach of “KTIS saves the world: Lovely Earth, Lively Community”.

Bagasse can also be used as fuel in biomass power plants to generate steam and electricity for the sugar plants and other factories of KTIS group. Excess electricity is sold to the Provincial Electricity Authority (PEA) and the Electricity Generating Authority of Thailand (EGAT) and thus is passed on to the people in provincial areas, helping them to have stable electricity in their household and for better standard of living. Besides, the biomass power which uses bagasse as feedstock is considered clean energy and can help reduce carbon emission.

Vinasse is a kind of waste derived from the ethanol production process. To optimize the resource utilization, vinasse is used in the production of biogas which is a fuel for ethanol plants.

Filter cake, sludge and vinasse, which are waste from the production process, contain valuable organic matters and can be converted into soil conditioner that is free of soil-degrading chemical residues and help improve the soil quality and the crop productivity. Through this cycle, the waste is utilized and the value is returned to cane farmers.

To cope with the challenges of globalization, KTIS group aims at the research and development of new technologies and innovations and continuously applies these advancements into our business processes as well as shares these knowledge through various channels to enhance sugarcane farmers' skills and competencies, according to Government policy of Thailand Industry 4.0 in the development of innovation and technology to benefit all parties in order to improve the efficiency and effectiveness of the production process, reduce costs and wastes, increase cane yield of contracted farmers. Thus, the business organization and community will be able to live together happily, prosperously and sustainably.

In addition, KTIS group adopts a policy for achieving inclusive and sustainable development, aligning with Government's BCG economic model as a path towards its ambitious goal of income security and employment support for local farmers and workers. With Bioeconomy (B: Bioeconomy), KTIS group applies technology to further enhance the market values of agribusiness products and embracing the Circular Economy model (C: Circular Economy) in our KTIS group's factories, which focuses on the greatest use of resources along with the zero waste business model. To promote Green Economy concept (G: Green Economy), KTIS group launches campaigns including chemicals reduction, organic farming that uses ecologically based pest controls as well as cutting of fresh sugarcane and incentivizes through priority queues for fresh cane, loans with a low interest rate for cane farmers to buy the harvesters, KTIS group's sugarcane harvesters services, etc.



**KTIS signed MOU to join the BCG model to achieve Thailand's stability, prosperity, and sustainability**

## KTIS's Research and development

In 2016, KTIS group established a subsidiary named KTIS Research and Development Co., Ltd. (KTRD) to support KTIS's businesses, and its growth aspirations, efficiency and sustainability. Since the year of establishment, KTRD has signed 10 Memorandum of Understanding (MoU) with 10 leading research and development institutions, specifically King Mongkut's University of Technology Thonburi, Chiang Mai University, Naresuan University, Thailand Institute of Scientific and Technological Research (TISTR), Khon Kaen University, Kasetsart University, Global Green Chemicals Public Company Limited, PTT Public Company Limited, and Thammasat University, with which conducted 6 research and development projects in 2020. The projects including practical implementation of ratoon cutting machine project, microorganisms and extracts for effective control of *Matsumuratettix hiroglypticus* causing sugarcane white leaf disease project, research and development project regarding sugarcane drought tolerance enhancement by growth-promoting bacteria to prevent sugarcane white leaf disease, etc, are conducted in collaboration with such institutions as King Mongkut's University of Technology North Bangkok, , Naresuan University, Thammasat University, Mahidol University and Agricultural Research and Development Center, etc.

## COVID-19: Business Response and New Normal

The wake of COVID-19 pandemic since late 2018 until now has left the world with such great impact in many perspectives including economic, social and health crisis of unprecedented proportions. The impact of the staggered lockdown on economic activity with industries and businesses across various sectors shutting down has had a crippling effect both direct and indirect way to the public from individuals to organizations. This is including but not limited to the lack of income, the mental health problem, as well as the insufficiency of appropriate and effective preventive gadgets from face mask, face shield to sanitizer alcohol gel.

Along with this, KTIS group (KTIS) has determined and put in every effort to help save people's lives and the public society with various measures to cope with pandemic outbreak as it spreads to Thailand.

Amongst many of its usual CSR projects, KTIS has launched special project, "Mob-Nam-Jai-Dae-Phee-Nong-Chao-Nakornsawan-Doo-Lae-Gan-Gao-Phan-COVID-19" (or in English means, "The Sharing Kindness to Nakornsawan People to Come Across COVID-19 Project." This project aims to reduce the chain-of-infection and spread of COVID-19 in Nakornsawan area, to provide basic needs like foods and beverages as well as promote the healthy activities among the society since April 26, 2020. KTIS, together with its local CSR partners such as Chaopraya University, Viriyalai School have provided channel as the center between the government and the people in Nakornsawan area who needed supports as the effect of COVID-19 crisis.



KTIS Group and its academic partners for CSR Gives "Nam-Jai Bag" to Nakornsawan People to relieve COVID-19 crisis

As to the people in the rural areas, KTIS, Chaopraya University, Viriyalai School and their CSR partners including the local governments and the local entrepreneurs have together launched “Nam-Jai Bag” project” which means “Kindness Bag” project. As a result, 2,000 relief package bags have been packed by hands with hearts from KTIS CSR team and filled with basic needs products such as, foods, beverages, and cash to relieve the economic and health effect of the crisis.



**KTIS Group and its academic partners for CSR Gives “Nam-Jai Bag” to Nakornsawan People to relieve COVID-19 crisis**

Apart from above highlighted projects, KTIS has donated alcohol which was produced by KTIS Bioethanol Company Limited or “KTBE” (the company under KTIS Group) to hospitals, medical institutions, temples, government agencies, other organizations and the public to use in their spaces to prevent the spread of COVID-19.



**KTIS donates alcohol to 3 Southern Border Provinces**



**KTIS donates alcohol to schools, temples, government agencies and public.**

Moreover, KTIS has fulfilled its social responsibility as along with the COVID-19 pandemic crisis by launching “Big Cleaning Day” Project as the concern of cleanliness to prevent the spread of the pandemic among schools and temples nearby KTIS Group’ s factories. The project has successfully adopted by all party involved; the schools are cleaned by KNAS sanitizer alcohol spray all over the area before the start of the semester in July, 2020, the temples are cleaned appropriately before religious events.



KTIS provides “Big Cleaning Day” project for schools and temples



KTIS provides “Big Cleaning Day” project for schools and temples

Moreover, as the COVID-19 pandemic crisis has emphasized all of the public attentions, it has unfortunately and inevitably affected the price of sanitizer alcohol and eventually caused the insufficiency of alcohol for sanitizing products in the market. KTIS has again, emphasized its determination to contribution to the society by selling affordable-price 95% alcohol at only 35 Baht per liter at factory. The alcohol that KTIS sold was produced by KTBE, the company under KTIS Group, with qualified and international standard, able to use for killing-germs-products, cleaning products, and other products effectively.

Also, together with our business partner, “CP ALL Public Company Limited,” KTIS has launched 70%-sanitizer alcohol product, “KNAS” at the more affordable price than those already in the market at the time of the pandemic crisis. This project has largely help distribute affordable and at good-quality 70% sanitizer alcohol product to the public as people can buy the product at all “seven-eleven” convenient stores in all area of the country.

In terms of the company measures to deal with COVID-19 outbreak, KTIS has launched the “New Normal” measures for all employees and all people involved to reduce the spread of the COVID-19 in the organization. Such measures are including but not limited to the requirement to measure temperature before entering the office or factory area; the requirement to wear face mask; social distancing and the awareness of sanitizing hands with effective sanitizing alcohol gel which was provided at many spots throughout the office and factory, particularly at the entrance.

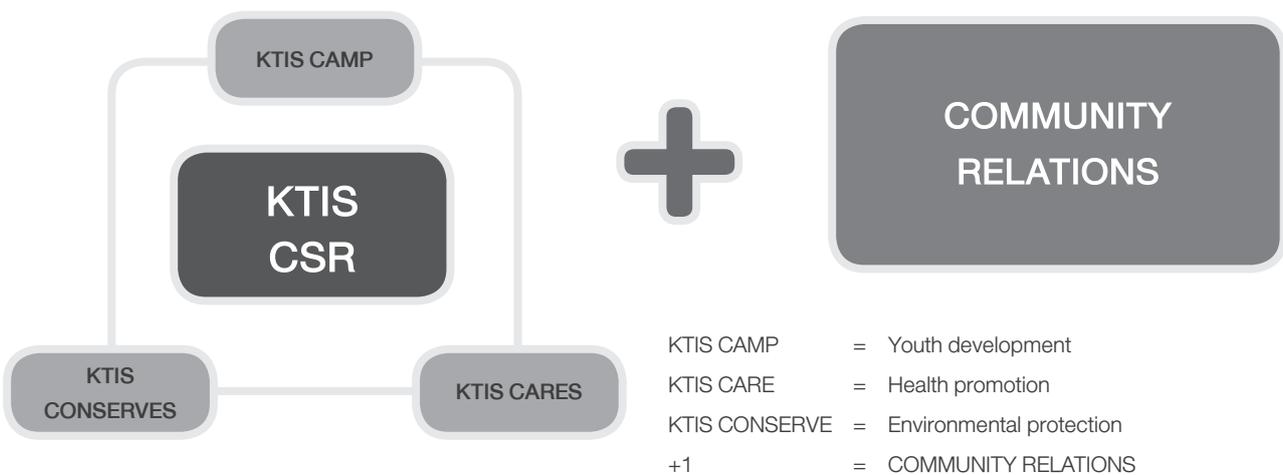
As the evidence of its concern to the COVID-19 crisis, KTIS has generated a video clip regarding the “New Normal” measures in the manufacturer and has won the 2nd runner up awards for large manufacturer division from the Department of Disease Control of Thailand project in September 2020. The contest project has initiated by the cooperation of Ministry of Public Health of Thailand, the Federation of Thai Industries and Thai Chamber of Commerce under name of the “New Normal for manufacturer, industrial sector, business sector and hospitality and travel sector video clip contest” to promote the awareness of reducing the chain-of-infection and spread of COVID-19 in the country.



KTIS has won the 2<sup>nd</sup> runner up awards from the contest of New Normal measures in the manufacturer video clip

### KTIS saves the world: Lovely Earth, Lively Community with “KTIS 3C+1”

In addition to the in-process CSR, KTIS group has continuously arranged after-process CSR activities to share knowledge, strengthen relationship between the organization and the local communities. This is driven by the ideology of “mutual growth of industry, environment and community” for the benefits of the society at last. Since 2016, KTIS focused its CSR efforts on the youth, health and environmental development under the “KTIS saves the world: Lovely Earth, Lively Community” project with the guiding principle of KTIS 3C+1 as illustrated below:





KTIS Group's Campaign against Child Labor in Production Process and Cane Farming



KTIS Group's Campaign against Child Labor in Production Process and Cane Farming

With regard to community relations, KTIS group continues to have good relationship with the local communities and regularly meet with community leaders. In addition, the group has organized and participated in a number of activities that help strengthen the relationship such as sports activities and community landscape improvement projects etc.

## Highlights of CSR Activities and Projects of KTIS

### Sugarcane Farmers' School

KTIS group intends to promote sustainable development and growth through the education of farmers and thus has established a farmers' school project which is run on an ongoing basis to keep the farmers acquaint with new and emerging sugarcane farming techniques and approaches. The farmers' school is a forum for exchanging knowledge about soil preparation, demonstrating machinery utilization and periodic fertilization techniques by field experts. Learning is practiced in the sugarcane field so that the farmers will gain practical experience and share knowledge together.



Sugarcane Farmers School

### Fresh Cane Village Project (Green and No Fire Village)

KTIS group believes that true sustainability will come from all concerned parties, farmers, factories and the government agencies, so Fresh Cane Village Project (Green and No Fire Village) was established. All parties would jointly encourage sugarcane farmers in the village to cut fresh cane not less than 80% of projected canes. Cutting fresh sugarcane is a natural conservation, reduce pollution, and maintain good environment and soil surface for next crop cultivation. It also increases yield of sugarcane. This project will get the participation from all sugarcane farmers, community and government agencies to prevent burning sugarcane in the fields. This project has been performed successfully and continuously. At present, there are 57 villages participating in the project.



Fresh Cane Village Project



Thai Identity Sugar Factory Co., Ltd. of KTIS group received Factory Award at Good Level (7 years) and “Conservative Cane for the World” Award (4 years)

### Village, Temple, School And Sugar Factory Project

Since 2016, KTIS group has organized the cooperation project in planting sugarcane between village, temple, school and sugar factory in their areas with the objectives to educate sugarcane planting technique for students, community and local people. The temples and schools in program will plant sugarcane and be the education center in there areas. The sugar factory and its contracted sugarcane farmers join with the village leaders and villagers to provide sugarcane variety, fertilizer, insecticide, and agriculture equipment to the projected areas under the operation of school teachers and students. Finally, the revenue from selling sugarcane yeild will return to the temples and schools for religion purposes and student scholarships. The officers of KTIS group will train and look after these activities very closely.



Village, Temple, School And Sugar Factory Project

### Sustainable Learning Park of Sugarcane Farming Project

KTIS group aims to support the sugarcane farmers for successful and sustainable operation, thus established the Sustainable Learning Park of Sugarcane Farming Project in order to educate sugarcane farmers about sugarcane production technique of KTIS group, called "5 Step Plan + 2" which will boost sugarcane yield per area, reduce costs by utilizing modern agricultural machinery in sugarcane farming so that the farmers will have sustainable earning and creates successors for sugarcane farming. KTIS group will introduce knowledge of production plan, knowledge, proportion of sugarcane planting, soil preparation, cultivating technique, maintenance technique, harvesting technique as well as cane trashes storage in fields. Management of each stage of sugarcane production will depend on the factors, processes and agricultural equipment at the right time so that the control in time and quality standard should be carefully practiced

### “The Next Gen Cane Farmer” Project

KTIS set up the first “The Next Gen Cane Farmer” project at Thai Identity Sugar Factory in Uttaradit, project to encourage the next generation cane farmers to succeed their families’ cane farming business. The program includes basic theory of sugarcane farming and workshops, the concept of Smart Farming 4.0, adoption of new technologies in cane farming, farm management, as well as knowledge and experience sharing for the success in the sugarcane cultivation.



“The Next Gen Cane Farmer” Project

### Work Safety Week 2020



KTIS group realizes the importance of employees' safety, occupational health, and good working environment so it has organized annual safety activities to promote and raise awareness of safety, occupational health and working environment and review the unsafe operations. The activity will create cooperation in safety working condition, reduce risk of work injury to be minimal and achieves the aims of KTIS group that wants to create sustainable work safety.

In addition to the above projects, the KTIS group also sponsors activities in order to develop and maintain good relationships and quality of life for the communities nearby.

- Dr. Darat Siriviriyakul Vibhatakalasa, Deputy to Chief Executive Officer- KTIS group, was the chairman of the opening ceremony of Covering the sacred marker spheres with thin gold leaves Tradition, at Tha Phra Charoen Phrot Temple in Nakhonsawan.



- KTIS group participated in To Be Number 1 Club of EPPCO in quarterly tree planting activity. KTIS Group realizes and acknowledges the problems of global warming and air pollution conditions so that it encourages planting trees to increase more green areas within the factories, improving landscape and creating natural sceneries. It also encourages employees to participate in loving of nature and environment as well.



Quarterly Tree Planting Activity

- KTIS group encourages and supports the youths and local communities to play sports for health benefits, building of teamwork, unity and sporting spirits and also drug prevention.



- KTIS group together with To Be Number 1 Club of EPPCO installed a water pump, using to transfer the water to the village water pond for future droughts preparation in the areas of Nongpho district, Nongpho Temple and Wapee Rattanaram Temple.



- KTIS group set up activities for seniors under the “KTIS saves the world: Lovely Earth, Lively Community” projects such as personal debt management and reduce global warming, etc.



- Participation in activities and support funding and essential goods to the community in order to develop the community and organize activities such as the National Children’s Day in 2020, Red Cross Fair, and events for seniors.



National Children’s Day

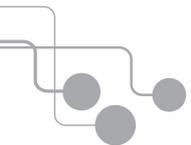
- KTIS group and volunteers joined together on “Ruampol - Street Cleaning Volunteers” for cleanliness and road safety.



- IS group donated blood to hospitals on “Give Blood Save Life” quarterly activities at KTIS Bangkok office, and KTIS’s factories in order to help people life in emergency cases.



For more information about our CSR activities and the sustainability report, please visit our website at [www.ktisgroup.com](http://www.ktisgroup.com)



# Internal Control and Risk Management

## Internal Control

KTIS group has applied the comprehensive internal control system under the principles of good Corporate Governance to control all operations so that they are transparent, fair, and reliable with the necessary balance of power for the maximization of the stakeholders' benefits. As an effective internal control system starts from good Corporate Governance, we have to be alert to all business risks in order to ensure the achievement of the business plan. KTIS group has established audit and control policies to be practiced by all operation levels

In 2020, the Audit Committee has assigned Internal Audit Team to assess company's internal control systems under the Annual Internal Control Assessment Form, which is guided by The Office of the Securities and the Exchange Commission, and has been presented to the board of directors meeting 1/2021 on 30th November 2020.

The audit committee and the board of directors considered and opined that the company's internal control is suit with the current operation, and the management has been supporting the development of internal control using the framework of the Committee Of Sponsoring Organization Of The Treadway Commission (COSO) to ensure that the objective of internal control shall be achieved. The summary is as follows :

### 1. Organizational Control and Environment

KTIS group focuses on good organizational structure and environment that are the important foundation of effective internal as follows:

- Establish clear policies, goals, and business direction that can be concretely assessed as the guidelines for operating and supervising the business to meet goals with regular monitoring. The benchmark of the goals with the actual process has been gradually made.
- Determine organizational structure facilitating operations, for example, separating the position of President from Chief Executive Officer for checks and balance as well as define that the company's directors shall consist of independent directors of not less than 1 of 3 directors and not less than 3 persons. Moreover, subsidiary committees are also established for considering, screening, and performing the operations as assigned by the company's directors.
- Communicate the Corporate Governance Policy and Code of Conduct and Business Ethics as well as performance monitoring in order to build good awareness and realization on performance of duties.
- Establish policies, and regulations in writing as well as determine job descriptions, work instructions, operating rules and regulations in writing covering suitable approval authority of each executive level

### 2. Risk Management

In order to ensure that the organizational objectives were practiced in all operations as well as significant risk managements are managed to be minimal or zero effect to its business performance, the Board of Directors has assigned the Risk Management Committee to govern corporate risk management and to be responsible for continuous improvement of the risk management policies and scopes.

The Risk Management Department sets up the risk management system which is standard and concrete practice according to the concepts of The Committee. The Operation Risk management teams were set up to manage relevant risk under the assigned policy and framework, to ensure that critical risks are managed in the risk appetite level. However, Covid-19 pandemic and more severe drought have widely affected the company's operation of major and continuous business and also other stakeholders. The company has brought risk management framework to eradicate or mitigate the consequences of the situation.

### 3. Management Control Activities

KTIS group pays attention on the importance of management control activities in each department, whereby the following actions are performed:

- Clearly determine the scope of authority approval at each managing level in writing. Accounting Department and Internal Audit Department check and audit the correctness of documentation procedures as approved.
- Specification the authority and functions under the good principles of internal control as: (1) approval persons, (2) accounting and information recording persons and (3) property and assets responsible persons for properly auditing.
- To consider the approval of connected transactions, our company has to comply with the defined rules and regulations. For any significant transaction, the Audit Committee will deliberately check and give comments to be proposed to the Board of Directors for approval and disclosure in the Company's annual report. The consideration on connected transactions has been carefully considered at the ultimate benefits of our organization
- Assign the persons who are responsible for related laws and regulations.

### 4. Information and Communication

KTIS group focuses on the importance of careful performance based on the quality of sufficient information for making decisions as well as communication to related persons as follows:

- Provide and prepare important information sufficiently and completely to executive managers and the company's directors for making decisions as well as invite responsible executives and related persons to clarify the important issues at the Board of Directors Meeting.
- Compliance with the Accounting Standard as declared by the Federation of Accounting Professions for financial accounting systems and appropriateness for the company's business operation.
- Completely keep and categorize all documents supporting accounting records as well as determine the duration of document storage as defined by law.
- Perform the operations under the Computer-Related Offence Act by communicating to all employees for their knowledge and awareness of the subject matters and punishments under such act. Moreover, the Company has also stored information on computer traffic according with the Notifications of the Ministry of Information and Communication Technology.
- Provide information backup system under Disaster Recovery Plan (DRP) by preparing the work place and necessary computer devices for disaster situations.
- Publish important information via our company's website ([www.ktisgroup.com](http://www.ktisgroup.com)) on a complete and timely basis.

### 5. Monitoring

KTIS group pays close attention to the monitoring system in order to ensure that our operations and internal control system have been performed efficiently for achieving the defined goals as follows:

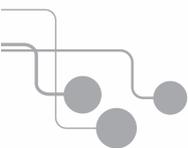
- The company's directors attend the meetings for monitoring the management's performance and provide opinions and suggestions.
- The Audit Committee holds joint meetings with Independent Auditors, Accounting personnel, and Internal Audit team to verify financial statements and the internal control system. Regularly monitors the improvements and reports important issues to the Board of Directors during every quarter.
- The Risk Management Committee holds the meeting in every quarter to supervise and monitor the operations in compliance with the Risk Management Policy and Corporate Risk Profile, Key Risk Indicators (KRI) and Risk Management Plans. The risk assessment is regularly conducted and reported to Board of Directors and Audit Committee.

- Nomination and Remuneration Committee holds the meetings to consider recruiting persons with appropriate qualifications for being appointed as the company's directors as well as to consider the remuneration of directors to be proposed to the Board of Directors and the Shareholders Meeting for approval.
- The Internal Audit Department is able to audit and give opinions independently by reporting their performance to the Audit Committee directly and regularly for all quarters or reporting important issues once they have occurred.
- The Audit Committee considers and approves the internal audit plans by applying the principles of risk assessment levels. When the Internal Audit Department finds any important defect, such defect will be reported to executives who are responsible for such activity immediately. In addition, the Audit Committee will present such report to the executive management for acknowledgement or additional explanation in order to ensure that the company will achieve its objectives effectively.

