

**REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS**

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED**

We have reviewed the consolidated balance sheet of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate balance sheet of Khon Kaen Sugar Industry Public Company Limited as at January 31, 2011 and the related consolidated and the separate statements of income, changes in shareholders' equity and cash flows for the quarter then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews. We have not reviewed the interim financial statements of 3 foreign subsidiaries and 6 local subsidiaries which are included in the consolidated interim financial statements for the quarter ended January 31, 2011. The financial statements of those subsidiaries presented total assets as at January 31, 2011 of Baht 7,048.00 million or equivalent to 26.56% of consolidated total assets, and total revenues for the quarter ended January 31, 2011 of Baht 626.65 million or equivalent to 24.01% of consolidated total revenues, and total net loss for the quarter ended January 31, 2011 of Baht 9.26 million. Those subsidiaries' financial statements have been reviewed or audited by other auditors and we have obtained their reports. Our report where related to the amounts of various items of those subsidiaries which were included in the consolidated financial statements were based on the report of those other auditors. In addition, the consolidated and separate financial statements for the quarter ended January 31, 2010 (before retrospective restatement), presented herein for comparison, were reviewed by another auditor whose review report thereon dated March 11, 2010, stated that nothing had come to her attention that caused her to believe that such consolidated and separate financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. The Standard requires that we 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, we do not express an opinion.

Based on our reviews and the reports of other auditors, nothing has come to our attention that causes us to believe that the consolidated and the separate financial statements as at and for the quarter ended January 31, 2011 referred to in the first paragraph are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and subsidiaries and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited for the year ended October 31, 2010, were audited by other auditor, whose audit report thereon dated December 24, 2010 expressed an unqualified opinion on those statements and included an emphasis of a matter paragraph that described the change in the accounting policy for inventory calculation method for molasses. The consolidated and separate balance sheets as at October 31, 2010, presented herein for comparison, have been derived from such financial statements which were audited and reported on by such auditor. We have not performed any other audit procedures subsequent to such other auditor's report date.

As discussed in Note 4 to financial statements, the Company changed the accounting policy for the molasses in the fourth quarter of fiscal year 2010. As such accounting policy has not been applied in the financial statements for the quarter ended January 31, 2010, which have been previously reviewed and reported on by such auditor, the comparative consolidated statements of income, changes in shareholders' equity and cash flows, and the separate statements of income, changes in shareholders' equity and cash flows for the quarter ended January 31, 2010, thus have been restated to be in accordance with such new accounting policy. We have reviewed the adjusting entries which have been reasonably applied to such statements of income, changes in shareholders' equity and cash flows.

**BANGKOK**  
March 11, 2011

Wimolporn Boonyusthian  
Certified Public Accountant (Thailand)  
Registration No. 4067  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF INCOME**

**FOR THE QUARTERS ENDED JANUARY 31, 2011 AND 2010**

**"UNAUDITED"**

**UNIT : THOUSAND BAHT**

	Notes	Consolidated		Separate		
		Financial Statements		Financial Statements		
		2011	2010	2011	2010	
			"Restated"		"Restated"	
<b>REVENUES</b>						
Revenue from sales		2,597,677	2,522,032	1,315,175	1,105,917	
Revenue from services		12,299	33,549	-	-	
<b>TOTAL REVENUES</b>		<b>2,609,976</b>	<b>2,555,581</b>	<b>1,315,175</b>	<b>1,105,917</b>	
<b>COSTS</b>						
Cost of sales		(1,901,996)	(1,916,448)	(1,018,708)	(900,388)	
Cost of services		(12,299)	(15,406)	-	-	
<b>TOTAL COSTS</b>		<b>(1,914,295)</b>	<b>(1,931,854)</b>	<b>(1,018,708)</b>	<b>(900,388)</b>	
Gross profit		695,681	623,727	296,467	205,529	
Other incomes		93,715	65,456	41,430	39,685	
Profit before expenses		789,396	689,183	337,897	245,214	
Selling expenses		(55,513)	(77,041)	(28,733)	(31,384)	
Administrative expenses		(154,750)	(161,683)	(38,494)	(39,605)	
Management benefit expenses	23	(48,411)	(44,637)	(12,962)	(11,979)	
Fees paid to the Office of the Cane and Sugar Fund		(230,422)	(194,994)	(111,236)	(79,743)	
Loss from investment in derivative instruments		-	(236,560)	-	(106,225)	
<b>TOTAL EXPENSES</b>		<b>(489,096)</b>	<b>(714,915)</b>	<b>(191,425)</b>	<b>(268,936)</b>	
Profit (loss) before financial costs and income tax expense		300,300	(25,732)	146,472	(23,722)	
Financial costs		(88,971)	(63,896)	(52,094)	(51,001)	
Share of profit of investment in an associate (net of income tax)		2,980	1,044	-	-	
Profit (loss) before income tax expense		214,309	(88,584)	94,378	(74,723)	
Income tax expense		(62,643)	(9,826)	(29,419)	-	
<b>NET PROFIT (LOSS)</b>		<b>151,666</b>	<b>(98,410)</b>	<b>64,959</b>	<b>(74,723)</b>	
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>						
Equity holders of the parent		144,432	(63,045)	64,959	(74,723)	
Minority interest		7,234	(35,365)	-	-	
		<b>151,666</b>	<b>(98,410)</b>	<b>64,959</b>	<b>(74,723)</b>	
<b>EARNINGS (LOSS) PER SHARE FOR THE EQUITY HOLDERS</b>						
<b>OF THE PARENT</b>						
Basic earnings (loss) per share	26	BAHT	0.093	(0.041)	0.042	(0.048)
Diluted earnings (loss) per share	26	BAHT	0.091	-	0.041	-
Basic number of ordinary shares	26	THOUSAND SHARES	1,550,000	1,550,000	1,550,000	1,550,000
Diluted number of ordinary shares	26	THOUSAND SHARES	1,586,679	-	1,586,679	-

See notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE QUARTERS ENDED JANUARY 31, 2011 AND 2010**

"UNAUDITED"

UNIT : THOUSAND BAHT

	Issued and Paid-up share capital	Premium on share capital	Unrealized gain (loss)			Differences on translation of financial statements	Retained Earnings		Total equity holders of the parent	Minority Interest	Total shareholders' equity	
			Surplus on revaluation of assets	Deficit on internal restructure of entities under common control	Deficit on change in shareholding ratio in subsidiaries		Change in fair value of available-for-sale securities	Appropriated Legal reserve				Unappropriated
Beginning balance as at November 1, 2010	1,550,000	1,554,617	3,005,299	-264,043	(6,175)	1,844	-82,039	167,420	2,284,105	8,211,028	1,723,091	9,934,119
Surplus on revaluation of assets												
- Depreciation on surplus on revaluation of assets	-	-	(83,211)	-	(2,201)	-	-	-	-	-85,412	-11,528	-96,940
- Transfer to profit or loss from sales of assets	-	-	(9,306)	-	-	-	-	-	8,297	-1,009	-	-1,009
Change in fair value of available-for-sale securities	-	-	-	-	-	(2,347)	-	-	-	-2,347	-246	-2,593
Differences on translation of financial statements	-	-	-	-	-	-	27,127	-	-	27,127	7,794	34,921
Total recognised income (expenses) in												
shareholders' equity	-	-	(92,517)	-	(2,201)	(2,347)	27,127	-	8,297	-61,641	-3,980	-65,621
Net profit	-	-	-	-	-	-	-	-	144,432	144,432	7,234	151,666
Total income (expense) recognized for the period	-	-	(92,517)	-	(2,201)	(2,347)	27,127	-	152,729	82,791	3,254	86,045
Ending balance as at January 31, 2011	<u>1,550,000</u>	<u>1,554,617</u>	<u>2,912,782</u>	<u>(264,043)</u>	<u>(8,376)</u>	<u>(503)</u>	<u>(54,912)</u>	<u>167,420</u>	<u>2,436,834</u>	<u>8,293,819</u>	<u>1,726,345</u>	<u>10,020,164</u>
Beginning balance as at November 1, 2009	1,550,000	1,554,617	3,268,618	(264,043)	42,603	2,348	13,469	162,620	2,362,705	8,692,937	2,106,605	10,799,542
Surplus on revaluation of assets increase												
- Depreciation on surplus on revaluation of assets	-	-	(128,149)	-	(3,676)	-	-	-	-	-131,825	-14,186	-146,011
- Surplus on revaluation of assets net increase (decrease)	-	-	(305)	-	2	-	-	-	-	-303	-61	-364
Deficit on change in shareholding ratio in subsidiaries	-	-	-	-	29,539	-	-	-	-	29,539	-29,539	-
Change in fair value of available-for-sale securities	-	-	-	-	-	(317)	-	-	-	-317	-183	-500
Differences on translation of financial statements	-	-	-	-	-	-	2,041	-	-	2,041	-4,685	-2,644
Total recognized income (expenses) in												
shareholders' equity	-	-	(128,454)	-	25,865	(317)	2,041	-	-	-100,865	-48,654	-149,519
Net loss	-	-	-	-	-	-	-	-	(63,045)	-63,045	-35,365	-98,410
Total income (expense) recognized for the period	-	-	(128,454)	-	25,865	(317)	2,041	-	(63,045)	-163,910	-84,019	-247,929
Ending balance as at January 31, 2010	<u>1,550,000</u>	<u>1,554,617</u>	<u>3,140,164</u>	<u>(264,043)</u>	<u>68,468</u>	<u>2,031</u>	<u>15,510</u>	<u>162,620</u>	<u>2,299,660</u>	<u>8,529,027</u>	<u>2,022,586</u>	<u>10,551,613</u>

See notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE QUARTERS ENDED JANUARY 31, 2011 AND 2010**

**"UNAUDITED"**

**UNIT : THOUSAND BAHT**

	Issued and paid-up share capital	Premium on share capital	Unrealized gain (loss)		Retained Earnings		Total Shareholders' equity
			Surplus on revaluation of assets	Change in fair value of available-for-sale securities	Appropriated Legal reserve	Unappropriated	
Beginning balance as at November 1, 2010	1,550,000	1,554,617	1,115,913	2,271	167,420	336,278	4,726,499
Surplus on revaluation of assets							
- Depreciation on surplus on revaluation of assets	-	-	(33,272)	-	-	-	(33,272)
- Transfer to profit or loss from sales of assets	-	-	(8,297)	-	-	8,297	-
Change in fair value of available-for-sale securities	-	-	-	(2,271)	-	-	(2,271)
Total recognized income (expenses) in shareholders' equity	-	-	(41,569)	(2,271)	-	8,297	(35,543)
Net profit	-	-	-	-	-	64,959	64,959
Total income (expenses) recognized for the period	-	-	(41,569)	(2,271)	-	73,256	29,416
Ending balance as at January 31, 2011	<u>1,550,000</u>	<u>1,554,617</u>	<u>1,074,344</u>	<u>-</u>	<u>167,420</u>	<u>409,534</u>	<u>4,755,915</u>
Beginning balance as at November 1, 2009	1,550,000	1,554,617	1,192,501	2,746	162,620	477,737	4,940,221
Surplus on revaluation of assets							
- Depreciation on surplus on revaluation of assets	-	-	(37,762)	-	-	-	(37,762)
- Surplus on revaluation of assets net increase (decrease)	-	-	(295)	-	-	-	(295)
Change in fair value of available-for-sale securities	-	-	-	(145)	-	-	(145)
Total recognized income (expenses) in shareholders' equity	-	-	(38,057)	(145)	-	-	(38,202)
Net loss	-	-	-	-	-	(74,723)	(74,723)
Total income (expenses) recognized for the period	-	-	(38,057)	(145)	-	(74,723)	(112,925)
Ending balance as at January 31, 2010	<u>1,550,000</u>	<u>1,554,617</u>	<u>1,154,444</u>	<u>2,601</u>	<u>162,620</u>	<u>403,014</u>	<u>4,827,296</u>

See notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTERS ENDED JANUARY 31, 2011 AND 2010**  
**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
		"Restated"		"Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) before income tax expense	214,309	-88,584	94,378	-74,723
Adjustments for:				
Doubtful accounts -trade and farmer accounts receivable and loans for cane plantation development (reversal)	-10,587	-3,018	-	-
Share of profit of investment in an associate (net of income tax)	-2,980	-1,044	-	-
Amortization of premium on bonds	23	30	4	17
Loss on damaged cane and adjustment to (increase) decrease the cane plantation costs	17,931	54,462	-3,538	-12,669
Loss from diminution in value of inventories (reversal)	-1,364	2,761	-	-
Depreciation	180,705	147,894	62,192	75,751
(Gain) Loss from disposal and written-off of assets	1,692	189	-8,481	-2,161
Loss on impairment of investments in subsidiaries (reversal)	-	-	-	-514
Gain on sales of temporary investments	-	-220	-	-
Gain on sales of other long-term investments	-2,425	-	-2,425	-
Loss from investment in derivative instruments	-	236,560	-	106,225
Unrealized (gain) loss on exchange rate	6,856	-960	-	37
Interest expenses	87,869	63,214	51,440	50,319
Financial costs	654	682	654	682
	492,683	411,966	194,224	142,964
Operating assets (increase) decrease				
Trade accounts receivable	-230,987	-25,223	-318,169	-50,112
Farmer accounts receivable	-170,954	-73,414	-12,491	-18,264
Inventories	-2,378,046	-2,348,643	-781,391	-1,331,968
Real estate development costs	-419	594	-	-
Machine maintenance supplies	-2,267	-138,146	1,901	3,350
Other current assets	-85,386	1,206	2,421	21,428
Deferred cane plantation costs	60,643	28,816	-5,508	31,920
Other non-current assets	11,211	-1,190	-	-5,000

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE QUARTERS ENDED JANUARY 31, 2011 AND 2010**  
**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
		"Restated"		"Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
Operating liabilities increase (decrease)				
Trade accounts payable	1,215,792	1,160,274	563,482	590,455
Advance received for sales of goods	-19,823	88,583	-41,718	-16,241
Estimated accrued production expenses	618,191	548,125	264,799	337,553
Accrued fee payable to the Office of the Cane and Sugar Fund	41,918	-15,935	25,243	-3,939
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	12,575	13,390	5,383	6,287
Other accrued expenses	31,326	66,974	32,206	22,808
Other accounts payable	26,026	29,902	20,263	845
Other current liabilities	133,605	15,288	12,118	1,804
Other non-current liabilities	-181	176	-75	113
Cash used in operating activities	-244,093	-237,257	-37,312	-265,997
Interest paid	-142,532	-119,373	-94,068	-90,887
Income tax expense paid	-3,447	-4,285	-755	-916
Net cash used in operating activities	-390,072	-360,915	-132,135	-357,800
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash payments for temporary investments	-	-59,000	-	-
Cash received from sales of temporary investments	5,708	225,220	5,708	-
Decrease in short-term loans to related parties	-	130,356	1,145,000	74,500
(Increase) Decrease in short-term loans to farmers	16,459	-107,359	-149,838	-196,428
Cash payments for investments in subsidiaries	-	-	-150,487	-616,364
Cash payments for purchase of other long-term investments	-263	-	-	-
Cash received from redemption and sale of other long-term investments	7,425	126	3,425	-
Increase in loans for cane plantation development	-3,157	-23,266	-12,000	-10,251
Cash payments for purchases of property, plant and equipment	-504,891	-777,978	-33,183	-7,798
Cash received from sales of property, plant and equipment	115,435	2,596	3,699	2,212
Cash payments for purchase of land not yet used in operation	-41,575	-8,380	-36,705	-
Cash received from sale of assets not yet used in operation	-	2,134	-	-
Decrease in fixed deposits used as collateral	-	5,708	-	5,708
Net cash provided by (used in) investing activities	-404,859	-609,843	775,619	-748,421

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE QUARTERS ENDED JANUARY 31, 2011 AND 2010**  
**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
		"Restated"		"Restated"
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in bank overdrafts and short-term loans from financial institutions	1,784,888	1,082,803	627,000	515,000
Increase in bills of exchange	-	595,601	-	595,601
Increase (Decrease) in short-term loans from related parties	-	-	-146,000	147,000
Decrease from short-term loan from others	-5,000	-	-	-
Cash payment for accounts payable on purchases of assets	-607,137	-691,918	-28,481	-14,447
Cash payment for long-term debentures	-1,000,000	-	-1,000,000	-
Cash received from long-term loans	957,000	260,893	-	-
Cash payment for long-term loans	-104,000	-114,000	-84,000	-84,000
Net cash provided by (used in) financing activities	<u>1,025,751</u>	<u>1,133,379</u>	<u>-631,481</u>	<u>1,159,154</u>
Exchange differences on translation of cash of foreign subsidiaries	-20,435	11,030	-	-
Net increase in cash and cash equivalents	210,385	173,651	12,003	52,933
Cash and cash equivalents at the beginning of the period	203,224	267,015	13,514	29,791
Cash and cash equivalents at the end of the period	<u>413,609</u>	<u>440,666</u>	<u>25,517</u>	<u>82,724</u>

See notes to the interim financial statements



**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTERS ENDED JANUARY 31, 2011 AND 2010**  
**“UNAUDITED”**

**1. GENERAL INFORMATION AND THE COMPANY’S OPERATIONS**

Khon Kaen Sugar Industry Public Company Limited (the “Company”) was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 0107547000214. Its registered headquarter is located at No.503 K.S.L.Tower, Floor 9th, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at No. 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province. The Company’s main businesses are to manufacture and distribute sugar and molasses, and the subsidiaries’ main business operations are listed in Note 2.4.

