

REVIEW INTERIM REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and Board of Directors of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and the separate balance sheets as at January 31, 2008, the related consolidated and the separate statements of income, changes in shareholders' equity and cash flows for the three-month periods ended on January 31, 2008 and 2007 of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my review.

I conducted my review in accordance with the auditing standards applicable to review engagements. These standards require that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards, and accordingly, I do not express an opinion on the reviewed financial statements.

Based on my review, nothing has come to my attention that causes me to believe that the financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I used to audit the consolidated and the separate financial statements for the year ended on October 31, 2007 of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only, in accordance with generally accepted auditing standards and gave an unqualified opinion together with providing additional explanatory paragraph to emphasize the information regarding the change in the policy for recording of investments in subsidiary and associated companies from the equity method to the cost method commencing from the accounting year of 2007, and the change in the policy for recording the land not used in operation from the original cost recording at cost and shown at the fair value when the land is evaluated to recording at cost in the consolidated and the separate financial statements, as reported thereon dated on December 21, 2007. The consolidated and the separate balance sheets as at October 31, 2007, presented herein for comparison, are an integral part of the financial statements which I audited and reported thereon. I have not used any other auditing procedures subsequent to the date in the report.

I would like to draw your attention to the notes to the financial statements no. 4, the Company has retro-adjusted the consolidated and the separate statements of income, change in the shareholder's equity and cash flow for the three-month period ended on January 31, 2007 to be consistent with the change in the policy for recording of investments in subsidiary and associated companies from the equity method to the cost method and for recording the land not used in operation from the original cost recording at cost and shown at the fair value when the land is evaluated to recording at cost, which the same principle has been applied in the preparation of the consolidated and the separate financial statements for the year ended on October 31, 2007.

SAM NAK-NGAN A.M.C. CO., LTD.

(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand), Registration No. 4664

Bangkok,

March 12, 2008

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at January 31, 2008 and October 31, 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
	Unaudited	Audited	Unaudited	Audited
	Limited Review Only		Limited Review Only	
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Deposits at Financial Institutions	889,345	290,496	98,481	32,268
Short-Term Investments	15,808	2,978	-	-
Trade Accounts and Notes Receivable - Net (Note 6)	517,328	430,918	100,871	137,098
Trade Accounts and Notes Receivable - Subsidiary and Related Companies (Notes 5.1 and 7)	1,046	1,795	9,316	9
Farmer Accounts Receivable - Net (Note 8)	144,141	28,782	-	-
Short-Term Loans due from Subsidiary and Related Companies (Note 5.1)	66,501	95,581	82,600	47,600
Short-Term Loans due from Farmers (Note 9)	434,993	398,700	221,207	85,953
Inventories - Net	2,594,563	1,540,311	1,297,801	819,011
Real Estate Development Cost	44,529	43,605	-	-
Machine Maintenance Supplies	253,805	218,958	89,974	99,987
Other Accounts Receivable-Cane Value and Compensation for Production and Distribution of Sugar (Note 10)	818,281	818,281	440,676	440,676
Advance for Cane Purchase (Note 11)	85,306	-	40,946	-
Share Subscriptions Receivable-Subsidiary Company's Shareholders	111,883	-	-	-
Accrued Dividend Receivable from Subsidiary Company (Note 5.1)	-	-	-	143,900
Other Current Assets	89,850	142,278	53,482	51,482
TOTAL CURRENT ASSETS	6,067,379	4,012,683	2,435,354	1,857,984
NON-CURRENT ASSETS				
Investments in Subsidiary and Associated Companies - Net (Note 12)	50,898	49,676	3,105,229	2,459,328
Other Long-Term Investments - Net (Note 13)	94,626	81,822	64,001	54,115
Deferred Cane Plantation Cost - Net (Note 14)	189,420	156,249	17,440	22,745
Property, Plant and Equipment - Net (Note 15)	9,676,122	9,479,375	2,988,676	2,972,792
Land not used in Operation - Net	134,867	134,867	98,282	98,282
Loans for Cane Plantation Development - Net (Note 16)	137,983	129,490	-	-
Obligated Fixed Deposits	7,977	7,539	5,577	5,339
Other Non - Current Assets	6,014	5,570	151	151
TOTAL NON - CURRENT ASSETS	10,297,907	10,044,588	6,279,356	5,612,752
TOTAL ASSETS	16,365,286	14,057,271	8,714,710	7,470,736

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at January 31, 2008 and October 31, 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
	Unaudited	Audited	Unaudited	Audited
	Limited Review Only		Limited Review Only	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
CURRENT LIABILITIES				
Bank Overdrafts and Short-Term Loans due to				
Financial Institutions	(Note 17)	290,286	647,221	593
Other Short-Term Loans - Net	(Note 18)	992,708	1,525,469	992,708
Trade Accounts and Notes Payable	(Note 19)	1,413,926	236,707	673,665
Trade Accounts and Notes Payable-Subsidiary				
and Related Companies	(Note 5.1)	469	86	121,396
Current Portion of Long-Term Loans	(Note 2.2)	168,000	203,500	88,000
Short-Term Loans due to Subsidiary Companies	(Note 5.1)	-	-	-
Accrued Corporate Income Tax		229,594	154,953	11,151
Advance Received from Customers for Goods		109,812	71,521	9,270
Accrued Stabilization Function Payment	(Note 20)	101,434	94,656	49,357
Accrued Manufacturing Expenses		263,476	-	104,690
Other Accrued Expenses		128,809	70,536	48,454
Other Accounts Payable		174,650	170,521	51,565
Other Current Liabilities		67,179	70,763	7,450
TOTAL CURRENT LIABILITIES		3,940,343	3,245,933	2,158,299
NON-CURRENT LIABILITIES				
Debentures-Net	(Note 21)	1,495,266	-	1,495,266
Long-Term Loans-net from Current Portion	(Note 22)	858,054	1,115,554	-
Other Non-Current Liabilities		25,244	27,591	10,591
TOTAL NON-CURRENT LIABILITIES		2,378,564	1,143,145	1,505,857
TOTAL LIABILITIES		6,318,907	4,389,078	3,664,156

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at January 31, 2008 and October 31, 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
	Unaudited	Audited	Unaudited	Audited
	Limited Review Only		Limited Review Only	
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital :				
1,600,000,000 Ordinary Shares @ Baht 1.00 Par	1,600,000	1,600,000	1,600,000	1,600,000
Issued and Paid-Up Share Capital				
1,550,000,000 Ordinary Shares @ Baht 1.00 Par	1,550,000	1,550,000	1,550,000	1,550,000
Premium on Share Capital	1,554,617	1,554,617	1,554,617	1,554,617
Revaluation Surplus on Assets-Parent Company	1,378,887	1,403,784	1,378,887	1,403,785
Revaluation Surplus on Assets-Subsidiary Companies	139,205	140,273	-	-
Surplus from Internal Restructure of Entities under Common Control (Note 23)	2,001,171	2,049,173	-	-
Surplus from Change in Shareholding Ratio in Subsidiary Companies	19,747	12,277	-	-
Unrealized Gain on Available for Sale Securities	2,538	3,253	3,202	3,750
Accumulated Result of Foreign Currency Translation Adjustment	699	(5,084)	-	-
Retained Earnings (Note 24)				
Appropriated				
Legal Reserve	144,120	144,120	144,120	144,120
Unappropriated	1,567,700	1,394,132	419,728	394,905
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY	8,358,684	8,246,545	5,050,554	5,051,177
Minority Shareholders' Equity	1,687,695	1,421,648	-	-
TOTAL SHAREHOLDERS' EQUITY	10,046,379	9,668,193	5,050,554	5,051,177
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,365,286	14,057,271	8,714,710	7,470,736

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

INCOME STATEMENTS

For the three-month periods ended on January 31, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
		(Restated)		(Restated)
REVENUES FROM OPERATION				
Sales and Services	2,165,955	1,736,816	1,159,787	847,463
Revenue from Sales of Fuel Oil	103,080	76,971	43,645	33,367
Other Income	102,497	82,851	43,835	49,785
Participating Profit from Investments under Equity Method	1,222	-	-	-
TOTAL REVENUES	2,372,754	1,896,638	1,247,267	930,615
EXPENSES FROM OPERATION				
Cost of Sales and Services	1,695,304	1,275,868	1,028,388	697,804
Cost of Sales of of Fuel Oil	101,056	74,615	42,766	32,219
Selling and Administrative Expenses	275,341	238,745	113,160	110,613
Directors' Remuneration	4,342	4,174	3,252	3,246
Participating Loss from Investments under Equity Method	-	1,493	-	-
TOTAL EXPENSES	2,076,043	1,594,895	1,187,566	843,882
PROFIT BEFORE INTEREST EXPENSES AND				
CORPORATE INCOME TAX	296,711	301,743	59,701	86,733
INTEREST EXPENSES	(41,072)	(27,854)	(24,955)	(16,301)
CORPORATE INCOME TAX	(76,859)	(73,221)	(9,923)	(20,789)
PROFIT AFTER INTEREST EXPENSES AND CORPORATE INCOME TAX	178,780	200,668	24,823	49,643
LESS NET PROFIT OF SUBSIDIARY COMPANIES BELONGING TO				
PARENT COMPANY BEFORE SHARE ACQUISITION	(251)	-	-	-
LESS MINORITY SHAREHOLDERS' NET PROFIT	(4,961)	(8,618)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	173,568	192,050	24,823	49,643
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.11	0.12	0.02	0.03
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARES)	1,550,000	1,550,000	1,550,000	1,550,000

**Unaudited
Limited Review Only**

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month periods ended on January 31, 2008 and 2007

Consolidated Financial Statements

(Unit : Thousand Baht)

	Issued and Paid-up Shares Capital	Premium on Share Capital	Revaluation Surplus on Assets- Parent Company	Revaluation Surplus on Assets- Subsidiary Companies	Surplus from Internal Restructure of Entities under Common Control	Surplus from Changes in Shareholding Ratio in Subsidiary Companies	Unrealized Gain (Loss) on Available- for-Sale Securities	Accumulated Result of Foreign Currency Translation Adjustment	Retained Earnings		Minority Shareholders' Equity	TOTAL
									Appropriated Legal Reserve	Unappropriated		
Balance as at October 31, 2007	1,550,000	1,554,617	1,403,784	140,273	2,049,173	12,277	3,253	(5,084)	144,120	1,394,132	1,421,648	9,668,193
Foreign Currency translation Adjustment	-	-	-	-	-	-	-	5,783	-	-	(949)	4,834
Unrealized Loss on Available-for-Sale Securities	-	-	-	-	-	-	(715)	-	-	-	(531)	(1,246)
Increase Revaluation Surplus on Assets	-	-	-	286	-	-	-	-	-	-	-	286
Depreciation and written off - Revaluation Surplus on Assets	-	-	(24,897)	(1,354)	(48,002)	-	-	-	-	-	(8,094)	(82,347)
Increase in Surplus from Changes in Shareholding Ratio in Subsidiary Companies	-	-	-	-	-	7,470	-	-	-	-	(7,470)	-
Unrealized Transaction in Income Statements	1,550,000	1,554,617	1,378,887	139,205	2,001,171	19,747	2,538	699	144,120	1,394,132	1,404,604	9,589,720
Net Profit for the Period	-	-	-	-	-	-	-	-	-	173,568	5,212	178,780
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	-	-	277,879	277,879
Balance as at January 31, 2008	1,550,000	1,554,617	1,378,887	139,205	2,001,171	19,747	2,538	699	144,120	1,567,700	1,687,695	10,046,379
			(Restated)		(Restated)					(Restated)	(Restated)	
Balance as at October 31, 2006	1,550,000	1,554,617	964,672	144,592	1,123,933	16,470	2,249	1,555	121,120	934,896	1,104,084	7,518,188
Accumulated Result from Change in Accounting Policy												
Investments in Subsidiary Company of Associated Company (Note 12)	-	-	-	-	-	-	-	-	-	(12,626)	-	(12,626)
Land not used in Operation (Note 4.2)	-	-	(159,190)	-	(589)	-	-	-	-	-	(64)	(159,843)
Restated balance	1,550,000	1,554,617	805,482	144,592	1,123,344	16,470	2,249	1,555	121,120	922,270	1,104,020	7,345,719
Foreign Currency translation Adjustment	-	-	-	-	-	-	-	38	-	-	9	47
Unrealized Gain (Loss) on Available-for-Sale Securities	-	-	-	-	-	-	(23)	-	-	-	84	61
Depreciation-Revaluation Surplus on Assets	-	-	(14,425)	(1,151)	(31,169)	(27)	-	-	-	-	(6,980)	(53,752)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	791,057	143,441	1,092,175	16,443	2,226	1,593	121,120	922,270	1,097,133	7,292,075
Net Profit for the Period	-	-	-	-	-	-	-	-	-	192,050	8,618	200,668
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	-	-	89,552	89,552
Balance as at January 31, 2007	1,550,000	1,554,617	791,057	143,441	1,092,175	16,443	2,226	1,593	121,120	1,114,320	1,195,303	7,582,295