## Risk Management

The board of directors has assigned KTIS group's risk management committee to be a monitoring and management body in term of company's macro view. In 2020, the risk management committee has assessed the ended risk management, assessed the efficiency of risk management system to develop risk management policy and framework, by continuously applying the framework of risk management COSO-ERM 2017 : Enterprise Risk Management Integrating with Strategy and Performance to be suitable with the company's system and environment. ORM : Operation Risk Management Team is an assigned team to manage risk as per determined policy and framework, to set up measure to assure that the major risk shall be managed to be in the risk appetite level and which is set to be in accordance with the company's goal, and to assure stakeholders about the operation and management shall be in accordance with the company's objective.

In term of risk management monitor, the risk management committee has consider the list of Corporate Risk Profile, Key Risk Indicator and Risk Management Plan to be in accordance with the business direction, strategy, goal and changing environment which includes the assessment and the report of risk management presented to acknowledge the risk management committee and audit committee.



# Report of the Audit Committee

The audit committee of Kaset Thai International Sugar Corporation Public Company Limited composes of the independent directors who very well possess the variety of expertise and experience in the aspects of accounting, finance, economy, law, technology and business. In 2020, the audit committee directors are Mr. Krairit Nilkuha, the Chairman of the Audit Committee, Mr.T-rayooth Changpetch and Mr.Sathaporn Kotheeranurak, members of the Audit Committee. All of audit directors are qualified by all law and regulation, and Stock Exchange of Thailand's audit directors' good practice.

The audit committee has been working as assigned by the board of directors and in accordance with the charter of the audit committee which conforms with the good practice of Securities and Exchanges Commission. The roles of the committee are to respond with the review of financial report, related transactions and internal audit and also includes the promotion and encouragement of the compliance with the good practice of the listed company to ensure the Company's good governance, the risk management and efficient internal control.

In 2020, the audit committee held 5 meetings to consider the assigned matters follows:

- To consider financial statement and relevant financial report, to ensure that the company reports its financial statement correctly and disclose sufficiently according to accounting standard and practice, the practice under Generally Accepted Accounting Principles, the changes of significant accounting policy and includes the reason from the management about such changes. All consideration is made before being presented to the board of directors and to be disclosed to public investors.
- To consider the internal control and audit system, to ensure that the company has enough and efficient internal control and audit.
- To review the annual internal audit plan and to assess the audit report with internal auditor and certified public auditors.
- To jointly with internal auditors, consider the problems or limitation occurred during the audit, to review the operation of internal auditors
- To review any transaction that may cause conflict of interest such as company's related transaction
- To monitor the compliance with stock exchange of Thailand's law and regulation.
- To select and appoint company's auditor and auditor's compensation.
- To assess its own assigned duty and responsibility.

And also to hold a meeting with certified public accounts without the attendance of any executive. The purpose of a meeting with certified public accounts is to independently discuss about important issues in the making of financial report and the disclosure for the benefit of consolidated financial report users, to acknowledge the audit result, the audited note and also problems during the operation of the audit.

In 2020, the summary is that the audit committee completed its duty as assigned by the board of directors, and opined that the company has a correct financial report and operation report. The company also has appropriate internal control and internal audit, the correct legal compliance and undertaking of the disclosure of related transaction. The operation of the company also conforms with the good governance.

The summary of the operation is as follows:

## 1. The review of the financial report

The audit committee has provided its opinion for the quarter and annual financial reports of 2020 ended on 30th September 2020 reviewed by the certified public accountants, and found none of any significant point or condition to present to the approval of the board of directors. The committee focused on the review of the accounting transactions, accounting changes and significant entries and also the appropriateness and the sufficiency of the disclosure. The consequence of the review is the committee opined that the financial reports made in 2020 by the Company is correct, appropriate, sufficient, reliable and conforming with general accounting standard.

## 2. Good governance

The directors and the executives emphasized on the management conforming the good governance and to assure shareholders, investors and all stakeholders and take into account the interest of all stakeholders. It also includes the promotion of activities to encourage and cultivate the compliance with the law and regulation to the executives and the staff. The mechanism of risk assessment for corruption was also implemented.

### 3. Risk management

The audit committee has reviewed the Company's risk management to ensure that the risk factors and the management has mitigated the risk into the acceptable level and conforming with current business operation.

### 4. The review of the internal control's efficiency

The audit committee, certified public accountants and the internal audit office have reviewed the sufficiency of internal control on quarterly basis. The Company has continuously followed the amendment and the revision as per the proposal in audit report, The audit committee opined that the Company's internal control is in the appropriate level conform with current operation. The management has also supported the continuous development of internal control using the principles and the practices of internal control as per the standard of The Committee of Sponsoring Organization of the Treadway Commission (COSO), to reasonably ensure that the operation shall achieve the objective of internal control. The summary of the annual components of internal control is exhibited in the Company's annual registration statement (56-1) and annual report (56-2) in the topic number 15 the internal control.

### 5. The review of related transactions

The audit committee has reviewed by consideration of scope of operation, duty and responsibility and independency, and opined that the internal control in sufficient, adequate and efficient.

### 6. The appropriateness of transactions that may contain conflict of interest

The audit committee has reviewed transactions that may contain conflict of interest by reviewing the related transactions that may cause conflict of interest. The committee opined that transactions in 2020 are transactions for the benefit of the company, with arm length, and are sufficiently disclosed in financial statement. It is conformed with the regulations and practices of Stock Exchange of Thailand and the office of Security and Exchange Committee.

### 7. The compliance with the rules and regulation of the Notification of Board of Governors of the Stock Exchange of Thailand and the Capital Market Supervisory Board, and with other law that relevant to the Company's business

The audit committee and the internal audit office has reviewed the compliance with the law, the review did not detect any significant issues that indicates that the Company has any practices that are contrary to law, rule, regulation and notification relevant to securities and exchange law, the Notification of the Capital Market Supervisory Board, and with other law that relevant to the Company's business

### 8. Nomination of Auditors in 2021

The audit committee has selected the certified public accountants for 2021 annual audit by considering the independence, experience, professional expertise, the sufficiency of the personnel to serve the Company, the appropriate service fee. The committee also considered the parity of the work quantity with the service fee, the qualification under the criterion of the Securities Exchange and no relationship with and/or not being interested party with the Company, its subsidiaries, executives, major shareholders or such person's related party in any manner that shall affect the independent operation, and appropriately work with the accounting standard.

Further, the audit committee has assessed their operation in 2020 on the whole committee basis compared with the audit committee's charter and good practices. The result of assessment shows that the audit committee operated under the scope of the duty and responsibility assigned by the board of directors. The operation was conducted by the sufficient knowledge, expertise, duty of care and independence for the interest of all stakeholder equally



(Mr. Krairit Nilkuha)

Chairman of the Audit Committee

# Related Parties Transactions

Related parties transactions as at 30 September 2018 ,30 September 2019 and 30 September 2020 are as summarized below:

Related Person/ Companies	Nature of Relationship	Nature of Transaction
1. S.I. Property Co., Ltd. ("S.I. Property") (In the business of leasing property)	<ul style="list-style-type: none"> <li>S.I. Property has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr.Nathapun Siriviriyakul</li> <li>Mr. Pricha Attavipachí</li> <li>Miss Chua EngEng</li> <li>Mr.Sirapak Siriviriyakul</li> </ol> </li> <li>Related companies hold shares of S.I. Property are Aekphol Sugar Co., Ltd. and SuebSiriSawat Co., Ltd..</li> </ul>	<p><b>Office Rental Expenses and Related Charges</b> Rental expenses and related charges paid by TIS to S.I. Property .</p> <p><b>Accrued Expenses</b> Accrued common area maintenance charge.</p> <p><b>Security Deposit Receivables</b> Security deposit for the office space rent.</p> <p><b>Other Receivable</b> Seminar Fee</p>
2. Aekphol Sugar Co., Ltd. ("APS") (In the business of leasing property)	<ul style="list-style-type: none"> <li>APS has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Apichart Noochprayoon</li> <li>Mr.Nathapun Siriviriyakul</li> <li>Mrs.Darat Vibhatakalasa</li> <li>Mr.Sirapak Siriviriyakul</li> </ol> </li> <li>Related companies hold shares of APS is Jaroon Hatai Ake Holding Co.Ltd</li> </ul>	<p><b>Office Rental Expenses and Related Charges</b> Rental expenses and related charges paid by KTIS Group</p> <p><b>Accrued Expenses</b> Accrued rental expense and related charges</p> <p><b>Vehicle</b> EPPCO buy Pickup Truck.</p> <p><b>Security Deposit Receivable</b> Security deposit for the office space rent.</p>
3. Thas Thai Business Co., Ltd. ("TT") (In the business of operating and establishing petrol stations)	<ul style="list-style-type: none"> <li>Related companies hold shares in TT is Poompattana Business Co.Ltd</li> </ul>	<p><b>Purchase of Gasoline</b> TT sold gasoline to the Company, TIS, KTBE ,EPPCO and KTBF</p> <p><b>Accounts Payable</b> Accounts payable related to the purchase of gasoline by the Company, TIS, KTBE and EPPCO from TT.</p> <p><b>Purchase of Vehicle Tyres</b> TT sold vehicle tyres to the Company and TIS.</p> <p><b>Accounts Payable</b> Accounts payable related to the purchase of vehicle tyres the Company and TIS from TT.</p> <p><b>Revenue from Land Lease</b> The Company and TIS leased landfor TT to operate its gas stations</p> <p><b>Other Payable</b> The Company and TIS received land lease fee in advance.</p> <p><b>Revenue from Sale of Materials</b> The Company and TIS sold materials to TT.</p> <p><b>Other receivables</b> Material cost</p>



Transaction Value (THB)			Rationale of the transaction
30 September 2018	30 September 2019	30 September 2020	
1,224,430.18	1,395,953.61	1,681,763.68	<ul style="list-style-type: none"> <li>S.I. Property is the owner of 444.18 sq.m office spaces at Liberty Plaza Building, 11th Fl., Thonglor, Sukhumvit 55 Rd., Klongton-Nua, Wattana, Bangkok. The rental rate is approximately THB 285 per sq.m. The rental terms and conditions are in line with market rates and practices.</li> </ul>
-	2,470.50	3,591.94	
288,508.00	401,773.90	401,773.90	
-	-	1,214,953.27	
11,022,357.61	14,710,334.74	14,663,488.57	<ul style="list-style-type: none"> <li>APS is the owner and the lessor of the office spaces of building located at 24 Vibhavadee-Rangsit Rd., Dindeang, Bangkok and on the 9-11 Fl. of its building located at 133 Vibhavadee-Rangsit Rd., Dindeang, Bangkok, to the Company, TIS, KTBE and EPPCO. The rental rates range from approximately THB180 - THB 230 per sq.m. The rental terms and conditions are in line with market rates and practices.</li> <li>EPPCO has buy Pickup Truck for use as operate area from APS. Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
131,958.92	132,418.86	140,728.90	
-	3,033,099.00	3,033,099.00	
3,033,099.00	-	-	
190,129,893.02	227,565,058.84	171,420,765.97	<ul style="list-style-type: none"> <li>TT sold gasoline through gas stations located near the factories of companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.</li> <li>TT sold vehicle tyres to companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.</li> <li>TT operates gasoline station business of land located near their factories of companies in KTIS group, i.e.(1)land with total area of 5 rais, located in Nhong Po, Taklee, Nakornsawan, and (2) land with total area of 4 rais and 9 sq.wah, located in KhungTapao, Muang, Uttaradit. The lease fees, terms amd conditions are more favorable than the market rates and practices.</li> <li>On 2 July 2012, the Company and TIS made a 30-year lease agreement with TT. Lease fee under the said agreement is THB 60,000 per year for each plot and the lease fee increase will be based on the 5-year average CPI during 2007 – 2011.</li> <li>The Company and TIS sold waste and materials to TT. Selling price, terms and conditions are in line with market rates and practices.</li> </ul>
5,500,522.32	4,128,745.79	2,479,059.73	
1,144,023.38	14,153,444.79	1,412,700.57	
-	469,540.00	161,035.00	
103,358.23	138,000.00	138,000.00	
69,047.27	69,047.27	69,047.27	
1,826.07	5,826.40	1,430.53	
-	-	283.94	
-	-	-	
-	-	-	

Related Person/ Companies	Nature of Relationship	Nature of Transaction
		<p><b><u>Other income</u></b> Ethyl alcohol 70%</p> <p><b><u>Other receivables</u></b> Ethyl alcohol 70%</p> <p><b><u>Selling expenses</u></b> Ethanol transportation cost</p>
<p>4. TISS Co., Ltd. ("TISS") (In the business of exporting sugar)</p>	<ul style="list-style-type: none"> <li>TISS has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Prasert Siriviriyakul</li> <li>Mr.Nathapun Siriviriyakul</li> <li>Mr. Apichart Noochprayoon</li> <li>Mr.Sirapak Siriviriyakul</li> </ol> </li> <li>Related companies hold shares in TISS are KTIS and Aekphol Sugar Co., Ltd.</li> </ul>	<p><b><u>Export Expenses</u></b> TISS handles the export of products produced by the Company and TIS. Most of the expenses are export agent fees, financial agent fees, export documentation expenses and custom clearance fees</p> <p><b><u>Accrued Expenses</u></b> Accrued expenses of TIS for export fees and service provided by TISS.</p> <p><b><u>Other Receivable</u></b> Sugar export fee which TISS must pay to TCSC.</p> <p><b><u>Other Receivable</u></b> Revenue from sale of sugar export</p>
<p>5. Siam P.P. International Co., Ltd.("Siam PP") (In the business of producing and distributing lime))</p>	<ul style="list-style-type: none"> <li>Siam PP has 1 common director with the Company, namely Mr.Nathapun Siriviriyakul.</li> <li>Related companies hold shares in Siam PP is Aekphol Sugar Co., Ltd.</li> </ul>	<p><b><u>Lime Trading</u></b> Siam PP sold lime, a raw material used in the production of sugar and pulp, to the Company and EPPCO.</p> <p><b><u>Accounts Payable</u></b> Accounts payable associated with the purchase of lime by the Company and EPPCO from Siam PP.</p> <p><b><u>Other income</u></b> Ethyl alcohol 70%</p> <p><b><u>Other Receivable</u></b> Ethyl alcohol 70%</p>
<p>6. RuamkijAngthong Warehouse Co., Ltd. ("Ruamkij") (In the business of leasing warehouses)</p>	<ul style="list-style-type: none"> <li>Ruamkij has 2 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr.Nathapun Siriviriyakul</li> <li>Mr.Sirapak Siriviriyakul</li> </ol> </li> <li>The Company's shareholders and related companies hold shares in Ruamkij are Aekphol Sugar Co., Ltd., Ruamtoon Trading Nakhornsawan Co.,Ltd. and Jaroon Hatai Ake Holding Co.,Ltd</li> </ul>	<p><b><u>Storage Service Fees</u></b> The Company and TIS rent Ruamkij's warehouses.</p> <p><b><u>Accrued Expenses</u></b> Accrued warehouse rental expenses of the Company and TIS payable to Ruamkij.</p> <p><b><u>Logistics Service Fee</u></b> In addition to warehouse leasing, Ruamkij provides logistics services to the Company and TIS.</p>



Transaction Value (THB)			Rationale of the transaction
30 September 2018	30 September 2019	30 September 2020	
-	-	8,741,947.66	
-	-	-	
-	-	58,614.95	
34,919,406.06	37,386,625.62	58,699,914.89	<ul style="list-style-type: none"> <li>Under the Sugarcane and Sugar Act, sugar mills are prohibited from exporting sugar on their own accord. Therefore, companies in KTIS group have to use export services of TISS, an export company.</li> <li>In the sugar export process, the Company and its subsidiaries directly deal with their customers and TISS is responsible for handling cargo shipment and export documents only.</li> <li>Prices, fees, terms and conditions agreed with TISS are in line with the market rates and practices.</li> <li>Under the Sugarcane and Sugar Act, sugar mills are required to sell 400,000 tons of raw sugar to TCSC for export at the price determined by TCSC.</li> <li>Fee to be paid to TCSC is in line with the market rates and practices.</li> <li>TISS solicited packing credit facilities from commercial banks on behalf of the Company and TIS.</li> <li>TISS solicited packing credit facilities from commercial banks on behalf of the Company and TIS.</li> </ul>
1,806,050.90	5,429,968.90	3,760,555.26	
301,174.53	50,063.26	17,172.86	
8,437,316.08	8,237,967.13	298,145.89	
85,811,584.53	84,654,777.37	55,284,847.64	<ul style="list-style-type: none"> <li>Siam PP sold lime to the Company and EPPCO. Selling price, terms and condition are in line with the Company's internal policies.</li> </ul>
6,551,175.47	3,850,707.23	-	
-	-	2,056,074.77	
-	-	-	
91,446,962.20	114,656,156.65	52,927,803.94	<ul style="list-style-type: none"> <li>Ruamkij has 4 warehouses in (1) Pa Mok, Angthong and (3) Plakod, Angthong. for the purpose of sugar storage. Rental prices, terms and conditions are in line with the market rates and practices.</li> </ul>
13,093,988.98	15,071,478.78	4,322,374.31	<ul style="list-style-type: none"> <li>Ruamkij provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
142,126,789.15	114,306,470.25	100,934,977.40	<ul style="list-style-type: none"> <li>The Company sold package to Ruamkij. Prices, terms and conditions are in line with the market rates and practices.</li> </ul>

Related Person/ Companies	Nature of Relationship	Nature of Transaction
		<p><b>Accrued Expenses</b></p> <p>Accrued logistics service fees of the Company and TIS payable to Ruamkij.</p> <p><b>Other Revenue</b></p> <p>Package</p> <p><b>Other Receivable</b></p> <p>Ethyl alcohol 70%</p> <p><b>Other receivables</b></p> <p>Compensation for damaged sugar</p>
<p>7. RuamToon Warehouse Nakornsawan Co., Ltd. ("RuamToon")</p> <p>(In the business of leasing warehouses)</p>	<ul style="list-style-type: none"> <li>RuamToon has 1 common director with the Company, namely Mr.Prasert Siriviriyakul</li> <li>The Company's shareholders and related companies hold shares in RuamToon are Jaroon Hatai Ake Holding Co.,Ltd and Aekphol Sugar Co., Ltd.</li> </ul>	<p><b>Storage Service Fees</b></p> <p>The Company and TIS rent Ruamkij's warehouses.</p> <p><b>Accrued Expenses</b></p> <p>Accrued warehouse rental expenses of the Company and TIS payable to RuamToon.</p> <p><b>Logistics Service Fee</b></p> <p>In addition to warehouse leasing, RuamToon provides logistics services to the Company and TIS.</p> <p><b>Accrued Expenses</b></p> <p>Accrued logistics service fees of the Company and TIS payable to RuamToon.</p> <p><b>Other income</b></p> <p>Material cost and others</p> <p><b>Other Receivable</b></p> <p>Accrued income of the Company from sale of materials.</p> <p><b>Office expenses</b></p> <p>KTW pay office rent</p> <p><b>Accrued expenses – Rent</b></p> <p>KTW accrued office rental</p>
<p>8. Thai Wisanu Nakornsawan Co., Ltd. ("Thai Wisanu")</p> <p>(In the hotel business)</p>	<ul style="list-style-type: none"> <li>Thai Wisanu has 4 common directors with the Company: <ul style="list-style-type: none"> <li>(1) Mr.Parphan Siriviriyakul</li> <li>(2) Mrs. Darat Vibhatakalasa</li> <li>(3) Mr.Prasert Siriviriyakul</li> <li>(4) Mr. Nathapun Siriviriyakul</li> </ul> </li> <li>Related companies hold shares in Thai Wisanu is Jaroon Hatai Ake Holding Co.,Ltd</li> </ul>	<p><b>Hotel Fees</b></p> <p>Thai Wisanu is the owner of Grand Wisanu Plaza Hotel located at 26-28 Attakaweroad, Muang, Nakornsawan. The Company and TIS have occasionally used accomodations and services from the hotel.</p> <p><b>Accrued Expenses</b></p> <p>Fees for hotel rooms and services payable by the Company and TIS to Thai Wisanu.</p> <p><b>Other Receivable</b></p> <p>Ethyl alcohol 70%</p> <p><b>Sales revenue</b></p> <p>Sugar</p>



Transaction Value (THB)			Rationale of the transaction
30 September 2018	30 September 2019	30 September 2020	
8,391,406.52	24,551,182.12	2,238,141.92	
8,500.00	-	53,490.00	
13,490.00	-	280,373.83	
-	-	182,357.69	
46,546,209.29	67,357,775.00	27,088,187.93	<ul style="list-style-type: none"> <li>The warehouses were rented from Ruamkij for the purpose of sugar storage. Rental prices, terms and conditions are in line with the market rates and practices</li> </ul>
5,266,476.80	10,888,544.84	1,912,568.66	<ul style="list-style-type: none"> <li>RuamToon provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
20,870,448.72	24,031,569.50	15,280,576.31	<ul style="list-style-type: none"> <li>RuamToon owners of the building area at 17, 19 Sukeemok Road, Tambon Pak Nam Pho, Amphoe Mueang, Nakhon Sawan, KTW leased office space at the rate of 2,000 Baht per month. Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
7,843,637.03	7,204,054.54	1,373,181.51	
-	33,000.00	1,825.00	
7,324.00	29,270.00	-	
18,000.00	24,000.00	24,000.00	
18,000.00	18,000.00	18,000.00	
391,149.53	342,697.20	219,910.29	<ul style="list-style-type: none"> <li>Thai Wisanu is the owner of Grand Wisanu Plaza Hotel located at 26-28 Attakaweroad, Muang, Nakornsawan. The Company and TIS have occasionally used accommodations and services from the hotel. Prices, terms and condition are in line with market rates and practice.</li> </ul>
100,450.00	61,000.00	22,800.00	
-	-	728,224.30	
-	-	3,700.00	