The Company’s major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 32.26% of shares.

**2. BASIS OF PREPARATION OF INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

2.1 The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2007) “Interim Financial Statements”, with the Company choosing to present condensed interim financial statements. Therefore, certain financial information which is normally included in the annual financial statements prepared in accordance with generally accepted accounting principles, but is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements should be read in conjunction with the audited financial statements for the year ended October 31, 2010.

The brief particulars in the financial statements are presented in accordance with the Notification of the Department of Business Development dated January 30, 2009 regarding “The Brief Particulars in the Financial Statements B.E. 2552”. In addition, the interim consolidated and separate financial statements have been prepared in accordance with the regulations of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544.

2.2 The unaudited results of operations for the quarter ended January 31, 2011 are not necessarily indicative of the operating results anticipated for the full year.

2.3 The consolidated and separate balance sheets as at October 31, 2010, presented herein for comparison, have been derived from the financial statements for the year then ended which have been audited.

2.4 These interim consolidated financial statements have been prepared by including the financial statements of the Company and its subsidiaries and have been prepared under the same basis as the consolidated financial statements for the year ended October 31, 2010. The structure of the Group Companies is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at	As at		
	January 31,	October 31,		
	2011	2010		
	%	%		
Subsidiaries in which the Company holds shares directly and indirectly				
Thai Sugar Terminal Public Company Limited *	23.82	23.82	Thailand	Transfer and transportation services for certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of building on land for sales and rental
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Real Estate Company Limited	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.	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Chemicals Company Limited	100.00	100.00	Thailand	Importer and distributor of chemicals
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Company Limited	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	70.00	70.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services

Company Name	Percentage of Shareholding		Percentage of Shareholding		Country of Incorporation	Type of Business
	Indirect		Direct and indirect			
	As at	As at	As at	As at		
	January 31,	October 31,	January 31,	October 31,		
	2011	2010	2011	2010		
	%	%	%	%		
Subsidiaries (The Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited)						
T S G Asset Co., Ltd.*	19.00	19.00	23.11	23.11	Thailand	Property rental
T S Oil Industry Co., Ltd.*	22.46	22.46	23.08	23.08	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	23.54	23.54	23.63	23.63	Thailand	Produce and distribute wheat flour and property rental
T S Warehouse Co., Ltd.*	15.28	15.28	19.30	19.30	Thailand	Warehousing and loading of goods
T S Transport and Logistic Co., Ltd.*	20.46	20.46	30.58	30.58	Thailand	Manufacture and distribute polypropylene bag, and plastic fiber, trade in plastic resin and transportation and security services
Subsidiary (The Company holds the shares indirectly through Wynn In Trading Co., Ltd.)						
Koh Kong Plantation Company Limited	70.00	70.00	70.00	70.00	Cambodia	Agricultural operation

\* The Company participates in controlling power, thus they are considered subsidiaries under the definition specified in the accounting standard.

The accounting periods of subsidiaries ended the same date as the Company (accounting period ended on October 31) except for 6 subsidiaries whose accounting periods ended December 31, as follows:

- Thai Sugar Terminal Public Company Limited
- T S G Asset Co., Ltd.
- T S Oil Industry Co., Ltd.
- T S Flour Mill Co., Ltd.
- T S Warehouse Co., Ltd.
- T S Transport and Logistics Co., Ltd.

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

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

2.5 In years 2010 and 2011, the Federation of Accounting Professions issued the Notifications regarding the new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Standard Interpretations (TSI) and Thai Financial Reporting Interpretation (TFRI), which are not yet effective for the current period as follows:

2.5.1 TAS, TFRS, TSI and TFRI which are effective for the financial statements of periods beginning on or after January 1, 2011:

**TAS**

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economics
TAS 31 (Revised 2009)	Interests in Joint Venture
TAS 33 (Revised 2009)	Earnings Per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property

<b>TFRS</b>	
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
<b>TSI</b>	
TSI 31	Revenue - Barter Transactions Involving Advertising Services
<b>TFRI</b>	
TFRI 15	Agreements for the Construction of Real Estate

2.5.2 TAS and TSI which are effective for the financial statements of periods beginning on or after January 1, 2013:

<b>TAS</b>	
TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
<b>TSI</b>	
TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management will adopt the above TAS, TFRS, TSI and TFRI relevant to the Company and its subsidiaries in the preparation of the Company's and the subsidiaries' financial statements when they become effective. The Company's management has assessed the effects of these standards and believes that they will not have any significant impact on the Company and its subsidiaries' financial statements for the period in which they are initially applied, except for TAS 12 "Income Taxes", TAS 16 "Property, Plant and Equipment", TAS 19 "Employee Benefits" and TAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" which the Company's management is in the process of assessing the impact of these standards on the financial statements for the period in which they are initially applied.

2.6 The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and calculation method as those used in the financial statements for the year ended October 31, 2010.

#### 4. CHANGE IN ACCOUNTING POLICY

In the fourth quarter of fiscal year 2010, the Company and its subsidiaries, which the main business activities are to manufacture and distribute sugar, changed the accounting policy for the molasses, a by-product from sugar production, from formerly stating it at average net realizable value to the lower of cost or net realizable value, for which the cost was calculated from the average cost of production of each production year under the first-in, first-out method, which was consistent with the policy of the main products. The information provided in the financial statements would; therefore, be more relevant to the decision making process because of the increases in selling price of the molasses and customers' demand from the past, resulted in the manufacturing and distributing of molasses becoming significant in the business operation. As a result of such change in the accounting policy, the Company and its subsidiaries retrospectively restated their financial statements as if the new accounting policy has been applied continuously and the effects are as follows:

Balance sheet as at January 31, 2010

		<b>Unit : Million Baht</b>	
	<b>Effect</b>	<b>Consolidated Financial Statements</b>	<b>Separate Financial Statements</b>
<b>Assets</b>			
Inventories	Decrease	455.86	217.67
<b>Liabilities</b>			
Accrued income tax expense	Decrease	88.60	34.99
Estimated accrued production expenses	Increase	12.26	3.13
Other accrued expenses	Decrease	2.42	-
Other current liabilities	Decrease	9.03	-
<b>Shareholders' equity</b>			
Deficit on change in shareholding ratio in subsidiaries	Decrease	0.61	-
Retained earnings - Unappropriated	Decrease	355.97	185.81
Minority shareholders' equity	Decrease	11.49	-

Statement of income for the quarter ended January 31, 2010

		<b>Unit : Million Baht</b>	
	<b>Effect</b>	<b>Consolidated Financial Statements</b>	<b>Separate Financial Statements</b>
Cost of sales	Increase	371.21	176.36
Administrative expenses	Decrease	9.03	-
Income tax expense	Decrease	88.60	34.98
Net profit (loss)	Decrease	273.58	141.38
Earnings per share (Unit : Baht)	Decrease	0.18	0.09

Statement of changes in shareholders' equity for quarter ended January 31, 2010

		<b>Unit : Million Baht</b>	
	<b>Effect</b>	<b>Consolidated Financial Statements</b>	<b>Separate Financial Statements</b>
Retained earnings as at November 1, 2009	Decrease	91.16	44.43
Minority Interest	Decrease	3.34	-

## 5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

5.1 Significant non-cash items in the consolidated and separate financial statements for the quarters ended January 31, 2011 and 2010, are as follows:

