

Khonburi Sugar Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2023

## **Independent Auditor's Report**

To the Shareholders of Khonburi Sugar Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Khonburi Sugar Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, 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 Khonburi Sugar 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 Khonburi Sugar Public Company Limited and its subsidiaries and of Khonburi Sugar Public Company Limited as at 31 December 2023, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key Audit Matter**

Key audit matter is that matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter. 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter is described below.

### **Allowance for expected credit losses of sugar cane plantation receivables**

As discussed in Note 10 to the financial statements, the allowance for expected credit losses of sugar cane plantation receivables is estimated based on various assumptions. Therefore, the management is required to exercise considerable judgement in determining the assumptions to be used in estimating allowance for expected credit losses of the sugar cane plantation receivables, particularly in situation when debtors are unable to repay their debts. Therefore, I considered the valuation of allowance for expected credit losses of sugar cane plantation receivables is a key audit matter.

I assessed the internal controls relevant to sugar cane plantation receivables and gained an understanding on the calculation of the allowance for expected credit losses. I also assessed the assumptions and methods used by the Company in calculating allowance for expected credit losses of sugar cane plantation receivables applying the following procedures:

- I gained an understanding of the basis applied in determining allowance for expected credit losses of sugar cane plantation receivables in general and specific cases, and reviewing the consistency of the application of that basis.
- I performed analytical procedures of assumptions that the Company applied against historical data to determine reasonableness of the assumptions.
- I tested the calculation of allowance for expected credit losses of sugar cane plantation receivables.

## **Other Information**

Management is responsible for the other information. The other information comprise 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.

Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 26 February 2024

**Khonburi Sugar Public Company Limited and its subsidiaries**
**Statement of financial position**
**As at 31 December 2023**

(Unit: Baht)

|  |      | Consolidated financial statements |                       | Separate financial statements |                      |
|--|------|-----------------------------------|-----------------------|-------------------------------|----------------------|
|  | Note | 31 December 2023                  | 31 December 2022      | 31 December 2023              | 31 December 2022     |
| <b>Assets</b>  |      |                                   |                       |                               |                      |
| <b>Current assets</b>                                      |      |                                   |                       |                               |                      |
| Cash and cash equivalents                                  | 8    | 189,548,077                       | 82,786,311            | 165,902,129                   | 58,935,899           |
| Trade and other receivables                                | 7, 9 | 650,116,252                       | 511,157,445           | 791,117,515                   | 484,084,048          |
| Current portion of sugar cane plantation receivables       | 10   | 779,463,753                       | 474,084,391           | 779,463,753                   | 474,084,391          |
| Short-term loans to related parties                        | 7    | -                                 | -                     | 7,500,000                     | 12,500,000           |
| Inventories  | 11   | 1,736,328,685                     | 1,426,598,579         | 1,636,664,122                 | 1,348,673,426        |
| Current derivative assets                                  | 36   | 282,250,451                       | 31,417,772            | 282,250,451                   | 31,118,790           |
| Advances payment for molasses and woodchip                 |      | 61,207,048                        | 99,739,813            | -                             | -                    |
| Current tax assets   |      | 11,073,862                        | 3,361,257             | 800,322                       | 572,170              |
| Other current assets                                       | 12   | 185,749,600                       | 123,017,473           | 141,046,093                   | 76,144,385           |
| <b>Total current assets</b>                                |      | <b>3,895,737,728</b>              | <b>2,752,163,041</b>  | <b>3,804,744,385</b>          | <b>2,486,113,109</b> |
| <b>Non-current assets</b>                                  |      |                                   |                       |                               |                      |
| Investment in joint venture                                | 13   | 7,307,421                         | 4,947,931             | 4,900,000                     | 4,900,000            |
| Investments in subsidiaries                                | 14   | -                                 | -                     | 789,228,665                   | 789,228,665          |
| Investments in other long-term equity instruments          | 15   | 419,953,018                       | 490,943,242           | 419,953,018                   | 490,943,242          |
| Sugar cane plantation receivables - net of current portion | 10   | 140,208,436                       | 81,327,341            | 140,208,436                   | 81,327,341           |
| Property, plant and equipment                              | 16   | 7,831,186,048                     | 8,085,393,828         | 5,040,812,088                 | 5,278,759,916        |
| Right-of-use assets  | 20   | 272,533,483                       | 346,823,602           | 263,299,678                   | 339,487,946          |
| Intangible assets  | 17   | 111,717,913                       | 118,907,588           | 7,410,560                     | 9,836,679            |
| Advance payment for purchase of assets                     |      | 8,611,746                         | 4,887,064             | 7,464,625                     | 4,875,000            |
| Deferred tax assets  | 29.1 | -                                 | 96,049,074            | -                             | 70,960,406           |
| Non-current derivative assets                              | 36   | -                                 | 1,662,205             | -                             | 1,662,205            |
| Other non-current assets                                   |      | 113,397,030                       | 177,467,425           | 113,294,831                   | 177,355,225          |
| <b>Total non-current assets</b>                            |      | <b>8,904,915,095</b>              | <b>9,408,409,300</b>  | <b>6,786,571,901</b>          | <b>7,249,336,625</b> |
| <b>Total assets</b>  |      | <b>12,800,652,823</b>             | <b>12,160,572,341</b> | <b>10,591,316,286</b>         | <b>9,735,449,734</b> |

The accompanying notes are an integral part of the financial statements.

**Khonburi Sugar Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 31 December 2023**

(Unit: Baht)

|   | Note  | Consolidated financial statements |                       | Separate financial statements |                      |
|---|-------|-----------------------------------|-----------------------|-------------------------------|----------------------|
|   |       | 31 December 2023                  | 31 December 2022      | 31 December 2023              | 31 December 2022     |
| <b>Liabilities and shareholders' equity</b>   |       |                                   |                       |                               |                      |
| <b>Current liabilities</b>  |       |                                   |                       |                               |                      |
| Short-term loans from banks   | 18    | 1,020,545,532                     | 774,200,190           | 1,020,545,532                 | 774,200,190          |
| Short-term loans from related parties   | 7     | 25,000,000                        | 25,000,000            | 1,136,200,000                 | 1,101,700,000        |
| Trade and other payables  | 7, 19 | 1,470,725,367                     | 1,332,972,297         | 1,644,149,962                 | 1,346,224,187        |
| Advance received for goods  |       | 293,006,878                       | 518,994,916           | 292,994,007                   | 456,644,916          |
| Current portion of long-term loans from banks   | 21    | 499,313,049                       | 479,141,596           | 429,520,496                   | 409,373,981          |
| Current portion of lease liabilities  | 20    | 65,931,287                        | 83,389,912            | 62,924,982                    | 81,288,442           |
| Current portion of liability under Revenue Transfers Agreement related to electricity business operations       | 22    | 78,877,877                        | 71,641,408            | -                             | -                    |
| Corporate income tax payable  |       | 1,320,206                         | 660,828               | -                             | -                    |
| Amounts due to the Office of the Cane and Sugar Fund  |       | 109,052,719                       | 60,975,275            | 109,052,719                   | 60,975,275           |
| Current derivative liabilities  | 36    | 64,260,904                        | 95,717,589            | 63,894,576                    | 95,717,589           |
| Other current liabilities   |       | 51,917,718                        | 69,405,207            | 13,586,965                    | 36,841,675           |
| <b>Total current liabilities</b>  |       | <b>3,679,951,537</b>              | <b>3,512,099,218</b>  | <b>4,772,869,239</b>          | <b>4,362,966,255</b> |
| <b>Non-current liabilities</b>  |       |                                   |                       |                               |                      |
| Long-term loans from banks - net of current portion   | 21    | 2,155,089,900                     | 2,424,013,979         | 1,601,616,723                 | 1,800,748,249        |
| Lease liabilities - net of current portion  | 20    | 172,336,071                       | 219,964,340           | 166,260,621                   | 214,326,307          |
| Liability under Revenue Transfers Agreement related to electricity business operations - net of current portion | 22    | 2,386,087,514                     | 2,464,965,392         | -                             | -                    |
| Provision for long-term employee benefits   | 23    | 54,640,623                        | 52,412,977            | 48,836,464                    | 46,905,457           |
| Deferred tax liabilities  | 29.1  | 59,883,303                        | -                     | 66,815,232                    | -                    |
| Non-current derivative liabilities  | 36    | -                                 | 36,852                | -                             | 36,852               |
| <b>Total non-current liabilities</b>  |       | <b>4,828,037,411</b>              | <b>5,161,393,540</b>  | <b>1,883,529,040</b>          | <b>2,062,016,865</b> |
| <b>Total liabilities</b>  |       | <b>8,507,988,948</b>              | <b>8,673,492,758</b>  | <b>6,656,398,279</b>          | <b>6,424,983,120</b> |
| <b>Shareholders' equity</b>   |       |                                   |                       |                               |                      |
| Share capital   |       |                                   |                       |                               |                      |
| Registered  |       |                                   |                       |                               |                      |
| 600,000,000 ordinary shares of Baht 1 each  |       | 600,000,000                       | 600,000,000           | 600,000,000                   | 600,000,000          |
| Issued and fully paid up  |       |                                   |                       |                               |                      |
| 600,000,000 ordinary shares of Baht 1 each  |       | 600,000,000                       | 600,000,000           | 600,000,000                   | 600,000,000          |
| Share premium   |       | 2,230,175,000                     | 2,230,175,000         | 2,230,175,000                 | 2,230,175,000        |
| Retained earnings   |       |                                   |                       |                               |                      |
| Appropriated - statutory reserve  | 24    | 60,000,000                        | 60,000,000            | 60,000,000                    | 60,000,000           |
| Unappropriated  |       | 1,228,872,870                     | 574,254,198           | 867,145,794                   | 394,195,536          |
| Other components of shareholders' equity  |       | 173,616,005                       | 22,650,385            | 177,597,213                   | 26,096,078           |
| <b>Total shareholders' equity</b>   |       | <b>4,292,663,875</b>              | <b>3,487,079,583</b>  | <b>3,934,918,007</b>          | <b>3,310,466,614</b> |
| <b>Total liabilities and shareholders' equity</b>   |       | <b>12,800,652,823</b>             | <b>12,160,572,341</b> | <b>10,591,316,286</b>         | <b>9,735,449,734</b> |
|   |       | -                                 | -                     | -                             | -                    |

The accompanying notes are an integral part of the financial statements.

Directors



**Khonburi Sugar Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
**For the year ended 31 December 2023**

(Unit: Baht)

|   | Note   | Consolidated financial statements |                       | Separate financial statements |                      |
|---|--------|-----------------------------------|-----------------------|-------------------------------|----------------------|
|   |        | 2023                              | 2022                  | 2023                          | 2022                 |
| <b>Profit or loss:</b>                                |        |                                   |                       |                               |                      |
| <b>Revenues</b>                                       |        |                                   |                       |                               |                      |
| Sales income  | 25, 32 | 12,467,995,653                    | 10,846,181,284        | 11,188,909,395                | 9,439,456,675        |
| Services income                                       | 25, 32 | 83,432,374                        | 89,997,845            | 84,470,181                    | 91,148,773           |
| Other income  |        | 63,414,390                        | 56,695,929            | 65,549,197                    | 59,509,765           |
| Gain on exchange                                      |        | 63,899,037                        | -                     | 63,753,471                    | -                    |
| Dividend income                                       | 14, 15 | 38,521,000                        | 38,310,970            | 198,521,000                   | 38,310,970           |
| Reversal of impairment loss on financial assets       |        | 26,529,448                        | 3,942,120             | 26,529,448                    | 3,942,120            |
| <b>Total revenues</b>                                 |        | <b>12,743,791,902</b>             | <b>11,035,128,148</b> | <b>11,627,732,692</b>         | <b>9,632,368,303</b> |
| <b>Expenses</b>                                       |        |                                   |                       |                               |                      |
| Cost of sales   |        | 10,113,131,064                    | 8,456,314,514         | 9,553,810,458                 | 7,794,015,355        |
| Cost of services                                      |        | 138,175,439                       | 129,183,915           | 133,154,343                   | 124,215,962          |
| Selling and distribution expenses                     |        | 505,613,377                       | 440,822,274           | 498,384,490                   | 432,487,491          |
| Administrative expenses                               |        | 434,945,694                       | 447,063,992           | 302,613,333                   | 275,919,514          |
| Loss on exchange                                      |        | -                                 | 240,027,730           | -                             | 240,131,507          |
| Loss on changes in fair value of sugar swap contracts |        | 134,440,265                       | 57,951,484            | 134,440,265                   | 57,951,484           |
| <b>Total expenses</b>                                 |        | <b>11,326,305,839</b>             | <b>9,771,363,909</b>  | <b>10,622,402,889</b>         | <b>8,924,721,313</b> |
| <b>Profit from operating activities</b>               |        | <b>1,417,486,063</b>              | <b>1,263,764,239</b>  | <b>1,005,329,803</b>          | <b>707,646,990</b>   |
| Share of profit from investment in joint venture      | 13.2   | 2,359,490                         | 1,787,739             | -                             | -                    |
| Finance income  | 26     | 47,238,904                        | 39,274,532            | 47,528,900                    | 39,604,692           |
| Finance cost  | 27     | (391,704,201)                     | (413,462,643)         | (180,011,691)                 | (199,968,463)        |
| <b>Profit before income tax</b>                       |        | <b>1,075,380,256</b>              | <b>891,363,867</b>    | <b>872,847,012</b>            | <b>547,283,219</b>   |
| Income tax revenue (expenses)                         | 29.2   | (120,765,184)                     | 25,680,659            | (99,900,354)                  | 19,975,272           |
| <b>Profit for the year</b>                            |        | <b>954,615,072</b>                | <b>917,044,526</b>    | <b>772,946,658</b>            | <b>567,258,491</b>   |

The accompanying notes are an integral part of the financial statements.

**Khonburi Sugar Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

|   | Note | Consolidated financial statements |                           | Separate financial statements |                           |
|---|------|-----------------------------------|---------------------------|-------------------------------|---------------------------|
|   |      | 2023                              | 2022                      | 2023                          | 2022                      |
| <b>Other comprehensive income:</b>  |      |                                   |                           |                               |                           |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>                                 |      |                                   |                           |                               |                           |
| Gain on cash flow hedges - net of income tax  |      | 229,079,176                       | 46,979,064                | 229,614,691                   | 47,641,092                |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax                     |      | 229,079,176                       | 46,979,064                | 229,614,691                   | 47,641,092                |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>                             |      |                                   |                           |                               |                           |
| Gain (loss) on investment in long-term equity designated at fair value through other comprehensive income - net of income tax |      | (78,113,556)                      | 3,360,000                 | (78,113,556)                  | 3,360,000                 |
| Actuarial gain - net of income tax  |      | -                                 | 7,963,876                 | -                             | 6,052,633                 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax                 |      | (78,113,556)                      | 11,323,876                | (78,113,556)                  | 9,412,633                 |
| <b>Other comprehensive income for the year</b>  |      | <u>150,965,620</u>                | <u>58,302,940</u>         | <u>151,501,135</u>            | <u>57,053,725</u>         |
| <b>Total comprehensive income for the year</b>  |      | <u><u>1,105,580,692</u></u>       | <u><u>975,347,466</u></u> | <u><u>924,447,793</u></u>     | <u><u>624,312,216</u></u> |
| <b>Earnings per share</b>   | 31   |                                   |                           |                               |                           |
| Basic earnings per share  |      |                                   |                           |                               |                           |
| Profit for the year   |      | <u>1.59</u>                       | <u>1.53</u>               | <u>1.29</u>                   | <u>0.95</u>               |

The accompanying notes are an integral part of the financial statements.

**Khonburi Sugar Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity**

**For the year ended 31 December 2023**

(Unit: Baht)

| Consolidated financial statements       |  |               |                   |                |                            |   |   |                               |
|---|--|---------------|-------------------|----------------|----------------------------|---|---|-------------------------------|
|   | Issued and<br>fully paid up<br>share capital | Share premium | Retained earnings |                | Other components of equity |   |   |                               |
|   |  |               | Appropriated -    |                | Other comprehensive income |   |   |                               |
|   |  |               | statutory reserve | Unappropriated | Gain (loss) on             |   |   | Total<br>shareholders' equity |
|   |  |               |                   |                | cash flow hedges           | investment in<br>long-term equity<br>designated at fair value | Discount on business<br>combination under<br>common control |                               |
| <b>Balance as at 1 January 2022</b>     | 600,000,000                                  | 2,230,175,000 | 60,000,000        | (350,754,204)  | (60,963,799)               | 36,960,000  | (3,684,880)   | 2,511,732,117                 |
| Profit for the year                     | -  | -             | -                 | 917,044,526    | -                          | -   | -   | 917,044,526                   |
| Other comprehensive income for the year | -  | -             | -                 | 7,963,876      | 46,979,064                 | 3,360,000   | -   | 58,302,940                    |
| Total comprehensive income for the year | -  | -             | -                 | 925,008,402    | 46,979,064                 | 3,360,000   | -   | 975,347,466                   |
| <b>Balance as at 31 December 2022</b>   | 600,000,000                                  | 2,230,175,000 | 60,000,000        | 574,254,198    | (13,984,735)               | 40,320,000  | (3,684,880)   | 3,487,079,583                 |
| <b>Balance as at 1 January 2023</b>     | 600,000,000                                  | 2,230,175,000 | 60,000,000        | 574,254,198    | (13,984,735)               | 40,320,000  | (3,684,880)   | 3,487,079,583                 |
| Profit for the year                     | -  | -             | -                 | 954,615,072    | -                          | -   | -   | 954,615,072                   |
| Other comprehensive income for the year | -  | -             | -                 | -              | 229,079,176                | (78,113,556)  | -   | 150,965,620                   |
| Total comprehensive income for the year | -  | -             | -                 | 954,615,072    | 229,079,176                | (78,113,556)  | -   | 1,105,580,692                 |
| Dividend paid (Note 34)                 | -  | -             | -                 | (299,996,400)  | -                          | -   | -   | (299,996,400)                 |
| <b>Balance as at 31 December 2023</b>   | 600,000,000                                  | 2,230,175,000 | 60,000,000        | 1,228,872,870  | 215,094,441                | (37,793,556)  | (3,684,880)   | 4,292,663,875                 |
|   | -  | -             | -                 | -              | -                          | -   | -   | -                             |
|   | -  | -             | -                 | -              | -                          | -   | -   | -                             |

The accompanying notes are an integral part of the financial statements.