Related Person/ Companies	Nature of Relationship	Nature of Transaction
<p>9. Weswisanu Co., Ltd. ("Weswisanu") (In the business of leasing hostels)</p>	<ul style="list-style-type: none"> <li>Thai Wisanu Nakornsawan Co., Ltd., a related party of the Company, hold shares in Weswisanu is Jaroon Hatai Ake Holding Co., Ltd</li> </ul>	<p><b><u>Employee Dormitory Rent</u></b> KTBE and EPPCO have rented Weswisanu's dormitory for their employees.</p> <p><b><u>Accrued Expenses</u></b> Accrued expenses of KTBE and EPPCO payable to Weswisanu for employee dormitory rent.</p> <p><b><u>Other income</u></b> EPPCO sells water to Weswisanu</p> <p><b><u>Other receivables</u></b> EPPCO accrued water bill</p>
<p>10. SuebSiriSawat Co., Ltd. ("SuebSiri Sawat") (In the business of selling, purchasing and leasing property business)</p>	<ul style="list-style-type: none"> <li>SuebSiriSawat has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Prasert Siriviriyakul</li> <li>Mr. Sirapak Siriviriyakul</li> </ol> </li> <li>Related companies hold shares in SuebSiriSawat is Jaroon Hatai Ake Holding Co., Ltd</li> </ul>	<p><b><u>Land Lease Expense</u></b> KTBE pay for the land lease fees</p> <p><b><u>Prepaid Lease Fees</u></b> Prepayment of the land lease fees</p> <p><b><u>Accrued expenses</u></b> Land Lease Expenses</p>
<p>11. RuamToon Trading Nakornsawan Co., Ltd. ("RuamToon Trading Nakornsawan") (In the transportation business)</p>	<ul style="list-style-type: none"> <li>RuamToon Trading has 1 common director with the Company, namely Mr. Prasert Siriviriyakul.</li> <li>1. Related companies hold shares in RuamToon Trading is Jaroon Hatai Ake Holding Co., Ltd</li> </ul>	<p><b><u>Sugar Transportation Cost</u></b> TIS engaged RuamToon Trading in the transportation of sugar to the warehouses.</p> <p><b><u>Accrued Transportation Expenses</u></b> Sugar transportation expenses</p> <p><b><u>Other Revenue</u></b> Compensation for damage of goods (sugar) paid to TIS</p> <p><b><u>Deposit – Transportation Cost</u></b> Cost to guarantee the payment of compensation for damage during the transportation.</p> <p><b><u>Other Receivable</u></b> Sugar and sugar change Fee</p>
<p>12. Siri Charoen Export Co., Ltd. ("Siri Charoen") (Currently not involved in any business)</p>	<ul style="list-style-type: none"> <li>Siri Charoen has 1 common director with the Company, namely Mr. Sirapak Siriviriyakul</li> <li>Directors and related parties hold shares in Siri Charoen is Jaroon Hatai Ake Holding Co., Ltd and Akephol Co., Ltd., namely Mr. Sirapak Siriviriyakul</li> </ul>	<p><b><u>Loan Payable from Restructured Debts</u></b></p> <ul style="list-style-type: none"> <li>TIS owed debts from loan Siri Charoen</li> <li>Interest expense</li> <li>Accrued interest payable</li> </ul>



Transaction Value (THB)			Rationale of the transaction
30 September 2018	30 September 2019	30 September 2020	
3,031,875.14	4,116,990.56	4,301,230.35	<ul style="list-style-type: none"> <li>The Company and its subsidiaries rented dormitory from Weswisanu is the owner of the dormitory located in Nhong Po, Taklee, Nakornsawan, near the KTBE and EPPCO factories.</li> <li>At approximately THB 3,000 per room per month. The rent charged by Weswisanu, considering its return on assets, is not higher than other companies' rental rates in the dormitory rental business.</li> </ul>
348,090.00	370,330.00	367,405.00	
-	-	215,150.00	
-	-	13,589.00	
172,394.00	231,278.29	233,217.32	<ul style="list-style-type: none"> <li>KTBE leases the land of 48 rai and 44 sq.wah in Nhong Po, Taklee, Nakornsawan, from SuebSiriSawat for use as a pathway to KTBE's plant. The price, terms and conditions are more favorable for KTBE than the market rates and conditions.</li> <li>On 2 July 2012, KTBE made a 30-year lease agreement with SuebSiriSawat. Lease fee under the said agreement is THB 200,000 per year for each plot and the lease fee increase will be based on the 5-year average CPI during 2007 – 2011. The right to renew the lease agreement for another 30-year term is also offered.</li> </ul>
172,657.53	175,750.36	175,907.04	
-	-	-	
9,197,224.35	6,076,851.67	8,020,741.56	<ul style="list-style-type: none"> <li>TIS engaged RuamToon Trading in the transportation of sugar to the warehouses. Prices, terms and conditions are in line with the market rates and practices.</li> <li>The Company deducts a deposit worth 10% of the transportation cost to guarantee the payment of compensation for damage during the transportation. The deposit is returned after the delivery of goods to the destination.</li> </ul>
1,305,831.21	1,745,253.53	-	
8,841.12	8,336.45	11,992.99	
495,559.31	13,910.00	566,899.69	
3,277.50	-	-	
72,750,000.00	67,900,000.00	63,050,000.00	<ul style="list-style-type: none"> <li>In the past, TIS owed money to financial institutions. From 2007 to 2008, as part of TIS's debt restructuring process, Siri Charoen, which has Mrs. NowaratWangpredalertkul, APS, and Mr. MontreeLekvichittada as major shareholders with the shareholdings of 62.5%, 25.0% and 12.4% respectively, acquired all of TIS's debts from the financial institutions.</li> <li>TIS and Siri Charoen entered into a debt restructuring contract, effective on 1 May 2013, which is the date that bankruptcy court has ordered TIS to exit the business rehabilitation plan whereas TIS must repay its outstanding principal and interest according to the 20-year installment repayment schedule. The interest charged by Siri Charoen on the outstanding and accrued interest equaled the average savings deposit interest rates of 3 banks, namely KASIKORN Bank Public Company Limited, Bangkok Bank Public Company Limited, and Krung Thai Bank Public Company Limited.</li> </ul>
225,814.01	286,858.23	158,017.49	
538,867,345.07	509,154,203.30	479,312,220.79	

Related Person/ Companies	Nature of Relationship	Nature of Transaction
<p>13. Ruampol Enterprise Co., Ltd ("RPE") (Formerly operated sugar production and trading business but currently is not in business operation.)</p>	<ul style="list-style-type: none"> <li>RPE has 6 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Parphan Siriviriyakul</li> <li>Mr. Prasert Siriviriyakul</li> <li>Mr. Nathapun Siriviriyakul</li> <li>Mr. Sirivuthi Siamphakdee</li> <li>Mrs. Darat Vibhatakalasa</li> <li>Mr. Sirapak Siriviriyakul</li> </ol> </li> <li>The Company's shareholders and related companies hold shares in RPE are Siricharoen Export Co.,Ltd and Jaroon hatai Ake Holding Co.,Ltd</li> </ul>	<p><b><u>Land Lease Expenses</u></b> KTIS pay for the land lease fees</p> <p><b><u>Deposit – Factory Lease Fees</u></b> Rental deposit for land and machinery of sugar factories.</p> <p><b><u>Prepaid Expenses</u></b> Prepayment of the land, factory and machinery lease fees</p> <p><b><u>Debts under Financial Lease</u></b> Debts under financial lease for building and machinery</p> <p><b><u>Accrued interest payable</u></b> Interest payable on finance leases.</p> <p><b><u>Financial Costs</u></b> Interest expenses under financial lease for building and machinery</p> <p><b><u>Land Lease Expenses</u></b> KTIS leased land</p> <p><b><u>Electricity charge</u></b> electricity charge</p> <p><b><u>Accrued expenses</u></b> Costs payable from KTIS leased land.</p> <p><b><u>Prepaid Lease Fees</u></b> Prepayment of the land lease fees</p> <p><b><u>Other Payable</u></b> Electricity Development Fund</p>
<p>14. SiriCharoen Sapraiwan Co., Ltd. ("SSPW") (operates hotel and resort business)</p>	<ul style="list-style-type: none"> <li>SSPW has 3 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Pricha Attavipach</li> <li>Miss Chua EngEng</li> <li>Mr. Sirapak Siriviriyakul</li> </ol> </li> <li>The Company's shareholders and related companies hold shares in SSPW is Aekphol Sugar Co., Ltd.</li> </ul>	<p><b><u>Resort Fees</u></b> Accommodation fees for rooms and services</p> <p><b><u>Accrued Expenses</u></b> Accrued expenses of accommodation fees for rooms and services</p> <p><b><u>Other Receivable</u></b> Ethyl alcohol 70%</p>



Transaction Value (THB)			Rationale of the transaction
30 September 2018	30 September 2019	30 September 2020	
			<ul style="list-style-type: none"> <li>On 25 December 2013, TIS and Siri Charoen agreed to amend the debt restructuring contract. Under the amended debt restructuring contract which has been effective since 31 December 2013, TIS agreed to pay the outstanding debts which include the principal of THB 97,000,000 and the accrued interest of THB 687,156,121.56 to Siri Charoen. The Company views that such amendment is favorable for the Company and reduce TIS' future debt repayment burden.</li> </ul>
3,974,999.99	6,134,385.44	5,300,000.00	<ul style="list-style-type: none"> <li>The Company leased land from RPE, with total area of 173 rai, 95.9 sq.wah., located at Ban Ma Glua, Muang, Nakornsawan, which was part of the lease of sugar factories from RPE.</li> </ul>
101,000,000.00	101,000,000.00	101,000,000.00	<ul style="list-style-type: none"> <li>The land lease agreement was made on 16 July 2012 at the lease fee of THB 5,300,000 per year, increasing every 5 years based on the 5-year average CPI, but not exceeding 20% of the prior year's lease fee rate.</li> </ul>
4,637,500.00	4,637,500.00	4,637,500.00	
791,097,504.26	782,418,229.73	772,784,235.00	<ul style="list-style-type: none"> <li>The land lease agreement has the term of 30 years and can be renewed to extend the term for another 30 years.</li> </ul>
10,877,590.59	10,758,250.66	10,625,783.24	<ul style="list-style-type: none"> <li>The rate of lease fee was in line with the appraisals conducted by Knight Frank Charter (Thailand) Co., Ltd. on 8 May 2012 and Sallmanns (FarEast) Limited on 21 May 2012.</li> </ul>
65,803,111.80	86,901,385.44	85,933,537.85	<ul style="list-style-type: none"> <li>The company leased the land from RPE. The price, terms and conditions are more favorable for the company than the market rates and conditions.</li> </ul>
622,199.44	6,167,734.60	884,080.94	
128,779.00	206,212.24	243,087.81	
13,118.26	17,599.45	17,154.55	
213,186.86	516,288.60	516,467.96	
-	38,271.03	-	
12,249.99	-	-	<ul style="list-style-type: none"> <li>KTIS group has used hotel accommodation for seminars and services from SSPW which owns a resort located at 1/79, Moo 2, Kaengsopha, Wangthong, Phitsanulok. The price, terms and conditions are more favorable for the company than the market rates and conditions.</li> </ul>
-	-	-	
-	-	4,616,822.43	

Related Person/ Companies	Nature of Relationship	Nature of Transaction
<p>15. Nakornsawan Ruamtoonpattana Co.,LTD ("Nakornsawan Ruamtoonpattana")  (In the transportation business)</p>	<ul style="list-style-type: none"> <li>Nakornsawan Ruamtoonpattana has 1 common director with the Company, namely Mr. Prasert Siriviriyakul.</li> <li>The Company's shareholders and related companies hold shares in Nakornsawan Ruamtoonpattana is Jaroon Hatai Ake Holding Co.,Ltd</li> </ul>	<p><b><u>Sugar Transportation Cost</u></b> TIS engaged Nakornsawan Ruamtoonpattana in the transportation of sugar to the warehouses.</p> <p><b><u>Accrued Transportation Expenses</u></b> Sugar transportation expenses</p> <p><b><u>Other Revenue</u></b> Compensation for damage of goods (sugar)</p> <p><b><u>Deposit – Transportation Cost</u></b> Cost to guarantee the payment of compensation for damage during the transportation</p>
<p>16. PoomPattana Business Co.,Ltd ("PP")  (Property Business)</p>	<ul style="list-style-type: none"> <li>PoomPattana has 2 common directors with the Company (1) Mr. Prasert Siriviriyakul (2) Mr.Sirapak Siriviriyakul</li> <li>Related parties hold shares in PP is Jaroon Hatai Ake Holding Co.,Ltd</li> </ul>	<p><b><u>Land Lease Expenses</u></b> KTIS ,TIS, KTBE,EPPCO and KTBF leased land</p> <p><b><u>Accrued expenses</u></b> Costs payable from KTBF leased land.</p> <p><b><u>PrepaidExpenses</u></b> Prepayment of the land lease fees</p>
<p>17. Agro Ethanol Co.,Ltd ("Agro Ethanol")  (Property Business)</p>	<ul style="list-style-type: none"> <li>Agro Ethanol has 1 common director with theCompany,namely Mr.Sirapak Siriviriyakul</li> <li>Related company shareholders in Agro Ethanol is Aekphol Sugar Co., Ltd.</li> </ul>	<p><b><u>Land Lease Expenses</u></b> KTIS and EPPCO leased land</p> <p><b><u>PrepaidExpenses</u></b> Prepayment of the land lease fees</p>
<p>18. EPC Power Co.,Ltd ("EPC Power")  (Property Business)</p>	<ul style="list-style-type: none"> <li>EPC Power has 1 common director with theCompany,namely Mr.Sirapak Siriviriyakul</li> <li>Related company shareholders in EPC Power is Aekphol Sugar Co., Ltd.</li> </ul>	<p><b><u>Land Lease Expenses</u></b> KTIS and KTBE leased land</p> <p><b><u>PrepaidExpenses</u></b> Prepayment of the land lease fees</p>
<p>19. Kaset Thai Sugar Co.,Ltd ("KT")  (Formerly operated sugar production and trading business but currently is not in business operation.)</p>	<ul style="list-style-type: none"> <li>KT has 1 common director with the Company,namely Mr.Sirapak Siriviriyakul</li> <li>Related company shareholders in KT is Aekphol Sugar Co., Ltd.</li> </ul>	<p><b><u>Land Lease Expenses</u></b> Land Lease Expenses</p> <p><b><u>Prepaid land Lease</u></b> Prepaid land Lease</p>
<p>20. Siriviriyakul Co.,Ltd ("Siriviriyakul")  (Property Business)</p>	<ul style="list-style-type: none"> <li>Siriviriyakul has 1 common director with theCompany,namely Mrs. Darat Vibhatakalasa</li> <li>The Company's shareholders and related companies hold shares in Siriviriyakul is Jaroon Hatai Ake Holding Co.,Ltd</li> </ul>	<p><b><u>Land Lease Expenses</u></b> Land Lease Expenses</p> <p><b><u>Prepaid land Lease</u></b> Prepaid land Lease</p>
<p>21. Hua Hin Pearl Resort Company Limited ("Hua Hin Pearl")  (Hotel and Resort Business)</p>	<ul style="list-style-type: none"> <li>Hua Hin Pearl has 1 common directorwiththeCompany, namely Mr.Sirapak Siriviriyakul</li> <li>TheCompany's shareholders and related parties hold shares in is 1. Jaroon Hatai Ake Holding Co.,Ltd 2. Siri Charoen Export Co.,Ltd 3. Akephol Sugar Co.,Ltd.</li> </ul>	<p><b><u>Other Receivable</u></b> Ethyl alcohol 70%</p>



Transaction Value (THB)			Rationale of the transaction
30 September 2018	30 September 2019	30 September 2020	
8,966,330.86	6,448,045.75	7,650,775.68	<ul style="list-style-type: none"> <li>TIS engaged Nakornsawan Ruamtoonpattana in the transportation of sugar to the warehouses. Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
1,052,576.14	447,131.31	106,620.64	
13,345.79	13,009.35	13,724.30	
-	-	23,350,050.00	
4,546,870.91	7,936,618.44	8,832,525.74	<ul style="list-style-type: none"> <li>KTBF has leased the land from PP for use as fertilizer plant and operate area.</li> <li>KTIS and TIS have leased the land from PP for use as fertilizer plant and operate area.</li> <li>EPPCO has leased the land from PP 35 area, approximately 459-0-87.3 rai to manage waste management and salads.</li> <li>KTBE has leased the land from PP 35 area, approximately 965 rai to manage waste management and salads.</li> <li>Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
2,264.95	2,514.22	1,439.78	
1,512,748.84	4,759,104.15	4,771,885.38	
220,173.99	207,459.72	382,657.60	<ul style="list-style-type: none"> <li>KTIS has leased the land from Agro Ethanol for use as fertilizer plant and operate area.</li> <li>EPPCO has leased the land from Agro Ethanol for use as operate area.</li> <li>Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
73,586.01	45,092.29	198,738.69	
136,703.35	280,216.38	347,612.14	<ul style="list-style-type: none"> <li>KTIS has leased the land from EPC Power for use as fertilizer plant.</li> <li>KTBE has leased the land from EPC Power for use as fertilizer plant.</li> <li>Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
45,696.65	107,353.61	118,933.47	
1,920.00	33,828.03	45,103.98	<ul style="list-style-type: none"> <li>The Company has leased the land from KT for use in sugarcane planting.</li> <li>Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
-	26,310.63	26,310.65	
-	117,920.61	117,920.00	<ul style="list-style-type: none"> <li>The Company has leased the land from KT for use in sugarcane planting.</li> <li>Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
-	58,959.80	58,959.98	
-	-	1,121,495.33	<ul style="list-style-type: none"> <li>KTBE sells 70% ethyl alcohol to Hua Hin Pearl. Selling price, terms and conditions are in line with market rates and practices.</li> </ul>

## Conclusions relating to the related party transactions

After having thoroughly considered all the connected transactions for the financial year ended September 30, 2020, as well as having obtained information from the management and verified the information specified in the notes to the financial statements, the audit committee, at Audit Committee Meeting, no. 1/2021 held on November 30, 2020, concluded that the connected transactions for the financial year ended September 30, 2020 were conducted in the ordinary course of business. The transactions were also deemed to be conducted on an arm's length basis. There was also no transfer or diversion of interests between our Company and persons who may have conflicts of interests.

## The approval procedure for related party transactions

Our policy and procedures for related party transactions with persons who may have conflicts of interests are summarized as follows.

We shall abide with all principles and procedures as provided in the Securities Act, the Notification of Capital Market Supervisory Board, ref. Tor.Jor. 21/2551 (A.D. 2008) on related party transaction principle, the Notification of the Board of Governors of the Stock Exchange of Thailand on the disclosure of information and other acts of listed companies concerning related party transactions, relevant rules of the Securities and Exchange Commission and the Stock Exchange of Thailand and the provisions on disclosure of related party transactions in notes to audited financial statements and annual registration statements (56-1).

The audit committee shall evaluate any transaction for which prior approval from the board of directors or shareholders is required by law. The audit committee's opinions will be presented at the board and shareholder meetings. This ensures that we will only enter into transactions which are in our best interests.

In the event that other parties in proposed related transactions may face conflicts of interests, the audit committee will provide an opinion on the necessity of entering into the transaction, on whether the terms and the prices have been offered according to industry practice and how they compare to terms offered by other vendors. In addition, where required, we may appoint an independent specialist to provide an opinion on the transaction. Directors with vested interests in the transactions will be precluded from voting and such transactions must be disclosed in the notes to the audited financial statements.

As a rule, the management is authorized to approve transactions if their trading terms and conditions were determined on an arm's length basis. We will be issuing a summary report on transactions with total values in excess of Baht 5,000,000, at our next board meeting.

## Our policy towards future related party transactions

All related party transactions shall only be carried out in adherence with all applicable rules and principles of the Stock Exchange of Thailand and the Securities and Exchange Commission.

We will continue to strictly observe and abide by the aforementioned policy and procedures for related party transactions. The audit committee provides guidance on the approval of related party transactions. It will consider the necessity of a transaction for our business operations and compare it against prices and terms offered by other vendors, if any. The audit committee will also take into account size of the transaction.

If the audit committee does not specialize in a particular kind of transaction, we will appoint persons with the requisite skills and knowledge to provide their opinions on the transaction. Such persons may be independent auditors or real estate appraisers whose opinions will facilitate the decision making processes of our board of directors or shareholders, ensure that the transaction does not involve a transfer or diversion of interests between companies within KTIS group or among our shareholders and that shareholders' interests are protected.

# Management Discussion & Analysis

## Overall operation of 2020

The total income composes of income from sale and service, income from the return of sugar production and sale, income from sugar cane farmers and sugar mill supporting project and other income. For 2020 financial year ended on 30th September 2020, the company has the total income of 14,021.8 million Baht, while in 2019 financial year ended on 30th September 2019 the company has the total income of 16,886.0 million Baht.

Income from sale and services in 2020 is 13,355.3 million Baht, decreased for 2,774.7 million Baht or 17.2 % from 2019 which is 16,130.0 million Baht. Since the decline of sugarcane amount in the production year 2019/2020 and Covid-19 pandemic that caused the continuing decrease of income in sugar and bio business sectors. The detail is explained as follows:

Production year		2018/2019	2019/2020	
Thailand	Sugarcane	131.0	74.9	Million tons
	Sugar	145.8	82.9	Million sacks (100 kilograms per sack)
	Molasses	5.9	3.4	Million tons
Company	Sugarcane	9.9	5.7	Million tons
	Sugar	10.3	6.0	Million sacks (100 kilograms per sack)
	Molasses	0.5	0.3	Million tons

Source: Office of Sugar and Cane Committee date 16th April 2020

- An income in sugar business decreased for 14.0% from the decrease of export sale.
- An income from bagasse pulp business decreased for 46.7% due to the decrease of total amount of paper pulp and bagasse pulp and the decrease of average bagasse pulp price.
- An income from ethanol business decreased for 16.0% due to the decrease of total amount of ethanol.
- An income from electricity decreased for 21.2% due to the decrease of total amount of electricity and the decrease of sale price.
- An income from other sale and service decreased for 6.4% due to the decrease of the variety of agricultural machine services, sale of fertilizer, pesticide and others.