Type of transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2011	Financial Statements 2010	Financial Statements 2011	Financial Statements 2010
Unrealized loss from available-for-sale securities	(2,593)	(500)	(2,271)	(145)
Set-off other accounts receivable - compensation for sugar production and distribution and accrued stabilization function payment to the Office of the Cane and Sugar Fund	50,229	49,950	21,926	24,601
Decrease in surplus on revaluation of assets - net	(9,306)	(364)	(8,297)	(295)
Transfer of depreciation to deferred cane plantation costs	24,277	18,707	304	227
Purchases of fixed assets which has not yet been paid	191,101	440,601	187	11,845
Sales of fixed assets which has not yet been received	-	-	142,059	-
Input tax from sales of fixed assets included in current liabilities	-	-	9,294	-
Purchases of land not yet used in operation which has not yet been paid	-	6,248	-	-
Interest expense capitalized as asset cost	15,014	16,825	-	-
Transfer of minority interest equity to deficit on change in shareholding ratio in subsidiaries	-	29,539	-	-
Transfer temporary investments to other long-term investments	2,428	-	-	-
Reclassified other current assets to trade accounts receivable	837	-	-	-
Reclassified other non-current assets to other current assets	85	-	-	-
Reclassified property, plant and equipment to real estate development costs	-	32,570	-	-

5.2 Cash and cash equivalents as at January 31, 2011 and 2010, are as follows:

Type of transaction	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2011	Financial Statements 2010	Financial Statements 2011	Financial Statements 2010
Cash	14,950	22,163	7,560	13,034
Savings accounts deposits	331,285	281,408	11,647	46,032
Current accounts deposits	67,374	131,366	6,310	17,950
Fixed deposits with the maturity not exceeding 3 months	-	5,729	-	5,708
Total	<u>413,609</u>	<u>440,666</u>	<u>25,517</u>	<u>82,724</u>

## 6. TRANSACTIONS WITH RELATED PARTIES

The Company and its subsidiaries had transactions incurred with related parties through common shareholdings or directorship. Significant balances and transactions between the Company and its subsidiaries with related parties could be summarized as follows:

6.1 Significant balances with the related parties are as follows:

Type of balances	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	as at		as at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Trade accounts receivable				
Subsidiaries	-	-	301.76	29.66
Related companies	0.24	3.26	0.02	-
Total	<u>0.24</u>	<u>3.26</u>	<u>301.78</u>	<u>29.66</u>
Short-term loans to related parties				
Subsidiaries	-	-	230.00	1,375.00
Accrued dividend receivable from subsidiaries				
Subsidiaries	-	-	108.26	108.26
Other current assets				
Subsidiaries	-	-	150.01	15.37
Related companies	0.03	0.01	0.01	0.01
Total	<u>0.03</u>	<u>0.01</u>	<u>150.02</u>	<u>15.38</u>
Trade accounts payable				
Subsidiaries	-	-	15.93	27.99
Related companies	0.48	-	-	-
Total	<u>0.48</u>	<u>-</u>	<u>15.93</u>	<u>27.99</u>

Type of transaction	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	as at		as at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Short-term loans from related parties				
Subsidiaries	-	-	304.00	450.00
Advance received for sales of goods, rental and deposits				
Subsidiaries	-	-	22.11	12.57
Related companies	57.61	20.88	23.09	0.02
Total	57.61	20.88	45.20	12.59
Other accrued expenses				
Subsidiaries	-	-	18.61	2.03
Related companies	1.20	1.09	0.13	0.04
Total	1.20	1.09	18.74	2.07
Accounts payable for purchase of assets				
Related companies	-	0.30	-	-
Other accounts payable				
Subsidiaries	-	-	0.11	5.52
Related companies	2.54	0.86	2.05	0.80
Total	2.54	0.86	2.16	6.32
Other non-current liabilities				
Subsidiaries	-	-	0.62	0.62
Related companies	0.74	0.74	0.74	0.74
Total	0.74	0.74	1.36	1.36

As at January 31, 2011 and October 31, 2010, short-term loans to related parties represented promissory notes payable on demand, carrying interest rates at 1.98 - 2.47% per annum and 1.57% - 2.13% per annum, respectively.

As at January 31, 2011 and October 31, 2010, short-term loans from related parties represented promissory notes payable on demand, carrying the interest rate at 1.90 - 2.50% per annum and 1.57% - 2.13% per annum, respectively.



6.2 Significant transactions with related parties for the quarters ended January 31, 2011 and 2010, are as follows:

Type of transactions	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements 2011	Financial Statements 2010	Financial Statements 2011	Financial Statements 2010
Revenue from sales and services				
Subsidiaries	-	-	304.46	57.55
Related companies	8.94	7.34	-	0.22
Total	<u>8.94</u>	<u>7.34</u>	<u>304.46</u>	<u>57.77</u>
Cost of sales and services				
Subsidiaries	-	-	199.03	220.27
Related companies	1.64	1.53	0.89	0.06
Total	<u>1.64</u>	<u>1.53</u>	<u>199.92</u>	<u>220.33</u>
Selling expenses				
Subsidiaries	-	-	1.46	1.03
Other income				
Subsidiaries	-	-	8.33	20.41
Related companies	0.67	1.09	0.66	0.64
Related persons	-	1.79	-	-
Total	<u>0.67</u>	<u>2.88</u>	<u>8.99</u>	<u>21.05</u>
Administrative expenses				
Subsidiaries	-	-	0.03	0.29
Related companies	1.86	1.85	0.37	0.43
Related Juristic Person	2.48	2.37	2.19	2.12
Total	<u>4.34</u>	<u>4.22</u>	<u>2.59</u>	<u>2.84</u>
Financial costs				
Subsidiaries	-	-	2.07	1.82

#### POLICY OF INTER-PRICE SETTING

- The inter-purchases/sales and borrow-return of raw sugar transactions between the Group are based on the world market prices when the first sales-purchase for the year is made.
- In case of the sugar purchases/sales agreements entered into on behalf of the Group, which each company has already been allocated the sales volume, if any company within the Group has no sufficient volume of sugar to sell, the purchases of sugar can be made within the Group at the same price as stipulated in such sugar purchases/sales agreements.
- The prices for other inter-purchases/sales of goods (except for sugar products) are in accordance with the prices stipulated in the mutually agreed contracts, which are higher than cost.
- The prices for the inter-purchases/sales of assets are in accordance with the agreed prices by counter parties, which are higher than cost.

- Revenue from sales of supplies are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenue from land leased out to a subsidiary is charged according to the lease agreement which term is 30 years, commencing from January 25, 2005 until January 24, 2035 at annual rent of Baht 0.11 million, and will be increased by 10% for every 3 years. Once the lease is expired, ownership rights on all constructions built on the leased land will be vested to the lessor.
- Rental income from land and structure which lease terms range from 1 to 3 years are in accordance with the mutually agreed prices.
- Inter-service income, other incomes and expenses are charged according to the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody period at general market rates.
- Expenses paid on behalf of each other are charged at actual.
- No fee is charged for the inter-credit facility guarantee.

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

<u>Company Name</u>	<u>Relationship</u>	<u>Connection</u>
K.S.L. IT Center Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Raja Ceramics Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Sahamit Machinery Public Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
K.K. Wood Industry Co., Ltd.	Related Company	Same group of shareholders
Amarco Co., Ltd.	Related Company	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related Company	Same group of shareholders
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in Subsidiary
Mitr Kaset Sugar Industry Co., Ltd.	Related Company	Mutual directors in Subsidiary
Eastern Sugar and Sugar Cane Co., Ltd.	Related Company	Mutual directors in Subsidiary
KSL Tower Juristic Person office	Related Juristic Person	Shared Owner of Condominium Building

All of the aforementioned related entities are incorporated in Thailand.

Prachuap Industry Co., Ltd. holds no part in management of the Company, but is a related company, where 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 subsidiaries of Khon Kaen Sugar Industry Public Company Limited.

## 7. TRADE ACCOUNTS RECEIVABLE - NET

Trade accounts receivable - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Related companies	240	3,256	301,780	29,659
Others	790,459	555,069	160,548	114,500
Total trade accounts receivable	790,699	558,325	462,328	144,159
<u>Less</u> Allowance for doubtful accounts	(8,676)	(9,559)	-	-
Trade accounts receivable - net	<u>782,023</u>	<u>548,766</u>	<u>462,328</u>	<u>144,159</u>

Aging analyzes for trade accounts receivable were as follows:

### 7.1 Trade accounts receivable - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Domestic trade accounts receivable				
Not yet due	149	3,005	301,780	29,659
Overdue not over 3 months	91	251	-	-
Total	<u>240</u>	<u>3,256</u>	<u>301,780</u>	<u>29,659</u>

The normal credit terms granted by the related parties of the Group range from 7 days to 360 days.