Unaudited

Limited Review Only

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month periods ended on January 31, 2008 and 2007

Separate Financial Statements

(Unit : Thousand Baht)

	Issued and Paid-up Shares Capital	Premium on Share Capital	Revaluation Surplus on Assets- Parent Company	Revaluation Surplus on Assets- Subsidiary Companies	Unrealized Gain (Loss) on Available- for-Sale Securities	Accumulated Result of Foreign Currency Translation Adjustment	Retained Earnings		TOTAL
							Appropriated Legal Reserve	Unappropriated	
Balance as at October 31, 2007	1,550,000	1,554,617	1,403,785	-	3,750	-	144,120	394,905	5,051,177
Unrealized Loss on Available-for-Sale Securities	-	-	-	-	(548)	-	-	-	(548)
Depreciation-Revaluation Surplus on Assets	-	-	(24,898)	-	-	-	-	-	(24,898)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	1,378,887	-	3,202	-	144,120	394,905	5,025,731
Net Profit for the Period	-	-	-	-	-	-	-	24,823	24,823
Balance as at January 31, 2008	1,550,000	1,554,617	1,378,887	-	3,202	-	144,120	419,728	5,050,554
				(Restated)	(Restated)	(Restated)		(Restated)	
Balance as at October 31, 2006	1,550,000	1,554,617	964,672	144,592	2,249	1,555	121,120	934,896	5,273,701
Accumulated Result from Change in Accounting Policy									
Investments in Subsidiary and Associated Companies (Note 4.1)	-	-	-	(144,592)	839	(1,555)	-	(635,299)	(780,607)
Land not used in Operation (Note 4.2)	-	-	(159,190)	-	-	-	-	-	(159,190)
Restated balance	1,550,000	1,554,617	805,482	-	3,088	-	121,120	299,597	4,333,904
Unrealized Loss on Available-for-Sale Securities	-	-	-	-	(49)	-	-	-	(49)
Depreciation-Revaluation Surplus on Assets	-	-	(14,425)	-	-	-	-	-	(14,425)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	791,057	-	3,039	-	121,120	299,597	4,319,430
Net Profit for the Period	-	-	-	-	-	-	-	49,643	49,643
Balance as at January 31, 2007	1,550,000	1,554,617	791,057	-	3,039	-	121,120	349,240	4,369,073

**Unaudited
Limited Review Only**

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

For the three-month periods ended on January 31, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
		(Restated)		(Restated)
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	173,568	192,050	24,823	49,643
Reconciliation of Net Profit with Cash Received (Payment) from Operating Activities :-				
Doubtful Accounts-Farmer Accounts Receivable,				
Other Accounts Receivable and Advance	1,027	13,649	-	-
Loss from Dilapidated Inventories and Written Down the Value of Inventories-Reversal	(8,539)	-	-	-
Participating (Profit) Loss from Investments under Equity Method	(1,222)	1,493	-	-
Amortization of Premium on Bond	20	23	17	20
Loss from Written Down in Cane Plantation Cost	2,271	4,045	123	-
Depreciation	78,919	69,272	30,330	31,950
(Gain)Loss on Sales of Property, Plant and Equipment	(9,867)	926	(8,089)	(3,670)
Loss from Impairment of Assets-Reversal	(203)	-	-	-
Loss from Impairment Investments in Subsidiary and Associated Companies	-	-	761	22,013
Deferred Expense from Debentures Issuance	285	-	285	-
Unrealized (Gain) Loss on Exchange Rate	273	(442)	32	(583)
Net Profit of Subsidiary Companies belonging to Parent Company before Share Acquisition	251	-	-	-
Minority Shareholders' Net Profit	4,961	8,618	-	-
Profit from Operation before Changes in Operating Assets and Liabilities	241,744	289,634	48,282	99,373
(Increase)Decrease in Trade Accounts and Notes Receivable	(88,317)	(89,986)	36,195	2,554
(Increase)Decrease in Trade Accounts and Notes Receivable-Subsidiary and Related Companies	744	(293)	(9,307)	(144)
(Increase)Decrease in Farmer Accounts Receivable	(114,732)	(30,486)	-	-
(Increase)Decrease in Inventories	(1,045,713)	(1,678,529)	(478,790)	(1,018,121)
(Increase)Decrease in Real Estate Development Cost	(924)	(2,925)	-	-
(Increase)Decrease in Machine Maintenance Supplies	(34,847)	(35,934)	10,013	(3,317)
(Increase)Decrease in Advance for Cane	(85,306)	-	(40,946)	-
(Increase)Decrease in Other Current Assets	23,934	11,619	(2,000)	(42,073)
(Increase)Decrease in Deferred Cane Plantation Cost	(23,616)	10,587	5,854	25,825
(Increase)Decrease in Other Non-Current Assets	(444)	(109)	-	-
Increase(Decrease) in Trade Accounts and Notes Payable	1,258,211	970,517	523,348	476,416
Increase(Decrease) in Trade Accounts and Notes Payable-Subsidiary and Related Companies	383	1,157	74,418	(12,201)
Increase(Decrease) in Accrued Corporate Income Tax	74,641	71,156	9,299	20,217
Increase(Decrease) in Advance Received from Customers for Goods	38,704	45,343	(33,047)	32,847
Increase(Decrease) in Accrued Stabilization Function Payment	6,778	7,066	3,169	3,498
Increase(Decrease) in Accrued Manufacturing Expenses	263,476	138,040	104,690	114,226
Increase(Decrease) in Other Accrued Expenses	58,273	63,006	18,950	35,670
Increase(Decrease) in Other Accounts Payable	(124,017)	(30,356)	(6,554)	(30,527)
Increase(Decrease) in Other Current Liabilities	(3,584)	(8,096)	(3,934)	1,946
Increase(Decrease) in Other Non-Current Liabilities	(2,347)	594	817	130
Net Cash Received (Used) from Operating Activities	443,041	(267,995)	260,457	(293,681)

Unaudited
Limited Review Only

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

For the three-month periods ended on January 31, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
		(Restated)		(Restated)
CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)Decrease in Short-Term Loans due from Subsidiary and Related Companies	29,080	80,551	(35,000)	-
(Increase)Decrease in Short-Term Loans due from Farmers	(36,293)	(89,550)	(135,254)	(79,555)
(Increase)Decrease in Loans for Cane Plantation Development	(8,493)	678	-	-
Cash Purchase of Investments in Subsidiary and Associated Companies	-	-	(646,662)	-
Cash Purchase of Other Long-Term Investments	(3,569)	-	(608)	-
Cash Received from Dividend from Subsidiary Companies	-	-	143,900	-
Purchase of Property, Plant and Equipment	(304,092)	(194,786)	(71,891)	(51,088)
Cash Received from Sale of Property, Plant and Equipment	9,986	3,820	8,196	3,710
Cash Received from Sale of Land not used in Operation	-	450	-	450
(Increase)Decrease in Obligated Fixed Deposits	(438)	1,288	(238)	(154)
Net Cash Used from Investing Activities	(313,819)	(197,549)	(737,557)	(126,637)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase(Decrease) in Bank Overdrafts and Short-Term Loans due to Financial Institutions	(356,935)	(442,591)	(299,407)	(245,000)
Increase(Decrease) in Other Short-Term Loans	(532,761)	494,565	(532,761)	494,565
Increase(Decrease) in Short-Term Loans due to Subsidiary Companies	-	-	(91,500)	33,000
Cash Received from Debentures	1,494,981	-	1,494,981	-
Cash Received from Long-Term Loans	5,000	534,205	-	200,000
Repayment of Long-Term Loans	(298,000)	(35,000)	(28,000)	(35,000)
Increase(Decrease) in Minority Shareholder	165,996	(939)	-	-
Net Cash Received from Financing Activities	478,281	550,240	543,313	447,565
Increase from Accumulated Result of Foreign Currency Translation Adjustment	4,834	47	-	-
Cash and Cash Equivalents Increase - Net	612,337	84,743	66,213	27,247
Cash and Cash Equivalents at the Beginning of the Period	290,496	175,704	32,268	18,972
Cash and Cash Equivalents at the End of the Period	902,833	260,447	98,481	46,219

(Note 25)

Unaudited
Limited Review Only

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

For the three-month periods ended on January 31, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
		(Restated)		(Restated)
Additional Disclosure :				
1. Cash payment during the period				
- Interest Expenses	33,789	23,354	17,175	16,295
- Corporate Income Tax	2,501	2,524	625	572
2. For the three-month period ended on January 31, 2008, the Company and its subsidiary companies had material items not affecting cash flow as follows:-				
- In the consolidated and the separate financial statements, the Company and its subsidiary companies amortize the depreciations of the revaluation surplus on assets at amount of Baht 76.67 million and Baht 21.94 million respectively.				
- In the consolidated and the separate financial statements, the Company and its subsidiary companies wrote off revaluation surplus on asset net from accumulate depreciation at amount of Baht 5.68 million and Baht 2.96 million respectively.				
- In the consolidated and the separate financial statements, the Company and its subsidiary companies recognized unrealized loss on available-for-sale securities amounting to Baht 1.25 million and Baht 0.55 million respectively.				
- In the consolidated and the separate financial statements, the Company and its subsidiary companies transferred land development cost and depreciation charge to be part of deferred cane plantation cost at amounts of Baht 11.83 million and Baht 0.67 million respectively.				
- In the consolidated financial statements, subsidiary companies had liabilities from purchase of assets which remained unpaid at amount of Baht 37.16 million.				
- In the consolidated financial statements, a subsidiary company received debt repayment in the form of assets at Baht 28.22 million				
- In the consolidated financial statements, a subsidiary company had share subscriptions receivable due from minority shareholders, which has not been received, at amount of Baht 111.88 million.				
- In the consolidated and the separate financial statements, the Company had liabilities from other long-term investment at amount of Baht 9.84 million.				
3. For the three-month period ended on January 31, 2008, the Company and its subsidiary companies had material items not affecting cash flow as follows:-				
- In the consolidated financial statements, the surplus from internal restructure of entities under common control at amount of Baht 31.17 million was written-off.				
- In the consolidated and the separate financial statements, the Company and its subsidiary companies made depreciation charge in the revaluation surplus on assets amounting to Baht 50.21 million and Baht 14.42 million respectively.				
- In the consolidated financial statements, subsidiary companies wrote off revaluation surplus of assets net from accumulated depreciation for the amount of Baht 3.54 million.				
- In the consolidated and the separate financial statements, the Company and its subsidiary companies recognized unrealized gain(loss) on available-for-sale securities amounting to Baht (0.06) million and Baht 0.02 million respectively.				
- In the consolidated financial statements, subsidiary companies recorded interest expenses as cost of fixed assets at Baht 5.93 million.				
- In the consolidated financial statements, a subsidiary company had share subscriptions receivable due from minority shareholders, which has not been received, at amount of Baht 90.49 million.				
- In the consolidated and the separate financial statements, the Company and its subsidiary companies transferred depreciation charge to be part of deferred cane plantation cost at amount of Baht 1.49 million and Baht 0.64 million respectively.				
- In the consolidated financial statements, subsidiary companies had liabilities from purchase of assets which remained unpaid at amount of Baht 57.13 million.				
- In the separate financial statements, the Company had share subscription payable, which has not been paid for, at amount of Baht 90.49 million.				
- In the consolidated financial statements, a subsidiary company transferred land to real estate development cost at amount of Baht 14.08 million.				