An income from the compensation of sugar production and distribution in 2019 is 101.9 million Baht and is expected to be 12.4 million Baht in 2020. This compensation is expected to be paid to the company by the Cane and Sugar Fund since the production year 2017/2018 and 2018/2019 the final cane price and return from sugar production and distribution is expected to be lower than the preliminary price. The cane and sugar act designated the fund to compensate such difference to the Company and sugarcane farmers do not have to return the surplus of their sugarcane price. In between the end of year of 30<sup>th</sup> September 2019 and 30<sup>th</sup> September 2020, the company has adjusted such compensation to decrease the production cost, and adjust the income derived from such compensation.

An income from sugar cane farmers and sugar mill supporting program in 2019 is 162.1 million Baht and in 2020 is 282.3 million Baht, this income is paid from the Cane and Sugar Fund according to sugar cane farmers and sugar mill supporting program of the production year 2018/2019 and year 2019/2020.

Other income composes of interest received, gain from exchange and profit for future contract of sugar sale decreased 120.3 million Baht or decreased 24.4% from last year due to the decrease of interest received, gain from exchange and profit for future contract of sugar sale.

Cost of sale and services in 2020 decreased 1,343.3 million Baht or decreased for 10.5 % from 2019.

Expense for sale and services in 2020 decreased 1,246.9 million Baht or decreased for 42.5 % from 2020 due to the decrease of money delivered to the office of Cane and Sugar Fund, logistic expense, storage expense for sugar and molasses, human resources expenses and others.

Financial expense in 2020 decreased 90.1 million Baht or decreased for 29.7%

Tax expense in 2020 decreased 38.6 million Baht or decreased for 32.4 % due to the decrease of profit from the operation.

According to the aforementioned factors, in 2020 the company gained the net profit of 568.7 million Baht decreased for 23.2 % compared with the net profit in 2019 which is 740.1 million Baht.

## The analysis of the operation

Income	2019 (million Baht)	2020 (million Baht)	Change (million Baht)	Change (million Baht)
<b>Income from sale and services</b>	16,130.0	13,355.3	(2,774.7)	(17.2%)
<b>Sugar production and distribution business</b>	<b>11,107.5</b>	<b>9,552.8</b>	<b>(1,554.6)</b>	<b>(14.0%)</b>
Income from sugar distribution	10,484.4	8,628.5	(1,855.9)	(17.7%)
Income from molasses distribution	623.1	924.3	301.2	48.3%
<b>Downstream business</b>	<b>5,022.5</b>	<b>3,802.4</b>	<b>(1,220.1)</b>	<b>(24.3%)</b>
Income from bagasse pulp	1,309.5	698.3	(611.2)	(46.7%)
Income from ethanol	1,619.4	1,359.5	(259.9)	(16.0%)
Income from electricity	1,456.8	1,148.4	(308.3)	(21.2%)
others	636.9	596.2	(40.7)	(6.4%)
<b>Income from the return of sugar production and sale</b>	101.9	12.4	(89.4)	(87.8%)
<b>Income from sugar cane farmers and sugar mill supporting program</b>	<b>162.1</b>	<b>282.3</b>	<b>120.2</b>	<b>74.1%</b>
<b>Other income</b>	<b>492.0</b>	<b>371.7</b>	<b>(120.3)</b>	<b>(24.4%)</b>
<b>Total income</b>	<b>16,886.0</b>	<b>14,021.8</b>	<b>(2,864.2)</b>	<b>(17.0%)</b>

Source: the company

## Total income

The company's total income in 2020 is 14,021.8 million Baht decreased for 17.0 % from total income in 2019 which is 16,886.0 million Baht with following detail.

## Sugar production and distribution business

Income of sugar production and distribution business in 2020 and 2019 is 9,552.8 million Baht and 11,107.5 million Baht accordingly and decreased for 14.0% due to these following factors:

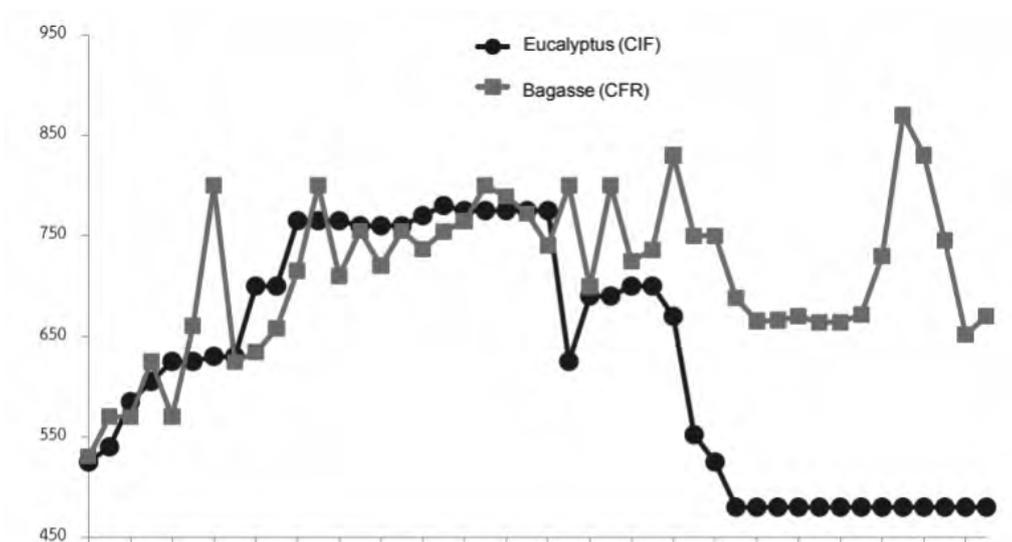
- The domestic sale amount of sugar in 2020 is 229,866.4 tons decreased 37.0 % from 2019. And the international sale amount of sugar in 2020 is 538,302.8 tons decreased 31.7 % from 2019.
- The domestic average sale price of sugar in 2020 is 17,325.5 Baht per ton increased 2.5 % from 2019. And, the international average sale price of sugar in 2019 is 9,810.6 Baht per ton increased 0.3 % from 2019 due the increase of international sugar price.
- The molasses sale amount in 2020 is 133,469.7 tons decreased 32.5 % from 2019 due to increase of international sale of 54,000.0 tons
- The average sale price of molasses in 2020 is 4,184.3 Baht per ton increased 32.7 % from 2019 due to the competitive market caused by the surplus of molasses.

## Downstream business

The company's income of downstream business in 2020 is 3,802.4 million Baht decreased 24.3 % from 2019 which is 5,022.5 million Baht with is the consequence of

- (1) Income from electricity sale in 2020 and 2019 is 1,148.4 million Baht and 1,456.8 million Baht accordingly, decreased 21.2% due to the amount of electricity sold by the company's 3 powerplants increased, meanwhile the average electricity price per unit in 2020 is 3.11 Baht decreased 0.3% compared to the average electricity price per unit in 2019 is 3.12 Baht
- (2) Income from bagasse pulp in 2020 is 698.3 million Baht decreased 46.7 % from 2019 which is 1,309.5 million Baht due to these following factors,

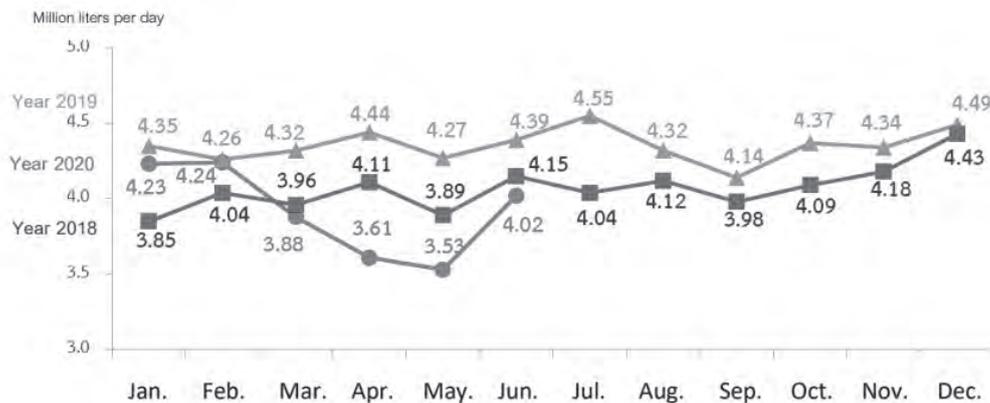
The graph exhibiting the previous change of bagasse pulp price



Source: RISI+Company

- The sale amount of bagasse pulp in 2020 and 2019 is 32,512.8 tons and 57,342.5 tons accordingly or decreased 43.3% from the increase of domestic and international sale amount.
- The domestic average sale price of bagasse pulp decreased to 23,750.8 Baht per ton from the price 23,608.5 Baht per ton in 2019, the international average sale price of bagasse pulp dropped to 21,030.6 Baht per ton in 2020 from the price 22,613.3 Baht per ton in 2019.

The graph exhibiting the previous change of ethanol



Source: Ministry of energy

- (3) Income from ethanol in 2020 and 2019 is 1,359.5 million Baht and 1,619.4 million Baht accordingly, decreased 16.0 % due to these following factors
- The sale amount of ethanol in 2020 and 2019 is 60.6 million liters and 73.6 million liters accordingly or increased 17.7%
  - The domestic average sale price bagasse pulp in 2020 is 22.42 Baht per liter increased 2.0 % from 2019 which is 21.99 Baht per liter.
- (4) Income from other services and others in 2020 and 2019 is 596.2 million Baht and 636.9 million Baht accordingly decreased 6.4% due to the decrease of the variety of agricultural machine services, sale of fertilizer, pesticide and others

## Income from the compensation of sugar production and distribution

An income from the compensation of sugar production and distribution in 2019 is 101.9 million Baht and in 2020 is 12.4 million Baht. This compensation is expected to be paid to the company by the Cane and Sugar Fund since the production year 2017/2018 and 2018/2019 the final cane price and return from sugar production and distribution is expected to be lower than the preliminary price. The cane and sugar act designated the fund to compensate such difference to the Company and sugarcane farmers do not have to return the surplus of their sugarcane price. In between the end of year of 30<sup>th</sup> September 2019 and 30<sup>th</sup> September 2020, the company has adjusted such compensation to decrease the production cost, and adjust the income derived from such compensation.

## Income from sugar cane farmers and sugar mill supporting program

An income from sugar cane farmers and sugar mill supporting program in 2019 is 162.1 million Baht and in 2020 is 282.3 million Baht, this income is paid from the Cane and Sugar Fund according to sugar cane farmers and sugar mill supporting program of the production year 2018/2019 and year 2019/2020.

## Other income

The company has interest received in 2020 and 2019 which is 36.4 million Baht and 61 million Baht.

Gain from exchange in 2019 is 85.2 million Baht, while in 2020 loss occurred from exchange is 8.8 million Baht due to Thai Baht appreciation

Profit for future contract of sugar sale in 2020 is 17.8 million Baht or decreased for 70 % from

2019 which is 59.3 million Baht

Other income in 2020 is 317.5 million Baht increased for 10.8 % from 2019 which is 286.4 million Baht due to insurance claim, damages compensation, quota B fee and the sale of scrap.

## Cost of sale and services and gross profit margin

Cost of sale and services in 2020 is 11,441.3 million Baht decreased for 10.5 % from 2019 which 12,784.6 million Baht

Cost of sale and services and gross profit margin of 2020 and 2019 comparison is exhibited in below table

Income	2019 (million Baht)	2020 (million Baht)	Change (million Baht)	Change (million Baht)
<b>Income from sale and services</b>	<b>16,130.0</b>	<b>13,355.3</b>	<b>(2,774.7)</b>	<b>(17.2%)</b>
Sugar production and distribution business	11,107.5	9,552.8	(1,554.6)	(14.0%)
Downstream business	5,022.5	3,802.4	(1,220.1)	(24.3%)
<b>Cost of sale and services</b>	<b>12,784.6</b>	<b>11,441.3</b>	<b>(1,343.3)</b>	<b>(10.5%)</b>
Sugar production and distribution business	9,506.9	8,402.2	(1,104.6)	(11.6%)
Downstream business	3,277.8	3,039.1	(238.7)	(7.3%)
<b>Gross profit</b>	<b>3,447.3</b>	<b>1,926.4</b>	<b>(1,520.8)</b>	<b>(44.1%)</b>
Sugar production and distribution business	1,702.5	1,163.0	(539.5)	(31.7%)
Downstream business	1,744.8	763.4	(981.4)	(56.2%)
<b>Gross profit margin</b>	<b>21.2%</b>	<b>14.4%</b>	-	<b>(6.8%)</b>
Sugar production and distribution	15.2%	12.2%	-	(3.0%)
Downstream business	34.7%	20.1%	-	(14.7%)

Source: the Company

The gross profit in 2020 is 1,926.4 million Baht decreased from the gross profit of 2019 which is 3,447.3 million Baht or decreased 44.1% due to the decrease of gross profit of sugar production and distribution business and downstream business

The gross profit from industrial business decreased due to

- The amount of sold electricity in 2020 is 368,854,007 units decreased 21.0% from 2019 which is 466,688,087 units. The sale price also decreased from 2019 from 3.12 Baht per unit in 2019 to 3.11 Baht per unit in 2020
- The sale amount of bagasse pulp in 2020 is 32,512.8 tons increased 43.3% from 2019 which is 57,342.5 tons, although the average sale price bagasse pulp in 2020 decreased for 5.9 % from 2019 which is 22,836.9 Baht per ton to 21,478.1 Baht per ton in 2020.
- The sale amount of ethanol in 2020 is 60.6 million liters increased 17.7% from 2019 which is 73.6 million liters accordingly. Although the domestic average sale price of ethanol in 2020 increased 2.0% from 2019 which is 21.99 Baht per liter to 22.42 Baht per liter in 2020.

The gross profit of sugar production and distribution business increased due to the decline of sugarcane amount in the production year 2019/2020 which also cause the increase of cost per unit of sale and service of the sugar production and business distribution increased.

## The expense of sale and management

The expense of sale and management in 2020 is 1,686.6 million Baht decreased 42.5 % from 2019 which is 2,933.5 million Baht due to the money delivered to the office of the Cane and Sugar Fund, logistic expense, storage expense for sugar and molasses, human resources expenses and others.

## The financial expense

The financial expense in 2020 is 213.1 million Baht decreased 90.1 million Baht or decreased 29.7%.

## Income tax

Tax expense in 2020 decreased 80.4million Baht , while Tax expense in 2019 is 119.0 million Baht or decreased for 32.4 % due to the increase of the profit from the operation.

## Net profit and net profit margin

In 2020 the Company has the net profit of 568.7 million Baht compared with 2019 which is 740.1 million Baht. The net profit margin in 2020 and 2019 is 4.25 % and 4.56%.

# Financial Analysis

## Asset

On 30th September 2020 the non-current asset of company is 15,395.0 million Baht increased 19.5 % from 2019 which is 19,119.7 million Baht

- The current asset of 30th September 2020 is 4,185.0 million Baht decreased 3,523.8 million Baht or 45.7 % from 2019 which is 7,708.8 million Baht with following factors
  - The inventory in stock decreased 1,529.3 million Baht
  - Account receivable and other receivable decreased 911.3 million Baht
  - Receivable of Cane and Sugar Fund which shall due within a year decreased 891.8 million Baht
  - Deferred repair expenses decreased for 115.9 million Baht
- the non-current asset of company at 30th September 2020 is 11,210.0 million Baht decreased for 200.9 million Baht or increased for 1.8 % from 2019 which is 11,410.9 million Baht with following factors
  - Receivable of Cane and Sugar Fund which shall due after a year decreased 576.8 million Baht
  - Deferred tax decreased for 21.7 million Baht
  - Land, building and equipment decreased 227.1 million Baht
  - Non-current asset decreased 17.9 million Baht



## Debt

On 30th September 2020 debt of the company is 7,022.4 million Baht increased 34.8 % from 2019 which is 10,777.5 million Baht.

- The current liability at 30th September 2020 is 4,528.1 million Baht decreased for 3,064.3 million Baht or decreased 40.4% from 2019 which is 7,592.4 million Baht with following factors
  - The current liability from the Cane and Sugar Fund decreased for 1,170.9 million Baht
  - The overdraft and the short-term loan from banks decrease for 1,409.5 million Baht
  - Deferred tax decreases for 31.6 million Baht
  - Account payable and other payable decreases for 318.0 million Baht
- The non-current liability at 30th September 2020 is 2,494.3 million Baht decreased for 690.9 million Baht or decreased 21.7% from 2019 which is 3,185.1 million Baht from the repayment of long-term loan with banks and long term loan with the Cane and Sugar Fund include the decrease of other non-current liability.

## Equity

On 30th September 2020 equity of the company is 8,372.6 million Baht increased 0.4 % from 2019 which is 8,342.1 million Baht from the profit return in 2020

## Liquidity and sufficiency of fund

The company has elevated the relationship and cooperation with financial institutions by focusing on strategic partner as the growing partners. The company has been partnering to develop financial products and services such as comprehensive cash management, online sale cheque. Therefore, the company gained trust from financial institutions and gain the support of sufficient capital and the cooperation to support the company's investment in future.

## Cashflow

In 2020, the company has the net profit of 568.7 million Baht. The depreciation and amortization is 1,283.5 million Baht. After the adjustment of non-cash items, the company has the profit from operation before changes in asset and debt at 1,852.7 million Baht. After the calculation of changes in asset and debt, the net cash from operation after interest and tax is 4,579.4 million Baht. The net cash for investment activities is 1,070.6 million Baht and the net cash for financing activities is 3,526.0 million Baht, so the net cash and cash equivalent decrease is 17.2 million Baht. The cash and cash equivalent at the beginning period is 295.0 million Baht and the cash and cash equivalent at the end period is 277.7 million Baht.

## Financial Liquidity

The liquidity ratio under consolidated financial report at 30th September 2020 is 0.92 which slightly decreased from the last year which was 1.02, and the quick ratio is 0.51 which slightly decreased from the last year which was 0.57.

The company has developed the cash management system with financial institutions in the whole group basis, which helps the company to use the surplus cash of each day to repay working capital. In the case that the company needs to use cash, it could also withdraw from daily working capital as well. Such management helps the company to save the financial cost which includes the option of capital market of working capital financing through short term bills of exchange that result in good liquidity and proper financial cost with the short term and long-term competitiveness.

## Source of and uses of capital and the appropriateness of capital structure

The company has implemented the appropriate financial structure to support business operation and to create the value to the shareholders by taking a concern of financial risk prevention

After the company began to restructure its and its subsidiaries' financial structure since 2015 by long term loan from financial institutions. Currently the company has the remaining long-term loan with financial institutions after the loan due within 1year for 749.7 million Baht.

The debt to equity ratio at 30th September 2020 is 0.84 increased from 2019 which is 1.29. Such ration shall not cause any significant financial risk. Further, the company still has the capability to leverage for the operation of the company and its subsidiaries which includes the opportunity for future project.

## Investment expense and source of fund

In 2020 the company has the net cashflow spent for investment at 1,070.6 million Baht. The majority of the investment is the investment in land, building and equipment and also includes the debt repayment for the debtors of land building and equipment purchase.

## The situations that shall affect the company's future financial status or operation

Last year's severe drought crisis in Thailand has affected that the sugarcane amount highly decreased, and Covid-19 pandemic has affected the construction of investment project since the delay of machinery import which shall affect the operation in future.

Currently, the company has a plan to overcome such problems by implementing measures to gain trust from sugarcane farmers and support them to grow more sugarcane to secure sufficient raw material. As the situation of Covid-19 has recovered, all machinery import is expected to be completed within 2021.

Furthermore, the risk management committee has reviewed the policy, monitored the risk frequently to ensure that the implementation of measure and risk management shall control risk to be in risk appetite level and acceptable as mentioned in risk factors topic.

# Declaration of the Directors' Responsibility for the Financial Statements

The Board of Directors of the Kaset Thai International Sugar Corporation Plc. has prepared the Company's financial statements to show its financial status and performance for 2020 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act 1992, and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions and reporting method for the disclosure of information on financial status and performances of companies the issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2020. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent fraud or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system, and its opinions duly appear in its own report found in this publication.

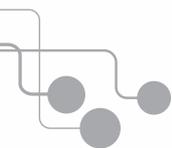
It is our view that the Company's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of the Company and its subsidiaries ended September 30, 2020 are reliable under generally accepted accounting standard, legally sound, and acceptable to relevant regulations.



**Mr. Pricha Attavipach**  
Chairman



**Mr. Parphan Siriviriyakul**  
Chief Executive Officer-KTIS Group



# Independent Auditor's Report

## Independent Auditor's Report

To the Shareholders of Kaset Thai International Sugar Corporation Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Kaset Thai International Sugar Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries and of Kaset Thai International Sugar Corporation Public Company Limited as at 30 September 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### **Net realisable value of finished goods in manufacture and distribution of sugar segment**

The Group had significant outstanding balance of finished goods in manufacture and distribution of sugar segment as at 30 September 2020 amounting to Baht 1,020 million since sugar is commodity and the prices was set by global demand and supply causing sugar price for export sales fluctuated as market price. As a result, estimating the net realisable value of finished goods is an area of significant management judgement. This requires detailed analysis of the competitive environment, economic circumstances, the situation within the industry and basis applied in the estimating price of sugar exports. There is thus a risk with respect to the amount of provision set aside for diminution in the value of finished goods.

I assessed and tested the internal controls of the Group relevant to the determination of provision for diminution in the value of finished goods in manufacture and distribution of sugar segment. I also evaluated the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of finished goods and reviewing the consistency of the application of that basis.
- Comparing details of sales contract occurring after the date of the financial statements with the cost of finished goods for each product line.
- Reviewing the appropriateness of the sales forecasts by product line that were prepared by the Group's management, in comparison with global sugar prices.

## **Revenue recognition from export sales of sugar**

Revenue from export sales of sugar is the most significant amount in the statements of comprehensive income and it is a key performance indication which the financial statements' users focus. For the year ended 30 September 2020, the export sugar sales of the Group is Baht 5,630 million (represented 40% of total revenues). In addition, the Group has significant numbers of sugar futures contracts. Therefore, there is a risk with respect to the amount and timing of revenue recognition. For this reason, I have paid particular attention to the Group's recognition of revenue from export sales of sugar in order to ensure that the revenue is recorded correctly and in accordance with the relevant accounting standards.