### 7.2 Trade accounts receivable - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Domestic accounts receivable				
Not yet due	486,165	465,754	83,731	114,500
Overdue not over 3 months	100,797	63,833	6,407	-
Overdue over 3 months but not over 6 months	2,375	11,269	-	-
Overdue over 6 months but not over 9 months	7,342	3,699	-	-
Overdue over 9 months but not over 12 months	3,886	10,514	-	-
Over 12 months	9,631	-	-	-
Total	<u>610,196</u>	<u>555,069</u>	<u>90,138</u>	<u>114,500</u>
Foreign accounts receivable				
Not yet due	180,069	-	70,410	-
Overdue not over 3 months	194	-	-	-
Total	<u>180,263</u>	<u>-</u>	<u>70,410</u>	<u>-</u>
Total trade accounts receivable	790,459	555,069	160,548	114,500
<u>Less</u> Allowance for doubtful accounts	(8,676)	(9,559)	-	-
Net	<u>781,783</u>	<u>545,510</u>	<u>160,548</u>	<u>114,500</u>

The normal credit terms granted by the customers of the Group range from 5 days to 90 days.

## 8. FARMER ACCOUNTS RECEIVABLE - NET

Farmer accounts receivable - net consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Cane accounts receivable				
Before season 2007/2008	47,492	57,186	-	-
Season 2007/2008	6,465	6,475	-	-
Season 2008/2009	1,359	1,359	77	77
Season 2009/2010	5,850	5,935	3,184	3,184
Total cane accounts receivable	<u>61,166</u>	<u>70,955</u>	<u>3,261</u>	<u>3,261</u>
Advance payment for purchases of cane				
Season 2010/2011	239,309	106,772	87,713	80,229
Season 2011/2012	38,156	28,555	17,267	28,555
Total advance payment for purchases of cane	<u>277,465</u>	<u>135,327</u>	<u>104,980</u>	<u>108,784</u>
Receivables from fuel oil, fertilizer and other services	<u>66,473</u>	<u>27,868</u>	<u>38,820</u>	<u>22,526</u>
Total	405,104	234,150	147,061	134,571
<u>Less</u> Allowance for doubtful accounts	(54,371)	(64,075)	-	-
Farmer accounts receivable - net	<u>305,733</u>	<u>170,075</u>	<u>147,061</u>	<u>134,571</u>

## 9. SHORT-TERM LOANS TO FARMERS

As at January 31, 2011 and October 31, 2010, short-term loans to farmers included in the consolidated and separate financial statements are post-dated checks, where the farmers discounted with the Company and its subsidiaries with the interest rates based on the lending rates of commercial banks.

## 10. INVENTORIES - NET

Inventories - net consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Sugar and molasses	3,447,764	850,222	1,222,268	416,920
Alcohol and bio-fertilizer	94,860	174,683	-	-
Wheat flour	200,823	223,586	-	-
Polypropylene bags	19,463	20,981	-	-
Palm oil	48,760	179,339	-	-
Factory supplies	167,173	151,986	39,383	63,340
	<u>3,978,843</u>	<u>1,600,797</u>	<u>1,261,651</u>	<u>480,260</u>
<u>Less</u> Allowance for obsolete goods and factory supplies	(668)	(668)	-	-
Allowance for diminution in value of inventories	(3,004)	(4,368)	-	-
Inventories - net	<u>3,975,171</u>	<u>1,595,761</u>	<u>1,261,651</u>	<u>480,260</u>

During the period, subsidiaries have movement in the allowance for diminution in value of inventories as follows:

		<b>Unit : Thousand Baht Consolidated Financial Statements</b>
Beginning balance as at November 1, 2010		(4,368)
<u>Add</u> Reserve for allowance for diminution in value of inventories		(1,095)
<u>Less</u> Reversal of allowance for diminution in value of inventories		2,459
Ending balance as at January 31, 2011		<u>(3,004)</u>

## 11. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE - NET

Investments in subsidiaries and an associate - net consisted of:

Unit : Thousand Baht										
<b>Consolidated Financial Statements</b>										
Company Name	Paid-Up		Percentage of		As at January 31, 2011			As at October 31, 2010		
	Share Capital		Shareholding		Cost	Equity	Dividend	Cost	Equity	Dividend
	2011	2010	2011	2010						
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	58,130	-	73,800	55,150	-
Total					<u>73,800</u>	<u>53,130</u>	<u>-</u>	<u>73,800</u>	<u>55,150</u>	<u>-</u>

Unit : Thousand Baht										
<b>Separate Financial Statements</b>										
Company Name	Paid-up		Percentage of		Investment Cost		Dividend			
	share Capital		Shareholding		As at	As at	For the quarter ended	For the year ended		
	2011	2010	2011	2010	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010		
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	-	-		
Total investment in an associate					<u>73,800</u>	<u>73,800</u>	<u>-</u>	<u>-</u>		
<u>Subsidiaries</u>										
Thai Sugar Terminal Public Company Limited **	132,000	132,000	23.82	23.82	81,967	81,967	-	-		
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-		
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	-	108,257		
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-		
K.S.L. Real Estate Company Limited	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 Company Limited	7,500	7,500	100.00	100.00	6,619	6,619	-	-		
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	-		
Khon Kaen Alcohol Company Limited	610,000	610,000	100.00	100.00	609,986	609,986	-	-		
KSL. Agro & Trading Company Limited	280,000	280,000	100.00	100.00	280,000	280,000	-	-		
Savannakhet Sugar Corporation*	684,757	684,757	98.49	98.49	674,178	674,178	-	-		
Koh Kong Sugar Industry Co., Ltd.*	798,900	798,900	70.00	70.00	563,829	563,829	-	-		
Wynn In Trading Co., Ltd.	184,637	34,150	100.00	100.00	184,637	34,150	-	-		
T S G Assets Co., Ltd.**	50,000	50,000	4.11	4.11	2,061	2,061	-	-		
T S Oil Industry Co., Ltd.**	200,000	200,000	0.62	0.62	1,238	1,238	-	-		
T S Flour Mill Public Company Limited**	200,000	200,000	0.09	0.09	196	196	-	93		
T S Warehouse Co., Ltd.**	12,500	12,500	4.02	4.02	509	509	-	-		
T S Transport and Logistic Co., Ltd.**	80,000	80,000	10.12	10.12	8,108	8,108	-	-		
Total					<u>5,236,224</u>	<u>5,085,737</u>	<u>-</u>	<u>108,350</u>		
<u>Less</u> Allowance for impairment of investments					<u>(57,313)</u>	<u>(57,313)</u>	<u>-</u>	<u>-</u>		
Total investment in subsidiaries - net					<u>5,178,911</u>	<u>5,028,424</u>	<u>-</u>	<u>108,350</u>		
Investment in subsidiaries and associate - net					<u>5,252,711</u>	<u>5,102,224</u>	<u>-</u>	<u>108,350</u>		

\* These foreign subsidiaries have been reviewed or audited by other auditors including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn In Trading Co., Ltd. at 70%. Furthermore, Koh Kong Plantation Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year.

\*\* These local subsidiaries which have been reviewed or audited by other auditors.

Movement of investments for the quarter ended January 31, 2011 is as follows:

**Unit : Thousand Baht**  
**Separate Financial Statements**

Beginning balance	5,102,224
Additional investment in Wynn In Trading Co., Ltd.	<u>150,487</u>
Ending balance	<u><u>5,252,711</u></u>

The financial statements of three foreign subsidiaries\*, which were also consolidated, have been reviewed or audited by other auditors. As at January 31, 2011 and October 31, 2010, there were, in the related financial statements, total assets amounts of Baht 4,870.88 million (Baht 4,643.22 million after elimination of related transactions) and Baht 4,315.86 million, respectively, and for the quarter ended January 31, 2011, total revenue was Baht 178.00 million (Baht 50.67 million after elimination of related transactions) and total net loss was Baht 25.56 million (Baht 27.88 million after elimination of related transactions) (For the quarter ended January 31, 2010: total revenue was Baht 88.00 million and net loss was Baht 116.55 million.)