Khonburi Sugar Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2023

(Unit: Baht)

| Separate financial statements           |  |               |                                     |                |                                    |   |              |   |
|---|--|---------------|-------------------------------------|----------------|------------------------------------|---|--------------|---|
|   | Issued and<br>fully paid up<br>share capital | Share premium | Retained earnings                   |                | Other components of equity         |   |              |   |
|   |  |               |                                     |                | Other comprehensive income         |   |              | Total other<br>components<br>of shareholders'<br>equity |
|   |  |               | Appropriated -<br>statutory reserve | Unappropriated | Gain (loss) on<br>cash flow hedges | Gain (loss) on<br>investment in<br>long-term equity<br>designated at fair value |              |   |
|   |  |               |                                     |                |                                    |   |              |   |
| Balance as at 1 January 2022            | 600,000,000                                  | 2,230,175,000 | 60,000,000                          | (179,115,588)  | (61,865,014)                       | 36,960,000  | (24,905,014) | 2,686,154,398   |
| Profit for the year                     | -  | -             | -                                   | 567,258,491    | -                                  | -   | -            | 567,258,491   |
| Other comprehensive income for the year | -  | -             | -                                   | 6,052,633      | 47,641,092                         | 3,360,000   | 51,001,092   | 57,053,725  |
| Total comprehensive income for the year | -  | -             | -                                   | 573,311,124    | 47,641,092                         | 3,360,000   | 51,001,092   | 624,312,216   |
| Balance as at 31 December 2022          | 600,000,000                                  | 2,230,175,000 | 60,000,000                          | 394,195,536    | (14,223,922)                       | 40,320,000  | 26,096,078   | 3,310,466,614   |
| Balance as at 1 January 2023            | 600,000,000                                  | 2,230,175,000 | 60,000,000                          | 394,195,536    | (14,223,922)                       | 40,320,000  | 26,096,078   | 3,310,466,614   |
| Profit for the year                     | -  | -             | -                                   | 772,946,658    | -                                  | -   | -            | 772,946,658   |
| Other comprehensive income for the year | -  | -             | -                                   | -              | 229,614,691                        | (78,113,556)  | 151,501,135  | 151,501,135   |
| Total comprehensive income for the year | -  | -             | -                                   | 772,946,658    | 229,614,691                        | (78,113,556)  | 151,501,135  | 924,447,793   |
| Dividend paid (Note 34)                 | -  | -             | -                                   | (299,996,400)  | -                                  | -   | -            | (299,996,400)   |
| Balance as at 31 December 2023          | 600,000,000                                  | 2,230,175,000 | 60,000,000                          | 867,145,794    | 215,390,769                        | (37,793,556)  | 177,597,213  | 3,934,918,007   |
|   | -  | -             | -                                   | -              | -                                  | -   | -            | -   |
|   | -  | -             | -                                   | -              | -                                  | -   | -            | -   |

The accompanying notes are an integral part of the financial statements.

**Khonburi Sugar Public Company Limited and its subsidiaries**
**Cash flows statement**
**For the year ended 31 December 2023**

(Unit: Baht)

|  | Consolidated financial statements |                      | Separate financial statements |                      |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
|  | 2023                              | 2022                 | 2023                          | 2022                 |
| <b>Cash flows from operating activities</b>  |                                   |                      |                               |                      |
| Profit before tax  | 1,075,380,256                     | 891,363,867          | 872,847,012                   | 547,283,219          |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: |                                   |                      |                               |                      |
| Depreciation and amortisation  | 746,636,288                       | 729,056,190          | 517,999,268                   | 505,807,674          |
| Gain on disposal of land and equipment   | (19,012,621)                      | (9,731,057)          | (19,012,621)                  | (9,731,057)          |
| Write-off of bad debts   | 4,782,435                         | 5,029,941            | 4,782,435                     | 5,029,941            |
| Reversal of allowance for expected credit losses   | (26,419,062)                      | (3,942,120)          | (26,419,062)                  | (3,942,120)          |
| Share of gain from investment in joint venture   | (2,359,490)                       | (1,787,739)          | -                             | -                    |
| Reduction (reversal) of inventories to net realisable value  | 687,671                           | (3,125,690)          | 605,464                       | (3,144,812)          |
| Long-term employee benefits expenses   | 6,349,043                         | 6,783,136            | 5,648,004                     | 5,381,629            |
| Loss on changes in fair value of sugar swap contracts  | 5,689,042                         | 79,933,493           | 5,689,042                     | 79,933,492           |
| Unrealised loss (gain) on exchange   | 856,414                           | (414,865)            | 856,414                       | (414,865)            |
| Gain on changes in fair value of investments in equity instrument                                    | (110,386)                         | -                    | (110,386)                     | -                    |
| Dividend income  | (38,521,000)                      | (38,310,970)         | (198,521,000)                 | (38,310,970)         |
| Finance income   | (47,238,904)                      | (39,274,532)         | (47,528,900)                  | (39,604,692)         |
| Finance cost   | 385,020,249                       | 406,932,094          | 177,935,035                   | 198,171,673          |
| <b>Profit from operating activities before changes in operating assets and liabilities</b>           | <b>2,091,739,935</b>              | <b>2,022,511,748</b> | <b>1,294,770,705</b>          | <b>1,246,459,112</b> |
| <b>Operating assets (increase) decrease</b>  |                                   |                      |                               |                      |
| Trade and other receivables  | (140,265,470)                     | (11,207,079)         | (308,340,129)                 | (149,678,638)        |
| Sugar cane plantation receivables  | (342,262,840)                     | 36,923,555           | (342,262,840)                 | 36,923,555           |
| Inventories  | (310,417,777)                     | (158,517,886)        | (288,596,160)                 | (123,715,325)        |
| Advances payment for molasses and woodchip   | 38,532,765                        | (46,925,121)         | -                             | -                    |
| Other current assets   | (59,370,868)                      | 56,071,506           | (64,329,537)                  | 25,075,034           |
| Other non-current assets   | 66,938,759                        | 24,923,645           | 66,928,758                    | 24,823,245           |
| <b>Operating liabilities increase (decrease)</b>   |                                   |                      |                               |                      |
| Trade and other payables   | 98,464,219                        | 248,496,732          | 272,489,255                   | 382,912,453          |
| Advance received for goods   | (225,988,038)                     | 86,118,709           | (163,650,909)                 | 111,468,709          |
| Other current liabilities  | 50,809,267                        | 86,134,282           | 42,375,565                    | 67,693,618           |
| <b>Cash flows from operating activities</b>  | <b>1,268,179,952</b>              | <b>2,344,530,091</b> | <b>509,384,708</b>            | <b>1,621,961,763</b> |
| Cash paid for income tax   | (12,992,781)                      | (8,286,844)          | (800,322)                     | (572,170)            |
| Cash paid for long-term employee benefits  | (4,121,397)                       | (8,045,649)          | (3,716,997)                   | (6,977,382)          |
| <b>Net cash flows from operating activities</b>  | <b>1,251,065,774</b>              | <b>2,328,197,598</b> | <b>504,867,389</b>            | <b>1,614,412,211</b> |

The accompanying notes are an integral part of the financial statements.

**Khonburi Sugar Public Company Limited and its subsidiaries**
**Cash flows statement (continued)**
**For the year ended 31 December 2023**

(Unit: Baht)

|   | Consolidated financial statements |                        | Separate financial statements |                        |
|---|-----------------------------------|------------------------|-------------------------------|------------------------|
|   | 2023                              | 2022                   | 2023                          | 2022                   |
| <b>Cash flows from investing activities</b>   |                                   |                        |                               |                        |
| Decrease in short-term loans to related parties   | -                                 | -                      | 5,000,000                     | 1,300,000              |
| Cash paid for purchase of long-term investment in equity instrument                                       | (26,541,335)                      | -                      | (26,541,335)                  | -                      |
| Cash paid for acquisitions of property, plant and equipment   | (394,078,670)                     | (802,736,321)          | (202,394,476)                 | (555,767,442)          |
| Proceeds from disposal of land and equipment  | 145,124,122                       | 14,445,230             | 145,124,122                   | 15,751,563             |
| Cash paid for acquisitions of intangible assets   | (315,000)                         | (222,160)              | (300,000)                     | (162,361)              |
| Decrease (increase) in advance payment for assets   | (3,724,682)                       | 19,095,050             | (2,589,626)                   | 17,485,752             |
| Cash receipt from interest income   | 44,459,796                        | 36,546,541             | 44,749,793                    | 36,876,701             |
| Cash receipt from dividend income   | 38,521,000                        | 38,310,970             | 198,521,000                   | 38,310,970             |
| <b>Net cash flows from (used in) investing activities</b>   | <b>(196,554,769)</b>              | <b>(694,560,690)</b>   | <b>161,569,478</b>            | <b>(446,204,817)</b>   |
| <b>Cash flows from financing activities</b>   |                                   |                        |                               |                        |
| Increase (decrease) in short-term loans from banks  | 246,345,342                       | (1,296,299,810)        | 246,345,342                   | (1,241,299,810)        |
| Increase (decrease) in short-term loans from related parties  | -                                 | (86,400,980)           | 34,500,000                    | 100,899,020            |
| Repayment under liability under Revenue Transfer Agreement related to electricity business operations     | (74,185,993)                      | (68,399,692)           | -                             | -                      |
| Cash paid under lease agreements  | (206,955,158)                     | (100,347,757)          | (203,903,336)                 | (99,332,641)           |
| Cash receipt from long-term loans from banks  | 230,402,600                       | 589,899,540            | 230,402,600                   | 515,380,200            |
| Repayment of long-term loans from banks   | (479,949,880)                     | (271,066,161)          | (409,949,880)                 | (251,066,161)          |
| Dividend paid   | (299,996,400)                     | -                      | (299,996,400)                 | -                      |
| Cash paid for interest expenses   | (363,409,750)                     | (392,796,239)          | (156,868,963)                 | (184,139,887)          |
| <b>Net cash flows used in financing activities</b>  | <b>(947,749,239)</b>              | <b>(1,625,411,099)</b> | <b>(559,470,637)</b>          | <b>(1,159,559,279)</b> |
| <b>Net increase in cash and cash equivalents</b>  | <b>106,761,766</b>                | <b>8,225,809</b>       | <b>106,966,230</b>            | <b>8,648,115</b>       |
| Cash and cash equivalents at beginning of year  | 82,786,311                        | 74,560,502             | 58,935,899                    | 50,287,784             |
| <b>Cash and cash equivalents at end of year (Note 8)</b>  | <b>189,548,077</b>                | <b>82,786,311</b>      | <b>165,902,129</b>            | <b>58,935,899</b>      |
|   | -                                 | -                      | -                             | -                      |
| <b>Supplemental cash flows information</b>  |                                   |                        |                               |                        |
| Non-cash transactions   |                                   |                        |                               |                        |
| Increase (decrease) in undue installments for acquisition of fixed assets                                 | 38,726,158                        | (217,441,506)          | 24,980,060                    | (131,348,154)          |
| Increase in right-of-use assets   | 103,940,386                       | 48,029,279             | 99,874,018                    | 40,926,476             |
| Capitalise interest expenses to construction in progress  | -                                 | 1,451,246              | -                             | 1,451,246              |
| Transfer amortisation of financial fee to construction in progress  | -                                 | 16,255                 | -                             | 16,255                 |
| Transfer of asset under installation to intangible assets   | 2,809,870                         | 9,885,960              | -                             | 9,885,960              |
| Transfer right-of-use assets to motor vehicles  | 110,432,921                       | 5,049,114              | 110,432,921                   | 5,049,114              |
| Actuarial gain  | -                                 | (9,954,937)            | -                             | (7,565,792)            |
| Loss (gain) on investment in long-term equity designated at fair value through other comprehensive income | 97,641,945                        | (4,200,000)            | 97,641,945                    | (4,200,000)            |
| Gain on cash flow hedges recognised through other comprehensive income                                    | (286,348,970)                     | (58,723,830)           | (287,018,364)                 | (59,551,365)           |

The accompanying notes are an integral part of the financial statements.

# Khonburi Sugar Public Company Limited and its subsidiaries

## Notes to consolidated financial statements

For the year ended 31 December 2023

### 1. General information

#### 1.1 Corporate information

Khonburi Sugar Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is Khonburi Capital Co., Ltd. which shareholding is 27.55%. The Company is principally engaged in manufacture and distribution of sugar, which is sold both domestically and overseas. The registered office of the Company is at 5 Soi Sukhumvit 57, Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok. Its factories are located at 289 Moo 13 Jarakhe-Hin, Khonburi, Nakhonratchasima, and 168 Moo 6 Nongyakhao, Sikhio, Nakhonratchasima.

### 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, 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 Khonburi Sugar Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

| Company's name                 | Nature of business                             | Country of<br>incorporation | Percentage of<br>shareholding |           |
|--------------------------------|--|-----------------------------|-------------------------------|-----------|
|                                |  |                             | 2023                          | 2022      |
|                                |  |                             | (Percent)                     | (Percent) |
| <u>Held by the Company</u>     |  |                             |                               |           |
| Khonburi Power Plant Co., Ltd. | Manufacture and distribution<br>of electricity | Thailand                    | 100                           | 100       |
| KBS Trading Co., Ltd.          | Trading of sugar, molasses<br>and by products  | Thailand                    | 100                           | 100       |

| Company's name  | Nature of business   | Country of incorporation | Percentage of shareholding |                   |
|---|--|--------------------------|----------------------------|-------------------|
|   |  |                          | 2023<br>(Percent)          | 2022<br>(Percent) |
| Khonburi Bio Energy Co., Ltd.   | Manufacture and distribution of ethanol                                      | Thailand                 | 100                        | 100               |
| KBS Investment Co., Ltd.  | Holding company  | Thailand                 | 100                        | 100               |
| <u>Held by subsidiaries of the Company</u>                              |  |                          |                            |                   |
| KBS Cane and Sugar Co., Ltd.<br>(100% held by KBS Investment Co., Ltd.) | Provide seminar for knowledge and enhance efficiency of planting to planters | Thailand                 | 100                        | 100               |
| KBS Power Co., Ltd.<br>(100% held by Khonburi Power Plant Co., Ltd.)    | Manufacture and distribution of electricity                                  | Thailand                 | 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 cases.
- 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 Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and a joint venture under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. 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 Group's financial statements.



### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense 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 on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and payment with traditional business practice to customers.

#### **Rendering of services**

Service revenue is recognised at a point in time upon completion of the service.

#### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### **Dividends income**

Dividends are recognised when the right to receive the dividend is established.

#### **Other income**

Other income is recognised upon completion of performance obligation and there is a certain possibility of receiving the money.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Finished goods, work in process, and molasses are valued at the lower of cost under the average method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes raw material cost, labour cost and attributable factory overheads.

Raw materials, chemicals, spare parts, factory supplies, and other supplies are valued at the lower of weighted average method and net realisable value and are charged to production costs whenever consumed.

The common production costs incurred in the production process are not allocated to bagasse from productions of sugar. Therefore, revenue from sale of by products is presented as deduction from production costs in each production season.

## **4.4 Investments in subsidiaries and joint venture**

- a) 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)
- b) Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## **4.5 Property, plant and equipment/Depreciation**

Land 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                             | 10 years      |
| Building and premises                        | 20 - 30 years |
| Machinery                                    | 4 - 50 years  |
| Equipment                                    | 3 - 10 years  |
| Furniture, fixtures and office equipment     | 5 years       |
| Motor vehicles                               | 5 years       |
| Facilities system and water treatment system | 20 - 30 years |

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and 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.

#### **4.6 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 period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.7 Intangible assets**

Intangible assets are initially recognised at cost. Following the initial recognition, the 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 the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset 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 live is as follows:

|  | <u>Useful lives</u> |
|--|---------------------|
| Computer software                        | 5 years             |
| Right to use the transmission facilities | 25 years            |

#### **4.8 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 associates, 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.

## 4.9 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in determining income.

## 4.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

|                  |                |
|------------------|----------------|
| Buildings        | 2 - 9    years |
| Office equipment | 2 - 4    years |
| Motor vehicles   | 2 - 5    years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

## **4.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the 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.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible 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.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.13 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***

##### ***Defined contribution plans***

The Group and their 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 Company's and its subsidiaries' contributions are recognised as expenses when incurred.

### ***Defined benefit plans***

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labour law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.14 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.

#### **4.15 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.

#### **4.16 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

##### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.



These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency.

### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 45 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information. For planter receivables, the Group will consider contractual payments more than the Group's policy based on the harvesting year.

The Group classifies planter receivables into three groups in order to measure the expected credit loss, with the classification of the financial assets determined on the basis of the change in credit quality since the initial transaction date, as follows:

Group 1: No significant increase in credit risk

Group 2: Significant increase in credit risk

Group 3: Credit-impaired

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Group will change from recognising expected credit loss over the expected lifetime to recognising the 12-months expected credit loss.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 4.17 Derivatives and hedge accounting

##### a) Derivative financial instruments

The Group uses derivatives, such as forward exchange contracts, interest rate swap contracts and sugar swap contracts, to hedge its foreign currency risks, interest rate risks and sugar price risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### b) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria of hedge accounting are accounted for, as described below:

#### ***Cash flow hedges***

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

#### **4.18 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 (market participants) 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 maximise 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 categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an 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 expected credit losses of trade receivables and sugar cane plantation receivables**

In determining an allowance for expected credit losses of trade receivables and sugar cane plantation receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences at the end of reporting period between the tax bases of assets or liabilities and their account amount 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.

## **Sugar cane price and planters payable**

The recognition of sugar cane price and planters payable, requires management to make estimates of the sugar cane price by reference to the calculation method of the Office of the Cane and Sugar Board. The estimation involves certain assumptions and estimates.

### **6. Seasonality of operations**

The operations of the Company 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**

The relationships between the Company and related parties are summarised below.

| Name  | Relationship                         |
|---|--------------------------------------|
| Khonburi Power Plant Co., Ltd.                    | Subsidiary                           |
| KBS Trading Co., Ltd.                             | Subsidiary                           |
| Khonburi Bio Energy Co., Ltd.                     | Subsidiary                           |
| KBS Investment Co., Ltd.                          | Subsidiary                           |
| KBS Cane and Sugar Co., Ltd.                      | Subsidiary (Held by subsidiary)      |
| KBS Power Co., Ltd.                               | Subsidiary (Held by subsidiary)      |
| C K Trading (1965) Co., Ltd.                      | Joint venture                        |
| Khonburi Sugar Power Plant Infrastructure Fund    | The Company is the major shareholder |
| Khonburi Capital Co., Ltd.                        | Major shareholders/Common directors  |
| The Thai Sugar Trading Corporation Limited        | Common shareholders/Common directors |
| World Sugar Export Co., Ltd.                      | Common shareholders/Common directors |
| Thai Cane and Sugar Co., Ltd.                     | Common shareholders/Common directors |
| Chumporn Palm Oil Industry Public Company Limited | Common shareholders/Common directors |
| CPI Trading Co., Ltd.                             | Common shareholders/Common directors |
| Mitsui and Co., Ltd.                              | Shareholders                         |
| Mitsui & Co Europe Plc.                           | Common major shareholders            |
| Kaset Phol Sugar Co., Ltd.                        | Common major shareholders            |
| The Kumphawapi Sugar Co., Ltd.                    | Common major shareholders            |