Unaudited
Limited Review Only

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**NOTES TO FINANCIAL STATEMENTS****January 31, 2008 and 2007 (Unaudited/Limited Review Only)****and October 31, 2007 (Audited)**

1. General Information

The Company was registered as a limited company under the Civil and Commercial Code on October 6, 1976 with the registration number 1163/2519 and was registered as a public company limited on March 18, 2004 with the registration number Bor Mor Jor 0107547000214. Its registered headquarter is located at 503 K.S.L.Tower, 9th Floor, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at 43 Moo 10, Namphong District, Namphong, Khonkaen Province. The Company's main business is to manufacture and distribute sugar and molasses.

2. Basis of Financial Statement Preparation and Accounting Policies

- 2.1 The interim consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principles in Thailand and shown in the condensed format as determined in the accounting standard No. 41 on the subject of "The Interim Financial Statements" and included additional items in the primary financial statements, which cover balance sheet, statement of income changes in shareholders' equity and cash flow in compliance with the format defined in the announcement of the Department of Commercial Registration (B.E. 2544) on the subject of "Determination of Condensed Items" which need to be presented in the financial statements so as to comply with the pronouncement of the Office of the Securities and Exchange of Commission in Thailand and regulation of the Stock Exchange of Thailand.
- 2.2 These interim financial statements have been prepared to provide additional information from the latest presented annual financial statements; therefore the interim financial statements emphasized on providing the information on the new activities, events and situations so the information presented is not redundant with the information already presented. These interim financial statements should be read in conjunction with the latest annual financial statements.
- 2.3 Significant accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended on October 31, 2007.

2.4 The financial statements for the year ended on October 31, 2007, have been reclassified to correspondence with the accounting classification for the present year and have no effect to the reported net profit or shareholders' equity.

3. Basis of Consolidation Financial Statement Preparation

3.1 The interim consolidated financial statements include the financial statements of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and these of its subsidiary companies as follows: -

<u>Company Name</u>	<u>Percentage of Shareholding</u>		<u>Country of Incorporation</u>	<u>Kind of Business</u>
	<u>2008</u>	<u>2007</u>		
Thai Sugar Terminal Public Co., Ltd. and its subsidiary companies	23.82	23.82	Thailand	Sugar transporting service, silo warehouse and property rental and during investment process in wheat flour business
New Krung Thai Sugar Factory Co., Ltd.	91.06	91.06	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Co., Ltd.	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Co., Ltd.	98.61	96.85	Thailand	Manufacture and distribution of sugar and molasses
K.S.L. Real Estate Co., Ltd.	80.31	80.31	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center
K.S.L. Export Trading Co., Ltd.	78.63	78.63	Thailand	Export sugar as exporting agent
KSL Chemical Co., Ltd.	100.00	100.00	Thailand	Importer and distributor of chemicals
Khon Kaen Sugar Power Plant Co., Ltd.	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL. Agro Co., Ltd.	100.00	100.00	Thailand	Agricultural operation
Savannakhet Sugar Corporation	97.00	97.00	Laos	Agricultural operation are during investment process
Koh Kong Plantation Co., Ltd.	50.00	50.00	Cambodia	Agricultural operation, manufacture and distribution of sugar and molasses which are during investment process
Koh Kong Sugar Industry Co., Ltd.	50.00	-	Cambodia	Manufacture and distribution of sugar and molasses are during investment process

Although the Company holds shares in the THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED by only 23.82 percent, the Company participates in the controlling power of the said company. Therefore, it is regarded such company as a subsidiary company in accordance with the definition specified in the accounting standard.

3.2 The accounting periods of subsidiary companies ended on the same date as the parent company (accounting period ended on October 31) except the THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies, SAVANNAKHET SUGAR COPORATION, KOH KONG PLANTATION CO., LTD. and KOH KONG SUGAR INDUSTRY CO., LTD., whose accounting periods ended on December 31.

3.3 The balances between the Company and its subsidiary companies, investments in subsidiary companies and subsidiary companies' shareholders' equity were eliminated from the consolidated financial statements.

4. The Change in the Accounting Policy

4.1 In the fourth quarter of year 2007, the Company changed the policy for recording of investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method with the Federation of Accounting Professions (FAP)'s notification No. 26/2549 dated on October 11, 2006 on Accounting Treatment relating to Thailand Accounting Standard (TAS) No. 44 on Consolidated Financial Statements and Accounting for Investment in Subsidiaries (1st Amendment), the Federation of Accounting Professions (FAP)'s notification No. 9/2550 dated on May 2, 2007 on Accounting Standard. The Company has performed retro-adjustment the comparative financial statements. The Company restated by using original cost as initial cost in investments in subsidiary and associated companies of the separate financial statements. This adjustment caused the net profit in the separate financial statements to differ from that reported in the consolidated financial statements. For the three-month period ended on January 31, 2008 and 2007 in the consolidate financial statements had net profit of Baht 173.57 million and 192.05 million respectively. However, the separate financial statements over the same periods showed net profit of Baht 24.82 million and 49.64 million respectively. Therefore, the Company would like to clarify with the additional information about the effects on the said changed the policy for recording as follows: -

- 1) The effects on the separate statement of income for the three month period ended on January 31, 2007 caused net profit to be decreased by Baht 143.89 million (earning per share is decreased by Baht 0.09 per share). This is because the separate financial statements did not include participating profit from investments under equity method in the amount of Baht 121.88 million and loss from impairment of investments in the amount of Baht 22.01 million.
- 2) The effect on the separate statement of shareholders' equity for the three month period ended on January 31, 2007 resulted in the surplus from the asset revaluation-subsidiary companies decreased by Baht 144.59 million, the unrealized gain from available for sale asset increased by Baht 0.84 million accumulated result of foreign currency translation adjustment decreased by Baht 1.56 million and the beginning balance of retained earnings decreased by Baht 635.30 million and shown in "Accumulated Result from Change in Accounting Policy-Investment in the Subsidiary and Associated Companies".

The said change in the accounting policy has effect to the reflection of the accounting transactions related to the subsidiary and associated companies in the separate financial statements only, there was no effect to the consolidated financial statements and the fundamental business operation of the Company.

4.2 In the fourth quarter of year 2007, the Company and its subsidiary companies the change in the policy for recording the land not used in operation from the original cost recording at cost and shown at the fair value when the land is evaluated to recording at cost to be more suitable and compliance with the accounting standard no. 44 (revised 2550) on the consolidated and separate financial statements, which set for the consolidated financial statements to be prepared by applying the same accounting policy for the same accounting transaction and other event in the similar situation; therefore created effect to the consolidated and separate statements of changes in the shareholders' equity and shown under the "Accumulated Result from Change in Accounting Policy-Land not used in Operation" for the three-month period ended on January 31, 2007 as follows: -

<u>Item</u>	<u>Change</u>	<u>Amount (million Baht)</u>	
		<u>Consolidated</u>	<u>Separate</u>
		<u>financial statements</u>	<u>financial statements</u>
Revolution Surplus from Assets-Parent Companies	decrease	159.19	159.19
Surplus from Internal Restructure of Entities under Common Control	decrease	0.59	-
Minority Shareholders	decrease	0.06	-

5. Inter-Transaction between the Related Parties and Companies

The Company and its subsidiary companies hold accounting transaction items with the related parties and companies by the same shareholders' group and mutual directors. Significant inter-transactions and remaining balances between the Company and its subsidiary companies with related entities and persons could be summarized as follows:-

5.1 Inter-Assets and Liabilities

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>(Unit :Thousand Baht)</u>			
		<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>As at</u>		<u>As at</u>	
		<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
- Trade Accounts and Notes Receivable					
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	-	9
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	9,316	-
Thai Fermentation Industry Co., Ltd.	Related	835	417	-	-
Other Related Companies		211	1,378	-	-
Total		1,046	1,795	9,316	9

(Unit :Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>As at</u>		<u>As at</u>	
		<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
- Other Accounts Receivable					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	-	1,527
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	-	1
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	32	1
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	4,553	664
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	29,832	29,792
Thai Sugar Terminal Public Company Limited	Subsidiary	-	-	-	36
Savannakhet Sugar Corporation	Subsidiary	-	-	46	46
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	745	13
Koh Kong Sugar Industry Co., Ltd.	Subsidiary	-	-	22	-
Chengteh Chinaware (Thailand) Co., Ltd.	Related	2	-	2	-
K. K. Wood Industry Co., Ltd.	Related	1	233	1	233
Total		3	233	35,233	32,313
- Accrued Dividend Received					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	-	94,725
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	-	49,175
Total		-	-	-	143,900
- Cash Advance for Sugar					
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	1,672	818
- Advance					
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	-	1,767
- Trade Accounts and Notes Payable					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	52,711	13,043
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	52,402	19,869
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	954	1,208
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	15,174	12,858
Thai Fermentation Industry Co., Ltd.	Related	413	-	155	-
Other Related Companies		56	86	-	-
Total		469	86	121,396	46,978
- Other Accounts and Note Payable					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	457	2,142
Kerry Siam Seport Co., Ltd.	Related	9,858	616	9,858	616
K.S.L. IT Center Co., Ltd.	Related	536	16	522	16
Thai Fermentation Industry Co., Ltd.	Related	105	19	-	19
KSL Tower Juristic Person office	Related	-	673	-	673
Other Related Companies		9	-	9	-
Total		10,508	1,324	10,846	3,466
- Accrued Expense					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	98	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	1,234	-
Kerry Siam Seport Co., Ltd.	Related	327	297	327	297
K.S.L. IT Center Co., Ltd.	Related	84	-	-	-
KSL Tower Juristic Person office	Related	708	27	708	27
Total		1,119	324	2,367	324

(Unit :Thousand Baht)