The financial statements of six local subsidiaries\*\*, which were also consolidated, have been reviewed or audited by other auditors. As at January 31, 2011 and October 31, 2010 there were, in the related financial statements, the total assets amounts of Baht 2,404.83 million (Baht 2,404.78 million after elimination of related transactions) and Baht 2,558.24 million, respectively, and for the quarter ended January 31, 2011, total revenue and total net profit was Baht 577.32 million (Baht 575.98 million after elimination of related transactions) and Baht 19.48 million (Baht 18.62 million after elimination of related transactions), respectively (For the quarter ended January 31, 2010: total revenue and net profit was Baht 317.47 million and Baht 10.26 million, respectively.)

As at January 31, 2011 and October 31, 2010, the financial statements of Champion Fermentation Co., Ltd., an associate, which were accounted by equity method were prepared by such company's management which have not been reviewed and audited by auditors. The Company recognized profit sharing of investment in such associate in the consolidated statement of income for the quarter ended January 31, 2011 of Baht 2.98 million or equivalent to 1.97% of consolidated net profit (For the quarter ended January 31, 2010, the Company recognized profit sharing of investment in such associate of Baht 1.04 million.)

## 12. OTHER LONG-TERM INVESTMENTS - NET

Other long-term investments - net consisted of:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>As at</b>		<b>Financial Statements</b>	
	<b>January 31,</b>	<b>October 31,</b>	<b>As at</b>	<b>As at</b>
	<b>2011</b>	<b>2010</b>	<b>January 31,</b>	<b>October 31,</b>
			<b>2011</b>	<b>2010</b>
Investment in available for sales securities				
Equity instruments	4,315	5,315	-	1,000
Debt instruments	-	4,000	-	-
<u>Less</u> Revaluation of securities at fair value	(2,111)	482	-	2,271
Net	<u>2,204</u>	<u>9,797</u>	<u>-</u>	<u>3,271</u>
General investments	795	795	325	325
Investment in held-to-maturity debt securities	14,890	14,650	6,280	6,284
<u>Less</u> Current portion	(750)	(751)	-	-
Net	<u>14,140</u>	<u>13,899</u>	<u>6,280</u>	<u>6,284</u>
Total	<u><u>17,139</u></u>	<u><u>24,491</u></u>	<u><u>6,605</u></u>	<u><u>9,880</u></u>

As at January 31, 2011 and October 31, 2010, the Company and its subsidiaries' bonds at book value of Baht 14.89 million and Baht 14.65 million, respectively, in the consolidated financial statements, and Baht 6.28 million equally for each period in the separate financial statements, have been pledged as guarantee for electricity usage with the Provincial Electricity Authority.

## 13. DEFERRED CANE PLANTATION COSTS - NET

Movement of deferred cane plantation cost for the quarter ended January 31, 2011 are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>Consolidated Financial</b>	<b>Separate</b>
	<b>Statements</b>	<b>Financial Statements</b>
Beginning book value - net	831,654	73,369
Additional costs during the period		
- Costs of cane plantation	129,187	44,943
- Transfers of depreciation	<u>24,277</u>	<u>305</u>
Accumulated cost of cane planted	985,118	118,617
- Amortization of cane plantation costs	<u>(189,830)</u>	<u>(35,897)</u>
Ending book value	795,288	82,720
Loss from value impairment - Reversal	465	-
Loss from damaged cane	(18,396)	-
Currency translation differences	<u>20,367</u>	<u>-</u>
Ending book value - net	<u><u>797,724</u></u>	<u><u>82,720</u></u>

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

As at January 31, 2011 and October 31, 2010, certain deferred cane plantation costs of Baht 699.24 million and Baht 744.38 million, respectively, belong to two subsidiaries which grow cane plantation on lease land as follows:

- For the first subsidiary, amounting to Baht 206.68 million and Baht 223.85 million, respectively, represent costs of cane plantation on the land leased from the Government of the Lao People's Democratic Republic as referred to in Note 29.1.
- For the second subsidiary, amounting to Baht 492.56 million and Baht 520.53 million, respectively, represent costs of cane plantation on the land leased from the Government of the Kingdom of Cambodia as referred to in Note 29.2.

#### 14. LOANS FOR CANE PLANTATION DEVELOPMENT - NET

Loans for cane plantation development - net consisted of:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>As at</b>		<b>Financial Statements</b>	
	<b>January 31,</b>	<b>October 31,</b>	<b>January 31,</b>	<b>October 31,</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Loans for cane plantation development	250,594	247,437	33,651	21,651
<u>Less</u> Current portion of loans for cane plantation development	<u>(19,945)</u>	<u>(45,647)</u>	<u>(10,217)</u>	<u>(7,217)</u>
Total	<u>230,649</u>	<u>201,790</u>	<u>23,434</u>	<u>14,434</u>
<u>Less</u> Allowance for doubtful debts	<u>(5,787)</u>	<u>(5,787)</u>	-	-
Loans for cane plantation development - net	<u>224,862</u>	<u>196,003</u>	<u>23,434</u>	<u>14,434</u>

As at January 31, 2011 and October 31, 2010, the consolidated and separate financial statements included loans for cane plantation development of Baht 33.65 million and Baht 21.65 million, respectively, which were loans provided for purchases of agricultural machineries to three and other companies, respectively. The loan agreements are entered into for the periods of 3 - 4 years. Loans carrying interest rate at MLR+1.00 per annum are payable with interest annually. The Company has the ownership over the agricultural machineries purchased by the borrowers and, in the event of default of debt payments, the Company is able to sell such machineries back to the seller.

As at January 31, 2011 and October 31, 2010, the remaining cane plantation development loans were the subsidiaries' loans to farmers for the purpose to buy land for cane plantation, agricultural machineries and equipment. The loan agreements were entered into for the periods of 1 - 10 years or longer. Loans carry interest rates of 5.00 - 10.00% per annum which the farmers mostly use land and vehicles as collateral.



**15. OTHER ACCOUNTS RECEIVABLE - COMPENSATION FOR SUGAR PRODUCTION AND DISTRIBUTION - NET**

Other accounts receivable-compensation for sugar production and distribution - net consisted of:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>As at</b>		<b>Financial Statements</b>	
	<b>January 31,</b>	<b>October 31,</b>	<b>January 31,</b>	<b>October 31,</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Other accounts receivable - compensation for sugar production and distribution	244,952	244,952	132,770	132,770
<u>Less</u> Stabilization function payments				
Season 2007 / 2008	(49,950)	(49,950)	(24,601)	(24,601)
Season 2008 / 2009	(55,902)	(55,902)	(25,291)	(25,291)
Season 2009 / 2010	<u>(50,229)</u>	<u>-</u>	<u>(21,926)</u>	<u>-</u>
Other accounts receivable - net	88,871	139,100	60,952	82,878
<u>Less</u> Current portion of other account receivable - compensation for sugar production and distribution	<u>(88,871)</u>	<u>(50,246)</u>	<u>(60,952)</u>	<u>(21,973)</u>
Other accounts receivable - compensation for sugar production and distribution - net	<u>-</u>	<u>88,854</u>	<u>-</u>	<u>60,905</u>

On February 4, 2011, the Office of the Cane and Sugar Board issued the letter No. Or Gor 0609/484 informing the resolution of the Cane and Sugar Board's meeting No. 1/2554 held on January 12, 2011, approving the offsetting of the stabilization function payment for the production seasons 2007/2008, 2008/2009 and 2009/2010 with the compensation for sugar production and distribution where the remaining liability would be calculated by the Cane and Sugar Fund from the cane prices of the production season 2010/2011. As such, as at January 31, 2011, other accounts receivable - compensation for sugar production and distribution of Baht 88.87 million and Baht 60.95 million were presented as current portion in the consolidated and separate financial statements, respectively.

**16. PROPERTY, PLANT AND EQUIPMENT - NET**

Movements for the quarter ended January 31, 2011 are as follows:

	<b>Consolidated</b>	<b>Unit : Thousand Baht</b>
	<b>Financial Statements</b>	<b>Separate</b>
	<b>Financial Statements</b>	<b>Financial Statements</b>
Beginning book value - net	18,009,793	2,753,048
Purchases of assets (including construction in progress)	695,992	33,370
Capitalized interest expenses as costs of assets	15,014	-
Transfer in - cost	3,823,039	61,986
Transfer out - cost	(3,823,039)	(61,986)
Cost of disposal/written off of assets	(196,951)	(174,923)
Accumulated depreciation - disposal/written off	88,121	55,236
Surplus on revaluation of disposal/written off of assets	(14,419)	(12,377)
Accumulated depreciation - surplus on revaluation of disposal/written off of assets	5,113	4,080
Depreciation	(204,982)	(62,496)
Depreciation - surplus on revaluation of assets	(96,940)	(33,272)
Translation of financial statements differences	81,897	-
Ending book value - net	<u>18,382,638</u>	<u>2,562,666</u>

For the quarter ended January 31, 2011, increased assets are mainly due to construction in progress of Baht 528.85 million.