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

|   | Consolidated         |         | Separate             |         | Transfer Pricing Policy  |
|---|----------------------|---------|----------------------|---------|--|
|   | financial statements |         | financial statements |         |  |
|   | 2023                 | 2022    | 2023                 | 2022    |  |
| <b><u>Transactions with subsidiaries:</u></b>       |                      |         |                      |         |  |
| (Eliminated from consolidated financial statements) |                      |         |                      |         |  |
| Sales income  | -                    | -       | 48,339               | 6,524   | Cost plus margin   |
| Services income                                     | -                    | -       | 1,038                | 1,151   | Cost plus margin   |
| Interest income                                     | -                    | -       | 426                  | 383     | 3.74% - 4.00% per annum<br>(2022: 2.41% - 3.74%<br>per annum)        |
| Sales of bagasse                                    | -                    | -       | 607,160              | 583,984 | Contract price   |
| Rental income                                       | -                    | -       | 5,792                | 6,047   | Contract price   |
| Management income                                   | -                    | -       | 3,980                | 3,480   | Contract price   |
| Other income  | -                    | -       | 156                  | 141     | Contract price   |
| Dividend income                                     | -                    | -       | 160,000              | -       | As declared  |
| Electricity charges                                 | -                    | -       | 334,216              | 307,473 | Contract price   |
| Steam charges                                       | -                    | -       | 544,966              | 444,629 | Contract price   |
| Purchase of supplies                                | -                    | -       | 1,589                | 518     | Cost plus margin   |
| Purchase of fertilizer                              | -                    | -       | -                    | 10,495  | Cost plus margin   |
| Purchase bagasse                                    | -                    | -       | 3,019                | -       | Cost plus margin   |
| Rental expenses                                     | -                    | -       | 68                   | 64      | Contract price   |
| Service expenses                                    | -                    | -       | 13,006               | 10,495  | Contract price   |
| Interest expenses                                   | -                    | -       | 16,248               | 22,282  | 0.55% - 4.00% per annum<br>(2022: 0.55% - 7.38%<br>per annum)        |
| <b><u>Transactions with related parties:</u></b>    |                      |         |                      |         |  |
| Sales income  | 332,036              | 320,594 | 332,036              | 320,594 | Contract price   |
| Dividend income                                     | 38,521               | 38,311  | 38,521               | 38,311  | As declared  |
| Other income  | 940                  | 4,280   | 940                  | 4,280   | Cost plus margin   |
| Purchase of raw sugars                              | -                    | 33,115  | -                    | 33,115  | Contract price   |
| Rental expenses                                     | 14,255               | 13,574  | 14,255               | 13,574  | Contract price and<br>comparable price charged to<br>other customers |
| Service and utilities charges                       | 2,598                | 2,480   | 2,598                | 2,480   | Contract price   |
| Export service expenses                             | 17,071               | 14,521  | 17,071               | 14,521  | Contract price   |
| Interest expenses                                   | 210,941              | 221,527 | 11,702               | 15,514  | 3.58% - 4.25% per annum<br>(2022: 2.70% - 3.75%<br>per annum)        |
| <b><u>Transactions with joint venture:</u></b>      |                      |         |                      |         |  |
| Sales income  | 589                  | 2,331   | 589                  | 2,331   | Contract price   |
| Commission fee                                      | 9,460                | 9,460   | 9,460                | 9,460   | Contract price   |

As at 31 December 2023 and 2022, the balances of the accounts between the Company, subsidiaries, and those related companies are as follows:

|   | (Unit: Thousand Baht) |           |                      |           |
|---|-----------------------|-----------|----------------------|-----------|
|   | Consolidated          |           | Separate             |           |
|   | financial statements  |           | financial statements |           |
|   | 2023                  | 2022      | 2023                 | 2022      |
| <b>Trade receivables - related parties (Note 9)</b>   |                       |           |                      |           |
| Subsidiaries  | -                     | -         | 1,639                | 27        |
| Related company   | -                     | 6,262     | -                    | 6,262     |
| Total trade receivables - related parties   | -                     | 6,262     | 1,639                | 6,289     |
| <b>Other receivables - related parties (Note 9)</b>   |                       |           |                      |           |
| Subsidiaries  | -                     | -         | 332,940              | 187,537   |
| Related companies   | -                     | 314       | -                    | 314       |
| Total other receivables - related parties   | -                     | 314       | 332,940              | 187,851   |
| <b>Other current assets - related parties</b>   |                       |           |                      |           |
| Subsidiaries  | -                     | -         | 23                   | 21        |
| <b>Other non-current asset (Rental deposit)</b>   |                       |           |                      |           |
| Related company   | 3,186                 | 3,186     | 3,186                | 3,186     |
| <b>Trade payables - related parties (Note 19)</b>   |                       |           |                      |           |
| Subsidiaries  | -                     | -         | 379,660              | 229,005   |
| <b>Accrued expense - related party (Note 19)</b>  |                       |           |                      |           |
| Related company   | 122                   | 49        | 122                  | 49        |
| <b>Accrued interest - related parties (Note 19)</b>   |                       |           |                      |           |
| Related companies   | 198                   | 190       | 198                  | 190       |
| <b>Other payables - related parties (Note 19)</b>   |                       |           |                      |           |
| Related companies   | 60,377                | 44,441    | 12,599               | 297       |
| Joint venture   | 934                   | 844       | 934                  | 844       |
| Total other payables - related parties  | 61,311                | 45,285    | 13,533               | 1,141     |
| <b>Short-term loans to related parties</b>  |                       |           |                      |           |
| Subsidiaries  | -                     | -         | 7,500                | 12,500    |
| <b>Short-term loans from related parties</b>  |                       |           |                      |           |
| Subsidiaries  | -                     | -         | 1,111,200            | 1,076,700 |
| Related companies   | 25,000                | 25,000    | 25,000               | 25,000    |
| Total short-term loans from related parties   | 25,000                | 25,000    | 1,136,200            | 1,101,700 |
| <b>Liabilities under Revenue Transfer Agreement related to electric business operations (Note 22)</b> |                       |           |                      |           |
| Related company   | 2,464,965             | 2,536,607 | -                    | -         |



### Loans to and loans from related parties

Short-term loans to subsidiaries carried interest at rates of 4.00% per annum (2022: 2.41% - 3.74% per annum), due for repayment on demand and no security to guarantees.

Short-term loans from subsidiaries and related parties carried interest at rates of 1.70% - 4.25% per annum (2022: 0.55% - 7.38% per annum), due for repayment on demand and no security to guarantees.

As at 31 December 2023 and 2022, the balances of loans between the Company and those related companies and the movement are as follows:

| (Unit: Thousand Baht)                        |                                   |                             |                             |                                   |
|--|-----------------------------------|-----------------------------|-----------------------------|-----------------------------------|
|  | Consolidated financial statements |                             |                             |                                   |
|  | Balance as at<br>1 January 2023   | Increase<br>during the year | Decrease<br>during the year | Balance as at<br>31 December 2023 |
| <b>Short-term loans from related parties</b> |                                   |                             |                             |                                   |
| Related companies*                           | 25,000                            | 2,005,006                   | (2,005,006)                 | 25,000                            |

| (Unit: Thousand Baht)                        |                                 |                             |                             |                                   |
|--|---------------------------------|-----------------------------|-----------------------------|-----------------------------------|
|  | Separate financial statements   |                             |                             |                                   |
|  | Balance as at<br>1 January 2023 | Increase<br>during the year | Decrease<br>during the year | Balance as at<br>31 December 2023 |
| <b>Short-term loans to related parties</b>   |                                 |                             |                             |                                   |
| Subsidiaries                                 | 12,500                          | -                           | (5,000)                     | 7,500                             |
| <b>Short-term loans from related parties</b> |                                 |                             |                             |                                   |
| Subsidiaries                                 | 1,076,700                       | 562,000                     | (527,500)                   | 1,111,200                         |
| Related companies*                           | 25,000                          | 2,005,006                   | (2,005,006)                 | 25,000                            |
| Total  | 1,101,700                       | 2,567,006                   | (2,532,506)                 | 1,136,200                         |

\* The Company has appointed two related companies as exporter representatives to enter into short-term loan agreements and forward exchange contracts with banks, carried interest at rate for short-term loan agreements of 3.58% - 4.25% per annum (2022: 2.7% - 3.5% per annum). These loans will be due within three months. Under the power of attorney, the Company agrees to accept liability for any losses.

### Liabilities under Revenue Transfer Agreement related to electricity business operations

Liabilities under Revenue Transfer Agreement related to electricity business operations carried effective interest rate for the entire period of agreement at rate of 7.38% per annum, and there were security transactions as described in Note 22 to financial statements.

The movement of the balance of liabilities under Revenue Transfer Agreement related to electricity business operations is as follows:

(Unit: Thousand Baht)

|  | Consolidated financial statements |                 |                  |
|--|-----------------------------------|-----------------|------------------|
|  | Balance as at                     | Decrease        | Balance as at    |
|  | 1 January 2023                    | during the year | 31 December 2023 |
| <b>Khonburi Sugar Power Plant Infrastructure Fund (KBSPIF)</b> |                                   |                 |                  |
| Liabilities under Revenue Transfer Agreement related           |                                   |                 |                  |
| to electricity business operations                             | 2,563,496                         | (74,186)        | 2,489,310        |
| Financial fee  | (26,889)                          | 2,544           | (24,345)         |
| Net  | 2,536,607                         | (71,642)        | 2,464,965        |

#### Directors and management's benefits

During the year ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

|                              | Consolidated         |        | Separate             |        |
|------------------------------|----------------------|--------|----------------------|--------|
|                              | financial statements |        | financial statements |        |
|                              | 2023                 | 2022   | 2023                 | 2022   |
| Short-term employee benefits | 45,837               | 45,685 | 43,053               | 42,392 |
| Post-employment benefits     | 417                  | 1,176  | 381                  | 1,115  |
| Total                        | 46,254               | 46,861 | 43,434               | 43,507 |

#### **Guarantee obligations with related parties**

The Company had outstanding guarantee obligations with its related parties, as described in Note 35.7 a to financial statements.

#### **8. Cash and cash equivalents**

(Unit: Thousand Baht)

|               | Consolidated         |        | Separate             |        |
|---------------|----------------------|--------|----------------------|--------|
|               | financial statements |        | financial statements |        |
|               | 2023                 | 2022   | 2023                 | 2022   |
| Cash          | 624                  | 631    | 526                  | 536    |
| Bank deposits | 188,924              | 82,155 | 165,376              | 58,400 |
| Total         | 189,548              | 82,786 | 165,902              | 58,936 |

As at 31 December 2023, bank deposits in savings accounts carried interests between 0.45 and 0.55 percent per annum (2022: 0.125 and 0.35 percent per annum).

## 9. Trade and other receivables

|   | Consolidated         |          | (Unit: Thousand Baht) |          |
|---|----------------------|----------|-----------------------|----------|
|   | financial statements |          | Separate              |          |
|   | 2023                 | 2022     | 2023                  | 2022     |
| <u>Trade receivables - related parties</u>        |                      |          |                       |          |
| Aged on the basis of due date                     |                      |          |                       |          |
| Not yet due                                       | -                    | 6,262    | 1,639                 | 6,289    |
| Total trade receivables - related parties         | -                    | 6,262    | 1,639                 | 6,289    |
| <u>Trade receivables - unrelated parties</u>      |                      |          |                       |          |
| Aged on the basis of due date                     |                      |          |                       |          |
| Not yet due                                       | 538,732              | 373,287  | 374,652               | 159,900  |
| Past due  |                      |          |                       |          |
| Up to 3 months                                    | 19,873               | 14,682   | 19,873                | 14,682   |
| 3 - 6 months                                      | -                    | 86       | -                     | 86       |
| 6 - 12 months                                     | -                    | 1        | -                     | 1        |
| Over 1 year                                       | 11,264               | 11,264   | 11,264                | 11,264   |
| Total trade receivables - unrelated parties       | 569,869              | 399,320  | 405,789               | 185,933  |
| Less: Allowance for expected credit losses        | (11,896)             | (11,896) | (11,896)              | (11,896) |
| Total trade receivables - unrelated parties - net | 557,973              | 387,424  | 393,893               | 174,037  |
| Total trade receivables - net                     | 557,973              | 393,686  | 395,532               | 180,326  |
| <u>Other receivables</u>                          |                      |          |                       |          |
| Advances  | 15,367               | 57,194   | 15,216                | 56,846   |
| Accrued other income                              | 27,164               | 988      | 8,713                 | 988      |
| Other receivables - related parties               | -                    | 314      | 322,940               | 187,851  |
| Other receivables - unrelated parties             | 49,612               | 58,975   | 48,717                | 58,073   |
| Total other receivables - net                     | 92,143               | 117,471  | 395,586               | 303,758  |
| Total trade and other receivables - net           | 650,116              | 511,157  | 791,118               | 484,084  |

The normal credit term is 15 days to 90 days.

## 10. Sugar cane plantation receivables

The balances of sugar cane plantation receivables as at 31 December 2023 and 2022, aged on the basis of due dates, are summarised below.

1. Receivables for direct sugar cane planting and others related to the planting such as labor, fertilizers, and insecticide. This receivable is due in one year.

(Unit: Thousand Baht)

|   | Consolidated / Separate<br>financial statements |           |
|---|---|-----------|
|   | 2023  | 2022      |
| <b>Sugar cane plantation receivables aged on the basis of due dates</b> |   |           |
| 2024/2025 harvesting year   | 42,358  | -         |
| 2023/2024 harvesting year   | 731,994   | 24,008    |
| 2022/2023 harvesting year   | 11,203  | 436,199   |
| 2021/2022 harvesting year   | 4,668   | 19,571    |
| 2020/2021 harvesting year   | 2,993   | 5,408     |
| 2019/2020 harvesting year   | 11,487  | 13,278    |
| 2018/2019 harvesting year   | 22,859  | 27,321    |
| 2017/2018 harvesting year   | 30,892  | 39,058    |
| 2016/2017 harvesting year   | 25,485  | 28,177    |
| Before 2016/2017 harvesting year  | 76,503  | 85,845    |
| Total current portion of sugar cane plantation receivables              | 960,442   | 678,865   |
| Less: Allowance for expected credit losses                              | (180,978)                                       | (204,781) |
| Current portion of sugar cane plantation receivables - net              | 779,464   | 474,084   |

2. Receivables for the sugar cane plantation supplies, water system, agricultural machinery and equipment. This receivable is due in during the period of 2 - 5 years.

(Unit: Thousand Baht)

|   | Consolidated / Separate<br>financial statements |         |
|---|---|---------|
|   | 2023  | 2022    |
| <b>Sugar cane plantation receivables aged on the basis of due dates</b> |   |         |
| 2026/2027 harvesting year   | 24,822  | 2,721   |
| 2025/2026 harvesting year   | 35,718  | 5,164   |
| 2024/2025 harvesting year   | 81,098  | 17,887  |
| 2023/2024 harvesting year   | -   | 56,733  |
| Sugar cane plantation receivables - long-term portion                   | 141,638   | 82,505  |
| Less: Allowance for expected credit losses                              | (1,430)   | (1,178) |
| Sugar cane plantation receivables - long-term portion - net             | 140,208   | 81,327  |

The Company charges interests at rates as stipulated in agreements. Most planters have provided land and motor vehicles as collateral.

Movements of allowance for expected credit losses of sugar cane plantation receivables are as follows.

(Unit: Thousand Baht)

| General approach                           | Consolidated / Separate financial statement |                                      |                 |          |
|--|---|--------------------------------------|-----------------|----------|
|  | No significant                              | Significant                          | Credit-impaired | Total    |
|  | increase in credit<br>risk (Stage 1)        | increase in credit<br>risk (Stage 2) |                 |          |
| Balances as at 1 January 2022              | 1,203                                       | 53,347                               | 152,679         | 207,229  |
| Increase (decrease) during the year        | 4,794                                       | 5,555                                | (11,619)        | (1,270)  |
| Changes due to staging of financial assets | (110)                                       | 110                                  | -               | -        |
| Balances as at 31 December 2022            | 5,887                                       | 59,012                               | 141,060         | 205,959  |
| Increase (decrease) during the year        | 64  | (8,148)                              | (15,467)        | (23,551) |
| Changes due to staging of financial assets | 313   | (8,147)                              | 7,834           | -        |
| Balances as at 31 December 2023            | 6,264                                       | 42,717                               | 133,427         | 182,408  |

## 11. Inventories

(Unit: Thousand Baht)

|   | Consolidated financial statements |           |                    |         |                   |           |
|---|-----------------------------------|-----------|--------------------|---------|-------------------|-----------|
|   | Cost                              |           | Reduce cost to net |         | Inventories - net |           |
|   |                                   |           | realisable value   |         |                   |           |
|   | 2023                              | 2022      | 2023               | 2022    | 2023              | 2022      |
| Finished goods  | 1,317,936                         | 1,066,565 | -                  | -       | 1,317,936         | 1,066,565 |
| Inventories in process  | 60,579                            | 76,618    | -                  | -       | 60,579            | 76,618    |
| Raw materials   | 71,095                            | 44,140    | (225)              | (225)   | 70,870            | 43,915    |
| Chemicals, spare parts,<br>factory supplies and<br>other supplies | 180,150                           | 193,228   | (3,347)            | (2,659) | 176,803           | 190,569   |
| By products (Molasses)  | 110,141                           | 48,932    | -                  | -       | 110,141           | 48,932    |
| Total   | 1,739,901                         | 1,429,483 | (3,572)            | (2,884) | 1,736,329         | 1,426,599 |

(Unit: Thousand Baht)

|   | Separate financial statements |                  |  |                |                   |                  |
|---|-------------------------------|------------------|--|----------------|-------------------|------------------|
|   | Cost                          |                  | Reduce cost to net<br>realisable value |                | Inventories - net |                  |
|   | 2023                          | 2022             | 2023                                   | 2022           | 2023              | 2022             |
| Finished goods  | 1,317,936                     | 1,066,565        | -                                      | -              | 1,317,936         | 1,066,565        |
| Inventories in process  | 60,579                        | 76,618           | -                                      | -              | 60,579            | 76,618           |
| Chemicals, spare parts,<br>factory supplies and<br>other supplies | 150,543                       | 158,487          | (2,535)                                | (1,929)        | 148,008           | 156,558          |
| By products (Molasses)  | 110,141                       | 48,932           | -                                      | -              | 110,141           | 48,932           |
| Total   | <u>1,639,199</u>              | <u>1,350,602</u> | <u>(2,535)</u>                         | <u>(1,929)</u> | <u>1,636,664</u>  | <u>1,348,673</u> |

During the current year, the Group reduced cost of inventories by Baht 0.7 million (the Company only: Baht 0.6 million) to reflect the net realisable value. This was included in cost of sales.

During 2022, the Group reversed the write-down of cost of inventories by Baht 3.1 million (the Company only: Baht 3.1 million) and reduced the amount of inventories recognised as expenses during the year.