		<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>As at</u>		<u>As at</u>	
		<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
- Advance Received from Customers for Goods					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	1,253	20,436
Thai Fermentation Industry Co., Ltd.	Related	51,366	41,083	7,008	3,725
Total		<u>51,366</u>	<u>41,083</u>	<u>8,261</u>	<u>24,161</u>
- Short-Term Loans due from					
Tamaka Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	80,000	394,000
Repaid in the period		-	-	-	(394,000)
Ending balance		<u>-</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary				
Beginning balance		-	-	34,000	-
Increase in the period		-	-	-	284,000
Repaid in the period		-	-	(34,000)	(250,000)
Ending balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>34,000</u>
K.S.L. Real Estate Co., Ltd.	Subsidiary				
Beginning balance		-	-	13,600	13,600
Increase in the period		-	-	-	-
Repaid in the period		-	-	(11,000)	-
Ending balance		<u>-</u>	<u>-</u>	<u>2,600</u>	<u>13,600</u>
Khon Kaen Alcohol Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	148,000
Repaid in the period		-	-	-	(148,000)
Ending balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	22,000
Repaid in the period		-	-	-	(22,000)
Ending balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
KSL Chemical Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	2,000
Repaid in the period		-	-	-	(2,000)
Ending balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prachaup Industry Co., Ltd.	Related				
Beginning balance		95,581	153,167	-	-
Increase in the period		-	717,180	-	-
Repaid in the period		(29,080)	(774,766)	-	-
Ending balance		<u>66,501</u>	<u>95,581</u>	<u>-</u>	<u>-</u>
Total		<u>66,501</u>	<u>95,581</u>	<u>82,600</u>	<u>47,600</u>

As at January 31, 2008 and October 31, 2007, loans due from subsidiary and related companies were loans in the form of promissory notes and payable on demand bearing interest rates at 3.75-6.87% and 4.08-6.87% per annum respectively. The loan due from related company was incurred by a subsidiary company borrowing money in the form of packing credit on behalf of the related company as specified in notes to financial statements No. 17.

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	(Unit : Thousand Baht)			
		<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>As at</u>		<u>As at</u>	
		<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
- Short-Term Loan due to					
Tamaka Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	65,000
Increase in the period		-	-	147,000	160,000
Repayment in the period		-	-	(147,000)	(225,000)
Ending balance		-	-	-	-
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary				
Beginning balance		-	-	43,000	-
Increase in the period		-	-	20,000	211,000
Repayment in the period		-	-	(63,000)	(168,000)
Ending balance		-	-	-	43,000
K.S.L. Export Trading Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	660,000
Repayment in the period		-	-	-	(660,000)
Ending balance		-	-	-	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary				
Beginning balance		-	-	48,500	-
Increase in the period		-	-	37,000	165,500
Repayment in the period		-	-	(85,500)	(117,000)
Ending balance		-	-	-	48,500
TS Transport and Logistics Co., Ltd.	Related				
Beginning balance		-	-	-	-
Increase in the period		-	1,000	-	-
Repayment in the period		-	(1,000)	-	-
Ending balance		-	-	-	-
Total		-	-	-	91,500

As at January 31, 2008 and October 31, 2007, loans due to subsidiary companies are loans repayable at call and carrying interest rates at 2.00-3.50% and 2.75-6.25% per annum respectively.

In the year 2007, loan due to K.S.L. Export Trading Co., Ltd. was in the form of promissory notes repayable on demand and bearing interest rate at 4.00% per annum. This loan was incurred by K.S.L. Export Trading Co., Ltd. borrowing money in the form of packing credit on behalf of the Company which has been fully repaid during the period.

5.2 Inter- Revenues-Expenses and Inter-Sales-Purchase assets .

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements		financial statements	
For the three-month periods ended on January 31,					
		2008	2007	2008	2007
- Sales and Services					
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	9	71
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	9	71
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	9	36
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	46,315	31,049
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	8	8
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	4	-
KSL Chemical Co., Ltd.	Subsidiary	-	-	1	-
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	2	-
Thai Fermentation Industry Co., Ltd.	Related	30,934	24,561	25,991	399
Prachaup Industry Co., Ltd.	Related	206	1,035	-	-
Other Related Companies		29	3	29	67
Total		<u>31,169</u>	<u>25,599</u>	<u>72,377</u>	<u>31,701</u>
- Purchases					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	143,236	155,698
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	142,442	63,021
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	5,904	28,058
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	2,207	552
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	24,965	9,710
Thai Fermentation Industry Co., Ltd.	Related	544	1,255	215	494
Total		<u>544</u>	<u>1,255</u>	<u>318,969</u>	<u>257,533</u>
- Other Incomes					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	4	3
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	3	3
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	17	-
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	8	14
KSL Chemical Co., Ltd.	Subsidiary	-	-	3	3
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	8,925	20,818
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	65,174	1,865
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	680	-
Savannakhet Sugar Corporation	Subsidiary	-	-	134	45
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	1,669	-
Koh Kong Sugar Industry Co., Ltd.	Subsidiary	-	-	206	-
Thai Fermentation Industry Co., Ltd.	Related	90	116	17	25
On Nuj Construction Co., Ltd.	Related	122	122	122	122
Chengteh Chinaware (Thailand) Co., Ltd.	Related	371	360	365	360
K. K. Wood Industry Co., Ltd.	Related	253	207	253	207
K.S.L. IT Center Co., Ltd.	Related	90	91	90	91
Amarco Co., Ltd.	Related	5	5	5	5
Other Related Companies		7	-	2	-
Total		<u>938</u>	<u>1,936</u>	<u>77,677</u>	<u>23,561</u>

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
<u>For the three-month periods ended on January 31,</u>					
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
- Interest Incomes					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	8	-
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	23	-
K.S.L. Real Estate Co., Ltd.	Subsidiary	-	-	64	231
Total		-	-	95	231
- Goods Custody and Exporting Fees					
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	2,808	83
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	1,168	130
TS Warehouse Co., Ltd.	Subsidiary	-	-	432	71
Kerry Siam Seaport Co., Ltd.	Related	1,302	97	1,303	97
Total		1,302	97	5,711	381
- Other Expenses					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	14	-
K.S.L. Real Estate Co., Ltd.	Subsidiary	-	-	-	7
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	-	263
Thai Fermentation Industry Co., Ltd.	Related	34	80	16	27
On Nuj Construction Co., Ltd.	Related	56	-	50	-
K.S.L. IT Center Co., Ltd.	Related	2,423	1,658	778	496
Chengteh Chinaware (Thailand) Co., Ltd.	Related	24	-	-	-
K.S.L. Tower Juristic Person Office	Related	2,090	2,092	2,090	2,092
Total		4,627	3,830	2,948	2,885
- Interest Expenses					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	380	1,579
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	414	557
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	455	-
Total		-	-	1,249	2,136

Policy of Inter-Price Setting

- The inter-swapping goods for export, the Company uses the world market price that the sales-purchase is made for the first time of that year to be the price of sales-purchase of sugar between the Company's group.
- The inter-sales-purchase goods for local sales, the Company has the policy to use mutually agreed price which is higher than cost price .
- Rental income are charged according to follow the normal price charged to general clients.
- Revenue from selling of supplies are charged according to the cost.

- Income from land leased out to a subsidiary company was charged according to agreement, of which term is for 30 years, starting from January 25, 2005 until January 24, 2035 at annual fee of Baht 0.11 million to be increased by 10% for every three years. Once the lease is expired, ownership rights on all constructions built on the leased land were vested in the lessor.
- Inter-Service income ,other income and expense are charged according to follow the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody time, which are general rates in the market.
- The expenses paid on behalf of each other are charged according to actual expenses.

5.3 Relationship of Related Companies

Consisted of: -

<u>Company Name</u>	<u>Relationship</u>	<u>Connection</u>
K.S.L. IT Center Co., Ltd.	Related Company	Same shareholder Group /Mutual directors
Chengteh Chinaware (Thailand) Co., Ltd.	Related Company	Same shareholder Group /Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same shareholder Group /Mutual directors
TS Transport and Logistics Co., Ltd.	Related Company	Same shareholder Group /Mutual directors
K.K. Wood Industry Co., Ltd.	Related Company	Same shareholder Group
Amarco Co., Ltd.	Related Company	Same shareholder Group
Thai Fermentation Industry Co., Ltd.	Related Company	Same shareholder Group
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in Subsidiary
Kerry Siam Seaport Co., Ltd.	Related Company	Directors of the Related Company
KSL Tower Juristic Person office	Related Juristic Person	Shared Owner of Condominium Building

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

6. Trade Accounts and Notes Receivable-Net

Consisted of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Accounts Receivable-Local				
Not yet due	228,431	326,482	66,960	88,311
Not over 3 months	48,409	22,595	-	-
Over 3 months but not over 6 months	4,815	-	-	-
Over 6 months but not over 9 months	890	-	-	-
Over 9 months	6	-	-	-
Total	282,551	349,077	66,960	88,311
Accounts Receivable-Foreign				
Not yet due	219,366	69,520	24,845	42,418
Not over 3 months	803	-	-	-
Total	220,169	69,520	24,845	42,418
Notes Receivable	16,794	13,085	9,066	6,369
Total Accounts and Notes Receivable	519,514	431,682	100,871	137,098
<u>Less</u> Allowance for Doubtful Debts	(2,186)	(764)	-	-
Net	517,328	430,918	100,871	137,098

7. Trade Accounts and Notes Receivable-Subsidiary and Related Companies

Consisted of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Trade Accounts Receivable				
Not yet due	623	883	9,316	9
Not over 3 months	7	912	-	-
Total	630	1,795	9,316	9
Note Receivable	416	-	-	-
Total Accounts and Note Receivable	1,046	1,795	9,316	9

8. Farmer Accounts Receivable-Net

Consisted of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Cane Accounts Receivable				
Before Season 2003 / 2004	45,588	46,054	398	398
Season 2003 / 2004	6,683	6,786	-	-
Season 2004 / 2005	7,702	7,712	-	-
Season 2005 / 2006	17,156	17,156	-	-
Season 2006 / 2007	30,625	15,518	-	-
Season 2007 / 2008	56,472	-	-	-
Total	164,226	93,226	398	398
Fuel Oil, Fertilizer and Other Service				
Charge Accounts Receivable	49,618	5,886	-	-
Total	213,844	99,112	-	-
<u>Less</u> Allowance for Doubtful Debts	(69,703)	(70,330)	(398)	(398)
Net	144,141	28,782	-	-

9. Short-Term Loans due from Farmers

As at January 31, 2008 and October 31, 2007, these loans consisted of majority portion in the form of post-dated cheques at Baht 361.82 million and Baht 338.99 million respectively and in the separate financial statements at Baht 148.76 million and Baht 27.04 million respectively where farmers discounted with the Company and its subsidiary companies with interest rate based on lending rate of Commercial Bank and another portion in the form of advance paid to farmer.

10. Other Accounts Receivable-Cane Value and Compensation for Production and Distribution of Sugar

Consisted of:

	(Unit : Thousand Baht)	
	<u>As at January 31, 2008</u>	
	<u>and October 31, 2007</u>	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Other Accounts Receivable-Cane Value	572,076	310,135
Other Accounts Receivable-Compensation for Production and Distribution of Sugar	246,205	130,541
Total	<u>818,281</u>	<u>440,676</u>

For the harvest season 2006/2007, the final cane price and the final compensation for the production and distribution of sugar were less than the initial cane price. In accordance to the Sugarcane and sugar act B.E. 2527, Section 56 determined that the Cane and Sugar Fund pay the compensation to the Company and its subsidiaries at the amount equal to the different and the cane farmers do not have to return the excess amount of the cane price received. In year 2007, the different of the amount which the Company and its subsidiary companies paid the initial cane price to the farmer as published in the Royal Gazette, mentioned in the note to the financial statements no. 19 was higher than the final cane price, which the management has estimated (that equal to the final cane price announcement published in the Royal Gazette), is reflected as the "Account Receivable - Cane Value". The compensation paid to the Company and its subsidiary companies calculated from the rate differences of the final compensation for the production and distribution of sugar less than the initial price times the amount of the cane entered into the production process reflected in "Other Account Receivable-Compensation for Production and Distribution of Sugar".