I have examined to ensure that the revenue from export sales of sugar is recognised when control of the goods have passed to the buyer. The procedures that I performed included:

- Assessing the appropriateness and testing the effectiveness of the Group's internal controls with respect to the revenue from export sales of sugar cycle.
- Applying a sampling method to select sales agreements to verify the accuracy and appropriateness of revenue recognition, whether the recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sale transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sale transactions.

## **Impairment of investments in subsidiaries in the separate financial statements**

As of 30 September 2020, the Company has investments in subsidiaries of Baht 11,838 million which are accounted for in the separate financial statements using the cost method. I have paid particular attention to the determination of allowance for impairment loss of investments in subsidiaries in the separate financial statements. Since this account require management to exercise significant judgement with respect to projections of the future operating performance of the subsidiaries and the determination of an appropriate discount rate and key assumptions, there is thus a risk with respect to the amount of impairment loss accounts.

I assessed the management's identification of cash-generating units. I also gained an understanding of and assessed the cash flow projections of the subsidiaries, based on the understanding I gained of the process by which management arrived at the figures, comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in preparing the cash flow projections, comparison of the long-term growth rate with economic and industry forecasts and assessment of the discount rate based on comparison of the average cost of capital and other data with those used by comparable organisations in the same industry.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

I am responsible for the audit resulting in this independent auditor's report.



Vilailak Laohasrisakul

Certified Public Accountant (Thailand) No. 6140

EY Office Limited

Bangkok: 30 November 2020

# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Statement of financial position

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 30 September 2020	As at 30 September 2019	As at 30 September 2020	As at 30 September 2019
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	277,736,739	294,964,989	160,914,009	175,050,164
Trade and other receivables	7, 9	398,371,173	1,309,671,083	230,287,425	804,144,552
Planters receivables	10	342,878,320	391,461,640	266,284,956	259,371,284
Short-term loans to related parties	7	-	-	1,414,753,860	3,044,326,756
Inventories	11	1,887,927,624	3,417,237,620	1,018,519,027	1,782,608,599
Biological assets	12	44,545,615	47,479,481	32,747,083	36,982,362
Factory overhaul costs		626,073,977	742,011,325	531,777,425	558,022,151
Current portion of amounts due from the Office of the Cane and Sugar Fund	13	528,020,179	1,419,853,658	421,599,438	1,118,021,200
Other current assets	7	79,412,985	86,087,574	23,603,940	32,291,321
<b>Total current assets</b>		<b>4,184,966,612</b>	<b>7,708,767,370</b>	<b>4,100,487,163</b>	<b>7,810,818,389</b>
<b>Non-current assets</b>					
Investments in subsidiaries	14	-	-	11,192,687,369	9,442,687,369
Investments in joint venture	15	932,199,308	280,615,992	-	-
Other long-term investments		262,450	262,450	50,975	50,975
Amounts due from the Office of the Cane and Sugar Fund - net of current portion	13	-	576,797,547	-	454,181,921
Investment properties	16	327,039,274	323,740,616	12,378,480	12,378,480
Property, plant and equipment	17	9,299,677,804	9,526,808,725	2,958,125,259	3,423,157,928
Intangible assets	18	245,487,929	257,808,984	5,866,619	2,637,973
Deferred tax assets	30	195,575,940	217,228,577	179,504,011	201,748,487
Other non-current assets	7	209,748,577	227,645,828	167,169,826	172,024,816
<b>Total non-current assets</b>		<b>11,209,991,282</b>	<b>11,410,908,719</b>	<b>14,515,782,539</b>	<b>13,708,867,949</b>
<b>Total assets</b>		<b>15,394,957,894</b>	<b>19,119,676,089</b>	<b>18,616,269,702</b>	<b>21,519,686,338</b>

The accompanying notes are an integral part of the financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Statement of financial position (continued)

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 30 September 2020	As at 30 September 2019	As at 30 September 2020	As at 30 September 2019
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	19	2,438,976,185	3,848,498,765	2,438,360,819	3,844,755,564
Trade and other payables	7, 20	1,354,429,640	1,672,444,638	652,771,946	1,096,550,898
Short-term loans from related parties	7	-	-	2,328,947,318	1,729,106,530
Short-term loans from the Office of the Cane and Sugar Fund	21	-	1,170,920,794	-	923,501,258
Current portion of liabilities under finance lease agreements	22	10,693,734	9,633,995	10,693,734	9,633,995
Current portion of long-term loans from financial institutions	23	599,301,566	748,446,701	599,301,566	598,925,349
Current portion of long-term loans from related party	7	4,850,000	4,850,000	-	-
Current portion of long-term loans from the Office of the Cane and Sugar Fund	24	8,411,144	12,540,503	-	-
Income tax payable		27,736,231	59,316,326	-	-
Other current liabilities	7	83,664,047	65,752,264	22,966,220	21,231,648
<b>Total current liabilities</b>		<b>4,528,062,547</b>	<b>7,592,403,986</b>	<b>6,053,041,603</b>	<b>8,223,705,242</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements					
- net of current portion	22	762,090,501	772,784,235	762,090,501	772,784,235
Long-term loans from financial institutions					
- net of current portion	23	749,720,150	1,349,021,716	749,720,150	1,349,021,716
Long-term loans from related party					
- net of current portion	7	58,200,000	63,050,000	-	-
Long-term loans from the Office of the Cane and Sugar Fund					
- net of current portion	24	-	8,411,144	-	-
Provision for long-term employee benefits	25	442,562,279	481,441,492	256,989,195	288,608,902
Provision for decommissioning costs		32,440,013	31,280,295	-	-
Other non-current liabilities	7	449,312,221	479,154,203	-	-
<b>Total non-current liabilities</b>		<b>2,494,325,164</b>	<b>3,185,143,085</b>	<b>1,768,799,846</b>	<b>2,410,414,853</b>
<b>Total liabilities</b>		<b>7,022,387,711</b>	<b>10,777,547,071</b>	<b>7,821,841,449</b>	<b>10,634,120,095</b>

The accompanying notes are an integral part of the financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Statement of financial position (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Note	30 September 2020	30 September 2019	30 September 2020	30 September 2019
<b>Shareholders' equity</b>					
Share capital					
Registered					
3,888,000,010 ordinary shares of Baht 1 each		3,888,000,010	3,888,000,010	3,888,000,010	3,888,000,010
Issued and fully paid up					
3,860,000,010 ordinary shares of Baht 1 each		3,860,000,010	3,860,000,010	3,860,000,010	3,860,000,010
Share premium		5,202,881,296	5,202,881,296	5,202,881,296	5,202,881,296
Capital deficit from business combination under common control		(3,577,165,024)	(3,577,165,024)	(573,217,706)	(573,217,706)
Capital surplus on share-based payment	27	200,200,000	200,200,000	200,200,000	200,200,000
Retained earnings					
Appropriated - statutory reserve		347,435,411	324,484,433	347,435,411	324,484,433
Unappropriated		2,339,218,490	2,331,728,303	1,757,129,242	1,871,218,210
<b>Total shareholders' equity</b>		<b>8,372,570,183</b>	<b>8,342,129,018</b>	<b>10,794,428,253</b>	<b>10,885,566,243</b>
<b>Total liabilities and shareholders' equity</b>		<b>15,394,957,894</b>	<b>19,119,676,089</b>	<b>18,616,269,702</b>	<b>21,519,686,338</b>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the year ended 30 September 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Revenues</b>					
Revenue from contracts with customers		13,355,300,194	16,130,016,036	7,459,276,973	10,322,403,983
Revenue from compensating of sugar productions and distributions	13	12,412,635	101,861,479	11,322,458	79,596,857
Revenue under the project to support sugar cane planters and sugar plants	20	282,334,957	162,125,257	213,824,261	128,948,609
Other income					
Dividend income	14	-	-	1,002,172,414	843,130,717
Interest income		36,392,506	61,012,377	69,980,363	136,167,054
Gain on exchange		-	85,214,142	-	61,257,197
Gain on sugar futures contracts	37	17,793,963	59,297,276	17,793,963	59,297,276
Others		317,515,931	286,438,730	273,469,799	190,051,030
<b>Total revenues</b>		<b>14,021,750,186</b>	<b>16,885,965,297</b>	<b>9,047,840,231</b>	<b>11,820,852,723</b>
<b>Expenses</b>					
Cost of sales		11,441,278,962	12,784,605,839	6,659,428,179	9,032,070,688
Selling expenses		453,328,791	1,481,101,449	247,375,445	1,167,164,914
Administrative expenses		1,233,236,190	1,452,405,960	792,692,909	949,516,611
Loss on impairment of investment in subsidiary	14	-	-	635,000,000	-
Loss on exchange		8,830,724	-	6,356,692	-
<b>Total expenses</b>		<b>13,136,674,667</b>	<b>15,718,113,248</b>	<b>8,340,853,225</b>	<b>11,148,752,213</b>
<b>Profit before share of loss of a joint venture, finance cost and income tax benefits (expenses)</b>					
Share of loss of a joint venture	15	(22,916,684)	(5,633,808)	-	-
<b>Profit before finance cost and income tax benefits (expenses)</b>		<b>862,158,835</b>	<b>1,162,218,241</b>	<b>706,987,006</b>	<b>672,100,510</b>
Finance cost		(213,086,253)	(303,179,057)	(232,933,547)	(307,984,168)
<b>Profit before income tax benefits (expenses)</b>		<b>649,072,582</b>	<b>859,039,184</b>	<b>474,053,459</b>	<b>364,116,342</b>
Income tax benefits (expenses)	30	(80,364,978)	(118,956,781)	(15,033,897)	15,043,767
<b>Profit for the year</b>		<b>568,707,604</b>	<b>740,082,403</b>	<b>459,019,562</b>	<b>379,160,109</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax		40,733,428	(42,606,208)	28,842,315	(18,837,262)
<b>Other comprehensive income for the year</b>		<b>40,733,428</b>	<b>(42,606,208)</b>	<b>28,842,315</b>	<b>(18,837,262)</b>
<b>Total comprehensive income for the year</b>		<b>609,441,032</b>	<b>697,476,195</b>	<b>487,861,877</b>	<b>360,322,847</b>
<b>Earnings per share</b>					
32					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.15	0.19	0.12	0.10
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.15	0.19	0.12	0.10

The accompanying notes are an integral part of the financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Cash flow statement

For the year ended 30 September 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit before tax	649,072,582	859,039,184	474,053,459	364,116,342
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,283,534,409	1,270,364,854	600,728,404	605,220,408
Gain on realised discount from transferring right of planter receivables	(4,671,519)	(7,602,523)	(4,326,028)	(7,351,288)
Reversal of allowance for doubtful accounts	(28,279,987)	(37,765,444)	(16,142,534)	(29,267,543)
Reduction cost of inventories to net realisable value (reversal)	(309,518,906)	121,694,895	(122,216,348)	70,434,832
Loss (gain) arising from change in fair value of biological assets	744,031	(5,386,471)	(142,759)	(4,889,920)
Unrealised loss (gain) on exchange	262,019	(707,058)	174,650	357,379
Loss on impairment of investment in subsidiary	-	-	635,000,000	-
Share of loss from the joint venture	22,916,684	5,633,808	-	-
Loss on impairment of investment properties (reversal)	(1,596)	1,591,986	-	-
Loss on impairment of property plant and equipment	33,073,943	24,403,690	9,440,128	13,728,886
Gain on sales of investment properties	(23,750)	(73,075)	-	-
Gain on sales of plant and equipment	(690,907)	(4,313,726)	(884,808)	(14,471)
Loss on write-off of equipment	-	32,446	-	-
Long-term employee benefits expenses	29,617,113	115,197,232	16,406,328	67,616,445
Share-based payment	-	29,659,259	-	15,511,437
Dividend income	-	-	(1,002,172,414)	(843,130,717)
Interest income	(36,392,506)	(61,012,377)	(69,980,363)	(136,167,054)
Interest expense	213,086,253	303,179,057	232,933,547	307,984,168
Profit from operating activities before changes in operating assets and liabilities	1,852,727,863	2,613,935,737	752,871,262	424,148,904

The accompanying notes are an integral part of the financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the year ended 30 September 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Operating assets (increase) decrease				
Trade and other receivables	911,456,696	(318,939,795)	568,686,596	(323,173,193)
Planter receivables	65,465,110	208,088,523	749,097	162,167,617
Inventories	1,838,828,902	(347,900,993)	886,305,920	247,654,966
Biological assets	2,189,835	15,761,498	4,378,038	9,342,041
Amounts due from the Office of the Cane and Sugar Fund	(42,966,920)	(352,605,416)	(39,193,147)	(275,533,867)
Other current assets	122,611,937	(144,397,942)	34,932,107	(137,445,452)
Other non-current assets	23,528,556	(48,540,596)	8,337,096	(10,600,475)
Operating liabilities increase (decrease)				
Trade and other payables	79,135,082	350,555,785	(137,997,059)	245,181,379
Other current liabilities	17,892,181	(20,193,742)	1,714,970	(15,904,231)
Cash paid for long-term employee benefits	(18,613,317)	(20,819,920)	(11,973,141)	(12,281,411)
Cash flows from operating activities	4,852,255,925	1,934,943,139	2,068,811,739	313,556,278
Cash paid for interest expenses	(167,786,825)	(249,788,838)	(157,026,002)	(223,614,555)
Cash paid for income tax	(105,067,574)	(136,412,213)	(3,482,107)	(3,276,735)
<b>Net cash flows from operating activities</b>	<b>4,579,401,526</b>	<b>1,548,742,088</b>	<b>1,908,303,630</b>	<b>86,664,988</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in short-term loans to related parties	-	-	1,629,572,897	(526,807,147)
Cash paid for investments in joint venture	-	(286,249,800)	-	-
Acquisition of investment properties	(550,000)	(1,376,850)	-	-
Proceed from sales of investment properties	363,750	190,000	-	-
Acquisition of property, plant and equipment	(1,051,047,941)	(867,153,352)	(130,060,532)	(374,850,747)
Proceed from sales of plant and equipment	2,387,927	48,412,561	2,318,395	681,727
Cash paid for payable from purchases of property, plant and equipment	(21,227,230)	(67,737,012)	(6,067,321)	(17,706,923)
Acquisition of intangible assets	(4,551,846)	(2,867,404)	(3,524,940)	(2,554,772)
Dividends income	-	-	1,002,172,414	843,130,717
Interest income	3,980,419	58,205,516	49,383,524	132,609,463
<b>Net cash flows from (used in) investing activities</b>	<b>(1,070,644,921)</b>	<b>(1,118,576,341)</b>	<b>2,543,794,437</b>	<b>54,502,318</b>

The accompanying notes are an integral part of the financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the year ended 30 September 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(1,409,522,580)	287,988,141	(1,406,394,745)	284,357,760
Increase in short-term loans from related parties	-	-	599,840,788	182,943,699
Increase in short-term loans from the Office of the Cane and Sugar Fund	-	902,433,552	-	715,092,947
Decrease in long-term loans from financial institutions	(749,521,352)	(850,000,000)	(600,000,000)	(550,000,000)
Decrease in long-term loans from related party	(4,850,000)	(4,850,000)	-	-
Decrease in long-term loans from the Office of the Cane and Sugar Fund	(12,910,658)	(96,966,552)	-	(62,239,585)
Repayment of liabilities under finance lease agreements	(95,700,000)	(95,700,000)	(95,700,000)	(95,700,000)
Cash paid for increase share capital of subsidiaries	-	-	(2,385,000,000)	-
Cash paid for increase share capital of joint venture	(674,500,000)	-	-	-
Dividends paid	(578,980,265)	(578,972,610)	(578,980,265)	(578,972,610)
<b>Net cash flows used in financing activities</b>	<b>(3,525,984,855)</b>	<b>(436,067,469)</b>	<b>(4,466,234,222)</b>	<b>(104,517,789)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(17,228,250)</b>	<b>(5,901,722)</b>	<b>(14,136,155)</b>	<b>36,649,517</b>
Cash and cash equivalents at beginning of year	294,964,989	300,866,711	175,050,164	138,400,647
<b>Cash and cash equivalents at end of year</b>	<b>277,736,739</b>	<b>294,964,989</b>	<b>160,914,009</b>	<b>175,050,164</b>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash items consist of				
Acquisition of property, plant and equipment for				
which no cash had been paid	10,270,955	21,227,230	3,406,832	6,067,321
Recognition share-based payment in investments in subsidiaries	-	-	-	14,147,822
Increase in investment properties due to collection				
from planter receivables	3,263,923	1,910,390	-	-
Increase in land due to collection from planter receivables	12,805,793	18,726,325	12,805,793	18,726,325
Dividend payables	203,016	183,414	203,016	183,414
Decreased in short-term loans from the Office of the Cane and Sugar Fund				
due to the offset of amounts due from the Office of the Cane and Sugar Fund	1,170,920,794	-	923,501,258	-
Decreased in the contribution payable to the Office of the Cane and Sugar Fund				
due to the offset of amounts due from the Office of the Cane and Sugar Fund	373,070,649	-	291,887,992	-

The accompanying notes are an integral part of the financial statements.

## Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

### Statement of changes in shareholders' equity

For the year ended 30 September 2020

(Unit: Baht)

	Consolidated financial statements							Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital deficit from business combination under common control		Capital surplus on share-based payment	Retained earnings		
						Appropriated	Unappropriated	
<b>Balance as at 1 October 2018</b>	3,860,000,010	5,202,881,296	(3,577,165,024)		170,540,741	305,526,427	2,232,209,981	8,193,993,431
Profit for the year	-	-	-	-	-	-	740,082,403	740,082,403
Other comprehensive income for the year	-	-	-	-	-	-	(42,606,208)	(42,606,208)
Total comprehensive income for the year	-	-	-	-	-	-	697,476,195	697,476,195
Share-based payment (Note 27)	-	-	-	-	29,659,259	-	-	29,659,259
Dividend paid (Note 33)	-	-	-	-	-	-	(578,999,867)	(578,999,867)
Statutory reserve (Note 28)	-	-	-	-	-	18,958,006	(18,958,006)	-
<b>Balance as at 30 September 2019</b>	3,860,000,010	5,202,881,296	(3,577,165,024)		200,200,000	324,484,433	2,331,728,303	8,342,129,018
<b>Balance as at 1 October 2019</b>	3,860,000,010	5,202,881,296	(3,577,165,024)		200,200,000	324,484,433	2,331,728,303	8,342,129,018
Profit for the year	-	-	-	-	-	-	568,707,604	568,707,604
Other comprehensive income for the year	-	-	-	-	-	-	40,733,428	40,733,428
Total comprehensive income for the year	-	-	-	-	-	-	609,441,032	609,441,032
Dividend paid (Note 33)	-	-	-	-	-	-	(578,999,867)	(578,999,867)
Statutory reserve (Note 28)	-	-	-	-	-	22,950,978	(22,950,978)	-
<b>Balance as at 30 September 2020</b>	3,860,000,010	5,202,881,296	(3,577,165,024)		200,200,000	347,435,411	2,339,218,490	8,372,570,183

The accompanying notes are an integral part of the financial statements.

## Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

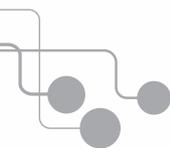
### Statement of changes in shareholders' equity (continued)

For the year ended 30 September 2020

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Capital deficit from business combination under common control	Capital surplus on share-based payment	Retained earnings Appropriated	Unappropriated		
<b>Balance as at 1 October 2018</b>	3,860,000,010	5,202,881,296	(573,217,706)	170,540,741	305,526,427	2,108,853,236	11,074,584,004	
Profit for the year	-	-	-	-	-	379,160,109	379,160,109	
Other comprehensive income for the year	-	-	-	-	-	(18,837,262)	(18,837,262)	
Total comprehensive income for the year	-	-	-	-	-	360,322,847	360,322,847	
Share-based payment (Note 27)	-	-	-	29,659,259	-	-	29,659,259	
Dividend paid (Note 33)	-	-	-	-	-	(578,999,867)	(578,999,867)	
Statutory reserve (Note 28)	-	-	-	-	18,958,006	(18,958,006)	-	
<b>Balance as at 30 September 2019</b>	3,860,000,010	5,202,881,296	(573,217,706)	200,200,000	324,484,433	1,871,218,210	10,885,566,243	
<b>Balance as at 1 October 2019</b>	3,860,000,010	5,202,881,296	(573,217,706)	200,200,000	324,484,433	1,871,218,210	10,885,566,243	
Profit for the year	-	-	-	-	-	459,019,562	459,019,562	
Other comprehensive income for the year	-	-	-	-	-	28,842,315	28,842,315	
Total comprehensive income for the year	-	-	-	-	-	487,861,877	487,861,877	
Dividend paid (Note 33)	-	-	-	-	-	(578,999,867)	(578,999,867)	
Statutory reserve (Note 28)	-	-	-	-	22,950,978	(22,950,978)	-	
<b>Balance as at 30 September 2020</b>	3,860,000,010	5,202,881,296	(573,217,706)	200,200,000	347,435,411	1,757,129,242	10,794,428,253	

The accompanying notes are an integral part of the financial statements.



# Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries

## Notes to consolidated financial statements

### For the year ended 30 September 2020

#### 1. General information

##### 1.1 Corporate information

Kaset Thai International Sugar Corporation Public Company Limited is a public company incorporated and domiciled in Thailand. The Company is principally engaged in manufacture and distribution of sugar, which is sold both domestically and overseas. The registered address is as follows:

Head Office and factory: 1/1 Moo 14, Tambon Nongpo, Amphur Taklee, Nakornsawan

Bangkok branch office: 24, Ekapol Building, Viphavadee Rangsit Road, Ratchadapisek Sub-district, Dindaeng District, Bangkok.