## 12. Other current assets

(Unit: Thousand Baht)

|                                    | Consolidated<br>financial statements |                | Separate<br>financial statements |               |
|------------------------------------|--------------------------------------|----------------|----------------------------------|---------------|
|                                    | 2023                                 | 2022           | 2023                             | 2022          |
| Input tax refundable               | 61,812                               | 27,014         | 33,333                           | -             |
| Withholding tax deducted at source | 7,695                                | 14,438         | 4,638                            | 8,236         |
| Prepaid expenses                   | 77,562                               | 52,900         | 72,485                           | 49,999        |
| Others                             | 38,681                               | 28,665         | 30,590                           | 17,909        |
| Total other current assets         | <u>185,750</u>                       | <u>123,017</u> | <u>141,046</u>                   | <u>76,144</u> |

### 13. Investment in joint venture

#### 13.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which are jointly controlled by the Company and other company. Details of this investment is as follows:

|                              |   |                          |                         |      |   |       | (Unit: Thousand Baht)                 |       |
|------------------------------|---|--------------------------|-------------------------|------|---|-------|---------------------------------------|-------|
| Company's name               | Nature of business                                  | Country of incorporation | Shareholding percentage |      | Consolidated financial statements       |       | Separate financial statements         |       |
|                              |   |                          |                         |      | Carrying amounts based on equity method |       | Carrying amounts based on cost method |       |
|                              |   |                          | 2023                    | 2022 | 2023                                    | 2022  | 2023                                  | 2022  |
|                              |   |                          | (%)                     | (%)  |   |       |                                       |       |
| <u>Held by the Company</u>   |   |                          |                         |      |   |       |                                       |       |
| C K Trading (1965) Co., Ltd. | Conduct an agent business of selling consumer goods | Thailand                 | 49                      | 49   | 7,307                                   | 4,948 | 4,900                                 | 4,900 |
| Total                        |   |                          |                         |      | 7,307                                   | 4,948 | 4,900                                 | 4,900 |

#### 13.2 Share of comprehensive income and dividend received

During the current year, the Company recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

|                              |  |       |                                   | (Unit: Thousand Baht) |  |
|------------------------------|--|-------|-----------------------------------|-----------------------|--|
| Joint venture                | Consolidated financial statements                                |       | Separate financial statements     |                       |  |
|                              | Share of profit from investment in joint venture during the year |       | Dividend received during the year |                       |  |
|                              | 2023   | 2022  | 2023                              | 2022                  |  |
| C K Trading (1965) Co., Ltd. | 2,359  | 1,788 | -                                 | -                     |  |

### 13.3 Summarised financial information about material joint venture

Summarised information about financial position of C K Trading (1965) Company Limited as at 31 December 2023 and 2022.

|  | (Unit: Thousand Baht) |         |
|--|-----------------------|---------|
|  | 2023                  | 2022    |
| Cash and cash equivalent                                 | 18,051                | 16,471  |
| Other current assets                                     | 2,950                 | 1,994   |
| Non-current assets                                       | 220                   | 220     |
| Other current liabilities                                | (2,687)               | (3,330) |
| Other non-current liabilities                            | (3,621)               | (5,257) |
| Net assets   | 14,913                | 10,098  |
| Shareholding percentage (%)                              | 49%                   | 49%     |
| Share of net assets - net                                | 7,307                 | 4,948   |
| Carrying amounts of joint venture based on equity method | 7,307                 | 4,948   |

Summarised information about comprehensive income for the years ended 31 December 2023 and 2022.

|              | (Unit: Thousand Baht) |        |
|--------------|-----------------------|--------|
|              | 2023                  | 2022   |
| Revenue      | 26,671                | 28,854 |
| Other income | 89                    | 98     |
| Profit       | 4,815                 | 3,648  |

### 14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

| Company's name   | Paid-up capital |         | Shareholding percentage |      | Cost    |         | Impairment for investment |          | Investments - net |         | Dividend received during the year |      |
|--|-----------------|---------|-------------------------|------|---------|---------|---------------------------|----------|-------------------|---------|-----------------------------------|------|
|  |                 |         |                         |      |         |         |                           |          |                   |         |                                   |      |
|  | 2023            | 2022    | 2023                    | 2022 | 2023    | 2022    | 2023                      | 2022     | 2023              | 2022    | 2023                              | 2022 |
|  |                 |         | (%)                     | (%)  |         |         |                           |          |                   |         |                                   |      |
| <u>Subsidiaries held by the Company</u>                  |                 |         |                         |      |         |         |                           |          |                   |         |                                   |      |
| Khonburi Power Plant Co., Ltd.                           | 500,000         | 500,000 | 100                     | 100  | 500,000 | 500,000 | -                         | -        | 500,000           | 500,000 | 160,000                           | -    |
| KBS Trading Co., Ltd.                                    | 40,000          | 40,000  | 100                     | 100  | 40,000  | 40,000  | -                         | -        | 40,000            | 40,000  | -                                 | -    |
| Khonburi Bio Energy Co., Ltd.                            | 115,250         | 115,250 | 100                     | 100  | 115,250 | 115,250 | (11,021)                  | (11,021) | 104,229           | 104,229 | -                                 | -    |
| KBS Investment Co., Ltd.                                 | 145,000         | 145,000 | 100                     | 100  | 145,000 | 145,000 | -                         | -        | 145,000           | 145,000 | -                                 | -    |
| <u>Subsidiaries held by KBS Investment Co., Ltd.</u>     |                 |         |                         |      |         |         |                           |          |                   |         |                                   |      |
| KBS Cane and Sugar Co., Ltd.                             | 5,000           | 5,000   | 100                     | 100  | -       | -       | -                         | -        | -                 | -       | -                                 | -    |
| <u>Subsidiary held by Khonburi Power Plant Co., Ltd.</u> |                 |         |                         |      |         |         |                           |          |                   |         |                                   |      |
| KBS Power Co., Ltd.                                      | 240,000         | 240,000 | 100                     | 100  | -       | -       | -                         | -        | -                 | -       | -                                 | -    |
| Total investments in subsidiaries                        |                 |         |                         |      | 800,250 | 800,250 | (11,021)                  | (11,021) | 789,229           | 789,229 | 160,000                           | -    |



As at 31 December 2023 and 2022, the Company had pledged of 50 million of common shares in Khonburi Power Plant Co., Ltd. as collaterals for the liability under Revenue Transfer Agreement related to electricity business operations as described in Note 22 to financial statements.

## 15. Investments in other long-term equity instruments

| (Unit: Thousand Baht)                                   |                         |       |         |  |         |                 |        |
|---|-------------------------|-------|---------|--|---------|-----------------|--------|
| Company's name  | Shareholding percentage |       | Cost    | Consolidated / Separate financial statements |         |                 |        |
|   |                         |       |         | Book value measured at                       |         | Dividend income |        |
|   | 2023                    | 2022  |         | fair value                                   |         | during the year |        |
|   | 2023                    | 2022  |         | 2023   | 2022    | 2023            | 2022   |
| <u>Investments in long-term non-listed companies -</u>  | (%)                     | (%)   |         |  |         |                 |        |
| <u>Designated at fair value through profit or loss</u>  |                         |       |         |  |         |                 |        |
| The Thai Sugar Trading Corporation Limited              | 7.29                    | 7.29  | 1,750   | 18,407                                       | 18,271  | 350             | 175    |
| Thai Cane and Sugar Corporation Limited                 | 1.22                    | 1.22  | 243     | 1,134  | 1,136   | -               | -      |
| Thai Sugar Millers Corporation Limited                  | 1.43                    | 1.43  | 2       | (30)   | 1       | -               | -      |
| World Sugar Export Co., Ltd.                            | 5.00                    | 5.00  | 1,000   | 1,143  | 1,135   | -               | -      |
| Total   |                         |       | 2,995   | 20,654                                       | 20,543  | 350             | 175    |
| <u>Investment in long-term listed company -</u>         |                         |       |         |  |         |                 |        |
| <u>designated at fair value through other</u>           |                         |       |         |  |         |                 |        |
| <u>comprehensive income</u>                             |                         |       |         |  |         |                 |        |
| Khonburi Sugar Power Plant Infrastructure Fund          |                         |       |         |  |         |                 |        |
| ("KBSPIF")  | 15.95                   | 15.00 | 446,541 | 399,299                                      | 470,400 | 38,171          | 38,136 |
| Total investments in other long-term equity instruments |                         |       | 449,536 | 419,953                                      | 490,943 | 38,521          | 38,311 |

The Company must maintain a minimum 15% shareholding in KBSPIF within a period of 10 years from the date of the successful investment of the fund which is accordance with undertaking agreement. However, the Company has no influence on the decision of financial policy or the operation of KBSPIF, therefore, the Company classified such investment as investment in other long-term equity instruments in the statement of financial position.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

|   | Consolidated financial statements |                        |            |           |  |                |  |  |            |
|---|-----------------------------------|------------------------|------------|-----------|--|----------------|--|--|------------|
|   | Land and land improvement         | Buildings and premises | Machinery  | Equipment | Furniture, fixtures and office equipment | Motor vehicles | Facilities system and water treatment system | Assets under installation and construction | Total      |
| <b>Cost</b>   |                                   |                        |            |           |  |                |  |  |            |
| As at 1 January 2022  | 349,256                           | 1,985,151              | 8,211,962  | 181,313   | 119,734                                  | 119,734        | 1,049,085                                    | 1,797,194                                  | 13,805,040 |
| Acquisitions during the year                                | 31,736                            | 219                    | 11,071     | 7,310     | 2,579                                    | 1,439          | 726  | 531,683                                    | 586,763    |
| Transfers from right-of-use assets                          | -                                 | -                      | -          | -         | -  | 5,049          | -  | -  | 5,049      |
| Disposals/write-off during the year                         | -                                 | -                      | (2,971)    | (3,703)   | (256)                                    | (14,352)       | -  | -  | (21,282)   |
| Transfers of assets under installation to intangible assets | -                                 | -                      | -          | -         | -  | -              | -  | (11,221)                                   | (11,221)   |
| Transfers in (out)  | -                                 | 335,459                | 1,850,337  | 2,060     | 5,373                                    | -              | 73,020                                       | (2,266,249)                                | -          |
| As at 31 December 2022                                      | 380,992                           | 2,320,829              | 10,070,399 | 186,980   | 127,430                                  | 103,481        | 1,122,831                                    | 51,407                                     | 14,364,349 |
| Acquisitions during the year                                | 1,275                             | -                      | 9,552      | 7,815     | 3,692                                    | 8,730          | -  | 401,739                                    | 432,803    |
| Transfers from right-of-use assets                          | -                                 | -                      | -          | -         | -  | 110,433        | -  | -  | 110,433    |
| Disposals/write-off during the year                         | (30,000)                          | -                      | (35,662)   | (2,759)   | (1,394)                                  | (97,732)       | -  | -  | (167,547)  |
| Transfers of assets under installation to intangible assets | -                                 | -                      | -          | -         | -  | -              | -  | (2,810)                                    | (2,810)    |
| Classification of asset classes                             | -                                 | (81,829)               | 276,693    | -         | -  | -              | (194,864)                                    | -  | -          |
| Transfers in (out)  | -                                 | 44,731                 | 241,844    | 2,287     | 6,217                                    | -              | -  | (295,079)                                  | -          |
| As at 31 December 2023                                      | 352,267                           | 2,283,731              | 10,562,826 | 194,323   | 135,945                                  | 124,912        | 927,967                                      | 155,257                                    | 14,737,228 |
| <b>Accumulated depreciation</b>                             |                                   |                        |            |           |  |                |  |  |            |
| As at 1 January 2022  | 18,097                            | 896,101                | 3,965,396  | 147,258   | 90,588                                   | 83,500         | 432,549                                      | -  | 5,633,489  |
| Depreciation for the year                                   | 281                               | 85,906                 | 494,323    | 9,675     | 9,607                                    | 10,869         | 51,373                                       | -  | 662,034    |
| Depreciation on disposals/write-off                         | -                                 | -                      | (2,447)    | (3,498)   | (256)                                    | (10,367)       | -  | -  | (16,568)   |
| As at 31 December 2022                                      | 18,378                            | 982,007                | 4,457,272  | 153,435   | 99,939                                   | 84,002         | 483,922                                      | -  | 6,278,955  |
| Depreciation for the year                                   | 280                               | 83,047                 | 526,447    | 10,559    | 9,929                                    | 7,703          | 30,557                                       | -  | 668,522    |
| Classification of asset classes                             | -                                 | (10,710)               | 165,730    | -         | -  | -              | (155,020)                                    | -  | -          |
| Depreciation on disposals/write-off                         | -                                 | -                      | (34,528)   | (2,759)   | (1,387)                                  | (2,761)        | -  | -  | (41,435)   |
| As at 31 December 2023                                      | 18,658                            | 1,054,344              | 5,114,921  | 161,235   | 108,481                                  | 88,944         | 359,459                                      | -  | 6,906,042  |

(Unit: Thousand Baht)

## Consolidated financial statements

|  | Land and land<br>improvement | Buildings and<br>premises | Machinery | Equipment | Furniture, fixtures<br>and<br>office equipment | Motor vehicles | Facilities system<br>and water<br>treatment system | Assets under<br>installation and<br>construction | Total     |
|--|------------------------------|---------------------------|-----------|-----------|--|----------------|--|--|-----------|
| <b>Allowance for impairment loss:</b>  |                              |                           |           |           |  |                |  |  |           |
| As at 31 December 2022   | -                            | -                         | -         | -         | -  | -              | -  | -  | -         |
| Increase during the year   | -                            | -                         | 43,548    | -         | -  | -              | -  | -  | 43,548    |
| Decrease during the year   | -                            | -                         | (43,548)  | -         | -  | -              | -  | -  | (43,548)  |
| As at 31 December 2023   | -                            | -                         | -         | -         | -  | -              | -  | -  | -         |
| <b>Net book value</b>  |                              |                           |           |           |  |                |  |  |           |
| As at 31 December 2022   | 362,614                      | 1,338,822                 | 5,613,127 | 33,545    | 27,491   | 19,479         | 638,909  | 51,407   | 8,085,394 |
| As at 31 December 2023   | 333,609                      | 1,229,387                 | 5,447,905 | 33,088    | 27,464   | 35,968         | 568,508  | 155,257  | 7,831,186 |
| <b>Depreciation for the year</b>   |                              |                           |           |           |  |                |  |  |           |
| 2022 (Baht 610 million included in manufacturing cost, and the remaining balance in administrative expenses) |                              |                           |           |           |  |                |  |  | 662,034   |
| 2023 (Baht 672 million included in manufacturing cost, and the remaining balance in administrative expenses) |                              |                           |           |           |  |                |  |  | 668,522   |

(Unit: Thousand Baht)

## Separate financial statements

|  | Land and land<br>improvement | Buildings and<br>premises | Machinery | Equipment | Furniture, fixtures<br>and<br>office equipment | Motor vehicles | Facilities system<br>and water<br>treatment system | Assets under<br>installation and<br>construction | Total      |
|--|------------------------------|---------------------------|-----------|-----------|--|----------------|--|--|------------|
| <b>Cost</b>  |                              |                           |           |           |  |                |  |  |            |
| As at 1 January 2022   | 274,706                      | 1,569,112                 | 4,750,162 | 150,022   | 99,004   | 120,071        | 896,117  | 1,758,589  | 9,617,783  |
| Acquisitions during the year                                   | 31,736                       | 219                       | 4,062     | 6,509     | 1,304  | 1,273          | 726  | 380,057  | 425,886    |
| Transfers from right-of-use assets                             | -                            | -                         | -         | -         | -  | 5,049          | -  | -  | 5,049      |
| Disposals/write-off during the year                            | -                            | -                         | (2,971)   | (3,702)   | (257)  | (14,352)       | -  | (1,306)  | (22,588)   |
| Transfers of assets under installation to<br>intangible assets | -                            | -                         | -         | -         | -  | -              | -  | (9,885)  | (9,885)    |
| Transfers in (out)   | -                            | 326,020                   | 1,716,702 | 1,766     | 4,673  | -              | 54,501   | (2,103,662)                                      | -          |
| As at 31 December 2022   | 306,442                      | 1,895,351                 | 6,467,955 | 154,595   | 104,724  | 112,041        | 951,344  | 23,793   | 10,016,245 |
| Acquisitions during the year                                   | 1,275                        | -                         | 1,340     | 5,907     | 2,035  | 8,690          | -  | 208,127  | 227,374    |
| Transfers from right-of-use assets                             | -                            | -                         | -         | -         | -  | 110,433        | -  | -  | 110,433    |
| Disposals/write-off during the year                            | (30,000)                     | -                         | (35,662)  | (2,759)   | (1,394)  | (97,732)       | -  | -  | (167,547)  |
| Classification of asset classes                                | -                            | -                         | 182,769   | -         | -  | -              | (182,769)  | -  | -          |
| Transfers in (out)   | -                            | 44,596                    | 145,157   | 846       | 3,637  | -              | -  | (194,236)  | -          |
| As at 31 December 2023   | 277,717                      | 1,939,947                 | 6,761,559 | 158,589   | 109,002  | 133,432        | 768,575  | 37,684   | 10,186,505 |
| <b>Accumulated depreciation</b>                                |                              |                           |           |           |  |                |  |  |            |
| As at 1 January 2022   | 18,097                       | 825,684                   | 2,750,992 | 122,331   | 76,298   | 94,097         | 419,967  | -  | 4,307,466  |
| Depreciation for the year                                      | 280                          | 69,124                    | 308,388   | 8,108     | 6,794  | 10,611         | 43,282   | -  | 446,587    |
| Depreciation on disposals/write-off                            | -                            | -                         | (2,447)   | (3,498)   | (256)  | (10,367)       | -  | -  | (16,568)   |
| As at 31 December 2022   | 18,377                       | 894,808                   | 3,056,933 | 126,941   | 82,836   | 94,341         | 463,249  | -  | 4,737,485  |
| Depreciation for the year                                      | 280                          | 69,135                    | 322,914   | 8,807     | 6,666  | 7,491          | 34,350   | -  | 449,643    |
| Classification of asset classes                                | -                            | -                         | 165,317   | -         | -  | -              | (165,317)  | -  | -          |
| Depreciation on disposals/write-off                            | -                            | -                         | (34,528)  | (2,759)   | (1,387)  | (2,761)        | -  | -  | (41,435)   |
| As at 31 December 2023   | 18,657                       | 963,943                   | 3,510,636 | 132,989   | 88,115   | 99,071         | 332,282  | -  | 5,145,693  |

(Unit: Thousand Baht)

## Separate financial statements

|  | Land and land<br>improvement | Buildings and<br>premises | Machinery | Equipment | Furniture, fixtures<br>and<br>office equipment | Motor vehicles | Facilities system<br>and water<br>treatment system | Assets under<br>installation and<br>construction | Total     |
|--|------------------------------|---------------------------|-----------|-----------|--|----------------|--|--|-----------|
| <b>Allowance for impairment loss:</b>  |                              |                           |           |           |  |                |  |  |           |
| As at 31 December 2022   | -                            | -                         | -         | -         | -  | -              | -  | -  | -         |
| Increase during the year   | -                            | -                         | 18,915    | -         | -  | -              | -  | -  | 18,915    |
| Decrease during the year   | -                            | -                         | (18,915)  | -         | -  | -              | -  | -  | (18,915)  |
| As at 31 December 2023   | -                            | -                         | -         | -         | -  | -              | -  | -  | -         |
| <b>Net book value</b>  |                              |                           |           |           |  |                |  |  |           |
| As at 31 December 2022   | 288,065                      | 1,000,543                 | 3,411,022 | 27,654    | 21,888   | 17,700         | 488,095  | 23,793   | 5,278,760 |
| As at 31 December 2023   | 259,060                      | 976,004                   | 3,250,923 | 25,600    | 20,887   | 34,361         | 436,293  | 37,684   | 5,040,812 |
| <b>Depreciation for the year</b>   |                              |                           |           |           |  |                |  |  |           |
| 2022 (Baht 427 million included in manufacturing cost, and the remaining balance in administrative expenses) |                              |                           |           |           |  |                |  |  | 446,587   |
| 2023 (Baht 474 million included in manufacturing cost, and the remaining balance in administrative expenses) |                              |                           |           |           |  |                |  |  | 449,643   |

The Group has pledged most assets as collateral against credit facilities and loans received from banks (including all types of liabilities) as mentioned in Note 18 and Note 21 to financial statements.

The subsidiary has pledged partial assets regarding with power plant as collateral against liability under revenue transfers agreement related electricity business operations as described in Note 22 to financial statements.

During the second quarter of the current year, the Group recorded losses on machinery resulting from a fire accident at the factory located in Nakhon Ratchasima Province amounting to Baht 19 million (the Company only: Baht 19 million) and recorded an allowance for impairment of assets as a result of the subsidiary's damaged machinery amounting to Baht 25 million. Subsequently, during the fourth quarter of the current year, the Group repaired the damaged machinery until it was back in normal use and received compensation from the insurance companies. Therefore, the allowance for impairment loss of assets from the machinery has been reversed in full.

As at 31 December 2023, the Group has 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 of those assets amounted to approximately Baht 1,908 million (2022: Baht 1,836 million) (The Company only: Baht 1,847 million, (2022: Baht 1,781 million)).