On January 9, 2008, the Office of the Cane and Sugar Board issued the letter no. Or. Kor. 0602/Vor.72 to inform the resolution of the cabinet to approve the compensation payment for the different of the cane price and the compensation for production and distribution of sugar by assigning the Ministry of Finance to source the fund to repay the other accounts receivable-cane value, which is now in the process. The other account receivable-compensation for production and distribution of sugar the Ministry of Finance would consider the relaxation for the Company and its subsidiary companies to pay the corporate income tax after they already received the money from the Cane and Sugar Fund.

11. Advance for Cane Purchase

The entire amount is the money the Company and its subsidiary companies advanced for the final cane price for the production season 2007/2008 to the cane farmers at the rate of Baht 38 per tonne. This was to help relieving the farmers' trouble according to the letter no. Or. Kor.0602/Vor.72 issued by the Office of the Cane and Sugar Board dated January 9, 2008.

12. Investments in Subsidiary and Associated Companies-Net

Consisted of:

(Unit : Thousand Baht)

Company Name	Paid-Up Share Capital		Percentage of Shareholding (%)		Consolidated financial statements					
					As at January 31, 2008			As at October 31, 2007		
					Investment		Dividend	Investment		Dividend
					Cost	Equity		Cost	Equity	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
<u>Associated Company</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	50,898	-	73,800	49,676	-
Total					73,800	50,898	-	73,800	49,676	-

(Unit : Thousand Baht)

Company Name	Paid-Up Share Capital (Thousand Baht)		Percentage of Shareholding (%)		Separate financial statements					
					As at January 31, 2008 and October 31, 2007					
					Investment		Cost	Investment		Dividend
					2008	2007		2008	2007	
<u>Subsidiary and Associated Companies</u>										
Thai Sugar Terminal Public Co., Ltd.	120,000	120,000	23.82	23.82	79,109	79,109	-	-	-	-
New Krung Thai Sugar Factory Co., Ltd.	472,500	472,500	91.06	91.06	306,893	306,893	-	-	-	78,679
Tamaka Sugar Industry Co., Ltd.	600,000	600,000	90.21	90.21	523,337	523,337	-	-	-	181,331
New Kwang Soon Lee Sugar Factory Co., Ltd.	500,000	220,000	98.61	96.85	569,284	289,284	-	-	-	-
K.S.L. Real Estate Co., Ltd.	140,000	140,000	80.31	80.31	89,134	89,134	-	-	-	-
K.S.L. Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	-	-	-	-
KSL Chemical Co., Ltd.	7,500	7,500	100.00	100.00	6,619	6,619	-	-	-	-
Khon Kaen Sugar Power Plant Co., Ltd.	400,000	400,000	100.00	100.00	399,972	399,972	-	-	-	-
Khon Kaen Alcohol Co., Ltd.	160,000	160,000	100.00	100.00	159,986	159,986	-	-	-	-
KSL. Agro Co., Ltd	100,000	100,000	100.00	100.00	100,000	100,000	-	-	-	-
Savannakhet Sugar Corporation	186,883	186,883	97.00	97.00	178,763	178,763	-	-	-	-
Koh Kong Plantation Co., Ltd.	553,905	180,980	50.00	50.00	276,952	90,490	-	-	-	-
Koh Kong Sugar Industry Co., Ltd.	399,780	-	50.00	-	199,890	-	-	-	-	-
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	-	-	-	-
Total					2,970,514	2,304,162	-	-	-	260,010
<u>Plus</u> Advance for share subscriptions - Koh Kong Plantation Co., Ltd.					-	102,412	-	-	-	-
-Savannakhe Sugar Corporation					163,295	80,573	-	-	-	-
Total					3,133,809	2,487,147	-	-	-	260,010
<u>Less</u> Allowance for impairment of investments					(28,580)	(27,819)	-	-	-	-
Net					3,105,229	2,459,328	-	-	-	260,010

In the first quarter of the year 2008, the Company invested in the capital increase ordinary shares of New Kwang Soon Lee Sugar Factory Co., Ltd. amount of Baht 280.00 million thus increase the ratio from formerly 96.85 % to 98.61 %.

In the first quarter of the year 2008, the Company invested in ordinary shares of Koh Kong Sugar Industry Co., Ltd. to build a sugar mill and apply for a concession of area to plant canes in Koh Kong Province, Kingdom of Cambodia in total of 10,000 hectares covering period of 90 years . The Company's shareholding ratio is 50% amounting to Baht 199.89 million.

In the first quarter of the year 2007, the Company invested in ordinary shares of Koh Kong Plantation Co., Ltd. to apply for a concession of area to plant canes in Koh Kong Province, Kingdom of Cambodia in total of 10,000 hectares covering period of 90 years. The Company's shareholding ratio is 50% amounting to Baht 90.49 million. As at October 31, 2007, the said subsidiary company increased its share capital, which the Company has already paid USD 3.00 million for the share subscription and in the first quarter of the year 2008, the Company additionally invested Baht 84.05 million while maintaining the former shareholding ratio and registered the increase share capital on December 12, 2007.

In the first quarter to the third quarter of 2007, the Company additionally invested in the capital increase ordinary shares of Savannakhet Sugar Corporation at Baht 49.61 million while maintaining the previous shareholding ratio. During the fourth quarter of 2007, the Company additionally invested another at Baht 29.25 million thus increased the shareholding ratio from 80.00% to 97.00%. In the first quarter of the year 2008 and the fourth quarter of the year 2007, the Company has paid the advance share subscription at USD 4.85 million and USD 2.35 million respectively, the subsidiary company is in the process of register for the increase in the share capital.

In the second quarter of the year 2007, the Company additionally invested in the capital increase ordinary shares of K.S.L. Export Trading Co., Ltd., at Baht 3.39 million, thus its ratio of shareholding remained the same.

In the fourth quarter of the year 2007, the Company additionally invested in the capital increase ordinary shares of Champion Fermentation Co., Ltd., an associated company at Baht 17.00 million, thus increase the ratio from formerly 32.00% to 32.50%.

As at January 31, 2008 and October 31, 2007, in the consolidated financial statements, the financial statements of Champion Fermentation Co., Ltd., an associated company, which its investment is recorded under the equity method is the financial statements prepared by the company's management and has not been reviewed and audited by a certified public accountant. The Company recognized the participate result of the investment of the associated company as the recognized participate profit (loss) in the consolidated statements of income for the three-month period ended on January 31, 2008 and for the year ended on October 31, 2007 at Baht (1.22) million and Baht 3.77 million respectively, equal to 0.70% and 0.45% of the consolidated net profit respectively. During the fourth quarter of year 2007, the said associated company has changed the policy in recording the investment in subsidiary company to be consistent with the accounting policy of the group companies by performed the Company retro-adjustment to the consolidated statements of income, changes in shareholders' equity and cash flow for the three-month period on ended January 31, 2007. Therefore, the consolidated statement of income shown the net profit decreased by Baht 1.48 million and the consolidated statement of change in the shareholders' equity shown the beginning balance of the retained earnings decreased by Baht 12.63 million which is reflected under the caption "Accumulated Result from Change in Accounting Policy-Investment in Subsidiary Company of Associated Company".

13. Other Long-Term Investments-Net

Consisted of :-

Company Name	Kind of Business	Paid-Up		Percentage of Holding				Consolidated financial statements		Separate financial statements	
		Share Capital		%		%		As at		As at	
		2008	2007	Consolidated financial statements		Separate financial statements		January 31, 2008	October 31, 2007	January 31, 2008	October 31, 2007
				2008	2007	2008	2007				
15.1 <u>Available for Sale Securities</u>											
Investment in Debt Securities											
- Subordinated Debenture								4,000	4,000	-	-
Investment in Marketable Equity Securities											
- Bangkok Bank Public Co., Ltd.								336	336	336	336
- Ratchaburi Egco Holding Public Co., Ltd.								792	792	792	792
- Finansia Public Co., Ltd.								50	50	50	50
Add Unrealized Gain on Available for Sale Securities								2,762	3,350	3,202	3,750
Available for Sale Securities Investment - Net								7,940	8,528	4,380	4,928
15.2 <u>General Investments</u>											
- T S Flour Mill Co., Ltd.	Warehouse and Manufacture and distribution of wheat flour	400,000	400,000	0.10	0.10	0.10	0.10	393	393	393	393
- TS Transport and Logistics Co., Ltd.	Transportation	1,250	1,250	18.20	18.20	16.20	16.20	236	236	210	210
- T S G Asset Co., Ltd.	Silo Warehouse and Property rental	50,000	50,000	4.10	4.10	4.10	4.10	2,061	2,061	2,061	2,061
- Thai Cane and Sugar Corp. Ltd.	Export Agent	20,000	20,000	3.93	3.93	1.61	1.61	787	787	323	323
- T S G Property Co., Ltd.	Silo Warehouse	30,000	30,000	4.11	4.11	4.11	4.11	1,238	1,238	1,238	1,238
- TS Warehouse Co., Ltd.	Sugar Depository and Silo Warehouse	12,500	12,500	4.03	4.03	4.03	4.03	508	508	508	508
- Thai Sugar Miller Co., Ltd.	Marketing Information Service	109	109	8.00	8.00	2.00	2.00	9	9	2	2
- Kerry Siam Seaport Co., Ltd.	Seaport	484,500	484,500	11.23	11.23	5.95	5.95	54,390	54,390	37,787	37,787
- Krung Thai Investment and Security Co., Ltd.	Closed	-	-	-	-	-	-	45	45	45	45
- Mahanakorn Bank Public Co., Ltd.	Closed	-	-	-	-	-	-	614	614	-	-
<u>Plus</u> Advance for share											
- TS Transport and Logistics Co., Ltd.								3,569	-	608	-
- Kerry Siam Seaport Co., Ltd.								9,843	-	9,843	-
<u>Less</u> Allowance for Impairment of Investments											
General Investments - Net								(659)	(659)	(45)	(45)
15.3 <u>Investment in Held-to-Maturity Debt Securities</u>											
- Bond								13,652	13,672	6,648	6,665
Total other long-term Investments - Net								94,626	81,822	64,001	54,115

As at January 31, 2008 and October 31, 2007, the Company and its subsidiary companies used bonds to pledge as guarantee for electricity usage with the Provincial Electricity Authority, which had the book value in the consolidated financial statements of Baht 13.47 million and Baht 13.49 million respectively and in the separate financial statements Baht 6.47 million and Baht 6.48 million respectively.

14. Deferred Cane Plantation Cost-Net

Movement for the three-month period ended on January 31, 2008 is as follow:

(Unit : Thousand Baht)

	<u>Consolidated</u> <u>financial statements</u>	<u>Separate</u> <u>financial statements</u>
Beginning Book Value-Net	156,249	22,745
Additional cost during the period		
- Cost of cane plantation	47,265	11,955
- Transfer from Land Development and Depreciation	11,826	672
Accumulated cost of canes planted	215,340	35,372
Amortized written-off canes cost	(23,649)	(17,809)
Ending Book Value	191,691	17,563
Loss from damaged cane	(123)	(123)
Loss from value impairment	(2,148)	-
Ending Book Value-Net	189,420	17,440

The Company and its subsidiary companies recorded the deferred cane plantation cost at the cost value less accumulated depreciation and allowance for accumulated value impairment because of the short cane plantation period of approximately 10-13 months and the fair value of the cane fluctuate with the weather of the plantation area which resulted in the volume and quality of the cane produced.