##### 1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is 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. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

##### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Kaset Thai International Sugar Corporation Public Company Limited ("the Company") and its subsidiaries (hereinafter called as "the Group") as following:

Company's name	Country of incorporation	Nature of business	Paid-up share capital		Percentage of shareholding	
			30 September 2020	30 September 2019	30 September 2020	30 September 2019
					Percent	Percent
<b>Held by the Company</b>						
Thai Identity Sugar Factory Co., Ltd.	Thailand	Manufacture and distribution of sugar	3,600 Million Baht	1,215 Million Baht	100	100
Permsin Pattana Co., Ltd.	Thailand	Investment company	317 Million Baht	317 Million Baht	100	100
Kaset Thai Bio Power Co., Ltd.	Thailand	Manufacture and distribution of electricity	1,260 Million Baht	1,260 Million Baht	100	100
Environment Pulp and Paper Co., Ltd.	Thailand	Manufacture and distribution of pulp	2,400 Million Baht	2,400 Million Baht	74	74
KTIS Bio Ethanol Co., Ltd.	Thailand	Manufacture and distribution of ethanol	256 Million Baht	256 Million Baht	100	100
Sapsirikaset Co., Ltd.	Thailand	Property rental and trading	311 Million Baht	311 Million Baht	100	100
Thalekaluck Power Co., Ltd.	Thailand	Manufacture and distribution of electricity	350 Million Baht	350 Million Baht	100	100
Ruamphol Bio Power Co., Ltd.	Thailand	Manufacture and distribution of electricity	395 Million Baht	395 Million Baht	100	100
KTIS Biogass Power Co., Ltd.	Thailand	Manufacture and distribution of electricity	1 Million Baht	1 Million Baht	100	100
KTIS Bio Energy Co., Ltd.	Thailand	Manufacture and distribution of ethanol and electricity	20 Million Baht	20 Million Baht	100	100
Kaset Thai Wiwat Co., Ltd.	Thailand	Management of assets	61 Million Baht	61 Million Baht	100	100
KTIS Research and Development Co., Ltd.	Thailand	Research and development	20 Million Baht	20 Million Baht	100	100
KTIS Bio Natural Co., Ltd. (formerly known as "Lopburi Bio Ethanol Co., Ltd.")	Thailand	Manufacture and distribution of ethanol	12.50 Million Baht	12.50 Million Baht	98	98
<b>Held by subsidiaries</b>						
Environment Pulp and Packaging Co., Ltd. (held by Environment Pulp and Paper Co., Ltd.)	Thailand	Manufacture and distribution of containers made from bagasse	650 Million Baht	650 Million Baht	100	100
Environment Pulp and Straw Co., Ltd. (formerly known as "Lopburi Biopower Co., Ltd.") (held by Permsin Pattana Co., Ltd.)	Thailand	Manufacture and distribution of containers made from bagasse	2 Million Baht	2 Million Baht	100	100
KTIS Bio Natural Co., Ltd. (formerly known as "Lopburi Bio Ethanol Co., Ltd.") (held by Permsin Pattana Co., Ltd.)	Thailand	Manufacture and distribution of ethanol	12.50 Million Baht	12.50 Million Baht	2	2
Environment Pulp and Paper Co., Ltd. (held by Permsin Pattana Co., Ltd.)	Thailand	Manufacture and distribution of pulp	2,400 Million Baht	2,400 Million Baht	26	26
KTIS Bio Fertiliser Co., Ltd. (held by KTIS Bio Ethanol Co., Ltd.)	Thailand	Manufacture and distribution of organic fertiliser	35 Million Baht	35 Million Baht	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and joint venture under the cost method.

### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

### **(b) Financial reporting standards that become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

#### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables and the general approach to consider impairment of planters receivables, post-date cheques issued to planters, other receivables and loans.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

## **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 October 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 October 2020 to be increase the Group's assets and liabilities. However, the management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon 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.

#### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

## 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## 4.3 Trade and planter receivables

Trade and planter receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

The Group purchased non-performing planter receivables from related company at discounted values for debts management and collection. Under the purchase contracts of non-performing receivables, the Group takes all the risks in the collection without recourse. The Group recorded these planter receivables at cost and recorded the discounted values in “Discounts from transfer right of planter receivables”.

## 4.4 Inventories

Finished goods and work in process are valued at the lower of cost under the average method and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Merchandise inventories are valued at the lower of cost under the first-in, first-out method and net realisable value.

Raw materials, spare parts, factory supplies and supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

## 4.5 Agriculture

The Group’s biological asset is sugar cane and agricultural produce is harvested cane which were measured at their fair value less costs to sell at the point of harvest.

The fair value of cane is determined based on reference to fair value less estimated point-of-harvest costs. Gains or losses arising from change in fair value of biological asset and agricultural produce are recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the Group shall measure it at its fair value less costs to sell.

#### **4.6 Factory overhaul costs**

Factory overhaul costs comprise expenditure actually incurred on plant and equipment for the overhaul of the factory within the off season for production which preparation for the new sugar season. The factory overhaul costs are amortised on a systematic basis over the economic useful life being the duration of next production season. The amortisation expense is charged to profit or loss.

#### **4.7 Investments**

- a) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in joint venture is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

#### **4.8 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any). Investment properties consist of land and land ownership document that are awaiting for sales and office building for rent.

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 10 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

#### 4.9 Property, plant and equipment/Depreciation

Land which consists of land and land ownership document is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 - 27 years
Buildings and building improvement	5 - 30 years
Machinery and equipment	5 - 25 years
Agricultural tools and equipment	5 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the year they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.11 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years
Trademark	10 years
Right to use of electricity line	20 years

No amortisation is provided on computer software under installation.

#### **4.12 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.13 Long-term leases**

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the assets and the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.14 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.15 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the investments, property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

## 4.16 Employee benefits

### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### *Post-employment benefits and other long-term employee benefits*

#### *Defined contribution plans*

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the contributions of the Group is recognised as expenses when incurred.

#### *Defined benefit plans and other long-term employee benefits*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely death benefit plan.

The obligation under the defined benefit plans and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Group's creditors and cannot be returned to the Group, except the portion which reference to the provident fund's rules. The Group measures the fair value of plan assets by using market price.

Defined benefit liability or asset is the present value of the defined benefit obligation less the fair value of plan assets which is available to pay the employee benefits obligation directly.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefit are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related cost.

#### 4.17 Share-based Payment

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company will issue new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiary, in the separate financial statement undertakings, with a corresponding credit to equity.

#### 4.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The Group recognises a provision for decommissioning costs based on an estimate of the eventual costs that related to the remove of the plant and equipment which payment as of termination of lease agreement. These obligations, add of finance charges, are included in long-term liabilities.

#### **4.19 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.20 Interest rate swap contracts**

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

#### **4.21 Capital deficit from business combination under common control**

The Company has recorded subsidiaries assets by using similar to pooling interest method from the acquisition and entire business transfer of subsidiaries under common control. Capital deficit from business combination under common control is presented in shareholder's equity in the statement of financial position as at the business combination date by recording the difference between the purchased price and the carrying amount on the purchased date.

## 4.22 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 buyer and seller at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Allowance for doubtful planter receivables**

In determining an allowance for doubtful planter receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Reduce inventories cost to net realisable value**

In determining a reduction of inventories cost to net realisable value, the management makes judgement and estimates net realisable value of inventories based on the amount of the inventories are expected to realise. These estimates take into consideration sale contract, fluctuations of selling price or cost directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates the expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

### **Impairment of assets**

The Group performed an impairment review in respect of assets, which consisted of investments and other assets whenever events or changes in circumstances indicate that the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use (calculated from the estimated future discounted cash flows) is less than the carrying amount.

The preparation of the estimated future discounted cash flows requires the management to make forecasts of future revenues and expenses, and appropriate discount rates and other assumptions.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **6. Seasonality of operations**

The operations of the Group, which are principally engaged in the manufacture and distribution of sugar, are affected by the seasonality of sugar manufacture, with the production season running from November to April, and the off season for production running from May to October.

## 7. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2020	2019	2020	2019	
<b>Transaction with subsidiary companies</b>					
(eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	1,053	1,167	Contract price
Dividend income	-	-	1,002	843	As declared
Interest income	-	-	44	86	3.00% per annum
Other income	-	-	15	30	Mutual agreement
Purchases of goods and services	-	-	288	564	Contract price
Administrative expenses	-	-	12	10	Mutual agreement
Interest expenses	-	-	24	20	0.38% to 3.95% per annum (2019: 1.05% to 3.95% per annum)
<b>Transactions with joint venture</b>					
Sales of goods and services	12	-	-	-	Contract price
Other income	44	-	44	-	Mutual agreement
<b>Transactions with related companies</b>					
Sales of goods and services	42	-	-	-	Contract price
Purchases of goods and services	228	326	129	195	Contract price
Selling expenses	256	359	140	238	Mutual agreement
Administrative expenses	51	47	22	21	Mutual agreement
Interest expenses	86	87	86	87	0.12% to 0.42%, and 11.00% per annum (2019: 0.42% and 11.00% per annum)

As at 30 September 2020 and 2019, the Group had outstanding balance of assets and liabilities with the related parties as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Trade and other receivables - related parties</b>				
Subsidiaries	-	-	49,293	145,677
Joint venture	3,481	-	3,481	-
Related companies (common shareholder/director)	892	8,302	498	52
Total trade and other receivables - related parties	<u>4,373</u>	<u>8,302</u>	<u>53,272</u>	<u>145,729</u>
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	1,414,754	3,044,327
Total short-term loans to related parties	<u>-</u>	<u>-</u>	<u>1,414,754</u>	<u>3,044,327</u>
<b>Other current assets - related parties</b>				
Related companies (common shareholder/director)	10,505	10,326	7,408	7,302
Total other current assets - related parties	<u>10,505</u>	<u>10,326</u>	<u>7,408</u>	<u>7,302</u>
<b>Other non-current assets - related parties</b>				
Related companies (common shareholder/director)	104,435	104,435	103,429	103,429
Total other non-current assets - related parties	<u>104,435</u>	<u>104,435</u>	<u>103,429</u>	<u>103,429</u>
<b>Trade and other payables - related parties</b>				
Subsidiaries	-	-	9,315	54,316
Related companies (common shareholder/director)	63,451	115,248	18,771	50,233
Total trade and other payables - related parties	<u>63,451</u>	<u>115,248</u>	<u>28,086</u>	<u>104,549</u>
<b>Short-term loans from related parties</b>				
Subsidiaries	-	-	2,328,947	1,729,107
Total short-term loans from related parties	<u>-</u>	<u>-</u>	<u>2,328,947</u>	<u>1,729,107</u>
<b>Other current liabilities - related party</b>				
Related company (common shareholder/director)	567	25	267	25
Total other current liabilities - related party	<u>567</u>	<u>25</u>	<u>267</u>	<u>25</u>
<b>Long-term loans from related party</b>				
Related company (common shareholder/director)	63,050	67,900	-	-
Total long-term loans from related party	<u>63,050</u>	<u>67,900</u>	<u>-</u>	<u>-</u>
<b>Other non-current liabilities - related party</b>				
Related company (common shareholder/director)	449,312	479,154	-	-
Total other non-current liabilities - related party	<u>449,312</u>	<u>479,154</u>	<u>-</u>	<u>-</u>

Short-term loans to related parties

During the year ended 30 September 2020, movements of the short-term loans to related parties were summarised below.

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 October 2019	3,044,327
Increase during the year	2,242,907
Collection during the year	<u>(3,872,480)</u>
Balance as at 30 September 2020	<u><u>1,414,754</u></u>

The balances of short-term loans to related parties as at 30 September 2020 and 2019 were as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	2020	2019
Subsidiary companies		
Thai Identity Sugar Factory Co., Ltd.	-	2,446,258
Thaiekaluck Power Co., Ltd.	475,604	594,369
KTIS Bio Ethanol Co., Ltd.	930,500	-
Sapsirikaset Co., Ltd.	-	3,700
Environment Pulp and Paper Co., Ltd.	8,650	-
Total short-term loans to related parties	<u><u>1,414,754</u></u>	<u><u>3,044,327</u></u>

As at 30 September 2020 and 2019, short-term loans to related parties carried interest at a rate of 3.00% per annum with repayment at call.

### Short-term loans from related parties

During the year ended 30 September 2020, movements of the short-term loans from related parties were summarised below.

(Unit: Thousand Baht)

	Separate financial statements
Balance as at 1 October 2019	1,729,107
Increase during the year	7,503,675
Repayment during the year	<u>(6,903,835)</u>
Balance as at 30 September 2020	<u>2,328,947</u>

The balances of short-term loans from related parties as at 30 September 2020 and 2019 were as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	2020	2019
Subsidiary companies		
Environment Pulp and Paper Co., Ltd.	-	675,013
KTIS Bio Ethanol Co., Ltd.	-	9,100
Kaset Thai Bio Power Co., Ltd.	858,849	834,182
Permsin Pattana Co., Ltd.	4,750	6,100
KTIS Bio Energy Co., Ltd.	12,330	11,930
KTIS Research and Development Co., Ltd.	28,257	20,950
KTIS Biogass Power Co., Ltd.	570	570
Kaset Thai Wiwat Co., Ltd.	19,000	15,000
KTIS Bio Natural Co., Ltd. (formerly known as "Lopburi Bio Ethanol Co., Ltd.")	12,550	12,100
Ruamphol Bio Power Co., Ltd.	106,523	144,162
Thai Identity Sugar Factory Co., Ltd.	1,285,448	-
Sapsirikaset Co., Ltd.	670	-
Total short-term loans from related parties	<u>2,328,947</u>	<u>1,729,107</u>

As at 30 September 2020, short-term loans from related parties carried interest at rates of 0.38% to 3.95% per annum (2019: between 1.05% to 3.95% per annum) with repayment at call.

Long-term loans from related party

As at 30 September 2020 and 2019, long-term loans from related party were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Long-term loans	63,050	67,900
Less: Portion due within one year	(4,850)	(4,850)
Long-term loans from related party - net of current portion	<u>58,200</u>	<u>63,050</u>

During the year ended 30 September 2020, movements of the long-term loans from related party were summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 October 2019	67,900
Repayment during the year	<u>(4,850)</u>
Balance as at 30 September 2020	<u>63,050</u>

The balances of long-term loans from related party as at 30 September 2020 and 2019 were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Related company		
Siricharoen Export Co., Ltd.	63,050	67,900
Total long-term loans from related party	<u>63,050</u>	<u>67,900</u>

As at 30 September 2020 and 2019, long-term loans from related party carried interest at a rate referenced bank deposit in saving accounts.

### Directors and management's benefits

During the years ended 30 September 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	43,584	44,843	40,824	42,083
Post-employment benefits	292	5,859	292	5,859
Share-based payment	-	911	-	911
Total	<u>43,876</u>	<u>51,613</u>	<u>41,116</u>	<u>48,853</u>

### 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	2,841	3,176	968	978
Cheque on hand	-	5,441	-	5,441
Bank deposits	<u>274,896</u>	<u>286,348</u>	<u>159,946</u>	<u>168,631</u>
Total	<u>277,737</u>	<u>294,965</u>	<u>160,914</u>	<u>175,050</u>

As at 30 September 2020, bank deposits in saving accounts carried interests between 0.05% and 0.13% per annum (2019: between 0.37% and 0.38% per annum).

## 9. Trade and other receivables

The balances of trade and other receivables as at 30 September 2020 and 2019, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due	-	8,238	39,818	35,462
Past due				
Up to 3 months	-	-	2,846	98,440
Total trade receivables - related parties	-	8,238	42,664	133,902
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	230,640	1,025,879	93,808	550,312
Past due				
Up to 3 months	64,505	95,617	39,096	38,780
Over 12 months	102	102	-	-
Total trade receivables - unrelated parties	295,247	1,121,598	132,904	589,092
Less: Allowance for doubtful debts	(102)	(102)	-	-
Total trade receivables - unrelated parties, net	295,145	1,121,496	132,904	589,092
Total trade receivables - net	295,145	1,129,734	175,568	722,994
<b>Other receivables</b>				
Advances	38,057	32,278	33,340	29,224
Interest receivables - related parties	-	-	3,332	8,329
Interest receivables - unrelated parties	107	88	11	10
Accrued income - unrelated parties	57,330	145,433	10,522	38,972
Other receivables - related parties	4,373	64	7,276	3,498
Other receivables - unrelated parties	3,359	2,074	238	1,118
Total other receivables	103,226	179,937	54,719	81,151
Total trade and other receivables - net	398,371	1,309,671	230,287	804,145

## 10. Planter receivables

Planter receivables for the Group compose two types as follows:

### 10.1 Planter receivables - encourage

These are receivables relating to financial support provided by the Group to planters to cover expenses incurred directly in relation to the cultivation of sugar cane and expenses that are necessary to the planting of sugar cane, such as financial support for labour, fertilizer and pesticide costs.

### 10.2 Planter receivables - support

There are receivables relating to financial support provided by the Group to planters to provide financial support for efficient planting and the cultivation of sugar cane, such as for water resource management projects and agricultural machinery.

The balances of planter receivables and non-performing planter receivables purchased for debt management and collection as at 30 September 2020 and 2019, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Not yet due	209,729	376,855	136,812	248,893
Past due				
Up to 1 year	133,149	14,607	129,473	10,478
1 - 5 years	30,501	44,021	26,725	38,694
Over 5 years	631,116	650,548	370,418	378,918
	794,766	709,176	526,616	428,090
Total	1,004,495	1,086,031	663,428	676,983
Less: Discounts from transfer right				
of planter receivables	(274,206)	(278,878)	(208,619)	(212,945)
Allowance for doubtful debts	(387,411)	(415,691)	(188,524)	(204,667)
Total planter receivables, net	342,878	391,462	266,285	259,371

## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Raw material	6,300	20,216	-	-	6,300	20,216
Finished goods	1,435,020	3,387,024	(25,949)	(345,199)	1,409,071	3,041,825
Merchandise inventories	25,200	34,246	-	-	25,200	34,246
Spare parts, factory supplies and supplies	478,838	346,933	(49,115)	(39,384)	429,723	307,549
Work in process	17,634	13,402	-	-	17,634	13,402
<b>Total</b>	<b>1,962,992</b>	<b>3,801,821</b>	<b>(75,064)</b>	<b>(384,583)</b>	<b>1,887,928</b>	<b>3,417,238</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	784,507	1,730,391	(1,981)	(126,313)	782,526	1,604,078
Merchandise inventories	21,036	31,484	-	-	21,036	31,484
Spare parts, factory supplies and supplies	229,699	159,672	(14,742)	(12,625)	214,957	147,047
<b>Total</b>	<b>1,035,242</b>	<b>1,921,547</b>	<b>(16,723)</b>	<b>(138,938)</b>	<b>1,018,519</b>	<b>1,782,609</b>

Below is the movements in the allowance for diminution in value of inventory account for the years ended 30 September 2020 and 2019 by significant segment.

(Unit: Thousand Baht)

	Production and distribution of		
	sugar segment	Other segments	Consolidation
<b>Balance as at 1 October 2019</b>	243,899	18,990	262,889
Add: Increase during the year	1,820,899	7,693	1,828,592
Less: Allowance reversed during the year	(1,706,144)	(754)	(1,706,898)
<b>Balance as at 30 September 2019</b>	358,654	25,929	384,583
Add: Increase during the year	1,036,037	9,556	1,045,593
Less: Allowance reversed during the year	(1,349,783)	(5,329)	(1,355,112)
<b>Balance as at 30 September 2020</b>	44,908	30,156	75,064

Loss on diminution in value of inventories was included in cost of sales. The reversal of allowance for diminution in value of inventories was recorded as a deduction against the value of inventories recognised as expenses during the year.

## 12. Biological assets

Movements of the biological assets account for the years ended 30 September 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Balance at beginning of the year</b>	47,479	57,855	36,982	41,434
Increases due to cultivate	45,240	42,092	32,555	32,092
Gain (loss) arising from changes in fair value	(744)	5,386	143	4,890
Decreases due to harvest	(47,429)	(57,854)	(36,933)	(41,434)
<b>Balance at end of the year</b>	44,546	47,479	32,747	36,982

### 13. Amounts due from the Office of the Cane and Sugar Fund

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Amounts due from the Office of the Cane and Sugar Fund</b>				
Receivable from sugar cane price	1,450,408	1,419,854	1,145,892	1,118,021
Receivable from compensation for production and distribution of sugar	621,604	576,798	491,096	454,182
<b>Total amounts due from the Office of the Cane and Sugar Fund</b>	2,072,012	1,996,652	1,636,988	1,572,203
Less: Contribution payable to the Office of the Cane and Sugar Fund (Note 20)	(373,071)	-	(291,888)	-
Less: Short-term loans from the Office of the Cane and Sugar Fund (Note 21)	(1,170,921)	-	(923,501)	-
<b>Total amounts due from the Office of the Cane and Sugar Fund - net</b>	528,020	1,996,652	421,599	1,572,203
Less: Current portion of amounts due from the Office of the Cane and Sugar Fund	(528,020)	(1,419,854)	(421,599)	(1,118,021)
<b>Amounts due from the Office of the Cane and Sugar Fund - net of current portion</b>	-	576,798	-	454,182

Amounts due 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 current year, 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 contribution payable to the Office of the Cane and Sugar Fund to offset with the compensation in accordance with the resolution agreed by the Cabinet's meeting on 28 October 2020.

The Group 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. The Group 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”.

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

During the years ended 30 September 2020 and 2019, the Group recorded its estimate of compensation for sugar cane price as a deduction against manufacturing costs and recorded its estimate of compensation for the production and distribution of sugar as revenue.