## 17. Intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 are presented below.

|                                   | Consolidated financial statements |  |           | (Unit: Thousand Baht)<br>Separate<br>financial statements |
|-----------------------------------|-----------------------------------|--|-----------|---|
|                                   | Computer software                 | Right to use the<br>transmission<br>facilities | Total     | Computer software   |
| As at 31 December 2023            |                                   |  |           |   |
| Cost                              | 55,383                            | 156,386  | 211,769   | 47,040  |
| Less: Accumulated<br>amortisation | (44,454)                          | (55,597)                                       | (100,051) | (39,629)  |
| Net book value                    | 10,929                            | 100,789  | 111,718   | 7,411   |
| As at 31 December 2022            |                                   |  |           |   |
| Cost                              | 52,870                            | 155,774  | 208,644   | 46,739  |
| Less: Accumulated<br>amortisation | (40,634)                          | (49,102)                                       | (89,736)  | (36,902)  |
| Net book value                    | 12,236                            | 106,672  | 118,908   | 9,837   |

A reconciliation of the net book value of intangible assets for the years ended 31 December 2023 and 2022 are presented as below.

|   | (Unit: Thousand Baht) |         |                      |         |
|---|-----------------------|---------|----------------------|---------|
|   | Consolidated          |         | Separate             |         |
|   | financial statements  |         | financial statements |         |
|   | 2023                  | 2022    | 2023                 | 2022    |
| Net book value as at 1 January          | 118,908               | 116,675 | 9,837                | 1,949   |
| Acquisition during the year - at cost   | 315                   | 123     | 301                  | 164     |
| Transfers from asset under installation | 2,810                 | 11,321  | -                    | 9,885   |
| Amortisation for the year               | (10,315)              | (9,211) | (2,727)              | (2,161) |
| Net book value as at 31 December        | 111,718               | 118,908 | 7,411                | 9,837   |

## 18. Short-term loans from banks

|                  | (Unit: Thousand Baht)       |           |                      |         |                      |         |
|------------------|-----------------------------|-----------|----------------------|---------|----------------------|---------|
|                  | Interest rates              |           | Consolidated         |         | Separate             |         |
|                  |                             |           | financial statements |         | financial statements |         |
|                  | 2023                        | 2022      | 2023                 | 2022    | 2023                 | 2022    |
|                  | (% per annum) (% per annum) |           |                      |         |                      |         |
| Promissory notes | 3.8 - 4.0                   | 2.7 - 3.8 | 1,020,546            | 774,200 | 1,020,546            | 774,200 |

Short-term loans from banks are due within 3 months and 6 months as from issuance date of promissory notes, and are secured by mortgage of land and construction thereon, machinery, and equipment of the Group.

As at 31 December 2023, the Company had outstanding liabilities with a bank amounting to Baht 284 million (2022: Baht 211 million). Because the Company issued post-date cheques to sugar cane plantation receivables for the purchase of sugarcane and the planters sold the post-date cheques to the bank at a discount.

## 19. Trade and other payables

|   | (Unit: Thousand Baht) |                  |                      |                  |
|---|-----------------------|------------------|----------------------|------------------|
|   | Consolidated          |                  | Separate             |                  |
|   | financial statements  |                  | financial statements |                  |
|   | 2023                  | 2022             | 2023                 | 2022             |
| Sugar cane payables                           | 797,006               | 646,242          | 797,006              | 646,242          |
| Trade payables - related parties              | -                     | -                | 379,660              | 229,005          |
| Trade payables - unrelated parties            | 139,103               | 216,913          | 112,757              | 165,920          |
| Accounts payable for purchasing fixed assets  | 202,734               | 164,008          | 143,847              | 118,867          |
| Accrued expenses - related parties            | 122                   | 49               | 122                  | 49               |
| Accrued expenses - unrelated parties          | 25,929                | 54,430           | 23,260               | 25,710           |
| Accrued interest expenses - related parties   | 198                   | 190              | 198                  | 190              |
| Accrued interest expenses - unrelated parties | 1,240                 | 685              | 1,001                | 552              |
| Other payables - related parties              | 61,311                | 45,285           | 13,533               | 1,141            |
| Other payables - unrelated parties            | 243,082               | 205,170          | 172,766              | 158,548          |
| Total trade and other payables                | <u>1,470,725</u>      | <u>1,332,972</u> | <u>1,644,150</u>     | <u>1,346,224</u> |

### Sugar cane payables

The Company purchased sugar cane for the 2023/2024 harvesting year in accordance with the letter of the Office of the Cane and Sugar Board dated 8 December 2023, which specified the initial price of sugar cane at Baht 1,420 per ton of sugar cane at the sweetness of 10 C.C.S. The price will vary by Baht 85.20 per ton for each 1 C.C.S variation. Up to the date on which the Company's directors approved these financial statements, the Office of the Cane and Sugar Board has not yet announced the final sugar cane prices for the 2023/2024 harvesting year.

The Company purchased sugar cane for the 2022/2023 harvesting year in accordance with the letter of the Office of the Cane and Sugar Board dated 8 December 2022, which specified the initial price of sugar cane at Baht 1,080 per ton of sugar cane at the sweetness of 10 C.C.S. The price will vary by Baht 64.80 per ton of sugar cane for each 1 C.C.S. variation. Subsequently, on 8 December 2023, the Office of the Cane and Sugar Board announced the final sugar cane price for the 2022/2023 harvesting year at Baht 1,199.19 per ton of sugar cane at the sweetness of 10 C.C.S. in the Royal Thai Government Gazette. The price will vary by Baht 71.95 per ton of sugar cane for each 1 C.C.S variation. As the final sugar cane price was higher than the initial sugar cane price, the Company already recorded sugar cane payables using the final sugar cane price.



## 20. Leases

### Group as a lessee

The Group has entered into contracts for various items of building, equipment and vehicles used in its operations. Leases generally have lease terms between 2 - 9 years (The Company only: 2 - 9 years).

#### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

|                               | Consolidated financial statements |                  |                |           |
|-------------------------------|-----------------------------------|------------------|----------------|-----------|
|                               | Buildings                         | Office equipment | Motor vehicles | Total     |
| As at 1 January 2022          | 77,479                            | 3,342            | 280,883        | 361,704   |
| Addition                      | 18,811                            | 6,374            | 22,844         | 48,029    |
| Transferred to motor vehicles | -                                 | -                | (5,049)        | (5,049)   |
| Lease cancellation            | -                                 | -                | (49)           | (49)      |
| Depreciation for the year     | (19,663)                          | (1,496)          | (36,652)       | (57,811)  |
| As at 31 December 2022        | 76,627                            | 8,220            | 261,977        | 346,824   |
| Addition                      | -                                 | -                | 103,940        | 103,940   |
| Transferred to motor vehicles | -                                 | -                | (110,433)      | (110,433) |
| Depreciation for the year     | (20,180)                          | (3,849)          | (43,769)       | (67,798)  |
| As at 31 December 2023        | 56,447                            | 4,371            | 211,715        | 272,533   |

(Unit: Thousand Baht)

|                               | Separate financial statements |                  |                |           |
|-------------------------------|-------------------------------|------------------|----------------|-----------|
|                               | Buildings                     | Office equipment | Motor vehicles | Total     |
| As at 1 January 2022          | 77,479                        | 3,342            | 279,899        | 360,720   |
| Addition                      | 18,811                        | 6,374            | 15,741         | 40,926    |
| Transferred to motor vehicles | -                             | -                | (5,049)        | (5,049)   |
| Lease cancellation            | -                             | -                | (49)           | (49)      |
| Depreciation for the year     | (19,663)                      | (1,496)          | (35,901)       | (57,060)  |
| As at 31 December 2022        | 76,627                        | 8,220            | 254,641        | 339,488   |
| Addition                      | -                             | -                | 99,874         | 99,874    |
| Transferred to motor vehicles | -                             | -                | (110,433)      | (110,433) |
| Depreciation for the year     | (20,180)                      | (3,849)          | (41,600)       | (65,629)  |
| As at 31 December 2023        | 56,447                        | 4,371            | 202,482        | 263,300   |

**b) Lease liabilities**

|  | (Unit: Thousand Baht) |          |                      |          |
|--|-----------------------|----------|----------------------|----------|
|  | Consolidated          |          | Separate             |          |
|  | financial statements  |          | financial statements |          |
|  | 2023                  | 2022     | 2023                 | 2022     |
| Lease payments                             | 263,882               | 336,677  | 253,976              | 328,186  |
| Less: Deferred interest expenses           | (25,615)              | (33,323) | (24,790)             | (32,572) |
| Total                                      | 238,267               | 303,354  | 229,186              | 295,614  |
| Less: Portion due within one year          | (65,931)              | (83,390) | (62,925)             | (81,288) |
| Lease liabilities - net of current portion | 172,336               | 219,964  | 166,261              | 214,326  |

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

|                       | (Unit: Thousand Baht) |           |                      |          |
|-----------------------|-----------------------|-----------|----------------------|----------|
|                       | Consolidated          |           | Separate             |          |
|                       | financial statements  |           | financial statements |          |
|                       | 2023                  | 2022      | 2023                 | 2022     |
| As at 1 January       | 303,354               | 335,530   | 295,614              | 334,503  |
| Additions             | 120,820               | 52,313    | 116,865              | 44,682   |
| Accretion of interest | 21,048                | 15,859    | 20,610               | 15,762   |
| Repayments            | (206,955)             | (100,348) | (203,903)            | (99,333) |
| As at 31 December     | 238,267               | 303,354   | 229,186              | 295,614  |

A maturity analysis of lease payments is disclosed in Note 37.2 to financial statements under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

|  | (Unit: Thousand Baht) |        |                      |        |
|--|-----------------------|--------|----------------------|--------|
|  | Consolidated          |        | Separate             |        |
|  | financial statements  |        | financial statements |        |
|  | 2023                  | 2022   | 2023                 | 2022   |
| Depreciation expense of right-of-use assets    | 67,798                | 57,811 | 65,629               | 57,060 |
| Interest expense on lease liabilities          | 21,048                | 15,859 | 20,610               | 15,762 |
| Expense relating to short-term leases          | 1,849                 | 3,188  | 1,651                | 3,056  |
| Expense relating to leases of low-value assets | 740                   | 663    | 495                  | 572    |

#### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 210 million (2022: Baht 104 million) (the Company only: Baht 206 million (2022: Baht 103 million)), including the cash outflow related to short-term lease, leases of low-value assets. The Group has no future cash outflows relating to leases that have not yet commenced.

### 21. Long-term loans from banks

| Loan no.  | Credit facilities (Million Baht) | Interest rate (%) | Repayment schedule   | (Unit: Thousand Baht) |           |                      |           |
|---|----------------------------------|-------------------|--|-----------------------|-----------|----------------------|-----------|
|   |                                  |                   |  | Consolidated          |           | Separate             |           |
|   |                                  |                   |  | financial statements  |           | financial statements |           |
|   |                                  |                   |  | 2023                  | 2022      | 2023                 | 2022      |
| 1   | 2,286                            | 3.50              | 16 semi-annual installments starting from Baht 30 million and raising annually up to Baht 199 million, commencing from June 2022 | 1,804,654             | 1,982,821 | 1,804,654            | 1,982,821 |
| 2   | 714                              | 3.50              | 16 semi-annual installments starting from Baht 10 million and raising annually up to Baht 61 million, commencing from June 2022  | 623,920               | 693,920   | -                    | -         |
| 3   | 460                              | 4.50              | Repayment of all principals within 30 April 2023   | -                     | 160,490   | -                    | 160,490   |
| 4   | 120                              | MLR - 1           | Annual installments for 3 years or 5 years, commencing from April 2022   | 47,528                | 68,988    | 47,528               | 68,988    |
| 5   | 748                              | 4.50              | Repayment of all principals within 30 April 2024   | 180,570               | -         | 180,570              | -         |
| Total   |                                  |                   |  | 2,656,672             | 2,906,219 | 2,032,752            | 2,212,299 |
| Less: Deferred financial fee                        |                                  |                   |  | (2,269)               | (3,063)   | (1,615)              | (2,177)   |
| Long-term loans - net                               |                                  |                   |  | 2,654,403             | 2,903,156 | 2,031,137            | 2,210,122 |
| Less: Current portion due within one year           |                                  |                   |  | (499,313)             | (479,142) | (429,520)            | (409,374) |
| Long-term loans from banks - net of current portion |                                  |                   |  | 2,155,090             | 2,424,014 | 1,601,617            | 1,800,748 |

Movements in the long-term loans from banks account for the year ended 31 December 2023 and 2022 are summarised below.

|                                 | (Unit: Thousand Baht) |           |                      |           |
|---------------------------------|-----------------------|-----------|----------------------|-----------|
|                                 | Consolidated          |           | Separate             |           |
|                                 | financial statements  |           | financial statements |           |
|                                 | 2023                  | 2022      | 2023                 | 2022      |
| Balance as at 1 January         | 2,903,156             | 2,583,438 | 2,210,122            | 1,945,178 |
| Add: Additions during the year  | 230,403               | 589,900   | 230,403              | 515,380   |
| Less: Repayment during the year | (479,950)             | (271,066) | (409,950)            | (251,066) |
| Amortisation financial fee      | 794                   | 884       | 562                  | 630       |
| Balance as at 31 December       | 2,654,403             | 2,903,156 | 2,031,137            | 2,210,122 |

#### Loan credit facilities No. 5

On 2 February 2023, the Company entered into loan agreement with a local bank of Baht 748 million. The objective is to fund the sugar cane plantation for 2023/2024 harvesting year. The loan is to be repaid in full amount within 30 April 2024.

These loans are secured by mortgages of land and construction thereon, machinery and equipment of the Company and two subsidiaries. Moreover, the loan credit facilities No. 1 requires the Company to mortgage its raw brown sugar stored at the Company's factory in Nakhonratchasima Province, up to the amount of Baht 1,800 million, to guarantee the payment of loans with the bank.

Under the above loan agreements, the Group must comply with covenants as specified in the agreements that, among other things, require the Company and subsidiaries to maintain certain interest bearing debt to equity ratio, and debt service coverage ratio (DSCR) at the rate prescribed in the agreements.

As at 31 December 2023 and 2022, the Company and a subsidiary have to maintain interest bearing debt to equity ratio and debt service coverage ratio (DSCR) as specified in loan agreements. As at 31 December 2023 and 2022, the Company could maintain with all loan covenants required in loan agreement. However, that subsidiary has already received the waiver letter for interest bearing debt to equity ratio from bank in December 2023, and received the waiver letter for non-compliance in all financial ratios from bank in December 2022.

As at 31 December 2022, the long-term credit facilities of the Group which have not yet been drawn down amounted to Baht 243 million (2023: Nil) (the Company only: Baht 243 million (2023: Nil)).

#### **22. Liability under Revenue Transfer Agreement related to electricity business operations**

On 20 August 2020, Khonburi Power Plant Co., Ltd (a subsidiary) and Khonburi Sugar Power Plant Infrastructure Fund ("KBSPIF") have signed the Revenue Transfer Agreement related to electricity business operations. The agreement require the subsidiary to transfer 62 percent of the right of revenue from the electricity business operations for a period of 20 years to KBSPIF as follows:

1. Sales of electricity for 22 megawatts with Electricity Generating Authority of Thailand ("EGAT") only in respect of such revenues not affected by USD currency fluctuations and those not affected by average coal price.
2. Sales of electricity for 3.5 megawatts with Khonburi Sugar Public Company Limited.

The summary of movement of Liability under Revenue Transfer Agreement related to electricity business operations is below;

| (Unit: Thousand Baht)  |                  |                  |
|--|------------------|------------------|
| Consolidated financial statements  |                  |                  |
|  | 2023             | 2022             |
| Balance as at 1 January  | 2,536,607        | 2,602,390        |
| Less: Repayment by the subsidiary during the year  | (74,186)         | (68,399)         |
| Add: Amortisation of financial fee during the year   | 2,545            | 2,616            |
| Balance as at 31 December  | 2,464,966        | 2,536,607        |
| Less: Current portion due within one year  | (78,878)         | (71,641)         |
| Liability under Revenue Transfer Agreement related to electricity business operations - net of current portion | <u>2,386,088</u> | <u>2,464,966</u> |

Furthermore, the Company and a subsidiary entered into the Undertaking agreement, Security agreement, and Stock pledge agreement as described in Notes 14, 15, and 35.6 and also other agreements which shall be subject to the terms and conditions under Revenue Transfer Agreement related to electricity business operations.

### 23. Provision for long-term employee benefits

Movement in the provision for long-term employee benefits, which represents compensation payable to employees after they retire during the year ended 31 December 2023 and 2022, are as follows:

|  | (Unit: Thousand Baht) |         |                      |         |
|--|-----------------------|---------|----------------------|---------|
|  | Consolidated          |         | Separate             |         |
|  | financial statements  |         | financial statements |         |
|  | 2023                  | 2022    | 2023                 | 2022    |
| <b>Provision for long-term employee benefits</b> |                       |         |                      |         |
| <b>at beginning of year</b>                      | 52,413                | 63,630  | 46,905               | 56,067  |
| Included in profit or loss:                      |                       |         |                      |         |
| Current service cost                             | 4,916                 | 5,871   | 4,387                | 4,614   |
| Interest cost                                    | 1,433                 | 913     | 1,261                | 767     |
| Included in other comprehensive income:          |                       |         |                      |         |
| Actuarial gain arising from:                     |                       |         |                      |         |
| Financial assumptions changes                    | -                     | (7,327) | -                    | (6,427) |
| Experience assumptions changes                   | -                     | (2,628) | -                    | (1,139) |
| Benefits paid during the year                    | (4,121)               | (8,046) | (3,717)              | (6,977) |
| <b>Provision for long-term employee benefits</b> |                       |         |                      |         |
| <b>at end of year</b>                            | 54,641                | 52,413  | 48,836               | 46,905  |

The Group expects to pay long-term employee benefits amounting to Baht 3 million within next one year (2022: Baht 8 million) (the Company only: Baht 3 million (2022: Baht 8 million)).

As at 31 December 2023 and 2022, the weighted average duration of the liabilities for long-term employee benefit is 15 - 17 years (the Company only: 15 years).

Significant actuarial assumptions are summarised below:

|  | (% per annum)                     |             |                               |            |
|--|-----------------------------------|-------------|-------------------------------|------------|
|  | Consolidated financial statements |             | Separate financial statements |            |
|  | 2023                              | 2022        | 2023                          | 2022       |
| Discount rate                          | 3.15 - 3.75                       | 3.15 - 3.75 | 3.15                          | 3.15       |
| Salary increase rate                   | 4.0                               | 4.0         | 4.0                           | 4.0        |
| Staff turnover rate (depending on age) | 1.9 - 22.9                        | 1.9 - 22.9  | 3.8 - 22.9                    | 3.8 - 22.9 |

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

|                      | (Unit: Million Baht)              |      |             |      |                               |      |             |      |
|----------------------|-----------------------------------|------|-------------|------|-------------------------------|------|-------------|------|
|                      | Consolidated financial statements |      |             |      | Separate financial statements |      |             |      |
|                      | Increase 1%                       |      | Decrease 1% |      | Increase 1%                   |      | Decrease 1% |      |
|                      | 2023                              | 2022 | 2023        | 2022 | 2023                          | 2022 | 2023        | 2022 |
| Discount rate        | (5)                               | (4)  | 6           | 5    | (4)                           | (4)  | 4           | 5    |
| Salary increase rate | 6                                 | 5    | (5)         | (4)  | 5                             | 4    | (4)         | (4)  |

|                     | (Unit: Million Baht)              |      |              |      |                               |      |              |      |
|---------------------|-----------------------------------|------|--------------|------|-------------------------------|------|--------------|------|
|                     | Consolidated financial statements |      |              |      | Separate financial statements |      |              |      |
|                     | Increase 20%                      |      | Decrease 20% |      | Increase 20%                  |      | Decrease 20% |      |
|                     | 2023                              | 2022 | 2023         | 2022 | 2023                          | 2022 | 2023         | 2022 |
| Staff turnover rate | (5)                               | (4)  | 5            | 5    | (4)                           | (4)  | 5            | 4    |

## 24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to Section 1202 of the Civil and Commercial Code, the subsidiaries are required to set aside a statutory reserve at least 5% of their net income each time the subsidiaries pay a dividend, until such reserve reaches 10% of their registered share capital. The statutory reserve can neither be used to offset with deficit nor be used for dividend payment.