As at January 31, 2008, at Baht 3.89 million portion of the deferred cane plantation cost belongs to the Company which planted on the farmers' lands and the Baht 162.32 million portion belongs to two subsidiary companies who perform cane plantation on leased land as follows:-

- The first subsidiary company leased the land from the government of the Lao People's Democratic Republic as specified in the notes to the financial statements No. 28.1 at Baht 49.61 million.
- The second subsidiary company leased the land from the government of the Kingdom of Cambodia as specified in the notes to the financial statements No. 28.2 at Baht 113.53 million.

15. Property, Plant and Equipment - Net

Movement for the three-month period ended on January 31, 2008 as follows: -

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Beginning Book Value-Net	9,479,375	2,972,792
Purchase	369,469	71,891
Increase in Capital Surplus From Asset Revaluation	286	-
Impairment of Asset-Reversal	203	-
Transfer in	148,500	55,990
Sale	(12,473)	(2,914)
Amortization of Capital Surplus from Asset Revaluation	(6,494)	(3,750)
Transfer land Development cost to be Deferred Cane Plantation Cost	(1,372)	-
Transfer out	(148,500)	(55,990)
Depreciation	(89,373)	(31,002)
Depreciation-Surplus from Revaluation of Assets	(76,667)	(21,942)
Accumulated Depreciation-Sale	12,354	2,807
Accumulated Depreciation-Amortization of Capital Surplus from Asset Revaluation	814	794
Ending Book Value-Net	9,676,122	2,988,676

In the consolidated financial statements as at January 31, 2008 and October 31, 2007, the Company and its subsidiary companies pledged land together with construction and machinery at book value of Baht 1,109.03 million and Baht 1,120.34 million respectively and in the separate financial statements at amount of Baht 274.32 million in both periods as collaterals against short-term and long-term credit facilities with commercial banks.

For the year ended on October 31, 2007, in the consolidated financial statements, the cost of assets included interest expenses of Baht 8.61 million arisen from long-term loans obtained for construction of factory and machine installation.

As at January 31, 2008 and October 31, 2007, buildings and machinery of subsidiary companies for the amounts of Baht 795.94 million and Baht 808.00 million respectively were made on land leased from the parent company for the period of 30 years. The ownership of the buildings at the book value of Baht 75.25 million and Baht 76.21 million respectively when the asset agreement's term expired have transferred to the lessor as mentioned in the note to the financial statements no. 5.2

As at January 31, 2008 and October 31, 2007, buildings and factory buildings in construction of two subsidiary companies at the book value of Baht 97.43 million and Baht 97.55 million respectively were located on the land leased from another subsidiary company for the rent tenor of 1 year and can be extended for the period of 1 year until the total rental tenor reached 30 years.

As at January 31, 2008 and October 31, 2007, in the consolidated financial statements, assets at the book value of Baht 37.84 million and Baht 4.77 million respectively located on the concession land as mentioned in the notes to financial statements nos. 28.1 and 28.2.

As at January 31, 2008 and October 31, 2007, in the consolidated financial statements, assets in cost value of Baht 3,377.38 million and Baht 3,376.07 million respectively and in the separate financial statements, of Baht 956.87 million and Baht 951.94 million respectively, were fully depreciated but still in use.

On October 15, 2007, the Company and its subsidiary companies set up the appraisal for the land together with the construction and machinery by an independent appraiser who has been approved by the Securities and Exchange Commission. The said appraisal has the following details: -

1. The land and condominium units used the Market Value Method which implied the value of the assets which expected to be sold in an appropriate time period from the appraised date with the seller's consent and the buyer fully aware of the detail of the said asset.
2. Construction and machinery used the Depreciated Replacement Cost which implied the replacement cost of the assets less the depreciation value according to the useful life and working condition. Furthermore, it could included the goodwill or the market demand for the said assets.

From the said appraisal resulted in the consolidated and the separate financial statements for the year ended on October 31, 2007 has the surplus from asset revaluation increased by Baht 1,990.90 million and Baht 760.19 million respectively, the surplus from asset revaluation decreased by Baht 186.52 million and Baht 105.08 million respectively. Furthermore, it also resulted in the allowance for the impairment of asset increased by Baht 32.42 million and Baht 22.90 million respectively and the reversal of the loss from impairment of asset at Baht 23.81 million and Baht 23.27 million respectively from the increase and/or decrease of the market price of the asset in the current situation. In the first quarter of the year 2008, the Company and its subsidiary companies have changed the approximate useful life of assets as follows: -

	<u>New Rate</u>	<u>Previous Rate</u>
- Land Improvement	5-61 years	5-20 years
- Building and Construction	20-58 years	20-42 years
- Machine and Equipment	5-32 years	5-30 years

This was to better suite the current situation by referring to the above appraisal report of the independent professional appraiser. The Company and its subsidiary companies recognized the effect of the change immediately in the consolidated and separate statement of income for the current and the following periods thus the consolidated and separate statement of income for the three-month period ended on January 31, 2008 overstated the net profit by Baht 11.70 million and Baht 8.23 million respectively comparing with the previous estimates. In every following quarters, the effect would be comparable to the above. The said change applied from November 1, 2007 onward.

As the Company and its subsidiary companies choose to account by cost method and when there is an increase in asset revaluation, only net value of increase book value will be recorded to related asset account along side with revaluation surplus on assets for three-month periods ended on January 31, 2008 and 2007, in the consolidated financial statements, there appeared depreciation of capital surplus being charged to revaluation surplus on assets account under the shareholders' equity for the amounts of Baht 82.35 million and Baht 53.75 million respectively and in the separate financial statements, there appeared depreciation of capital surplus being charged to revaluation surplus on assets account under the shareholders' equity for the amounts of Baht 24.90 million and Baht 14.42 million respectively.

If the Company and subsidiary companies choose to account for depreciation for capital surplus through the statement of income the net profit for three-month periods ended on January 31, 2008 and 2007, in the consolidated financial statements will be shown at less amount of Baht 82.35 million and Baht 53.75 million respectively, and earning per share lowered by Baht 0.05 per share and Baht 0.03 per share respectively and in the separate financial statements the net profit for three-month periods ended on January 31, 2008 and 2007, will be shown at less amount of Baht 24.90 million and Baht 14.42 million respectively, and earnings per share lowered by Baht 0.02 per share and Baht 0.01 per share respectively.

16. Loans for Cane Plantation Development-Net

Consisted of :

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Loans for Cane Plantation Development	143,898	135,405
<u>Less</u> Allowance for Doubtful Debts	(5,915)	(5,915)
Net	<u>137,983</u>	<u>129,490</u>

As at January 31, 2008 and October 31, 2007, three subsidiary companies gave loans to cane farmers for development of cane plantation in order to use such loans to buy land for plantation purpose and agricultural equipment. The loans contracts are for the term of 2-10 years onward and interest rate is 6.00-10.00% per annum for both periods. Most of farmers used land and vehicle as collaterals.

17. Bank Overdrafts and Short-Term Loans due to Financial Institutions

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Bank Overdrafts	836	3,640	593	-
Loans due to Financial Institutions	119,000	548,000	-	300,000
Packing Credit	66,501	95,581	-	-
Trust Receipt	103,949	-	-	-
Total	290,286	647,221	593	300,000

In the consolidated financial statements as at January 31, 2008 and October 31, 2007, bank overdrafts at the credit line of Baht 562.00 million for both periods and in the separate financial statements at the credit line of Baht 148.00 million for both periods ,carrying interest rate is the same at MOR per annum for both periods.

In the consolidated and the separate financial statements as at January 31, 2008 and October 31, 2007, loans due to financial institutions are loans in the form of promissory notes at the credit line of Baht 11,245.00 million and Baht 4,760.00 million respectively with the maturity period ranged from 3-6 months, carrying interest rates of 3.59-3.85% and 3.625-4.58% per annum respectively.

In the consolidated financial statements as at January 31, 2008, trust receipts payable carrying interest rates of 4.58-4.89 % per annum.

Bank overdrafts, short-term loans due to financial institutions and trust receipt were pledged with fixed deposits, land together with constructions, part of machinery and leasehold right of construction as collaterals, there are inter-guarantees offered and the subsidiary companies' directors also participated in guarantee against the credit facilities. But when some of the credit lines have been drawn, the Company and its subsidiary companies must additionally pledge parts of their inventories as collaterals.

Packing credits payable is a loan agreement of a subsidiary company with a commercial bank for the benefit of the Company, subsidiary and related companies, which is required to issue a promissory note to pay the amount equivalent to that of the packing credit loan for keeping as a collateral (as specified in the notes to the financial statements no. 5.1). This remaining loan has the following details:-

- The remaining principal balance is in the consolidated financial statements as at January 31, 2008 and October 31, 2007 at amounts of Baht 66.50 million for both periods, is required to be repaid within the year 2015. Those who give credit facilities reserve right to alter the repayment period of the principal annually. Land together with construction, machines and bank deposit of the related company were pledged as collaterals, and also the subsidiary company's directors and related persons took part in pledging guarantees.
- The remaining principal balance in the consolidated financial statements as at October 31, 2007 at amounts of Baht 29.08 million was charged interest rate at MLR-1% per annum guaranteed by the related company's goods.

18. Other Short-Term Loans- Net

As at January 31, 2008, the Company issued unsecured short-term bills of exchange with discount rates approximately 3.50-3.55% per annum with the details as follows:-

(Unit : Thousand Baht)

<u>Consolidated financial statements /Separate financial statements</u>						
<u>Bill of</u>	<u>Code</u>	<u>Term</u>	<u>Maturity date</u>	<u>Par Value</u>	<u>Prepaid</u>	<u>Net</u>
<u>Exchange No.</u>		<u>(Days)</u>			<u>Interest</u>	
7/1/2551	KSL08404A	89	April 4, 2008	100,000	617	99,383
21/1/2551	KSL08418A	89	April 8, 2008	900,000	6,675	893,325
	Total			1,000,000	7,292	992,708

The issuance of the above debt instrument approved by the resolution of the annual general shareholders' meeting no. 1/2550 held on February 27, 2007.

19. Trade Accounts and Notes Payable

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Trade Accounts Payable-Cane purchase	663,320	-	292,576	-
Trade Accounts Payable	359,383	220,573	167,092	136,671
Notes Payable	391,223	16,134	213,997	13,646
Total	1,413,926	236,707	673,665	150,317

As at January 31, 2008, the Company and three subsidiary companies purchased canes for production season 2007/2008 using announced initial cane price for production season 2007/2008 in the Royal Gazette dated March 5, 2008. This price is Baht 600 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 36.00 per cane ton. Until the date the Company's audit committee approved the issuance of these financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2007/2008 which the management of the Company and its subsidiary companies expect that the final cane price will be lower than the initial price and therefore calculate the cost of goods sold and inventories for the three-month period ended on January 31, 2008 from estimation by the management of the Company and its subsidiary companies at cane price of Baht 703.66-749.40 per cane ton with average sweetness level at 10.75-12.50 c.c.s.