## 14. Investments in subsidiaries

14.1 Investments in subsidiaries are investments in ordinary shares of the following subsidiary companies.

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Cost		Provision for impairment		Carrying amounts based on cost		Dividend received during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
Thai Identity Sugar Factory Co., Ltd.	3,654,853	1,269,853	(635,000)	-	3,019,853	1,269,853	-	-
Permsin Pattana Co., Ltd.	1,010,905	1,010,905	-	-	1,010,905	1,010,905	50,720	68,155
Kaset Thai Bio Power Co., Ltd.	2,461,000	2,461,000	-	-	2,461,000	2,461,000	439,236	378,000
Environment Pulp and Paper Co., Ltd.	2,668,873	2,668,873	-	-	2,668,873	2,668,873	155,577	179,376
KTIS Bio Ethanol Co., Ltd.	870,946	870,946	-	-	870,946	870,946	228,659	217,600
Sapsirikaset Co., Ltd.	311,000	311,000	-	-	311,000	311,000	-	-
Thaiekaluck Power Co., Ltd.	350,077	350,077	-	-	350,077	350,077	-	-
Ruamphol Bio Power Co., Ltd.	395,784	395,784	-	-	395,784	395,784	127,980	-
KTIS Biogass Power Co., Ltd.	1,000	1,000	-	-	1,000	1,000	-	-
KTIS Bio Energy Co., Ltd.	20,000	20,000	(10,000)	(10,000)	10,000	10,000	-	-
Kaset Thai Wiwat Co., Ltd.	61,000	61,000	-	-	61,000	61,000	-	-
KTIS Research and Development Co., Ltd.	19,999	19,999	-	-	19,999	19,999	-	-
KTIS Bio Natural Co., Ltd. (formerly known as “Lopburi Bioethanol Co., Ltd.”)	12,250	12,250	-	-	12,250	12,250	-	-
<b>Total</b>	<b>11,837,687</b>	<b>9,452,687</b>	<b>(645,000)</b>	<b>(10,000)</b>	<b>11,192,687</b>	<b>9,442,687</b>	<b>1,002,172</b>	<b>843,131</b>

#### 14.2 Change in investments in subsidiary during the year 2019

On 8 July 2019, Environment Pulp and Packaging Co., Ltd., a subsidiary that was originally held by Environment Pulp and Paper Co., Ltd. (subsidiary of the Company), registered an increase in its share capital from Baht 2 million (20,000 ordinary shares at a per value of Baht 100 each) to Baht 652 million (6,520,000 ordinary shares at a par value of Baht 100 each). Environment Pulp and Paper Co., Ltd. paid for the increased shares at the same proportion of the original investment, totaling Baht 650 million.

On 25 July 2019, the Extraordinary General Meeting of Shareholders of Environment Pulp and Packaging Co., Ltd., approved a reduction of the company's registered capital from Baht 652 million (6,520,000 ordinary shares at a par value of Baht 100 each) to Baht 650 million (6,500,000 ordinary shares at a par value of Baht 100 each) and registered its capital decrease with the Ministry of Commerce on 27 August 2019.

#### 14.3 Change in investments in subsidiary during the year 2020

On 29 November 2019, Thai Identity Sugar Factory Co., Ltd., a subsidiary, registered an increase in its share capital from Baht 1,215 million (12,150,000 ordinary shares at a par value of Baht 100 each) to Baht 3,600 million (36,000,000 ordinary shares at a par value of Baht 100 each). The Company paid for the increased shares at the same proportion of the original investment, totaling Baht 2,385 million.

14.4 During the year ended 30 September 2019 the Company recognised share-based payment transactions amounting to Baht 14 million as investments in subsidiaries (2020: Nil). The transactions were recognised when services were rendered by the subsidiaries' employees.

14.5 As at 30 September 2020, the Company estimated the recoverable amount of investments in Thai Identity Sugar Factory Co., Ltd. based on the expected future cash flows method, which were discounted to the present value. The estimated results showed that the recoverable amount was less than the book value amount. Therefore, the Company recorded allowance for impairment of such investments amounting to Baht 635 million in profit or loss in the separate financial statements for the current year.

## 15. Investments in joint venture

### 15.1 Details of investments in joint venture

Investments in joint venture represent investments in entity which is jointly controlled by the Group and other company. Details of this investments were as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Shareholding percentage		Consolidated financial statements			
				Carrying amount based on equity method		Carrying amount based on cost method	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
GGC KTIS Bioindustrial Co., Ltd.	Manufacture and distribution of ethanol	50	50	932,199	280,616	960,750	286,250
Total				932,199	280,616	960,750	286,250

### 15.2 Change in investments in joint venture during the year 2019

On 11 January 2019, KTIS Bio Ethanol Co., Ltd., a subsidiary, invested in the ordinary shares of GGC KTIS Bioindustrial Co., Ltd. amounting to Baht 30 million, which is 50 percent.

On 23 April 2019, GGC KTIS Bioindustrial Co., Ltd., registered an increase in its share capital from Baht 60 million (600,000 ordinary shares at a par value of Baht 100 each) to Baht 360 million (3,600,000 ordinary shares at a par value of Baht 100 each). KTIS Bio Ethanol Co., Ltd. paid for the increased shares at the same proportion of the original investment, totaling Baht 150 million.

On 22 July 2019, GGC KTIS Bioindustrial Co., Ltd., registered an increase in its share capital from Baht 360 million (3,600,000 ordinary shares at a par value of Baht 100 each) to Baht 530 million (5,300,000 ordinary shares at a par value of Baht 100 each). KTIS Bio Ethanol Co., Ltd. paid for the increased shares at the same proportion of the original investment, totaling Baht 85 million.

On 10 September 2019, GGC KTIS Bioindustrial Co., Ltd., registered an increase in its share capital from Baht 530 million (5,300,000 ordinary shares at a par value of Baht 100 each) to Baht 700 million (7,000,000 ordinary shares at a par value of Baht 100 each), of which 25 percent was called up. KTIS Bio Ethanol Co., Ltd. paid for the increased shares at the same proportion of the original investment, totaling Baht 21 million.

### 15.3 Change in investments in joint venture during the year 2020

On 9 October 2019, GGC KTIS Bioindustrial Co., Ltd., registered an increase in its share capital from Baht 700 million (7,000,000 ordinary shares at a par value of Baht 100 each) to Baht 2,600 million (26,00,000 ordinary shares at a par value of Baht 100 each), of which 25 percentage of increased shares is to be initially called up. KTIS Bio Ethanol Co., Ltd. paid for the increased shares at the same proportion of the original investment, totaling Baht 237.5 million on 7 October 2019.

On 17 April 2020, GGC KTIS Bioindustrial Co., Ltd. called up the additional share of 16 percent, totaling Baht 152 million. KTIS Bio Ethanol Co., Ltd. fully paid in the additional share on 11 May 2020.

On 28 May 2020, GGC KTIS Bioindustrial Co., Ltd. called up the additional share of 12 percent, totaling Baht 114 million. KTIS Bio Ethanol Co., Ltd. paid in the additional share on 13 July 2020.

On 17 August 2020, GGC KTIS Bioindustrial Co., Ltd. called up the additional share of 18 percent, totaling Baht 171 million. KTIS Bio Ethanol Co., Ltd. paid in the additional share on 14 September 2020.

### 15.4 Share of comprehensive income and dividend received

During the year, the Group recognised its share of comprehensive income from the joint venture in the consolidated financial statements as follows:

Joint venture	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
GGC KTIS Bioindustrial Co., Ltd.	(22,917)	(5,634)
Total	<u>(22,917)</u>	<u>(5,634)</u>

There was no dividend from joint venture during the years ended 30 September 2020 and 2019.

## 15.5 Summarised financial information of the joint venture

Summarised information about financial position as at 30 September 2020 and 2019.

(Unit: Thousand Baht)

	2020	2019
Cash and cash equivalents	81,659	285,577
Other current assets	228,964	13,288
Non-current assets	4,473,372	271,555
<b>Total assets</b>	<b>4,783,995</b>	<b>570,420</b>
Other current liabilities	97,994	7,022
Other non-current liabilities	2,802,241	2,166
<b>Total liabilities</b>	<b>2,900,235</b>	<b>9,188</b>
<b>Net assets</b>	<b>1,883,760</b>	<b>561,232</b>
Shareholding percentage (%)	50	50
<b>Share of net assets</b>	<b>941,880</b>	<b>280,616</b>
Elimination entries	(9,681)	-
<b>Carrying amounts of joint venture based on equity method</b>	<b>932,199</b>	<b>280,616</b>

Summarised information about comprehensive income for the years ended 30 September 2020 and 2019.

(Unit: Thousand Baht)

	2020	2019
Revenue	17,265	254
Net loss	(25,503)	(11,268)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(25,503)</b>	<b>(11,268)</b>

## 16. Investment properties

The net book value of investment properties as at 30 September 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Land awaiting sales	Office building for rent	Total	Land awaiting sales
<b>As at 30 September 2020</b>				
Cost	352,174	2,344	354,518	24,910
Less: Accumulated depreciation	-	(1,209)	(1,209)	-
Less: Allowance for impairment loss	(26,270)	-	(26,270)	(12,532)
Net book value	<u>325,904</u>	<u>1,135</u>	<u>327,039</u>	<u>12,378</u>
<b>As at 30 September 2019</b>				
Cost	349,474	1,570	351,044	24,910
Less: Accumulated depreciation	-	(1,032)	(1,032)	-
Less: Allowance for impairment loss	(26,271)	-	(26,271)	(12,532)
Net book value	<u>323,203</u>	<u>538</u>	<u>323,741</u>	<u>12,378</u>

A reconciliation of the net book value of investment properties for the years ended 30 September 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of the year	323,741	322,319	12,378	12,378
Acquisition	3,814	3,287	-	-
Disposals - net book value at disposal date	(340)	(117)	-	-
Depreciation	(178)	(156)	-	-
Decrease (increase) in impairment loss	2	(1,592)	-	-
Net book value at end of the year	<u>327,039</u>	<u>323,741</u>	<u>12,378</u>	<u>12,378</u>

The fair value of the investment properties as at 30 September 2020 and 2019 stated below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Land awaiting sales	394,706	392,761	15,953	15,953
Office building for rent	3,578	3,196	-	-

The fair values of investment properties are measured by independent valuers, using the net replacement cost method and the comparative price method. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and the locations of the investment properties.

## 17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Agricultural tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
<b>Cost</b>								
As at 1 October 2018	477,593	2,725,815	13,353,387	534,030	185,633	1,184,112	884,178	19,344,748
Additions	19,226	11,849	60,537	35,125	8,713	242,323	529,334	907,107
Disposals/ write-off	-	(47)	(1,559)	(1,188)	(707)	(50,104)	-	(53,605)
Transfer in (out)	22,402	116,779	152,482	317	49	-	(292,029)	-
As at 30 September 2019	519,221	2,854,396	13,564,847	568,284	193,688	1,376,331	1,121,483	20,198,250
Additions	15,621	4,151	78,403	19,457	10,689	30,326	915,477	1,074,124
Disposals/write-off	-	(1,754)	(2,018)	(1,165)	(828)	(4,936)	-	(10,701)
Transfer in (out)	7,029	120,864	620,726	5,963	4,009	-	(758,591)	-
As at 30 September 2020	541,871	2,977,657	14,261,958	592,539	207,558	1,401,721	1,278,369	21,261,673
<b>Accumulated depreciation</b>								
As at 1 October 2018	102,528	928,589	7,038,603	413,086	148,909	649,948	-	9,281,663
Depreciation for the year	15,525	156,716	898,998	47,591	14,274	120,299	-	1,253,403
Depreciation on disposals/write-off	-	(5)	(1,188)	(825)	(695)	(6,761)	-	(9,474)
As at 30 September 2019	118,053	1,085,300	7,936,413	459,852	162,488	763,486	-	10,525,592
Depreciation for the year	13,169	162,850	911,936	43,291	13,876	121,362	-	1,266,484
Depreciation on disposals/write-off	-	(840)	(1,989)	(655)	(711)	(4,809)	-	(9,004)
As at 30 September 2020	131,222	1,247,310	8,846,360	502,488	175,653	880,039	-	11,783,072



(Unit: Thousand Baht)

## Separate financial statements

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Agricultural tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost</b>								
As at 1 October 2018	231,682	1,065,348	4,208,498	295,389	67,045	592,949	146,581	6,607,492
Additions	19,226	9,073	51,378	20,206	3,856	125,521	170,384	399,644
Disposals/ write-off	-	-	(1,559)	(839)	(346)	(1,120)	-	(3,864)
Transfer in (out)	22,402	86,849	30,622	-	-	-	(139,873)	-
As at 30 September 2019	273,310	1,161,270	4,288,939	314,756	70,555	717,350	177,092	7,003,272
Additions	14,021	4,150	22,910	4,618	3,551	17,229	79,793	146,272
Disposals/ write-off	-	(1,754)	-	(740)	(26)	(3,965)	-	(6,485)
Transfer in (out)	7,028	13,054	204,850	2,594	101	-	(227,627)	-
As at 30 September 2020	294,359	1,176,720	4,516,699	321,228	74,181	730,614	29,258	7,143,059
<b>Accumulated depreciation</b>								
As at 1 October 2018	19,845	321,259	2,074,368	219,628	54,263	275,316	-	2,964,679
Depreciation for the year	7,896	84,475	408,237	29,563	5,922	68,810	-	604,903
Depreciation on disposals/ write-off	-	-	(1,188)	(543)	(346)	(1,120)	-	(3,197)
As at 30 September 2019	27,741	405,734	2,481,417	248,648	59,839	343,006	-	3,566,385
Depreciation for the year	8,655	84,025	405,691	25,466	5,114	71,481	-	600,432
Depreciation on disposals/write-off	-	(840)	-	(241)	(26)	(3,945)	-	(5,052)
As at 30 September 2020	36,396	488,919	2,887,108	273,873	64,927	410,542	-	4,161,765

(Unit: Thousand Baht)

	Separate financial statements (continued)							Total
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Agricultural tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
<b>Allowance for impairment loss</b>								
As at 1 October 2018	-	-	-	-	-	-	-	-
Increase during the year	13,729	-	-	-	-	-	-	13,729
As at 30 September 2019	13,729	-	-	-	-	-	-	13,729
Increase during the year	9,440	-	-	-	-	-	-	9,440
As at 30 September 2020	23,169	-	-	-	-	-	-	23,169
<b>Net book value</b>								
As at 30 September 2019	231,840	755,536	1,807,522	66,108	10,716	374,344	177,092	3,423,158
As at 30 September 2020	234,794	687,801	1,629,591	47,355	9,254	320,072	29,258	2,958,125
<b>Depreciation</b>								
2019 (Baht 513 million included in manufacturing cost, and the balance in selling and administrative expenses)								604,903
2020 (Baht 506 million included in manufacturing cost, and the balance in selling and administrative expenses)								600,432

As at 30 September 2020, the Group had plant and machinery with net book values of Baht 40 million (2019: Baht 61 million) which were acquired under finance lease agreements.

As at 30 September 2020, the Group had certain items of plant and equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to Baht 4,158 million (2019: Baht 3,796 million) (The Company only: Baht 1,426 million, 2019: Baht 1,064 million).

The Group had pledged its property, plant and equipment with net book values as at 30 September 2020 of approximately Baht 3,656 million (2019: Baht 3,958 million) (The Company only: Baht 372 million, 2019: Baht 399 million) as collateral against short-term and long-term credit facilities received from financial institutions.

## 18. Intangible assets

The net book value of intangible assets as at 30 September 2020 and 2019 were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements				
	Computer software	Trademark	Right to use of electricity line	Computer software under installation	Total	Computer software	Trademark	Computer software under installation	Total
<b>As at 30 September 2020</b>									
Cost	16,458	2,144	319,447	5,257	343,306	9,302	100	5,257	14,659
Less: Accumulated amortisation	(13,931)	(1,871)	(82,016)	-	(97,818)	(8,692)	(100)	-	(8,792)
Net book value	2,527	273	237,431	5,257	245,488	610	-	5,257	5,867
<b>As at 30 September 2019</b>									
Cost	14,834	2,144	319,447	2,329	338,754	8,705	100	2,329	11,134
Less: Accumulated amortisation	(13,220)	(1,660)	(66,065)	-	(80,945)	(8,402)	(94)	-	(8,496)
Net book value	1,614	484	253,382	2,329	257,809	303	6	2,329	2,638

A reconciliation of the net book value of intangible assets for the years ended 30 September 2020 and 2019 were presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net book value at beginning of the year	257,809	271,746	2,638	400
Acquisition	4,552	2,868	3,525	2,555
Amortisation	(16,873)	(16,805)	(296)	(317)
Net book value at end of the year	<u>245,488</u>	<u>257,809</u>	<u>5,867</u>	<u>2,638</u>

## 19. Bank overdrafts and Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
			financial statements		financial statements	
	2020	2019	2020	2019	2020	2019
	(% per annum) (% per annum)					
Bank overdrafts	MOR	MOR	616	5,914	1	2,171
Promissory notes and bills of exchange	1.20	1.80 - 1.95	<u>2,438,360</u>	<u>3,842,585</u>	<u>2,438,360</u>	<u>3,842,585</u>
Total			<u>2,438,976</u>	<u>3,848,499</u>	<u>2,438,361</u>	<u>3,844,756</u>

Bank overdrafts and short-term loans from financial institutions of the Company are secured by mortgages of property, plant and equipment of the Company as described in Note 17.

Bank overdrafts and short-loans from financial institutions of the subsidiaries are secured by mortgages of property, plant and equipment of the subsidiaries as described in Note 17 and guaranteed by the Company.

## 20. Trade and other payables

As at 30 September 2019, the Group included the amount of Baht 225 million (2020: Nil) (The Company only: Baht 171 million, (2020: Nil)) in its trade and other payables account, which has been received from the Office of the Cane and Sugar Fund under the project to support sugar cane planters and sugar plants.

As at 1 October 2020, the Group received a memo from the Office of the Cane and Sugar Fund regarding the write-off of the amount of Baht 282 million (The Company only: Baht 214 million), which the Group has been received under the project to support sugar cane planters and sugar plants for the 2018/2019 harvesting year. Therefore, the Group recorded it as “Revenue under the project to support sugar cane planters and sugar plants” in the statement of comprehensive income.

As at 30 September 2020, the Group offset the contribution payable to the Office of Cane and Sugar Fund for the 2017/2018 and 2018/2019 harvesting years with the compensation for sugar cane prices as described in Note 13.

## 21. Short-term loans from the Office of the Cane and Sugar Fund

These short-term loans are loans that the Group has borrowed from the Office of the Cane and Sugar Fund under a loan scheme to increase the liquidity of sugar mills. The loans bear interest rate of 0.1% per annum.

As at 30 September 2020, the Group offset short-term loans with the compensation for sugar cane prices as described in Note 13.

## 22. Liabilities under finance lease agreements

The Company has entered into the finance lease agreements with a related company for rental of plant and machinery for use in its operation, whereby it is committed to pay rental on an annually basis. The terms of the agreements are 30 years. These agreements have effective interest rate at 11% per annum and the outstanding balance as follow:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2020	2019
Liabilities under finance lease agreements	2,009,700	2,105,400
Less: Deferred interest expenses	(1,236,915)	(1,322,982)
Total	772,785	782,418
Less: Portion due within one year	(10,694)	(9,634)
Liabilities under finance lease agreements - net of current portion	<u>762,091</u>	<u>772,784</u>

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 30 September 2020			
	Less than		Over 5	
	1 year	1-5 years	years	Total
Future minimum lease payments	96	383	1,531	2,010
Deferred interest expenses	(85)	(327)	(825)	(1,237)
Present value of future minimum lease payments	11	56	706	773

(Unit: Million Baht)

	As at 30 September 2019			
	Less than		Over 5	
	1 year	1-5 years	years	Total
Future minimum lease payments	96	383	1,626	2,105
Deferred interest expenses	(86)	(332)	(905)	(1,323)
Present value of future minimum lease payments	10	51	721	782

### 23. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019
1	The rates referred 6M THBFIX plus a certain margin per annum	Repayable in semi-annual installments, and the final installment is due in June 2022	1,349,022	1,947,947	1,349,022	1,947,947
2	3.92 - 3.95	Repayable in semi-annual installment, and the final installment is due in December 2019	-	149,521	-	-
Total			1,349,022	2,097,468	1,349,022	1,947,947
Less: Current portion			(599,302)	(748,446)	(599,302)	(598,925)
Long-term loans, net of current portion			749,720	1,349,022	749,720	1,349,022

The loans of the Company are secured by mortgages of property, plant and equipment of the Company as described in Note 17. The loans of subsidiaries are guaranteed by the Company.

The loan agreement contain several covenants which, among other things, require to maintain debt-to-equity ratio and restrictions on mortgages of property, plant and equipment.

## 24. Long-term loans from the Office of the Cane and Sugar Fund

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
Long-term loan	8,411	20,952
Less: Current portion	(8,411)	(12,541)
Long-term loans, net of current portion	-	8,411

These long-term loans are loans that the Group has borrowed from the Office of the Cane and Sugar Fund under a loan scheme for purchases of sugar cane harvesters. The loans bear average interest rates of 2.11% to 2.12% per annum. The principals and interests will be paid annually according to the factoring agreements between the Group and the Office of the Cane and Sugar Fund. These loans are secured by authorised directors of the Group.

## 25. Provision for long-term employee benefits

The components of the provision for long-term employee benefits of the Group are as follows:

1. Defined benefit plan compensation under labour law.
2. Additional benefit plan grants to employees who were hired before 16 July 2012 and have more than 10 years of service, who are entitled to additional benefits upon retirement in accordance with stipulated conditions.
3. Additional benefit plan grants upon the death of employees entitled to additional death benefits in accordance with stipulated conditions.

Provision for long-term employee benefits as at 30 September 2020 and 2019 were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Present value of the long-term employee benefit obligation	534,012	561,833	306,886	334,933
Fair value of plan asset	(91,450)	(80,392)	(49,897)	(46,324)
Net liability	442,562	481,441	256,989	288,609

Plan asset is a provident fund that invests in bills of exchange, bond, debt instruments and equity instruments.

Provision for long-term employee benefits for the years ended 30 September 2020 and 2019 were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Provision for long-term employee</b>				
<b>benefits at beginning of the year</b>	481,441	342,862	288,609	209,727
Included in profit or loss:				
Current service cost	25,856	22,820	14,375	12,854
Interest cost	5,817	9,421	3,194	5,310
Past service cost	-	81,982	-	48,822
Actuarial loss (gain) arising from other				
long-term benefit	(2,056)	974	(1,163)	631
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Financial assumptions changes	(52,523)	42,076	(27,155)	22,445
Experience adjustments	2,640	2,126	(8,898)	1,101
Total	(49,883)	44,202	(36,053)	23,546
Benefits paid during the year	(18,613)	(20,820)	(11,973)	(12,281)
<b>Provision for long-term employee</b>				
<b>benefits at end of the year</b>	<b>442,562</b>	<b>481,441</b>	<b>256,989</b>	<b>288,609</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Provision for defined benefit plans	436,887	474,021	253,901	284,516
Provision for other long-term employee				
benefits	5,675	7,420	3,088	4,093
Total	442,562	481,441	256,989	288,609

On 5 April 2019, The Labour Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group have additional long-term employee benefit liabilities of Baht 82 million (The Company only: Baht 49 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the statement of comprehensive income during the year 2019.