## 25. Revenue from contracts with customers

|  | (Unit: Million Baht)              |        |                               |       |
|--|-----------------------------------|--------|-------------------------------|-------|
|  | Consolidated financial statements |        | Separate financial statements |       |
|  | 2023                              | 2022   | 2023                          | 2022  |
| <b>Type of goods or service:</b>                 |                                   |        |                               |       |
| Sales of sugars and molasses                     | 10,732                            | 9,049  | 10,550                        | 8,861 |
| Sales of oil, fertilizer, insecticide and others | 635                               | 575    | 639                           | 579   |
| Services of agriculture                          | 83                                | 90     | 84                            | 91    |
| Sales of electricity                             | 1,102                             | 1,222  | -                             | -     |
| Total revenue from contracts with customers      | 12,552                            | 10,936 | 11,273                        | 9,531 |

|   | (Unit: Million Baht)              |        |                               |       |
|---|-----------------------------------|--------|-------------------------------|-------|
|   | Consolidated financial statements |        | Separate financial statements |       |
|   | 2023                              | 2022   | 2023                          | 2022  |
| <b>Timing of revenue recognition:</b>       |                                   |        |                               |       |
| Revenue recognised at a point in time       | 11,367                            | 9,624  | 11,189                        | 9,440 |
| Revenue recognised over time                | 1,185                             | 1,312  | 84                            | 91    |
| Total revenue from contracts with customers | 12,552                            | 10,936 | 11,273                        | 9,531 |

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 32 relating to the segment information:

|   | (Unit: Million Baht)              |        |                               |       |
|---|-----------------------------------|--------|-------------------------------|-------|
|   | Consolidated financial statements |        | Separate financial statements |       |
|   | 2023                              | 2022   | 2023                          | 2022  |
| External customers                          | 12,552                            | 10,936 | 11,225                        | 9,524 |
| Inter-segment                               | 934                               | 765    | 48                            | 7     |
| Total                                       | 13,486                            | 11,701 | 11,273                        | 9,531 |
| Adjustments and eliminations                | (934)                             | (765)  | -                             | -     |
| Total revenue from contracts with customers | 12,552                            | 10,936 | 11,273                        | 9,531 |

## 26. Finance income

|                                  | (Unit: Thousand Baht) |        |                      |        |
|----------------------------------|-----------------------|--------|----------------------|--------|
|                                  | Consolidated          |        | Separate             |        |
|                                  | financial statements  |        | financial statements |        |
|                                  | 2023                  | 2022   | 2023                 | 2022   |
| Interest income on bank deposits | 634                   | 212    | 515                  | 175    |
| Interest income on loans         | 46,605                | 39,063 | 47,014               | 39,430 |
| Total                            | 47,239                | 39,275 | 47,529               | 39,605 |

## 27. Finance cost

|   | (Unit: Thousand Baht) |         |                      |         |
|---|-----------------------|---------|----------------------|---------|
|   | Consolidated          |         | Separate             |         |
|   | financial statements  |         | financial statements |         |
|   | 2023                  | 2022    | 2023                 | 2022    |
| Interest expenses on borrowings           | 164,733               | 185,036 | 157,325              | 182,385 |
| Interest expenses on lease liabilities    | 21,048                | 15,859  | 20,610               | 15,762  |
| Interest expense from interest rate swaps | -                     | 24      | -                    | 24      |
| Bank fee                                  | 4,139                 | 3,915   | 2,077                | 1,797   |
| Financial fee related to KBSPIF           | 201,784               | 208,629 | -                    | -       |
| Total                                     | 391,704               | 413,463 | 180,012              | 199,968 |

## 28. Expenses by nature

Significant expenses classified by nature are as follows:

|   | (Unit: Thousand Baht)  |           |                      |           |
|---|------------------------|-----------|----------------------|-----------|
|   | Consolidated financial |           | Separate             |           |
|   | Statements             |           | financial statements |           |
|   | 2023                   | 2022      | 2023                 | 2022      |
| Salaries and wages and other employee benefits                            | 617,462                | 562,451   | 538,510              | 489,611   |
| Depreciation and amortisation   | 746,636                | 729,056   | 517,999              | 505,808   |
| Transportation expenses   | 283,929                | 253,459   | 261,198              | 224,332   |
| Stabilisation costs, research fee and contribution to Cane and Sugar Fund | 146,298                | 124,047   | 146,298              | 124,047   |
| Maintenance expenses  | 383,877                | 303,654   | 266,445              | 198,835   |
| Raw materials and other supplies used                                     | 7,151,800              | 6,232,528 | 6,488,606            | 5,609,776 |
| Changes in finished goods and work in process                             | 235,332                | 127,148   | 235,332              | 127,148   |



## 29. Income tax

### 29.1 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

|  | Statements of financial position |                |                      |                |
|--|----------------------------------|----------------|----------------------|----------------|
|  | Consolidated                     |                | Separate             |                |
|  | financial statements             |                | financial statements |                |
|  | 2023                             | 2022           | 2023                 | 2022           |
| <b>Deferred tax assets</b>                                     |                                  |                |                      |                |
| Allowance for expected credit losses                           | 39,084                           | 44,368         | 39,084               | 44,368         |
| Allowance for diminution in value of inventories               | 714                              | 195            | 507                  | 386            |
| Allowance for impairment of investment in a subsidiary         | -                                | -              | 2,204                | 2,204          |
| Derivative revaluation at fair value                           |                                  |                |                      |                |
| - reflected in profit or loss                                  | 66,627                           | 15,595         | 66,627               | 15,595         |
| - reflected in shareholders' equity                            | -                                | 3,556          | -                    | 3,556          |
| Investment in other long-term equity designated at fair value  |                                  |                |                      |                |
| - reflected in shareholders' equity                            | 9,449                            | -              | 9,449                | -              |
| Provision for long-term employee benefits                      | 10,913                           | 10,483         | 9,767                | 9,381          |
| Unused tax loss  | 28,186                           | 147,936        | 20,919               | 121,533        |
| <b>Total</b>   | <b>154,973</b>                   | <b>222,133</b> | <b>148,557</b>       | <b>197,023</b> |
| <b>Deferred tax liabilities</b>                                |                                  |                |                      |                |
| Derivative revaluation at fair value                           |                                  |                |                      |                |
| - reflected in profit or loss                                  | 56,380                           | 6,556          | 56,450               | 6,556          |
| - reflected in shareholders' equity                            | 53,848                           | 60             | 53,848               | -              |
| Investments in other long-term equity designated at fair value |                                  |                |                      |                |
| - reflected in profit or loss                                  | 3,532                            | 3,510          | 3,532                | 3,510          |
| - reflected in shareholders' equity                            | -                                | 10,080         | -                    | 10,080         |
| Leases   | 12,406                           | 12,231         | 12,852               | 12,270         |
| Accumulated depreciation - Plant and equipment                 | 88,690                           | 93,647         | 88,690               | 93,647         |
| <b>Total</b>   | <b>214,856</b>                   | <b>126,084</b> | <b>215,372</b>       | <b>126,063</b> |
| <b>Deferred tax assets (liabilities) - net</b>                 | <b>(59,883)</b>                  | <b>96,049</b>  | <b>(66,815)</b>      | <b>70,960</b>  |

## 29.2 Income tax expense (revenue)

Income tax expense (revenue) for the years ended 31 December 2023 and 2022 are made up as follows:

|  | (Unit: Thousand Baht) |                 |                      |                 |
|--|-----------------------|-----------------|----------------------|-----------------|
|  | Consolidated          |                 | Separate             |                 |
|  | financial statements  |                 | financial statements |                 |
|  | 2023                  | 2022            | 2023                 | 2022            |
| <b>Current income tax:</b>                                     |                       |                 |                      |                 |
| Current income tax charge                                      | 2,578                 | 1,667           | -                    | -               |
| <b>Deferred tax:</b>   |                       |                 |                      |                 |
| Relating to origination and reversal of temporary differences  | 118,187               | (27,348)        | 99,900               | (19,975)        |
| <b>Income tax expense (revenue) reported in profit or loss</b> | <b>120,765</b>        | <b>(25,681)</b> | <b>99,900</b>        | <b>(19,975)</b> |

The reconciliation between accounting profit and income tax expense (revenue) is shown below.

|  | (Unit: Thousand Baht) |                 |                      |                 |
|--|-----------------------|-----------------|----------------------|-----------------|
|  | Consolidated          |                 | Separate             |                 |
|  | financial statements  |                 | financial statements |                 |
|  | 2023                  | 2022            | 2023                 | 2022            |
| Accounting profit before tax                                   | 1,075,380             | 891,364         | 872,847              | 547,283         |
| Applicable tax rate  | 20%                   | 20%             | 20%                  | 20%             |
| Accounting profit before tax multiplied by income tax rate     | 215,076               | 178,273         | 174,569              | 109,457         |
| Effects of:  |                       |                 |                      |                 |
| Income exempted from promotional privileges (Note 30)          | (50,788)              | (110,158)       | -                    | -               |
| Non-deductible expenses  | 13,285                | 15,165          | 11,430               | 14,565          |
| Exempted income/additional deductible expenses                 | (41,327)              | (24,111)        | (41,257)             | (24,059)        |
| Tax losses   | (15,486)              | (84,880)        | (44,842)             | (119,938)       |
| Others   | 5                     | 30              | -                    | -               |
| <b>Income tax expense (revenue) reported in profit or loss</b> | <b>120,765</b>        | <b>(25,681)</b> | <b>99,900</b>        | <b>(19,975)</b> |

As at 31 December 2023, the Group has unused tax losses totaling Baht 282 million (2022: Baht 286 million) (the Company only: Nil (2022: Baht 114 million)), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of unused tax losses. Those tax losses will expire by the year 2027 (2022: 2026).

### 29.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

|   | Consolidated         |          | Separate             |          |
|---|----------------------|----------|----------------------|----------|
|   | financial statements |          | financial statements |          |
|   | 2023                 | 2022     | 2023                 | 2022     |
| Deferred tax relating to                                  |                      |          |                      |          |
| Gain on cash flows hedge                                  | (57,270)             | (11,745) | (57,404)             | (11,910) |
| Loss (gain) arising on long-term FVOCI equity instruments | 19,529               | (840)    | 19,529               | (840)    |
| Actuarial gain  | -                    | (1,991)  | -                    | (1,513)  |

### 30. Promotional privileges

A subsidiary company received promotional privileges from the Board of Investment for its electricity and steam from biomass fuels pursuant to the promotion certificate No.1557(1)/2556 on 19 April 2013. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (on 18 December 2014) and a 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.

A subsidiary company received promotional privileges from the Board of Investment for its electricity and steam from renewable energy pursuant to the promotion certificate No.63-0437-1-00-1-0 on 14 April 2020. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (on 11 December 2021) .

Operating revenues for the years ended 31 December 2023 and 2022, divided by promoted and non-promoted operating are summarised below.

(Unit: Million Baht)

|                                 | Consolidated financial statements |              |               |               |              |              |               |               |
|---------------------------------|-----------------------------------|--------------|---------------|---------------|--------------|--------------|---------------|---------------|
|                                 | Non-promoted                      |              |               |               |              |              |               |               |
|                                 | Promoted operations               |              | operations    |               | Eliminations |              | Total         |               |
|                                 | 2023                              | 2022         | 2023          | 2022          | 2023         | 2022         | 2023          | 2022          |
| Revenues from sales and service |                                   |              |               |               |              |              |               |               |
| Domestic sales                  | 1,316                             | 1,356        | 4,380         | 4,134         | (934)        | (765)        | 4,762         | 4,725         |
| Export sales                    | -                                 | -            | 7,789         | 6,211         | -            | -            | 7,789         | 6,211         |
| Total                           | <u>1,316</u>                      | <u>1,356</u> | <u>12,169</u> | <u>10,345</u> | <u>(934)</u> | <u>(765)</u> | <u>12,551</u> | <u>10,936</u> |

### 31. Profit per share

Basic profit 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.

The following tables set forth the computation of basic profit per share:

| Consolidated financial statements                        |                         |                 |  |                   |                  |        |
|--|-------------------------|-----------------|--|-------------------|------------------|--------|
|  | Net profit for the year |                 | Weighted average number of ordinary shares |                   | Profit per share |        |
|  | 2023                    | 2022            | 2023                                       | 2022              | 2023             | 2022   |
|  | (Thousand Baht)         | (Thousand Baht) | (Thousand shares)                          | (Thousand shares) | (Baht)           | (Baht) |
| <b>Basic profit per share</b>                            |                         |                 |  |                   |                  |        |
| Net profit attributable to equity holders of the Company | 954,615                 | 917,045         | 600,000                                    | 600,000           | 1.59             | 1.53   |
|  |                         |                 |  |                   |                  |        |
| Separate financial statements                            |                         |                 |  |                   |                  |        |
|  | Net profit for the year |                 | Weighted average number of ordinary shares |                   | Profit per share |        |
|  | 2023                    | 2022            | 2023                                       | 2022              | 2023             | 2022   |
|  | (Thousand Baht)         | (Thousand Baht) | (Thousand shares)                          | (Thousand shares) | (Baht)           | (Baht) |
| <b>Basic profit per share</b>                            |                         |                 |  |                   |                  |        |
| Net profit attributable to equity holders of the Company | 772,947                 | 567,258         | 600,000                                    | 600,000           | 1.29             | 0.95   |

### 32. Segment information

Operating 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 its products and services and has three reportable segments as follows:

- The sugar cane segment: production, distribution of sugar cane and related services, e.g. provision of agricultural machines and vehicles (sugar cane harvesters and tractors) to planters who sell sugar cane to the Company.
- The sugar and molasses trading segment: purchase and sale of sugar, molasses and by products.
- The utilities segment: generation of electricity and steam whereby bagasse is used as main fuel.

No operating segments have been aggregated from the above reportable operating segments.

The chief operating 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 and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with the third-party transactions.

The following tables present financial information regarding the Group's operating segments for the years 2023 and 2022.

(Unit: Million Baht)

| For the year ended 31 December 2023                      |                       |                                  |                      |                                 |              |               |
|--|-----------------------|----------------------------------|----------------------|---------------------------------|--------------|---------------|
|  | Sugar cane<br>segment | Sugar and<br>molasses<br>trading | Utilities<br>segment | Total<br>reportable<br>segments | Eliminations | Consolidated  |
| Revenue from sale and service                            |                       |                                  |                      |                                 |              |               |
| from external customers                                  | 11,224                | 225                              | 1,102                | 12,551                          | -            | 12,551        |
| Inter-segment revenue                                    | 62                    | 3                                | 869                  | 934                             | (934)        | -             |
| <b>Total</b>   | <b>11,287</b>         | <b>228</b>                       | <b>1,971</b>         | <b>13,485</b>                   | <b>(934)</b> | <b>12,551</b> |
| <b>Segment profit</b>                                    | <b>1,596</b>          | <b>11</b>                        | <b>660</b>           | <b>2,265</b>                    | <b>35</b>    | <b>2,300</b>  |
| Unallocated revenue segment<br>and expense segment:      |                       |                                  |                      |                                 |              |               |
| Other income   |                       |                                  |                      |                                 |              | 104           |
| Selling and distribution expenses                        |                       |                                  |                      |                                 |              | (506)         |
| Administrative expenses                                  |                       |                                  |                      |                                 |              | (435)         |
| Gain on exchange rates                                   |                       |                                  |                      |                                 |              | 64            |
| Finance income   |                       |                                  |                      |                                 |              | 47            |
| Finance cost   |                       |                                  |                      |                                 |              | (392)         |
| Loss on changes in fair value<br>of sugar swap contracts |                       |                                  |                      |                                 |              | (134)         |
| Reversal of impairment loss on<br>financial assets       |                       |                                  |                      |                                 |              | 27            |
| Income tax expenses                                      |                       |                                  |                      |                                 |              | (121)         |
| <b>Profit for the year</b>                               |                       |                                  |                      |                                 |              | <b>954</b>    |

(Unit: Million Baht)

For the year ended 31 December 2022

|  | Sugar cane<br>segment | Sugar and<br>molasses<br>trading | Utilities<br>segment | Total<br>reportable<br>segments | Eliminations | Consolidated |
|--|-----------------------|----------------------------------|----------------------|---------------------------------|--------------|--------------|
| Revenue from sale and service                            |                       |                                  |                      |                                 |              |              |
| from external customers                                  | 9,524                 | 191                              | 1,221                | 10,936                          | -            | 10,936       |
| Inter-segment revenue                                    | 17                    | -                                | 748                  | 765                             | (765)        | -            |
| Total  | 9,541                 | 191                              | 1,969                | 11,701                          | (765)        | 10,936       |
| <b>Segment profit</b>                                    | 1,617                 | 14                               | 626                  | 2,257                           | 94           | 2,351        |
| Unallocated revenue segment<br>and expense segment:      |                       |                                  |                      |                                 |              |              |
| Other income   |                       |                                  |                      |                                 |              | 96           |
| Selling and distribution expenses                        |                       |                                  |                      |                                 |              | (441)        |
| Administrative expenses                                  |                       |                                  |                      |                                 |              | (447)        |
| Loss on exchange rates                                   |                       |                                  |                      |                                 |              | (240)        |
| Finance income   |                       |                                  |                      |                                 |              | 39           |
| Finance cost   |                       |                                  |                      |                                 |              | (413)        |
| Loss on changes in fair value<br>of sugar swap contracts |                       |                                  |                      |                                 |              | (58)         |
| Reversal of impairment loss on<br>financial assets       |                       |                                  |                      |                                 |              | 4            |
| Income tax revenue                                       |                       |                                  |                      |                                 |              | 26           |
| Profit for the year                                      |                       |                                  |                      |                                 |              | 917          |

Geographic information

Revenue from external customers is based on locations of customers.

(Unit: Million Baht)

|                                 | 2023   | 2022   |
|---------------------------------|--------|--------|
| Revenue from external customers |        |        |
| Thailand                        | 4,762  | 4,725  |
| Asia                            | 7,383  | 5,697  |
| Europe                          | 406    | 497    |
| Others                          | -      | 17     |
| Total                           | 12,551 | 10,936 |

Major customers

For the year 2023, the Group had revenues from a major customer amount Baht 4,477 million (2022: Baht 3,386 million derived from a major customer), arising from the production and distribution of sugar cane segment.

### 33. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributes to the fund monthly at rates of 3 to 10 percent of basic salary. The fund, which is managed by Kasikorn Asset management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 11 million (2022: Baht 10 million) (the Company only: Baht 9 million (2022: Baht 9 million)) were recognised as expenses.