As at October 31, 2007, the Company and three subsidiary companies purchased canes for production season 2006/2007 using announced initial cane price for production season 2006/2007 as published in the Royal Gazette dated January 19, 2007. This price is Baht 800 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 48.00 per cane ton. Until the date the Company's board of directors approved the issuance of the financial statements for the year ended on October 31, 2007, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2006/2007, which the management of the Company and its subsidiary companies expect that the final cane price will be lower than the initial price and therefore calculate the cost of goods sold and inventories for the year ended October 31, 2007 from estimation by the management of the Company and its subsidiary companies at cane price of Baht 780.66-831.25 per cane ton with average sweetness level at 10.50-12.49 c.c.s. The difference of these two prices was booked as other accounts receivable-cane value as specified in notes to financial statements No. 10. In the first quarter of 2008, the Office of the Cane and Sugar Board announced the final cane price for the production season 2006/2007 in the Royal Gazette dated March 5, 2008 without any different between the announced final cane price and the estimates made by the management of the Company and its subsidiary companies.

20. Accrued Stabilization Function Payment

As at January 31, 2008 and October 31, 2007, the whole amount was the amount that the Company and its subsidiary companies had to pay to the Office of the Cane and Sugar Fund to stabilize the cane and sugar industry basing on the production of cane and sugar.

21. Debentures-Net

As at November 19, 2007, the Company issued 2 sets of Thai Baht currency Debenture which are holder specified, unsubordinated and unsecured bonds at the par value of Baht 1,000 per unit, which have been approved by the resolution of the annual general shareholders' meeting no. 1/2550 held on February 27, 2007, with the following details: -

(Unit : Thousand Baht)

Consolidated financial statements /Separate financial statements

As at January 31, 2008

<u>Bond No.</u>	<u>Symbol</u>	<u>Term</u>	<u>Maturity date</u>	<u>Interest per annum</u>	<u>Number of Units</u>	<u>Total Value</u>	<u>Amortized Bond Issuance Expense</u>	<u>Net</u>	<u>Fair Value</u>
					<u>(Thousand Unit)</u>				
1	KSL10NA	3 Years	Nov. 20, 2010	4.94	1,000	1,000,000	3,120	996,880	1,021,750
2	KSL12NA	5 Years	Nov. 20, 2012	5.44	500	500,000	1,614	498,386	519,559
Total					1,500	1,500,000	4,734	1,495,266	1,541,309

Other significant compliance to the covenants of the debenture issuances.

- The Company shall maintain the debt to shareholders' equity in the consolidated financial statements at not more than 2.5 : 1 at any price and the debt to shareholder's equity as October 31 of each year at not more than 1.5 : 1 for the entire debentures terms.
- In case the credit rating of the debentures lower than the current Company's rating at that time, the Company shall pledge assets as collateral for the shareholders or proceed to correct the credit rating of the bond to be at the same level or better than the rating of the Company.

22. Long-Term Loans

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Loans due to Commercial Banks	1,026,054	1,319,054	88,000	116,000
<u>Less</u> Current Portion of Long-Term Loans	(168,000)	(203,500)	(88,000)	(116,000)
Net	858,054	1,115,554	-	-

Movement of long-term loans for the three month period ended on January 31, 2008 and for the year ended on October 31, 2007 is as follows: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Beginning book value balance	1,319,054	908,454	116,000	35,000
Increase in the period	5,000	884,700	-	200,000
Repayment in the period	(298,000)	(474,100)	(28,000)	(119,000)
Ending book value balance	1,026,054	1,319,054	88,000	116,000

In the consolidated and the separate financial statements as at January 31, 2008 and October 31, 2007, the Company and its subsidiary companies obtained loans from four commercial banks with interest rates at FIX 12 M +2.25 to MLR-1.00% per annum for both periods. The credit facilities obtained can be classified in to 7 credit lines with the important covenants as follows:-

- The first credit line: the parent company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principal as at January 31, 2008 and October 31, 2007 of Baht 88.00 million and Baht 116.00 million respectively, which has to be repaid by August 31, 2008, repayable every three months commencing from March 2007 until June 2008 in total of 6 installments at Baht 28.00 million each and the final installment with Baht 32.00 million repayment made in August 2008. Interest has to be paid at the end of each month and no securities were required but the following conditions have to be followed:-
 - The Company shall not alter any significant matters to affect of change the status of the Company being a limited public company.
 - The Company must maintain the proportion of shareholding of the major shareholders group, both directly and indirectly not less than 50% of the total shares of the Company.
 - The Company must maintain the ratio of total liabilities to shareholders' equity lower than 1:1.
- The second credit line: a subsidiary company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principal as at January 31, 2008 and October 31,2007 of Baht 180.00 million and Baht 200.00 million respectively. The principal has a grace period of 2 years 6 months from the date of the first withdrawal (July 19, 2005). Afterwards, the repayment has to be made six-monthly, totaling 10 installments. The repayment for 1st to 9th installment is at Baht 20.00 million per installment. The remaining principal must be repaid on the 10th installment. The interest is monthly repayable. The subsidiary company pledged all land together with construction and all machinery of the project as collaterals and transfer the right of insurance claim to the lender this loan has following important conditions :-

- The subsidiary company must have the registered capital at not less than Baht 100.00 million and the paid-up capital must be not less than 25% prior to or at the date of the first withdrawal of the loan.
- The parent company must maintain the shareholding proportion in the said subsidiary company at the rate not less than 85% of the issued and paid-up share capital though out the period of the loan.
- The subsidiary company is not able to pay dividend except when it can repay the principal and interest according to the agreement.
- Except loans from shareholders or companies within the group, the subsidiary company must not enter into additional long-term loan agreements unless it has obtained prior approval from the lending bank.
- The third credit line: a subsidiary company's principal limit of the credit line is Baht 500.00 million with the remaining balance of the principal as at January 31, 2008 and October 31, 2007 of Baht 358.05 million for both periods. The principal has a grace period of 3 years 6 months from the date of the first withdrawal (December 30, 2005). Afterwards, the repayments are to be made at six-monthly totaling 14 installments. The repayment for 1st to 13th installment is at Baht 57.50 million. The remaining principal must be repaid on the 14th installment. The interest is monthly repayable. This loan has following important conditions:
 - The subsidiary company must hand over the leasehold right of the factory land to the bank where the land leasehold period must be not less than 30 years.
 - The subsidiary company has to register the pledge of construction which the company will have in the future and machinery of the project with the principal of pledge at Baht 1,000 million to be completed within 2 years from the date of the first withdrawal.
 - The parent company has to fully guaranteed against any form of credit facility.
 - The subsidiary company, with the lending bank as its beneficiary, has to insure the constructions and machinery. The highest insured value must be equal to the value acceptable by the insurance company.
- The fourth credit line: a subsidiary company's principal limit of the credit line is Baht 300.00 million with the remaining balance of the principal as at October 31, 2007 of Baht 240.00 million. The principal period is repayable every 6 months. from the first installment on September 2006 to March 2012 total of 12 installments the interest is monthly repayable. The parent company has guaranteed for the full amount. The principal is repayable full installment is to be made on January 2008.
- The fifth credit line: a subsidiary company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principal as at January 31, 2008 and October 31,2007 of Baht 130.00 million and Baht 125.00 million respectively. Interest is payable every three months and repayment of the principal loan to be made twice every year for the total of 12 installments within May 31 and November 30 of each year. Installments of principal repayment are uneven ranging from Baht 5.00-30.00 million commencing from the first installment on May 31, 2009 and the last one within November 30, 2014. The parent company has guaranteed for the full amount.

- The sixth credit line: a subsidiary company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principle as at January 31, 2008 and October 31, 2007 of Baht 200.00 million for both periods. The principal must be repaid on six-monthly installments in total of 10 installments at Baht 20.00 million per installment. The first installment must be made in December 2008. The interest is payable at the end of each month.
- The seventh credit line: a subsidiary company's principal limit of the credit line is Baht 80.00 million with the remaining balance of the principle as at January 31, 2008 and October 31, 2007 of Baht 70.00 million and Baht 80.00 million respectively. The principal must be repaid on six-monthly installments in total of 8 installments at Baht 10.00 million per installment. The first installment must be made in January 2008. The interest is payable at the end of each month.

Principal limit of the sixth and seventh credit line are guaranteed by the mortgage registration of land together with the warehouse building, factory plant building, machines, the leasehold right of the land where the factory is located of the subsidiary companies at the total book value of Baht 504.71 million. The guarantee included the fire insurance for the constructions and machines with the equipments at the maximum limit accepted by the insurance company. The Company forfeits the benefit from the insurance to the bank as the beneficiary. The other material terms of the credit facility agreements are: -

- The subsidiary company must maintain the debt to equity to not exceeding 1 : 1
- The subsidiary company must maintain the debt service coverage ratio at not less than 1.2 : 1

23. Surplus from Internal Restructure of Entities under Common Control

In the consolidated financial statements, movement of surplus from internal restructure of entities under common control for the three month period ended January 31, 2008 is as follows: -

	<u>Revaluation Surplus on</u>	<u>Discount from Internal Restructure</u>	<u>Net</u>
	<u>Assets-Subsidiary Companies</u>	<u>of Entities under Common Control</u>	
Beginning balance	2,312,816	(263,643)	2,049,173
Decrease in the period	(48,002)	-	(48,002)
Ending balance	2,264,814	(263,643)	2,001,171

(Unit : Thousand Baht)

24. Dividend Paid and Legal Reserve

In accordance with the minutes of the annual shareholders' general meeting No. 1/2550 held on February 27, 2007, it was unanimously resolved to appropriate Baht 30.20 million from net profit in 2006, and to pay dividends from operating result of the Company from November 1, 2005 to October 31, 2006 at the rate of Baht 0.22 per share totaling Baht 341.00 million. The dividend had been paid to shareholders on March 27, 2007.

In the fourth quarter of the year 2007, the Company had appropriated net profit for the year 2007 as a legal reserve in amount of Baht 23.00 million under the Public Companies Act.

25. Cash and Cash Equivalents

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at January 31,</u>		<u>As at January 31,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash and Deposits at Financial Institutions	889,345	204,447	98,481	46,219
Short-Term Investments				
- Promissory Notes	-	56,000	-	-
- Bill of Exchange	13,487	-	-	-
- Investment in marketable securities	4,666	5,734	-	-
<u>Less</u> Adjustment of investments to fair value	(2,346)	(2,816)	-	-
Total Short-Term Investments	15,808	58,918	-	-
Total	905,153	263,365	98,481	46,219
<u>Less</u> Investment in marketable securities-Net	(2,320)	(2,918)	-	-
Net Cash and Cash Equivalents	902,833	260,447	98,481	46,219

In the consolidated financial statements as at January 31, 2008, short-term investments were deposits in the form of bill of exchange with maturity period not exceeding 3 months bearing the interest rates of 3.25-3.35% per annum.

In the consolidated financial statements as at January 31, 2007, short-term investments were deposits in the form of promissory notes with maturity period not exceeding 3 months bearing the interest rates of 3.25-5.00% per annum.

26. Disclosure of Sectoral Business Operations

The Company's business operation relates to manufacture and distribution of sugar and molasses and also to offer leasing of space for office use. Separate conduct its business in one geographical area namely Thailand.