As at January 31, 2011 and October 31, 2010, land together with structure and machinery at the book value of Baht 952.77 million and Baht 956.05 million, respectively, in the consolidated financial statements, were used as collateral for the short-term and long-term credit facilities with commercial banks as stated in Notes 21 and 28.5.

As at January 31, 2011 and October 31, 2010, buildings and structure and building under construction of three foreign subsidiaries at book value of Baht 672.77 million and Baht 663.57 million, respectively, in the consolidated financial statements, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Notes 29.1 and 29.2)

As at January 31, 2011 and October 31, 2010, assets at cost amount of Baht 616.04 million and Baht 579.29 million, respectively, in the consolidated financial statements, and of Baht 313.85 million and Baht 276.75 million, respectively, in the separate financial statements, were fully depreciated but still in use.

The Company and its subsidiaries accounted for assets revaluation by recording an increase in values of assets to surplus on revaluation of assets in the shareholders' equity. If the Company and its subsidiaries recorded the depreciation of such surplus on revaluation of assets in the statements of income, the effect to the statements of income for quarters ended January 31, 2011 and 2010 are as follows:

	<b>Consolidated</b>		<b>Unit : million Baht</b>	
	<b>Financial statements</b>		<b>Separate</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Depreciation and written off recognized in shareholders' equity	106.25	146.37	41.57	(38.06)
Effect to statements of income from above depreciation and written off recognized in shareholders' equity				
Profit for the period decrease (loss for the period increase)	106.25	(146.37)	41.57	(38.06)
Earnings per share decrease (loss per share increase) (Unit : Baht)	0.07	(0.09)	0.03	(0.02)

## 17. ASSETS NOT YET USED IN OPERATION - NET

Movements for the quarter ended January 31, 2011 are as follows:

	<b>Consolidated</b>	<b>Unit : Thousand Baht</b>
	<b>Financial Statements</b>	<b>Separate</b>
		<b>Financial Statements</b>
Beginning book value - net	361,922	125,867
Additional purchases	41,575	36,705
Ending book value - net	<u>403,497</u>	<u>162,572</u>

As at January 31, 2011 and October 31, 2010, assets not yet used in operation - net at book value of Baht 338.76 million and Baht 297.19 million, respectively, in the consolidated financial statements, and of Baht 162.57 million and Baht 125.87 million, respectively, in the separate financial statements are land held for business expansion in the future.

As at January 31, 2011 and October 31, 2010, a subsidiary owned assets not yet used in operation of Baht 15.80 million. Such assets are spare parts of machineries bidding from a non-related company which are outstanding from usage and sales. They are currently considered to be held for business expansion in the future.

## 18. TRADE ACCOUNTS PAYABLE

Trade accounts payable consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Related parties	480	-	15,928	27,994
Others				
- Accounts payable - cane purchase	1,370,190	238,036	625,838	57,116
- Other trade accounts payable	248,815	165,656	60,084	53,258
Total	<u>1,619,485</u>	<u>403,692</u>	<u>701,850</u>	<u>138,368</u>

As at January 31, 2011, the Company and its three subsidiaries purchased canes for the production season 2010/2011 using the initial cane price for production season 2010/2011 announced by the Cane and Sugar Board's in the Royal Gazette dated January 18, 2011. The price is Baht 945.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 56.70 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 2010/2011. Therefore, the Company and its subsidiaries recorded the estimated accrued production expenses as mentioned in Note 19 and calculated cost of goods sold and inventories for the quarter ended January 31, 2011 from estimation made by the management of the Company and its subsidiaries at cane price of Baht 1,128.85 - 1,169.08 per cane ton with average sweetness level at 10.72 - 11.77 c.c.s.

As at October 31, 2010, the Company and its three subsidiaries purchased canes for production season 2009/2010 by using the announced initial cane price for production season 2009/2010 in accordance with the minute of the Cane and Sugar Board's meeting No. 10/2552 dated December 1, 2009. The price is Baht 965.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 57.90 per cane ton. Until the date the Company's board of directors approved the issuance of the financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2009/2010. Therefore, the Company and its subsidiaries recorded accounts payable for cane purchases and calculated cost of goods sold and inventories for the year ended October 31, 2010 in accordance with the cabinet resolution dated December 7, 2010 at Baht 1,143.56 - 1,251.03 per cane ton with average sweetness level at 10.63 - 11.77 c.c.s. During the first quarter of 2011, the Cane and Sugar Board announced the final cane price for production season 2009/2010 in accordance with the Royal Gazette dated January 18, 2011, which showed no change in the final cane price.

## 19. ESTIMATED ACCRUED PRODUCTION EXPENSES

The Company and its three subsidiaries recorded estimate of accrued production cost based on average rate of production costs for the entire production season to determine the cost of production per unit, which was calculated from the estimated cost of cane, direct labor and production costs expected to occur divided by the estimated volume of production expected to produce in each production season. The cost of cane is estimated as mentioned in Note 18 and the quantities of cane to be crushed in each production season will be estimated. Direct labor and production costs are estimated by the management of the Company and its subsidiaries by considering from past information relating to the nature of each recurring expense and capacity in each production season. The differences between the estimated production cost of the produced units and the actual production cost is shown under the “Estimated Accrued Production Expenses”, which will reduce over time according to the increase in actual production costs and will be completely depleted at the end of the production season.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances at that time.

## 20. LONG-TERM DEBENTURES - NET

Long-term debentures - net are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>Consolidated Financial Statements/ Separate Financial Statements</b>	
	<b>As at January 31, 2011</b>	<b>As at October 31, 2010</b>
Unsecured senior debt debentures		
- Maturity over 1 year	2,996,804	3,775,647
- Current portion	779,430	999,933
Total	3,776,234	4,775,580

Movements of long-term debentures for the quarter ended January 31, 2011 are as follows:

	<b>Unit : Thousand Baht</b>
	<b>Consolidated Financial Statements/ Separate Financial Statements</b>
Beginning book value	4,775,580
Redemptions during the period	(1,000,000)
Amortized debenture issuance expenses during the quarter	654
Ending book value	3,776,234

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

- The Company shall maintain the debt to shareholders' equity ratio in the consolidated financial statements at not more than 2.5 to 3:1 at any time for the entire debentures terms. However, the debt to shareholder's equity ratio as at October 31 of each year shall be maintained at not more than 1.5 to 2:1 for the entire debentures terms.
- In case the credit rating of the debentures is lower than the current Company's rating at that time, the Company shall pledge assets as collateral for the debenture holders or proceed to correct the credit rating of the debentures to be at the same level or better than the credit rating of the Company.

**21. LONG-TERM LOANS - NET**

Long-term loans - net consisted of:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>As at</b>		<b>Financial Statements</b>	
	<b>January 31,</b>	<b>October 31,</b>	<b>January 31,</b>	<b>October 31,</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
1. Limit 500 million Baht	248,000	332,000	248,000	332,000
2. Limit 2,000 million Baht	2,000,000	1,043,000	-	-
3. Limit 1,000 million Baht	1,000,000	1,000,000	-	-
4. Limit 600 million Baht	310,000	310,000	-	-
5. Limit 140 million Baht	100,000	120,000	-	-
6. Limit 80 million Baht	20,000	20,000	-	-
7. Limit 200 million Baht	146,000	146,000	-	-
8. Limit 800 million Baht	725,000	725,000	-	-
9. Limit 5 million USD	155,719	149,855	-	-
10. Limit 5 million USD	155,719	149,855	-	-
11. Limit 30 million USD	934,310	899,130	-	-
Total	<u>5,794,748</u>	<u>4,894,840</u>	<u>248,000</u>	<u>332,000</u>
Less Current portion of long-term loans	<u>(652,150)</u>	<u>(552,855)</u>	<u>(168,000)</u>	<u>(168,000)</u>
Long-term loans - net	<u><u>5,142,598</u></u>	<u><u>4,341,985</u></u>	<u><u>80,000</u></u>	<u><u>164,000</u></u>

Movements of long-term loans for the quarter ended January 31, 2011 are as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
Beginning balance at book value	4,894,840		332,000	
Increase in the period	957,000		-	
Repayment in the period	(104,000)		(84,000)	
Currency translation differences	46,908		-	
Ending balance at book value	<u>5,794,748</u>		<u>248,000</u>	