### 34. Dividends

| Dividends                | Approved by  | Total dividends<br>(Thousand Baht) | Dividend<br>per share<br>(Baht) |
|--------------------------|--|------------------------------------|---------------------------------|
| Final dividends for 2022 | Annual General Meeting of the<br>shareholders on 24 April 2023 | 299,996                            | 0.5                             |

### 35. Commitments and contingent liabilities

#### 35.1 Capital commitments

As at 31 December 2023, the Group had capital commitments of approximately Baht 157 million (2022: Baht 112 million) (the Company only: Baht 113 million (2022: Baht 86 million)), relating to the construction of factory buildings and acquisition of machinery.

#### 35.2 Molasses sale/purchase commitments

As at 31 December 2023, the Group had commitments to molasses purchase of Baht 66 million (2022: molasses purchase of Baht 67 million) (the Company only: Nil (2022: Nil)), and molasses sales of Baht 292 million (2022: Baht 226 million) (the Company only: Baht 292 million (2022: Baht 164 million)), for which the delivery has not yet been made. The agreements will mature within one year.

#### 35.3 Sugar sales commitments

As at 31 December 2023, the Company had commitments to sugar sales of Baht 394 million (2022: Baht 1,246 million) (the Company only: Baht 392 million (2022: Baht 1,246 million)), for which the delivery has not yet been made. The agreements will mature within one year.

### 35.4 Commitment in respect of uncalled investment

As at 31 December 2023 and 2022, the Company has committed to pay the uncalled portions of its investments as follows:

|                               | (Unit: Million Baht) |       |
|-------------------------------|----------------------|-------|
|                               | 2023                 | 2022  |
| Khonburi Bio Energy Co., Ltd. | 324.8                | 324.8 |

### 35.5 Electricity sale/purchase commitment

The subsidiary has entered into the following agreements to sell electricity at a specified quantities and prices as determined in the agreements.

| Company's name                                      | Date of agreement | Period (Years)                              | Commencement     |                  | Contracted capacity (MW) |
|---|-------------------|---|------------------|------------------|--------------------------|
|   |                   |   | date             | End of period    |                          |
| Provincial Electricity Authority (PEA)              | 20 July 2009      | 20  | 16 July 2013     | 15 July 2029     | 8                        |
| Electricity Generating Authority of Thailand (EGAT) | 6 November 2014   | 25  | 2 January 2015   | 31 December 2039 | 22                       |
| Provincial Electricity Authority (PEA)              | 3 December 2007   | 1 year and renew every 1 year automatically | 21 December 2007 | -                | 8                        |
| Provincial Electricity Authority (PEA)              | 29 December 2022  | 2   | -                | 31 December 2024 | 4                        |

### 35.6 Agreements relating to the operation of electricity from biomass

On 1 December 2017, the Company and a subsidiary revised and amended agreements relating to the operation of electricity from biomass. The terms are 3 years, as from the date of 1 December 2017 until 30 November 2020. If none of the parties notifies the other in written form to terminate or change the agreement within 90 days from the end of the contract term, the agreement will remain in force until (and including) 31 December 2039. The details of the said agreement are as follows.

- The electricity sale/purchase agreement - The Company has agreed to acquire an electricity voltage of 3,300 volts for power supply of 2 - 25 megawatt (season based) from its subsidiary. The price is the same as the electricity price purchased from the Electricity Authority, excluding Adder.
- The steam sale/purchase agreement - The Company has agreed to acquire the steam, with the pressure of 0.5 - 23 bars and at the temperature of 115 - 400 degree Celsius, from its subsidiary. The price is as stipulated in the agreement.
- The bagasse sale/purchase agreement - The Company has agreed to sell at least 0.82 million tons of bagasse at moisture of 47% - 53% to its subsidiary. The price is as stipulated in the agreement.



In addition, the subsidiary has entered into several lease agreements with the Company in respect of lease of land, building, and machinery to be used in the operation of electricity from biomass. The terms of the agreements are generally 3 - 30 years.

In 2020, the Company and a subsidiary amended agreements relating to minimum quantity of bagasse's sell and electricity price which shall be subject to terms and conditions of the revenue transfer agreement related to electricity business operations as described in Note 22 to financial statements.

### 35.7 Guarantees

- a) As at 31 December 2023, the Company guaranteed bank credit facilities of two subsidiaries amounting to Baht 810 million (2022: Baht 810 million).
- b) As at 31 December 2023, the Company and subsidiaries had outstanding bank guarantees of approximately Baht 3 million and Baht 13 million, respectively (2022: Baht 13 million and Baht 39 million, respectively) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.
- c) As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 82 million (2022: Baht 82 million) issued by banks on behalf of the subsidiary in respect of performance under an electricity sale/purchase agreement and the submission of applications and offer to sell electricity. They were used as security with the Provincial Electricity Authority and the Electricity Generating Authority of Thailand, in compliance with the regulations of purchasing electricity from small power producers.

### 36. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

| (Unit: Thousand Baht)                             |         |         |         |         |
|---|---------|---------|---------|---------|
| Consolidated financial statements                 |         |         |         |         |
| As at 31 December 2023                            |         |         |         |         |
|   | Level 1 | Level 2 | Level 3 | Total   |
| <b>Assets measured at fair value</b>              |         |         |         |         |
| Investments in other long-term equity instruments |         |         |         |         |
| Listed company                                    | 399,299 | -       | -       | 399,299 |
| Non-listed companies                              | -       | -       | 20,654  | 20,654  |
| Current derivative assets                         |         |         |         |         |
| Sugar swap contracts (Commodities swap)           | -       | 13,012  | -       | 13,012  |
| Forward exchange contracts                        | -       | 269,238 | -       | 269,238 |

(Unit: Thousand Baht)

| Consolidated financial statements                     |         |         |           |           |
|---|---------|---------|-----------|-----------|
| As at 31 December 2023                                |         |         |           |           |
|   | Level 1 | Level 2 | Level 3   | Total     |
| <b>Liabilities measured at fair value</b>             |         |         |           |           |
| Current derivative liabilities                        |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 63,895  | -         | 63,895    |
| Forward exchange contracts                            | -       | 366     | -         | 366       |
| <b>Liabilities for which fair value are disclosed</b> |         |         |           |           |
| Long-term loans from banks                            | -       | -       | 2,303,627 | 2,303,627 |
| Liabilities under Revenue Transfer                    |         |         |           |           |
| Agreement related to electricity business operations  | -       | -       | 2,902,410 | 2,902,410 |

(Unit: Thousand Baht)

| Consolidated financial statements                     |         |         |           |           |
|---|---------|---------|-----------|-----------|
| As at 31 December 2022                                |         |         |           |           |
|   | Level 1 | Level 2 | Level 3   | Total     |
| <b>Assets measured at fair value</b>                  |         |         |           |           |
| Investments in other long-term equity instruments     |         |         |           |           |
| Listed company  | 470,400 | -       | -         | 470,400   |
| Non-listed companies                                  | -       | -       | 20,543    | 20,543    |
| Current derivative assets                             |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 698     | -         | 698       |
| Forward exchange contracts                            | -       | 30,720  | -         | 30,720    |
| Non-current derivative assets                         |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 1,662   | -         | 1,662     |
| <b>Liabilities measured at fair value</b>             |         |         |           |           |
| Current derivative liabilities                        |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 47,517  | -         | 47,517    |
| Forward exchange contracts                            | -       | 48,201  | -         | 48,201    |
| Non-current derivative liabilities                    |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 37      | -         | 37        |
| <b>Liabilities for which fair value are disclosed</b> |         |         |           |           |
| Long-term loans from banks                            | -       | -       | 2,528,572 | 2,528,572 |
| Liabilities under Revenue Transfer                    |         |         |           |           |
| Agreement related to electricity business operations  | -       | -       | 2,963,930 | 2,963,930 |

(Unit: Thousand Baht)

| Separate financial statements                         |         |         |           |           |
|---|---------|---------|-----------|-----------|
| As at 31 December 2023                                |         |         |           |           |
|   | Level 1 | Level 2 | Level 3   | Total     |
| <b>Assets measured at fair value</b>                  |         |         |           |           |
| Investments in other long-term equity instruments     |         |         |           |           |
| Listed company  | 399,299 | -       | -         | 399,299   |
| Non-listed companies                                  | -       | -       | 20,654    | 20,654    |
| Current derivative assets                             |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 13,012  | -         | 13,012    |
| Forward exchange contracts                            | -       | 269,238 | -         | 269,238   |
| <b>Liabilities measured at fair value</b>             |         |         |           |           |
| Current derivative liabilities                        |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 63,895  | -         | 63,895    |
| <b>Liabilities for which fair value are disclosed</b> |         |         |           |           |
| Long-term loans from banks                            | -       | -       | 1,713,837 | 1,713,837 |

(Unit: Thousand Baht)

| Separate financial statements                         |         |         |           |           |
|---|---------|---------|-----------|-----------|
| As at 31 December 2022                                |         |         |           |           |
|   | Level 1 | Level 2 | Level 3   | Total     |
| <b>Assets measured at fair value</b>                  |         |         |           |           |
| Investments in other long-term equity instruments     |         |         |           |           |
| Listed company  | 470,400 | -       | -         | 470,400   |
| Non-listed companies                                  | -       | -       | 20,543    | 20,543    |
| Current derivative assets                             |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 698     | -         | 698       |
| Forward exchange contracts                            | -       | 30,421  | -         | 30,421    |
| Non-current derivative assets                         |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 1,662   | -         | 1,662     |
| <b>Liabilities measured at fair value</b>             |         |         |           |           |
| Current derivative liabilities                        |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 47,517  | -         | 47,517    |
| Forward exchange contracts                            | -       | 48,201  | -         | 48,201    |
| Non-current derivative liabilities                    |         |         |           |           |
| Sugar swap contracts (Commodities swap)               | -       | 37      | -         | 37        |
| <b>Liabilities for which fair value are disclosed</b> |         |         |           |           |
| Long-term loans from banks                            | -       | -       | 1,878,527 | 1,878,527 |

## 37. Financial instruments

### 37.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

|  | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|--|--------------------------------------|---------------|----------------------------------|---------------|
|  | 2023                                 | 2022          | 2023                             | 2022          |
| <b>Derivative assets</b>   |                                      |               |                                  |               |
| Derivative assets not designated as cash flow<br>hedges instruments      |                                      |               |                                  |               |
| Sugar swap contracts (Commodities swap)                                  | 13,012                               | 2,360         | 13,012                           | 2,360         |
| Derivative assets designated as cash flow<br>hedges instruments          |                                      |               |                                  |               |
| Forward exchange contracts   | 269,238                              | 30,720        | 269,238                          | 30,421        |
| <b>Total derivative assets</b>   | <b>282,250</b>                       | <b>33,080</b> | <b>282,250</b>                   | <b>32,781</b> |
| <b>Derivative liabilities</b>  |                                      |               |                                  |               |
| Derivative liabilities not designated as cash flow<br>hedges instruments |                                      |               |                                  |               |
| Sugar swap contracts (Commodities swap)                                  | 63,895                               | 47,554        | 63,895                           | 47,554        |
| Derivative liabilities designated as cash flow<br>hedges instruments     |                                      |               |                                  |               |
| Forward exchange contracts   | 366                                  | 48,200        | -                                | 48,200        |
| <b>Total derivative liabilities</b>                                      | <b>64,261</b>                        | <b>95,754</b> | <b>63,895</b>                    | <b>95,754</b> |

#### Derivatives not designated as hedging instruments

##### *Sugar and Sugarcane price fluctuation risk*

The Group uses sugar swap contracts to manage risk from sugar export sales income based on the average price of the sugar and exchange rate of actual sale made by The Thai Sugar Trading Corporation Limited (TCSC).

The Group is holding the following sugar swap contracts as at 31 December 2023 and 2022 which was summarised by maturity dates.

|  | Consolidated / Separate financial statements |              |        |
|--|--|--------------|--------|
|  | As at 31 December 2023                       |              |        |
|  | Maturity                                     |              |        |
|  | Less than 1                                  |              |        |
|  | year   | 1 to 2 years | Total  |
| <b>Sugar swap contracts (for highly probable forecast sales)</b>     |  |              |        |
| Notional amount (in Ton)   | 42,670                                       | -            | 42,670 |
| Notional amount (Million US Dollar)                                  | 24   | -            | 24     |
| Average hedged rate (US Dollar/Ton)                                  | 556  | -            | 556    |
| <b>Sugar swap contracts (for highly probable forecast purchases)</b> |  |              |        |
| Notional amount (in Ton)   | 62,001                                       | -            | 62,001 |
| Notional amount (Million US Dollar)                                  | 37   | -            | 37     |
| Average hedged rate (US Dollar/Ton)                                  | 593  | -            | 593    |
|  |  |              |        |
|  | Consolidated / Separate financial statements |              |        |
|  | As at 31 December 2022                       |              |        |
|  | Less than                                    |              |        |
|  | 1 year                                       | 1 to 2 years | Total  |
| <b>Sugar swap contracts (for highly probable forecast sales)</b>     |  |              |        |
| Notional amount (in Ton)   | 64,282                                       | 12,000       | 76,282 |
| Notional amount (Million US Dollar)                                  | 20   | 5            | 25     |
| Average hedged rate (US Dollar/Ton)                                  | 312  | 386          |        |

|   | Consolidated / Separate financial statements |              |        |
|---|--|--------------|--------|
|   | As at 31 December 2022                       |              |        |
|   | Less than<br>1 year                          | 1 to 2 years | Total  |
| <b>Sugar swap contracts (spread) (for highly probable forecast sales)</b> |  |              |        |
| Notional amount (in Ton)  | 30,000                                       | 5,080        | 35,080 |
| Notional amount (Million US Dollar)                                       | 3  | 0.1          | 3.1    |
| Average hedged rate (US Dollar/Ton)                                       | 89   | 27           |        |
| <b>Sugar swap contracts (for highly probable forecast purchases)</b>      |  |              |        |
| Notional amount (in Ton)  | 37,300                                       | 12,000       | 49,300 |
| Notional amount (Million US Dollar)                                       | 15   | 6            | 21     |
| Average hedged rate (US Dollar/Ton)                                       | 400  | 479          |        |

## Derivatives designated as hedging instruments in cash flow hedges

### Foreign currency risk

Forward exchange contracts are designated as hedging instruments in cash flow hedges of forecast sales and forecast purchases in USD. There is an economic relationship between the hedged items and the hedging instruments as the term of the forward exchange contracts match those of the expected highly probable forecast transaction. The forward exchange contracts balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The Group is holding the following forward exchange contracts as hedging instruments classified by the payment due as at 31 December 2023 and 2022.

|  | Consolidated         |                  | Separate             |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | financial statements |                  | financial statements |                  |
|  | 2023                 | 2022             | 2023                 | 2022             |
|  | Less than 1 year     | Less than 1 year | Less than 1 year     | Less than 1 year |
| <b>Forward exchange contracts (for highly probable forecast sales)</b>     |                      |                  |                      |                  |
| Notional amount (Million US Dollar)  | 166.4                | 133.9            | 166.4                | 133.9            |
| Average forward rate (Baht /US Dollar)                                     | 34.04 - 36.50        | 32.95 - 35.84    | 34.04 - 36.50        | 32.95 - 35.84    |
| <b>Forward exchange contracts (for highly probable forecast purchases)</b> |                      |                  |                      |                  |
| Notional amount (Million US Dollar)  | 0.6                  | 0.3              | -                    | -                |
| Average forward rate (Baht /US Dollar)                                     | 33.68 - 34.65        | 33.32            | -                    | -                |

## Hedge effectiveness testing of derivatives are designated as hedging instruments in cash flow hedges

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The impact of the hedging instruments on the statement of financial position as at 31 December 2023 and 2022 and the effect of the cash flow hedges in the statement of comprehensive income for the year ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

| Consolidated financial statements |                            |      |                            |      |         |       |
|-----------------------------------|----------------------------|------|----------------------------|------|---------|-------|
|                                   | Other comprehensive income |      | Profit or loss             |      |         |       |
|                                   |                            |      | (Included in sales income) |      |         |       |
|                                   |                            |      | Amount of cash flow hedge  |      |         |       |
|                                   | Effectiveness              |      | Ineffectiveness            |      | reserve |       |
|                                   | 2023                       | 2022 | 2023                       | 2022 | 2023    | 2022  |
| Forward exchange contracts        | 286                        | 59   | -                          | -    | (94)    | (233) |

(Unit: Million Baht)

| Separate financial statements |                            |      |                            |      |         |       |
|-------------------------------|----------------------------|------|----------------------------|------|---------|-------|
|                               | Other comprehensive income |      | Profit or loss             |      |         |       |
|                               |                            |      | (Included in sales income) |      |         |       |
|                               |                            |      | Amount of cash flow hedge  |      |         |       |
|                               | Effectiveness              |      | Ineffectiveness            |      | reserve |       |
|                               | 2023                       | 2022 | 2023                       | 2022 | 2023    | 2022  |
| Forward exchange contracts    | 287                        | 60   | -                          | -    | (94)    | (234) |

## **37.2 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, sugar cane plantation receivables, amounts due from the Office of the Cane and Sugar Fund, short-term loans to related parties, short-term loans from banks, short-term loans from related parties, trade and other payables, amounts due to the Office of the Cane and Sugar Fund, long-term loans from banks, and lease liabilities. 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, sugar cane plantation receivables, and loans to. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

### ***Trade receivables and sugar cane plantation receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and sugar cane plantation receivables are regularly monitored. Most planters have provided assets as collateral. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables and other receivable are written-off by the Group's policy to determine the appropriateness.

### **Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of short-term and long-term loans from banks, short-term loans from related parties and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt. The Group has access to a sufficient variety of sources of funding.