The Group expects to pay Baht 106 million of long-term employee benefits during the next year (2019: Baht 94 million) (The Company only: Baht 76 million, 2019: Baht 76 million).

As at 30 September 2020, the weighted average duration of the liabilities for long-term employee benefit of the Group is 7 years (2019: 8 years) (The Company only: 7 years, 2019: 8 years).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.7%	1.5%	1.7%	1.5%
Salary increase rate	4.0%	5.0%	4.0%	5.0%

The results of sensitivity analysis for significant assumptions that affected the present value of the long-term employee benefit obligation as at 30 September 2020 and 2019 were summarised below.

(Unit: Million Baht)

	As at 30 September 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(36)	39	(18)	20
Salary increase rate	44	(39)	23	(20)

(Unit: Million Baht)

	As at 30 September 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(36)	39	(19)	21
Salary increase rate	53	(45)	29	(25)

## 26. Sugar cane price

For the 2019/2020 and 2018/2019 harvesting years, the Group purchased sugar cane in accordance with the letters of the Office of the Cane and Sugar Board that set the initial prices of sugar cane for each harvesting year. However, the Group's management expects the final sugar cane prices to differ from the initial prices, and recorded sugar cane prices and planter payables for the 2019/2020 and 2018/2019 harvesting years based on prices calculated with reference to the calculation method of the Office of the Cane and Sugar Board. Details of the initial price and the price calculated with reference to the calculation method of the Office of the Cane and Sugar Board were as follows:

(Unit: Baht per ton)

	The price calculated with reference to calculation method of the Office of the Cane and Sugar Board					
	The initial price of sugar cane		The Company		Subsidiary	
	Harvesting year 2019/2020	Harvesting year 2018/2019	Harvesting year 2019/2020	Harvesting year 2018/2019	Harvesting year 2019/2020	Harvesting year 2018/2019
<b>For the year ended 30 September 2020</b>						
Sugar cane price at a sweetness of 10 C.C.S.	750.00	-	804.57 - 822.18	-	864.73	-
Increase or decrease in price for each 1 C.C.S. variation	45.00	-	48.27 - 49.33	-	51.88	-
<b>For the year ended 30 September 2019</b>						
Sugar cane price at a sweetness of 10 C.C.S.	-	700.00	-	656.21 - 683.77	-	679.05
Increase or decrease in price for each 1 C.C.S. variation	-	42.00	-	39.37 - 41.03	-	40.74

## 27. Share-based payment - Warrants

The Company issued and offered grants of warrants to the executives and employees (ESOP) of the Group, which their terms 5 years from the issued date and no offered price. The staff who will be eligible to exercise right must be the staff during the exercise period. The staff holding the warrants but resign, be laid-off, be fired will no longer be eligible to exercise such right. In addition, the ineligible staff will have to return warrants to the Company immediately after termination. The warrants have exercise period at the period of 4 year and 6 months from the issued date. The exercise ratio and price on issued date were as follows:

	Issued date	Expired date	Exercise price (Baht/unit)	Number of issued warrants (unit)	Exercise ratio per 1 unit of warrant	Exercise period	
						Start	End
ESOP	1 December 2014	1 December 2019	10	28,000,000	1:1	1 June 2019	30 November 2019

The fair value of the warrant is measured by a Black-Scholes Model with the following financial assumptions:

Fair value of the warrant at grant date (Baht)	7.15
Grant date share price (Baht)	11.70
Warrant exercise price (Baht)	10.00
Expected volatility	125.03%
The expected period, that shareholders will completely use their right on warrant	4.5 years
Expected dividend yield	2.56%
Risk free interest rate	2.51%

The expenses for share-based payment transactions for the consolidated and separate financial statements, for the year ended 30 September 2019, were Baht 30 million and Baht 16 million, respectively (2020: Nil).

Movements of capital reserve for share-based payment transaction for year ended 30 September 2020 and 2019 in the statement of financial position were as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2020	2019
Balance as at beginning of the year	200,200	170,541
Recognised during the year	-	29,659
Balance as at end of the year	<u>200,200</u>	<u>200,200</u>

Movements of the warrants for the years ended 30 September 2020 and 2019 were as follow:

(Unit: Thousand Unit)

	Consolidated/Separate financial statements	
	2020	2019
Balance as at beginning of the year	28,000	28,000
Exercised warrants during the year	-	-
Balance as at end of the year	<u>28,000</u>	<u>28,000</u>

As at 30 September 2020, the warrants expired.

## 28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 29. Expenses by nature

Significant expenses classified by nature for the years ended 30 September 2020 and 2019 were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Salaries and wages and other employee benefits	1,214,100	1,549,834	703,443	909,172
Depreciation and amortisation	1,283,534	1,270,365	600,728	605,220
Electricity and energy expenses	826,973	900,681	555,045	716,666
Transportation expenses	277,978	461,519	101,139	234,997
Repair and maintenance expenses	622,382	898,183	263,382	474,582
Stabilisation cost, research fees and contribution paid to the Office of the Cane and Sugar Fund	140,501	1,154,006	93,295	1,003,708
Raw materials and consumables used	6,254,560	8,545,180	3,983,064	6,207,957
Changes in inventories of finished goods and work in progress	(1,947,772)	266,311	(945,884)	(308,752)

## 30. Income tax

Income tax expenses for the years ended 30 September 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Current income tax charge	(67,044)	(127,677)	-	-
Adjustment in respect of income tax of previous year	(818)	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(12,503)	8,720	(15,034)	15,044
<b>Income tax benefits (expenses) reported in profit or loss</b>	<b>(80,365)</b>	<b>(118,957)</b>	<b>(15,034)</b>	<b>15,044</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 30 September 2020 and 2019 were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on:				
Actuarial gain (loss)	9,150	(1,596)	7,211	(4,709)
	<u>9,150</u>	<u>(1,596)</u>	<u>7,211</u>	<u>(4,709)</u>

The reconciliation between accounting profit and income tax expense for the years ended 30 September 2020 and 2019 were shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	<u>649,073</u>	<u>859,039</u>	<u>474,053</u>	<u>364,116</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	129,815	171,808	94,811	72,823
Adjustment in respect of income tax of previous year	818	2,252	-	-
Deferred tax assets have not been recognised during the year	12,299	174,628	121,797	84,889
Utilisation of previously unrecognised deferred tax assets	(2,848)	(8,713)	-	-
Effects of:				
Promotional privileges	(68,303)	(199,611)	-	-
Income not subject to tax	-	-	(200,435)	(168,626)
Non-deductible expenses	8,442	5,342	3,711	2,545
Additional expense deduction allowed	(17,595)	(22,710)	(4,850)	(6,675)
Others	17,737	(4,039)	-	-
Total	<u>(59,719)</u>	<u>(221,018)</u>	<u>(201,574)</u>	<u>(172,756)</u>
Income tax expenses (benefits) reported in profit or loss	<u>80,365</u>	<u>118,957</u>	<u>15,034</u>	<u>(15,044)</u>

As at 30 September 2020 and 2019, the components of deferred tax assets as stated in the statement of financial position were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Deferred tax assets</b>				
Allowance for diminution in value				
of inventories	1,041	1,521	-	-
Allowance for impairment loss				
of investment properties	629	3,135	-	2,506
Finance leases	152,211	163,189	152,211	163,189
Provision for long-term employee benefits	47,047	58,285	32,750	42,595
Provision for decommissioning costs	6,488	6,256	-	-
Others	3,551	7,112	3,383	7,000
<b>Total</b>	<b>210,967</b>	<b>239,498</b>	<b>188,344</b>	<b>215,290</b>
<b>Deferred tax liabilities</b>				
Accumulated depreciation	(15,195)	(21,859)	(8,644)	(13,131)
Others	(196)	(410)	(196)	(411)
<b>Total</b>	<b>(15,391)</b>	<b>(22,269)</b>	<b>(8,840)</b>	<b>(13,542)</b>
<b>Net</b>	<b>195,576</b>	<b>217,229</b>	<b>179,504</b>	<b>201,748</b>

As at 30 September 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 3,026 million (2019: Baht 2,986 million) (Separate financial statements: Baht 2,477 million 2019: Baht 1,873 million), for which deferred tax assets have not been recognised as future taxable profits may not be sufficient to allow the use of the temporary differences and unused tax losses as expenses in corporate income tax calculation within the prescribed period of time in the Revenue Code.

As at 30 September 2020, the unused tax losses of the Group, which were not recognised to deferred tax assets, will expire in 2030 (2019: expire in 2030).

### 31. Promotional privileges

The Group granted privileges by the Board of Investment were as follows:

1. Certificate No.	1095(1)/2555	1557(1)/2558	59-1195-0-00-1-0	59-0348-0-13-2-0	59-0268-0-00-2-0	61-0899-0-00-2-0	60-0887-0-00-1-0
2. Promotional privileges for	Electricity generating from biomass	Electricity generating and stream production from biomass	Packaging for foods (Biodegradable)	Electricity generating and stream production from biomass	Biogas	Biogas	Production of organic fertilisers
3. The significant privileges are	8 years	8 years	8 years	8 years	8 years	8 years	8 years
3.1 Exemption of corporate income tax for net income from promotional privileges and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted	Received	Received	Not received	Received	Not received	Not received	Not received
3.2 A fifty percent reduction of the normal rate of corporate income tax on net income derived from the promoted operations for a period of five years after the expiration of the above corporate income tax exemption period.	7-Oct-13	7-Jul-16	31-Oct-16	26-May-17	Not yet Commence	Not yet Commence	Not yet Commence
4. Date of first earning operation income	Not yet Commence	Not yet Commence	Not yet Commence	Not yet Commence	Not yet Commence	Not yet Commence	Not yet Commence

The Company has no revenues from promoted operations.

### 32. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

For the years ended 30 September 2020 and 2019, the assumed conversion of warrants did not occur because warrants expired and the market price of the Company's shares was lower than the exercise price of the warrants. Therefore, there is no impact on the diluted earnings per share.

### 33. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 25 January 2019	579	0.15
Total for 2019		<u>579</u>	<u>0.15</u>
Final dividends for 2019	Annual General Meeting of the shareholders on 31 January 2020	579	0.15
Total for 2020		<u>579</u>	<u>0.15</u>

### 34. Segment information

Operation segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on their products and services as follows:

- (1) the production and distribution of sugar segment
- (2) the production and distribution of pulp segment
- (3) the production and distribution of alcohol segment
- (4) the production and distribution of electricity segment

The chief operation decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transaction.

For the year ended 30 September 2020, the Group has revenue from two major customers in amount of Baht 1,897 million and Baht 1,511 million (2019: Baht 2,069 million and Baht 1,696 million derived from two major customers).

Below is the consolidated financial information of the Group for the years ended 30 September 2020 and 2019 by segment.

(Unit: Million Baht)

	Production and distribution of sugar segment		Production and distribution of pulp segment		Production and distribution of alcohol segment		Production and distribution of electricity		Other segments		Elimination		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from sales and services														
- Local	5,780	5,246	192	304	1,521	1,631	1,484	2,016	118	155	(1,969)	(1,952)	7,126	7,400
- Overseas	5,630	7,708	599	1,023	-	-	-	-	-	-	-	-	6,229	8,731
<b>Total</b>	<b>11,410</b>	<b>12,954</b>	<b>791</b>	<b>1,327</b>	<b>1,521</b>	<b>1,631</b>	<b>1,484</b>	<b>2,016</b>	<b>118</b>	<b>155</b>	<b>(1,969)</b>	<b>(1,952)</b>	<b>13,355</b>	<b>16,131</b>
Segment profit (loss)	1,412	1,750	77	390	341	338	432	1,102	26	20	(61)	68	2,227	3,668
Unallocated income and expenses:														
Other income													354	348
Gain (loss) on exchange													(9)	85
Selling and administrative expenses													(1,687)	(2,933)
Share of loss of a joint venture													(23)	(6)
Finance expenses													(213)	(303)
Income tax expenses													(80)	(119)
<b>Profit for the year</b>													<b>569</b>	<b>740</b>

Transfer prices between business segments are as set out in Note 7.

### 35. Provident fund

The Group and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and their employees, who are member of the funds, contribute to the fund monthly at the rates of 3 - 15 percent of basic salary. The funds, which are managed by licensed fund managers, will be paid to employees upon termination in accordance with the fund rules. The contribution during the year ended 30 September 2020 amounting to Baht 15 million (2019: Baht 16 million) (The Company only: Baht 9 million, 2019: Baht 10 million) were recognised as expenses.

### 36. Commitments and contingent liabilities

#### 36.1 Capital commitments

As at 30 September 2020 and 2019, the Group had capital commitments relating to the construction of factory buildings, a acquisition of machinery and equipment from the unrelated parties as follows:

(Unit: Million)

Currencies	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Baht	89	400	3	56
US dollar	12	21	-	-
JPY	-	120	-	-

#### 36.2 Operating leases and service commitments

The Group had entered into several lease agreements in respect of land, office building space and equipment and service agreements. The terms of agreements are generally between 1 and 30 years.

As at 30 September 2020 and 2019, future minimum required under these operating leases and service agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Payable				
In up to 1 year	39	30	18	13
In over 1 and up to 5 years	16	15	7	8
In over 5 years	25	26	-	-

In addition, the Company has made the lease agreements for land with a related party. Lease term is for 30 years which the rate will be increased every 5 years based on the consumer price index but not over 20% of the former rate. The Company also has a right to renew agreement for another 30 years since the expired date of this agreement by advance inform 2 years earlier from the expired date. During the years ended 30 September 2020 and 2019 the Company recognised rental expenses from the lease agreement of Baht 5 million.

### 36.3 Uncalled portion of investments

- a) As at 30 September 2020 and 2019, the Company has commitment in respect of the uncalled portion of investments in subsidiary amounting to Baht 37 million.
- b) As at 30 September 2020, KTIS Bio Ethanol Co., Ltd., a subsidiary, has commitment in respect of the uncalled portion of investments in joint venture amounting to Baht 339 million. (2019: Baht 64 million)

### 36.4 Bank guarantees

As at 30 September 2020 and 2019, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Guarantees for power sale agreements	-	3	-	-
Guarantees for sugar sale agreements	1	-	1	-
Guarantees electricity used	21	38	1	8
Total	22	41	2	8

### 36.5 Post-dated cheques

As at 30 September 2020 and 2019, the Group had post-dated cheques issued to planters for purchasing sugar cane as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Post-dated cheques	1,962	2,027	1,625	1,642

## **37. Financial instruments**

### **37.1 Financial risk management**

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, planter receivables, loans, investments, trade and other payables, liabilities under finance lease agreements and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Group is exposed to credit risk primarily with respect to trade and other receivables, planter receivables and loans. The Group manages the risk by adopting appropriate credit control policies and procedures. Therefore the Group does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, planter receivables and loans as stated in the statement of financial position.

#### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to their cash at banks, loans, bank overdrafts, liabilities under finance lease agreements and interest bearing borrowings. Since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 30 September 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Bant)

	30 September 2020					30 September 2019					Interest rate (% per annum)
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1 - 5 years				Over 5 years	Within 1 year				
<b>Financial assets</b>											
Cash and cash equivalents	-	-	275	3	278	-	-	286	9	295	See Note 8
Trade and other receivables	-	-	-	398	398	-	-	-	1,310	1,310	-
Planter receivables	-	-	-	343	343	-	-	-	391	391	-
Amounts due from the Office of the Cane and Sugar Fund	-	-	-	528	528	-	-	-	1,997	1,997	-
	-	-	275	1,272	1,547	-	-	286	3,707	3,993	
<b>Financial liabilities</b>											
Bank overdrafts and short-term loans from financial institutions	2,438	-	1	-	2,439	3,842	-	6	-	3,848	See Note 19
Trade and other payables	-	-	-	1,354	1,354	-	-	-	1,672	1,672	-
Short-term loans from the Office of the Cane and Sugar Fund	-	-	-	-	-	1,171	-	-	-	1,171	See Note 21
Liabilities under finance lease agreements	11	56	706	-	773	10	51	721	-	782	See Note 22
Long-term loans from financial institutions	-	-	1,349	-	1,349	748	1,349	-	-	2,097	See Note 23
Long-term loans from related party	-	-	63	-	63	-	-	68	-	68	See Note 7
Long-term loans from the Office of the Cane and Sugar Fund	8	-	-	-	8	13	8	-	-	21	See Note 24
	2,457	56	706	1,354	5,986	5,784	1,408	721	1,672	9,659	

As at 30 September 2019, the Group had Interest Rate Swap contracts with banks (2020: Nil) as follows:

Consolidated financial statements			
As at 30 September 2019			
Notional amount	Maturity	Interest rate to pay	Interest rate to receive
(Million Baht)		(% per annum)	(% per annum)
2,100	December 2019 - June 2020	3.9 - 4.2	The rates referenced 6M THBFIX plus a certain margin per annum

Separate financial statements			
As at 30 September 2019			
Notional amount	Maturity	Interest rate to pay	Interest rate to receive
(Million Baht)		(% per annum)	(% per annum)
1,950	June 2020	4.2	The rates referenced 6M THBFIX plus a certain margin per annum

### Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading of goods and purchases of machinery denominated in foreign currencies. The Company and certain of its subsidiaries have entered into forward exchange contracts to manage the risk and the Company has entered into certain forward exchange contracts on behalf of the subsidiaries. Generally, these forward contracts mature within one year.

As at 30 September 2020 and 2019, The Group had the outstanding balances of financial assets and liabilities denominated in foreign currencies are summarised below.

As at 30 September 2020					
Foreign currency	Consolidated		Separate		Average exchange rate
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.6	1.5	-	-	31.66

As at 30 September 2019					
Foreign currency	Consolidated		Separate		Average exchange rate (Baht per 1 foreign currency unit)
	financial statements		financial statements		
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	
US dollar	22.4	0.6	16.3	-	30.59
JPY	-	2.3	-	2.3	0.29

As at 30 September 2020 and 2019, The Group had the outstanding balance of forward exchange contracts are summarised below.

Consolidated financial statements						
As at 30 September 2020						
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Unrealised loss (gain) from change in fair value	
			Bought	Sold	Bought	Sold
			(Baht per 1 foreign currency unit)		(Million Baht)	(Million Baht)
US dollar	15.0	24.9	30.54 - 32.34	31.40 - 31.50	(9.8)	5.2

Separate financial statements						
As at 30 September 2020						
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Unrealised loss from change in fair value	
			Bought	Sold	Bought	Sold
			(Baht per 1 foreign currency unit)		(Million Baht)	(Million Baht)
US dollar	2.6	24.9	32.34	31.40 - 31.50	1.7	5.2

Consolidated financial statements						
As at 30 September 2019						
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Unrealised loss from change in fair value	
			Bought	Sold	Bought	Sold
			(Baht per 1 foreign currency unit)		(Million Baht)	(Million Baht)
US dollar	67.8	-	30.43 - 31.77	-	33.9	-
Euro	120.0	-	0.29	-	0.5	-

Separate financial statements

As at 30 September 2019

Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Unrealised loss from change in fair value	
			Bought	Sold	Bought	Sold
			(Baht per 1 foreign currency unit)		(Million Baht)	(Million Baht)
US dollar	49.8	-	30.43 - 31.77	-	33.0	-

**Cane and sugar prices fluctuation risk**

The Company entered into sugar futures contracts to sell sugar in the futures market, under which delivery is due within the year 2020. However between the time that the Company entered into these future contracts and the time that the Company entered into actual sales agreements with customers, the world market price of sugar due for delivery in 2020 continually fluctuated. As a result, for the year ended 30 September 2020, the Company had gain on closed futures contracts due in 2020 of approximately Baht 18 million, which have been recognised in the comprehensive income statement.

As at 30 September 2020, the Company had sugar futures contracts to be delivered in 2021 which have no actual delivered and open status, are summarised below.

(Unit: Million US dollar)

	Consolidated/Separate financial statements	
	Contractual value	Fair value
Futures sales contracts	4.7	5.3
Futures buys contracts	12.3	12.7

Fair value of sugar futures contracts are based on Intercontinental Exchange contract No.11 in the New York market.

As at 30 September 2020, the Company had sugar futures option contracts, which mature in February 2021, are summarised below (2019: Nil).

Consolidated/Separate financial statements			
Sold quantity (Million Pound)	Bought quantity (Million Pound)	Contractual exchange rate (US dollar per Pound)	Unrealised gain (loss)
			from change in fair value (Million Us dollar)
324	-	0.12 - 0.14	(1.1)
-	161	0.11 - 0.14	0.7

### 37.2 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities are short-term in nature or borrowings and loans carrying interest at rates close to market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans, accounts payable and short-term borrowings, their carrying amounts in the statement of financial position approximate their fair value.
- b) For biological assets, their fair value has been determined based on discounted cash flows reference to fair value less costs to sell at the point of harvest. The valuation involves certain assumptions and estimates such as the final sugar cane prices, a sweetness and weight of sugar cane.
- c) For long-term loans carrying interest at rates close to market interest rates, their carrying amounts in the statement of financial position approximate their fair value.

As at 30 September 2020, the Group had the asset that were measured at fair value as described in Note 12. The fair value includes in level 3.

As at 30 September 2020, the Group had the assets and liabilities that were disclosed as follows:

- The fair value includes in level 2 as present in Note 37.1.
- The fair value includes in level 3 as present in Note 16.

The fair value disclosure of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group had considered to counterparty credit risk when determining the fair value of derivatives.

During the years ended 30 September 2020 and 2019, there were no transfers within the fair value hierarchy.

### **38. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 30 September 2020, the Group's debt-to-equity ratio was 0.84:1 (2019: 1.29:1) and the Company's was 0.72:1 (2019: 0.98:1).

### **39. Events after the reporting period**

On 27 October 2020, GGC KTIS Bioindustrial Co., Ltd., a joint venture of KTIS Bio Ethanol Co., Ltd. (subsidiary of the Company), called up the additional share of 9 percent, totaling Baht 86 million and will be paid on 26 November 2020.

### **40. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 30 November 2020.



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