Details of the sectoral business operation are as follows:-

Consolidated financial statements

For the three-month periods ended on January 31, 2008 and 2007

(Unit : Million Baht)

	Manufacture and Distribution of Sugar And Molasses			Manufacture and Distribution of Alcohol			Manufacture and Sale of Electricity		Real Estate Rental		Wheat Flour		Others		Inter-Transaction		Total			
	2008			2007			2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007		
	Thai	Laos	Cambodia	Thai	Laos	Cambodia														
Net Sales and Service-Domestic	1,184	1	4	1,238	-	-	81	103	135	74	40	44	98	-	16	19	(427)	(327)	1,132	1,151
Net Sales and Service-Foreign	1,124	-	-	746	-	-	116	-	-	-	-	-	-	-	1	-	-	-	1,241	746
Total	2,308	1	4	1,984	-	-	197	103	135	74	40	44	98	-	17	19	(427)	(327)	2,373	1,897
Profit (loss) from Operation	272	(1)	(5)	242	(5)	(3)	(18)	25	45	45	12	16	(4)	-	(4)	(14)	-	(4)	297	302
Interest Expenses																			(41)	(28)
Corporate Income Tax																			(77)	(73)
Profit after Interest Expenses and Corporate Income Tax																			179	201
<u>(Less)</u> Net Profit of Minority Shareholders																			(5)	(9)
Net Profit of Khon Kaen Sugar Industry Public Company Limiter																			174	192
Property Plant and Equipment-Net as at January 31	6,334	159	282	4,439	32	16	330	353	799	835	990	1,355	447	-	358	311	(23)	(5)	9,676	7,336
Central Assets	5,603	173	753	5,052	76	205	139	167	179	76	98	164	151	-	208	183	(615)	(484)	6,689	5,439
Total Assets as at January 31	11,937	332	1,035	9,491	108	221	469	520	978	911	1,088	1,519	598	-	566	494	(638)	(489)	16,365	12,775

27. Obligations and Contingent Liabilities

As at January 31, 2008 and October 31, 2007, apart from liabilities reflected in the balance sheets, the Company and its subsidiary companies have obligations and contingent liabilities as follows:-

- 27.1 The Company and its subsidiary companies have obligations relating to agreements to sell goods but not yet delivered as in the consolidated financial statements for the amounts of Baht 5,083.81 million and Baht 2,230.94 million respectively and as in the separate financial statements for Baht 2,983.48 million and Baht 1,731.46 million respectively.
- 27.2 The Company and three subsidiary companies had issued post-dated cheques to farmers to purchase cane for the production season 2007/2008 at the total of Baht 347.51 million and Baht 452.21 million respectively and as in the separate financial statements for Baht 27.08 million and Baht 47.18 million respectively. The Company and the subsidiary companies have not recorded the said liabilities as the cheques are not yet due and the cane of the said production season has not been received from farmers.
- 27.3 The Company and its subsidiary companies had unutilized credit lines of bank overdrafts , short term and long term loans from commercial banks with the limits as in the consolidated financial statements of Baht 12,699.11 million and 6,452.31 million respectively and as in the separate financial statements of Baht 4,907.41 million and Baht 2,058.00 million respectively. These credit lines were pledged with fixed deposits, land together with constructions, part of machinery and leasehold right of construction as collaterals. The Company and its subsidiary companies offered their cross-guarantee and the subsidiary companies' directors also participated in guarantee against the credit facilities. Furthermore when the particular credit lines have been drawn, the Company and its subsidiary companies must additionally pledge parts of their inventories as collaterals.
- 27.4 The Company and the three subsidiary companies had issued cheques as guarantee for abiding by the regulations to the Office of the Cane and Sugar Fund as follows:-

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
For the production season 2004/2005	-	79.56	-	42.98

27.5 A subsidiary company made a sale-purchase contract with the Electricity Generating Authority of Thailand (EGAT) on February 21, 2005 requiring the subsidiary company to commence selling electricity within October 31, 2006 for 21 years and EGAT agrees to buy electricity not less than 80% of electricity supply generated under the contract (20 megawatts per month). The subsidiary company had commenced to sell electricity to EGAT since December 26, 2006.

27.6

	<u>Currency</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>As at</u>		<u>As at</u>	
		<u>January 31, 2008</u>	<u>October 31, 2007</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Letters of Credits used	Million Baht	490.70	100.00	-	-
Letters of Guarantees used	Million Baht	59.66	58.58	1.73	1.73

27.7 In the consolidated and the separate financial statements, the Company and its subsidiary companies' credit lines issued from bank obligations pledged against land together with constructions, machinery, electricity generating equipment, and goods as collateral were not utilized. Such items pledged as collateral are as follows:-

	<u>Consolidated financial statements</u>			
	<u>As at</u>			
	<u>January 31, 2008</u>		<u>October 31, 2007</u>	
	<u>Million USD</u>	<u>Million Baht</u>	<u>Million USD</u>	<u>Million Baht</u>
Letter of Credit	-	234.80	-	292.00
Forward Contracts	26.46	521.55	29.00	200.00
Letters of Guarantees	-	46.89	-	46.89
Packing Credit	-	1,690.00	-	1,720.92
Aval	-	30.00	-	30.00

	<u>Separate financial statements</u>	
	<u>As at</u>	
	<u>January 31, 2008</u>	<u>October 31, 2007</u>
	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Credit	30.00	30.00
Forward Contracts	333.00	-
Letters of Guarantees	25.00	25.00

Apart from these, the Company entered into an agreement to guarantee for the debt payment of the subsidiary companies for every type of debt that may occur in the future with a commercial bank at the limit of Baht 3,681.00 million and USD 21 million as at January 31, 2008 and Baht 2,945.00 million and USD 9 million as at October 31, 2007.

27.8 As at January 31, 2008, five subsidiary companies entered into an agreement of construction new factory totaling amount at Baht 474.06 million, and USD 5.96 million the subsidiary companies have remaining obligations under the contracts of Baht 73.82 million and USD 4.24 million and as at October 31, 2007 totaling amount at Baht 437.29 million the subsidiary companies have remaining obligations under the contracts of Baht 35.02 million

27.9 As at January 31, 2008 and October 31, 2007, a subsidiary company entered into an agreement to purchase forward organic cane with an organic farmers group to rehabilitate natural environment at Bo Look Rung Village. Under the agreement, the subsidiary company agreed to purchase 3,500 metric ton of fresh cane or fresh cane in the area of 198 rais at price not less than the initial price as announced the Cane and Sugar Board and to deliver cane in season 2007/2008.

28. Other Significant Information

28.1 On February 16, 2006, Savannkhet Sugar Corporation, which is a subsidiary company, made a contract to develop area in the Lao People's Democratic Republic with the government of that country to be used is the subsidiary company's office, factory unit, road and area for cane plantation for the total area of 10,000 hectares covering the period of 30 years which can to extended for another 20 years if approved by the counter party. Presently further step is undertaking to fix the area for the purpose of calculating rental price which amounts to USD 6 per hectare per annum.

28.2 In accordance to minutes of the Company's meeting of the executive board no. 8/2549 held on July 28, 2006, it resolved for the Company to invest in ordinary shares of Koh Kong Plantation Co., Ltd. and Koh Kong Sugar Industry Co., Ltd. at the rate of 50% in each company for the total US\$ 5.00 million. This investment was a joint investment with foreigners and the said two companies has enter into the memorandum of understanding with the government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar factory and to apply for a concession of area to plant canes in Koh Kong Province, Kingdom of Cambodia in total of 20,000 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1-4 per hectare per annum. At present, it is in the process of fixing the area so that the rental price can be calculated.

29. Financial Instruments

Policy to manage financial risk

The Company and its subsidiary companies possess risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Company and its subsidiary companies will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company and its subsidiary companies do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk on Interest Rate

Risk on interest rates is derived from the change of the market interest rate in the future, which will affect upon the Company and its subsidiary companies operating results and cash flows. However, the group companies manage the risk from the interest rate by applying various methods including the appropriate allocation of the loan with the fixed and floating interest rates and consistent with the activities of the group companies.

Risk on Exchange Rate

Risks on exchange rates for the Company and its subsidiary companies mainly involve with sales of goods and import of machine made in foreign currencies. As at January 31, 2008 and October 31, 2007, the Company and its subsidiary companies possessed assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows :-

<u>Consolidated financial statements</u>			
<u>As at</u>			
	<u>Foreign Currency</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Assets	Million US Dollar	33.61	6.01
	Million Japanese yen	0.99	-
Liabilities	Million US Dollar	15.22	4.27
	Million Japanese yen	148.51	14.69

<u>Separate financial statements</u>			
<u>As at</u>			
	<u>Foreign Currency</u>	<u>January 31, 2008</u>	<u>October 31, 2007</u>
Assets	Million US Dollar	0.78	1.29
Liabilities	Million US Dollar	-	0.53

As at October 31, 2007, a subsidiary company conducted a forward sale contract with a commercial bank to hedge against exchange rate risk from debt repayment denominated in foreign currency. The subsidiary company has not recorded such financial liability in the financial statements. The due date for payment of the forward contract already committed has outstanding period of not greater than 6 months with the following details :-

<u>Consolidated Financial Statements</u>		
<u>Amount fixed in contract</u>	<u>Amount earned in contract</u>	<u>Fair value at the period end</u>
<u>'000 USD</u>	<u>'000 BAHT</u>	<u>'000 BAHT</u>
2,261	76,524	76,623

Credit Risk

The Company and its subsidiary companies have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans due from farmers and loans due from related persons and related companies and other accounts receivable. However, since the Company and its subsidiary companies pursue conservative lending policy and the numbers of debtors are several, the Company and its subsidiary companies do not anticipate any material damage from debt collections.

Fair Value

Since most of the financial assets and liabilities are short-term and loans bearing interest rates closed to market rates, the Company and its subsidiary companies management believes such financial assets and liabilities are presented in value not materially different from relevant fair value. The fair value of debentures is showned in the notes to financial statement No. 21.

30. Subsequent events

In accordance with the minutes of the annual shareholders' general meeting No. 1/2551 held on February 28, 2008, the following resolutions were made:-

- 30.1 It was unanimously resolved for the appropriation of Baht 23.00 million from net profit in 2007 as legal reserve and payment of dividend from the operating result of the Company from November 1, 2006 to October 31, 2007 at the rate of Baht 0.22 per share totaling Baht 341.00 million. The dividend will be paid to shareholders on March 27, 2008

30.2 Authority is given for issuance and proposal for sale of debt instruments (including but not limited to the debenture, short-term debenture and short-term promissory note) in various forms at one time for full amount and/or several times and/or as a project depending on judgment and necessity for use of fund of the Company. The limitary total amount for this issuance is not more than Baht 10,000 million with the following conditions:

- Category of debts instruments : with or without securities, subordinated or non-subordinated, convertible or non-convertible, specified names of debt-holders with or without representatives (in case of debenture).
- Currency : Thai Baht currency or equivalent foreign currency using exchange rate at times of issuance each time.
- Proposed sale value : Principal amount of issued debt instruments which must not be more than Baht 10,000 million at any time. The calculation of the maximum principal of the debt instrument which the Company can issue and place for sale at any time shall include the principal of the Company's debt instrument which has not been redeemed but shall not include the principal of the Company's debt instrument which has already been redeemed.
- The maturity period : Should not be more than 20 years.
- Sales method : Placement to the general investors, major investors or corporate investors in Thailand and/or international according to the announcement of the Securities and Exchange Commission and/or the announcement of the Board of the Securities and Exchange Commission and/or other related regulations which are in effect at the time of the debt instrument's issuance and offer for sales.

31. Approved of Financial Statements

These financial statements have been approved for issuance by the Company's board of directors on March 12, 2008.