The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows, and included interest payment:

(Unit: Million Baht)

|  | Consolidated financial statements |                  |              |                   |               |
|--|-----------------------------------|------------------|--------------|-------------------|---------------|
|  | As at 31 December 2023            |                  |              |                   |               |
|  | On demand                         | Less than 1 year | 1 - 5 years  | More than 5 years | Total         |
| <b>Non-derivatives</b>   |                                   |                  |              |                   |               |
| Short-term loans from banks  | 50                                | 975              | -            | -                 | 1,025         |
| Short-term loans from related parties  | -                                 | 26               | -            | -                 | 26            |
| Trade and other payables   | -                                 | 1,471            | -            | -                 | 1,471         |
| Amounts due to the Office of the Cane and Sugar Fund                                   | -                                 | 109              | -            | -                 | 109           |
| Lease liabilities  | -                                 | 81               | 195          | -                 | 276           |
| Long-term loans from banks   | -                                 | 589              | 2,051        | 319               | 2,959         |
| Liability under Revenue Transfers Agreement related to electricity business operations | -                                 | 281              | 1,112        | 3,065             | 4,458         |
| <b>Total non-derivatives</b>   | <b>50</b>                         | <b>3,532</b>     | <b>3,358</b> | <b>3,384</b>      | <b>10,324</b> |
| <b>Derivatives</b>   |                                   |                  |              |                   |               |
| Derivative liabilities: net settled  |                                   |                  |              |                   |               |
| Sugar swap contracts (Commodities swap)  | -                                 | 64               | -            | -                 | 64            |
| Forward exchange contracts   | -                                 | -                | -            | -                 | -             |
| <b>Total derivatives</b>   | <b>-</b>                          | <b>64</b>        | <b>-</b>     | <b>-</b>          | <b>64</b>     |

(Unit: Million Baht)

| Consolidated financial statements  |           |                  |             |                   |        |
|--|-----------|------------------|-------------|-------------------|--------|
| As at 31 December 2022   |           |                  |             |                   |        |
|  | On demand | Less than 1 year | 1 - 5 years | More than 5 years | Total  |
| <b>Non-derivatives</b>   |           |                  |             |                   |        |
| Short-term loans from banks  | -         | 799              | -           | -                 | 799    |
| Short-term loans from related parties  | -         | 26               | -           | -                 | 26     |
| Trade and other payables   | -         | 1,852            | -           | -                 | 1,852  |
| Amounts due to the Office of the Cane and Sugar Fund                                   | -         | 61               | -           | -                 | 61     |
| Lease liabilities  | -         | 108              | 330         | 17                | 455    |
| Long-term loans from banks   | -         | 502              | 1,605       | 929               | 3,036  |
| Liability under Revenue Transfers Agreement related to electricity business operations | -         | 280              | 1,112       | 3,551             | 4,943  |
| <b>Total non-derivatives</b>   | -         | 3,628            | 3,047       | 4,497             | 11,172 |
| <b>Derivatives</b>   |           |                  |             |                   |        |
| Derivative liabilities: net settled  |           |                  |             |                   |        |
| Sugar swap contracts (Commodities swap)  | -         | 48               | -           | -                 | 48     |
| Forward exchange contracts   | -         | 18               | -           | -                 | 18     |
| <b>Total derivatives</b>   | -         | 66               | -           | -                 | 66     |

(Unit: Million Baht)

|  | Separate financial statements |                  |              |                   |              |
|--|-------------------------------|------------------|--------------|-------------------|--------------|
|  | As at 31 December 2023        |                  |              |                   |              |
|  | On demand                     | Less than 1 year | 1 - 5 years  | More than 5 years | Total        |
| <b>Non-derivatives</b>                               |                               |                  |              |                   |              |
| Short-term loans from banks                          | 50                            | 975              | -            | -                 | 1,025        |
| Short-term loans from related parties                | 980                           | 26               | -            | -                 | 1,006        |
| Trade and other payables                             | -                             | 1,644            | -            | -                 | 1,644        |
| Amounts due to the Office of the Cane and Sugar Fund | -                             | 109              | -            | -                 | 109          |
| Lease liabilities                                    | -                             | 77               | 189          | -                 | 266          |
| Long-term loans from banks                           | -                             | 498              | 1,566        | 193               | 2,257        |
| <b>Total non-derivatives</b>                         | <b>1,030</b>                  | <b>3,329</b>     | <b>1,755</b> | <b>193</b>        | <b>6,307</b> |
| <b>Derivatives</b>                                   |                               |                  |              |                   |              |
| Derivative liabilities: net settled                  |                               |                  |              |                   |              |
| Sugar swap contracts (Commodities swap)              | -                             | 64               | -            | -                 | 64           |
| Forward exchange contracts                           | -                             | -                | -            | -                 | -            |
| <b>Total derivatives</b>                             | <b>-</b>                      | <b>64</b>        | <b>-</b>     | <b>-</b>          | <b>64</b>    |

(Unit: Million Baht)

|                                       | Separate financial statements |                  |              |                   |              |
|---------------------------------------|-------------------------------|------------------|--------------|-------------------|--------------|
|                                       | As at 31 December 2022        |                  |              |                   |              |
|                                       | On demand                     | Less than 1 year | 1 - 5 years  | More than 5 years | Total        |
| <b>Non-derivatives</b>                |                               |                  |              |                   |              |
| Short-term loans from banks           | -                             | 799              | -            | -                 | 799          |
| Short-term loans from related parties | 1,020                         | 26               | -            | -                 | 1,046        |
| Trade and other payables              | -                             | 1,803            | -            | -                 | 1,803        |
| Amounts due to the Office of the      |                               |                  |              |                   |              |
| Cane and Sugar Fund                   | -                             | 61               | -            | -                 | 61           |
| Lease liabilities                     | -                             | 107              | 329          | 17                | 453          |
| Long-term loans from banks            | -                             | 429              | 1,081        | 807               | 2,317        |
| <b>Total non-derivatives</b>          | <b>1,020</b>                  | <b>3,225</b>     | <b>1,410</b> | <b>824</b>        | <b>6,479</b> |
| <b>Derivatives</b>                    |                               |                  |              |                   |              |
| Derivative liabilities: net settled   |                               |                  |              |                   |              |
| Sugar swap contracts                  |                               |                  |              |                   |              |
| (Commodities swap)                    | -                             | 48               | -            | -                 | 48           |
| Forward exchange contracts            | -                             | 18               | -            | -                 | 18           |
| <b>Total derivatives</b>              | <b>-</b>                      | <b>66</b>        | <b>-</b>     | <b>-</b>          | <b>66</b>    |

**Market risk**

There are three types of market risk comprising currency risk, interest rate risk, and sugar price risk. The Group enters into a variety of derivatives to manage their risk exposure, including:

- Forward exchange contracts to hedge the foreign currency risk arising on the export of goods and purchase of equipment;
- Interest rate swaps contracts to mitigate the risk of rising interest rates for long-term loans from banks;
- Sugar swap contracts to manage the risks from gross profit fluctuation

***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its export of goods and purchase of equipment that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. General, the forward contracts mature within one year.

The Company appointed a related company as its representative for the purpose of concluding forward exchange contracts, with power of attorney. The Company agrees to accept liability for any losses.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 December 2023 and 2022, the Group hedged its expected foreign currency sales and purchases. Those hedged sales and purchases were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The Group had the following foreign currency financial assets and liabilities.

| Consolidated financial statements |                  |           |                       |           |                                    |               |
|-----------------------------------|------------------|-----------|-----------------------|-----------|------------------------------------|---------------|
| Foreign currency                  | Financial assets |           | Financial liabilities |           | Average exchange rate              |               |
|                                   | 2023             | 2022      | 2023                  | 2022      | 2023                               | 2022          |
|                                   | (Million)        | (Million) | (Million)             | (Million) | (Baht per 1 foreign currency unit) |               |
| US Dollar                         | 8.0              | 1.2       | -                     | 0.2       | 34.06                              | 34.39 - 34.73 |
| Separate financial statements     |                  |           |                       |           |                                    |               |
| Foreign currency                  | Financial assets |           | Financial liabilities |           | Average exchange rate              |               |
|                                   | 2023             | 2022      | 2023                  | 2022      | 2023                               | 2022          |
|                                   | (Million)        | (Million) | (Million)             | (Million) | (Baht per 1 foreign currency unit) |               |
| US Dollar                         | 8.0              | 1.2       | -                     | -         | 34.06                              | 34.39         |

#### *Foreign currency sensitivity*

The Group has no significant impact on the Group's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022, as from a reasonably possible change in exchange rates within next one year, with all other variables held constant.

#### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its deposits at banks, short-term and long-term loans from banks. 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 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rates 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 Baht)

| Consolidated financial statements  |                |                           |                          |              |                           |         |
|--|----------------|---------------------------|--------------------------|--------------|---------------------------|---------|
| As at 31 December 2023   |                |                           |                          |              |                           |         |
| Fixed interest rates   |                | Floating<br>interest rate | Non- interest<br>bearing | Total        | Interest rate<br>(% p.a.) |         |
| Within<br>1 year   | 1 - 7<br>years |                           |                          |              |                           |         |
|  |                |                           |                          |              |                           |         |
| <u>Financial assets</u>  |                |                           |                          |              |                           |         |
| Cash and cash equivalents  | -              | -                         | 189                      | 1            | 190                       | Note 8  |
| Trade and other receivables  | -              | -                         | -                        | 650          | 650                       | Note 9  |
| Sugar cane plantation receivables  | 780            | 140                       | -                        | -            | 920                       | Note 10 |
| Other non-current assets   | -              | 48                        | -                        | -            | 48                        | 5%      |
|  | <u>780</u>     | <u>188</u>                | <u>189</u>               | <u>651</u>   | <u>1,808</u>              |         |
| <u>Financial liabilities</u>   |                |                           |                          |              |                           |         |
| Short-term loans from banks  | 1,021          | -                         | -                        | -            | 1,021                     | Note 18 |
| Short-term loans from related parties  | 25             | -                         | -                        | -            | 25                        | Note 7  |
| Trade and other payables   | -              | -                         | -                        | 1,471        | 1,471                     | Note 19 |
| Amounts due to the Office of the<br>Cane and Sugar fund                                      | -              | -                         | -                        | 109          | 109                       | -       |
| Lease liabilities  | 66             | 172                       | -                        | -            | 238                       | Note 20 |
| Long-term loans from banks   | 478            | 2,129                     | 47                       | -            | 2,654                     | Note 21 |
| Liability under Revenue Transfers<br>Agreement related to electricity<br>business operations | 79             | 2,386                     | -                        | -            | 2,465                     | Note 22 |
|  | <u>1,669</u>   | <u>4,687</u>              | <u>47</u>                | <u>1,580</u> | <u>7,983</u>              |         |

(Unit: Million Baht)

| Consolidated financial statements |                |                           |                          |       |                           |         |
|-----------------------------------|----------------|---------------------------|--------------------------|-------|---------------------------|---------|
| As at 31 December 2022            |                |                           |                          |       |                           |         |
| Fixed interest rates              |                | Floating<br>interest rate | Non- interest<br>bearing | Total | Interest rate<br>(% p.a.) |         |
| Within<br>1 year                  | 1 - 7<br>years |                           |                          |       |                           |         |
|                                   |                |                           |                          |       |                           |         |
| <u>Financial assets</u>           |                |                           |                          |       |                           |         |
| Cash and cash equivalents         | -              | -                         | 82                       | 1     | 83                        | Note 8  |
| Trade and other receivables       | 11             | -                         | -                        | 600   | 611                       | Note 9  |
| Sugar cane plantation receivables | 474            | 81                        | -                        | -     | 555                       | Note 10 |
| Other non-current assets          | -              | 96                        | -                        | -     | 96                        | 5%      |
|                                   | 485            | 177                       | 82                       | 601   | 1,345                     |         |

(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2022

|  | Fixed interest rates |                | Floating<br>interest rate | Non- interest<br>bearing | Total        | Interest rate<br>(% p.a.) |
|--|----------------------|----------------|---------------------------|--------------------------|--------------|---------------------------|
|  | Within<br>1 year     | 1 - 7<br>years |                           |                          |              |                           |
| <u>Financial liabilities</u>   |                      |                |                           |                          |              |                           |
| Short-term loans from banks  | 774                  | -              | -                         | -                        | 774          | Note 18                   |
| Short-term loans from related parties  | 25                   | -              | -                         | -                        | 25           | Note 7                    |
| Trade and other payables   | -                    | -              | -                         | 1,852                    | 1,852        | Note 19                   |
| Amounts due to the Office of the<br>Cane and Sugar fund                                      | -                    | -              | -                         | 61                       | 61           | -                         |
| Lease liabilities  | 83                   | 220            | -                         | -                        | 303          | Note 20                   |
| Long-term loans from banks   | 458                  | 2,376          | 69                        | -                        | 2,903        | Note 21                   |
| Liability under Revenue Transfers<br>Agreement related to electricity<br>business operations | 72                   | 2,465          | -                         | -                        | 2,537        | Note 22                   |
|  | <u>1,412</u>         | <u>5,061</u>   | <u>69</u>                 | <u>1,913</u>             | <u>8,455</u> |                           |

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2023

|   | Fixed interest rates |                | Floating<br>interest rate | Non- interest<br>bearing | Total        | Interest rate<br>(% p.a.) |
|---|----------------------|----------------|---------------------------|--------------------------|--------------|---------------------------|
|   | Within<br>1 year     | 1 - 7<br>years |                           |                          |              |                           |
| <u>Financial assets</u>                                 |                      |                |                           |                          |              |                           |
| Cash and cash equivalents                               | -                    | -              | 165                       | 1                        | 166          | Note 8                    |
| Trade and other receivables                             | -                    | -              | -                         | 791                      | 791          | Note 9                    |
| Sugar cane plantation receivables                       | 780                  | 140            | -                         | -                        | 920          | Note 10                   |
| Short-term loans to related parties                     | 8                    | -              | -                         | -                        | 8            | Note 7                    |
| Other non-current assets                                | -                    | 48             | -                         | -                        | 48           | 5%                        |
|   | <u>788</u>           | <u>188</u>     | <u>165</u>                | <u>792</u>               | <u>1,933</u> |                           |
| <u>Financial liabilities</u>                            |                      |                |                           |                          |              |                           |
| Short-term loans from banks                             | 1,021                | -              | -                         | -                        | 1,021        | Note 18                   |
| Short-term loans from related parties                   | 1,136                | -              | -                         | -                        | 1,136        | Note 7                    |
| Trade and other payables                                | -                    | -              | -                         | 1,644                    | 1,644        | Note 19                   |
| Amounts due to the Office of the<br>Cane and Sugar fund | -                    | -              | -                         | 109                      | 109          | -                         |
| Lease liabilities                                       | 63                   | 166            | -                         | -                        | 229          | Note 20                   |
| Long-term loans from banks                              | 408                  | 1,576          | 47                        | -                        | 2,031        | Note 21                   |
|   | <u>2,628</u>         | <u>1,742</u>   | <u>47</u>                 | <u>1,753</u>             | <u>6,170</u> |                           |

(Unit: Million Baht)

| Separate financial statements         |                      |                |                           |                          |       |                           |
|---------------------------------------|----------------------|----------------|---------------------------|--------------------------|-------|---------------------------|
| As at 31 December 2022                |                      |                |                           |                          |       |                           |
|                                       | Fixed interest rates |                |                           |                          |       |                           |
|                                       | Within<br>1 year     | 1 - 7<br>years | Floating<br>interest rate | Non- interest<br>bearing | Total | Interest rate<br>(% p.a.) |
| <u>Financial assets</u>               |                      |                |                           |                          |       |                           |
| Cash and cash equivalents             | -                    | -              | 58                        | 1                        | 59    | Note 8                    |
| Trade and other receivables           | 11                   | -              | -                         | 473                      | 484   | Note 9                    |
| Sugar cane plantation receivables     | 474                  | 81             | -                         | -                        | 555   | Note 10                   |
| Short-term loans to related parties   | 13                   | -              | -                         | -                        | 13    | Note 7                    |
| Other non-current assets              | -                    | 96             | -                         | -                        | 96    | 5%                        |
|                                       | 498                  | 177            | 58                        | 474                      | 1,207 |                           |
| <u>Financial liabilities</u>          |                      |                |                           |                          |       |                           |
| Short-term loans from banks           | 774                  | -              | -                         | -                        | 774   | Note 18                   |
| Short-term loans from related parties | 1,102                | -              | -                         | -                        | 1,102 | Note 7                    |
| Trade and other payables              | -                    | -              | -                         | 1,803                    | 1,803 | Note 19                   |
| Amounts due to the Office of the      |                      |                |                           |                          |       |                           |
| Cane and Sugar fund                   | -                    | -              | -                         | 61                       | 61    | -                         |
| Lease liabilities                     | 81                   | 214            | -                         | -                        | 295   | Note 20                   |
| Long-term loans from banks            | 388                  | 1,753          | 69                        | -                        | 2,210 | Note 21                   |
|                                       | 2,345                | 1,967          | 69                        | 1,864                    | 6,245 |                           |

**Interest rate sensitivity**

The Group has no significant impact on the Group's profit before tax and equity is due to changes in the fair value of monetary assets and liabilities to a reasonably possible change in floating interest rate as at 31 December 2023 and 2022, as from a reasonably possible change in interest rate in next one year, with all other variables held constant

**Sugar and sugarcane price fluctuation risk**

The net income of the cane and sugar system is calculated based on the overall income from the domestic and export sugar distribution. The final revenue is in accordance with the Office of Cane and Sugar Board's announcement for the preparation of revenue projections, determination and payment of sugar cane price, sugar production costs and the ratio of returns between sugarcane plantations and factories B.E. 2562.

The selling price of export sugar and the exchange rate of the actual sales made by TCSC have substantial impact on the cane price, which is the major cost of the sugar production. To manage risk on the fluctuation of gross profit, the Company has hedged the risk by entering into sugar swap contracts (commodities swap) for the period of 1 - 2 years. Gain or loss is recognised in the statement of income when the contracts are settled or expired.

### 37.3 Fair values of financial instruments

Since the majority of the financial instruments of the Group are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position, except items as follow which have the estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position.

(Unit: Thousand Baht)

|  | As at 31 December 2023            |            |                               |            |
|--|-----------------------------------|------------|-------------------------------|------------|
|  | Consolidated financial statements |            | Separate financial statements |            |
|  | Carrying                          |            | Carrying                      |            |
|  | amount                            | Fair value | amount                        | Fair value |
| <b>Financial liabilities</b>   |                                   |            |                               |            |
| Long-term loans from banks   | 2,654,403                         | 2,529,456  | 2,031,137                     | 1,940,321  |
| Liability under Revenue Transfers Agreement related to electricity business operations | 2,464,965                         | 2,902,410  | -                             | -          |

(Unit: Thousand Baht)

|  | As at 31 December 2022            |            |                               |            |
|--|-----------------------------------|------------|-------------------------------|------------|
|  | Consolidated financial statements |            | Separate financial statements |            |
|  | Carrying                          |            | Carrying                      |            |
|  | amount                            | Fair value | amount                        | Fair value |
| <b>Financial liabilities</b>   |                                   |            |                               |            |
| Long-term loans from banks   | 2,903,156                         | 2,754,987  | 2,210,122                     | 2,105,828  |
| Liability under Revenue Transfers Agreement related to electricity business operations | 2,536,607                         | 2,963,930  | -                             | -          |



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 to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) The fair value of fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- d) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- e) The fair value of derivatives has been determined 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 considers counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

#### **37.4 Reconciliation of recurring fair value measurements of assets, categorised within Level 3 of the fair value hierarchy**

|  | (Unit: Thousand Baht)            |
|--|----------------------------------|
|  | Consolidated / Separate          |
|  | financial statements             |
|  | Investments in non-listed equity |
|  | instruments                      |
| Balance as of 1 January 2022               | 20,543                           |
| Gain (loss) recognised into profit or loss | -                                |
| Balance as of 31 December 2022             | 20,543                           |
| Gain recognised into profit or loss        | 111                              |
| Balance as of 31 December 2023             | 20,654                           |

Key assumptions used in the valuation are summarised below.

| Financial instruments                                 | Valuation technique | Significant unobservable inputs                     |  | Sensitivity of the input to fair value |
|---|---------------------|---|--|--|
|   |                     |   | Rates  |  |
| Long-term investments in non-listed equity securities | Adjusted book value | Forecast profit for the year ended 31 December 2023 | Closed to profit for the year ended 31 December 2022 | No significant impact                  |

### 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 31 December 2023, the Group's debt-to-equity ratio was 1.98:1 (2022: 2.49:1) and the Company's was 1.69:1 (2022: 1.94:1).

### 39. Event after the reporting period

On 19 February 2024, the meeting of Executive Committee of Khonburi Power Plant Co., Ltd. (the subsidiary) passed the resolution to propose to the Annual General Meeting of the shareholders for approval for dividend payment from the profit of the year ended 31 December 2023, to be paid at a rate of Baht 2.1 per share or a total of Baht 105 million. Such dividend will be paid and recorded after being approved by the Annual General Meeting of that subsidiary's shareholders.

On 26 February 2024, the meeting of the Company's Board of Directors passed the resolution to propose to the Annual General Meeting of the Company's shareholders for approval for dividend payment from the profit of the year ended 31 December 2023, to be paid at a rate of Baht 0.55 per share or a total of Baht 330 million. Such dividend will be paid and recorded after being approved by the Annual General Meeting of the Company's shareholders.

### 40. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 26 February 2024.