In the consolidated and separate financial statements, as at January 31, 2011 and October 31, 2010, the Company and its subsidiaries obtained loans from the commercial banks, which the first to eighth credit lines had due payment of interest at the end of every month and carried interest rates at MLR-2.00% to MLR-0.75% per annum. The ninth to eleventh credit lines had due payment of interest every three months and carried the interest rate at LIBOR+2% per annum. There are important covenants as follows:

No.	Limit	Term of payment	Collateral
1	Baht 500 million	- Repayment of principal at every six-month period for the total of 6 installments, the first installment to be paid in January 2010. The payment for the 1 <sup>st</sup> -5 <sup>th</sup> installment at Baht 84.00 million each and the 6 <sup>th</sup> installment repayment of Baht 80.00 million.	None
2	Baht 2,000 million	- Repayment of principal at every six-month period for the total of 10 installments at Baht 200.00 million each, and the grace period of two years, commencing the first installment in December 2011.	<ul style="list-style-type: none"> <li>- Secured by Khon Kean Sugar Industry Public Company Limited</li> <li>- Insurance coverage for structure and machineries at higher sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank</li> </ul>
3	Baht 1,000 million	- Repayment of principal at every six-month period for the total of 10 installments at Baht 100.00 million each, and the grace period of two years, commencing the first installment in March 2012.	
4	Baht 600 million	- Repayment of principal at every six-month period for the total of 10 installments at Baht 60.00 million each, and the grace period of two years, commencing the first installment in July 2012.	
5	Baht 140 million	- Repayment of principal at every six-month period for the total of 7 installments at Baht 20.00 million each, commencing the first installment in June 2010.	<ul style="list-style-type: none"> <li>- Secured by four subsidiaries</li> <li>- Mortgaged land with warehouse, plant, machineries including plant under construction and machineries under installation when construction and installation completed and leasehold right of leased land with plant of subsidiary</li> </ul>
6	Baht 80 million	- Repayment of principal at every six-month period for the total of 8 installments at Baht 10.00 million each, commencing the first installment in January 2008.	
7	Baht 200 million	- Repayment of principal at every three-month period for the total of 20 installments at Baht 10.00 million each, and the grace period of two years, commencing the first installment in January 2012.	<ul style="list-style-type: none"> <li>- Insurance coverage for structure and machineries at higher sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank</li> </ul>
8	Baht 800 million	- Repayment of principal at every six-month period for the total of 10 installments at Baht 37.50 - 92.50 million each, commencing the first installment in April 2010.	- Secured by Khon Kean Sugar Industry Public Company Limited
9	USD 5 million	- Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million and the grace period of two years, commencing the first installment in March 2011.	<ul style="list-style-type: none"> <li>- Secured by Khon Kean Sugar Industry Public Company Limited</li> <li>- Secured by two subsidiaries</li> <li>- Share certificate of a related company holding by shareholders of subsidiary</li> </ul>
10	USD 5 million	- Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million and the grace period of two years, commencing the first installment in March 2011.	
11	USD 30 million	- Repayment of principal at every six-month period for the total of 10 installments at USD 3.00 million and the grace period of two years, commencing the first installment in June 2011.	

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

## 22. SHARE CAPITAL

In accordance with the minutes of the Annual General Shareholders' meeting No. 1/2553 held on February 26, 2010, the following resolutions were made:

- Approved the increase of the registered share capital from formerly Baht 1,550.00 million to Baht 1,870.00 million by issuance of 320 million new ordinary shares at the par value of Baht 1.00 each totaling Baht 320.00 million, and amending the Company's Memorandum of Association to correspond with the increase of the registered share capital. The Company has already registered the resolved increase share capital with the Ministry of Commerce on March 24, 2010.
- Approved the issuance and the offer for sales of the warrant to purchase the Company's ordinary shares ("Warrant") at 170 million units. The Warrant not more than 155 million units, are offered to the current shareholders of the Company at the ratio of 10 current ordinary shares to 1 unit of Warrant at the offering price of Baht 0.00 per unit and not more than 15 million units are offered to the general investors who purchased the above increase capital ordinary shares at the ratio of 10 ordinary shares to 1 unit of Warrant at the offering price of Baht 0.00 per unit. The exercise ratio is 1 unit of warrant per 1 ordinary share at the exercise price of Baht 10.00 per share. The Warrant can first be exercised on March 15, 2011 and the last exercise date is March 15, 2013 with the term of 3 years from the issuing date. The entire warrants are still outstanding at present.
- Approved to allocate the said capital increase ordinary shares by allocating 150 million shares to be issued and offered for sales to the general investors and 170 million shares to support the conversion of the Company's 170 million units of warrant. The Board of Directors is authorized to determine the selling price of the capital increase ordinary shares to the general investors after considering the Company's weighted average market price for 7-15 working days prior to the date to sell the said shares to the general investors. In the event the Board of Directors determined the selling price of the capital increase ordinary shares at lower than the market price, the said selling price can be discounted at not more than 5% of the market price with the consideration of the book building and the trading situation of the Stock Exchange of Thailand at that time.

## 23. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses included the compensation paid to the directors of the Company and its subsidiaries in accordance to Section 90 of Public Company Act which do not include salaries and related benefits paid to the executive directors of the Company and its subsidiaries are as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
For the quarters ended January 31,	6.55	4.94	3.74	3.27

## 24. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt to equity ratio not exceeding the covenants of the loan agreement (see Note 21).

As at January 31, 2011 and October 31, 2010, debt-to-equity ratio presenting in the consolidated financial statements is at 1.65 : 1.00 and 1.33 : 1.00, respectively, and in the separate financial statements is at 1.31 : 1.00 and 1.27 : 1.00, respectively.

## 25. EXPENSES BY NATURE

The significant expenses by nature for the quarters ended January 31, 2011 and 2010 are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
Salaries, wages and other employee benefits	322,365	343,218	116,487	145,097
Depreciation	205,800	190,946	67,592	99,047
Fuel costs	70,593	96,987	24,872	61,779
Fee payable to the Office of the Cane and Sugar Fund	230,422	194,994	111,236	79,743
Maintenance expenses	125,569	188,716	57,310	126,612
Transportation expenses	83,769	74,345	29,410	32,760
Raw material and supplies used	3,458,597	3,561,180	1,342,386	1,591,693
Purchased finished goods	35,250	13,167	201,827	202,639
Changes in finished goods and work in process	(2,340,935)	(2,526,759)	(805,349)	(1,345,886)
Management benefit expenses	48,411	44,637	12,962	11,979
Loss from investment in derivative instruments	-	236,560	-	106,225
Interest expenses	87,810	63,144	51,440	50,249
Other financial expenses	1,161	752	654	752
Other operating expenses	163,550	228,778	51,400	57,636
Total	<u>2,492,362</u>	<u>2,710,665</u>	<u>1,262,227</u>	<u>1,220,325</u>



## 26. EARNINGS (LOSS) PER SHARE

The calculations of basic earnings (loss) per share were based on dividing the profit (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the period by the number of dilutive potential ordinary shares, on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares. For the quarter ended January 31, 2011, the Company's dilutive potential ordinary shares are the stock options provided to the existing shareholders. The details are as follows:

	<b>Consolidated Financial Statements</b>		
	<b>Net profit</b>	<b>Number of shares</b>	<b>Earnings per share</b>
	<b>Thousand Baht</b>	<b>Thousand Shares</b>	<b>Baht</b>
Basic earnings per share			
Profit available to ordinary equity holders	144,432	1,550,00	<u>0.093</u>
Effect of diluted equivalent ordinary shares			
Warrants	<u>-</u>	<u>36,67</u>	
Diluted earnings per share			
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	<u>144,432</u>	<u>1,586,67</u>	<u>0.091</u>
	<b>Separate Financial Statements</b>		
	<b>Net profit</b>	<b>Number of shares</b>	<b>Earnings per share</b>
	<b>Thousand Baht</b>	<b>Thousand shares</b>	<b>Baht</b>
Basic earnings per share			
Profit available to ordinary equity holders	64,959	1,550,00	<u>0.042</u>
Effect of diluted equivalent ordinary shares			
Warrants	<u>-</u>	<u>36,67</u>	
Diluted earnings per share			
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	<u>64,959</u>	<u>1,586,67</u>	<u>0.041</u>

**27. DISCLOSURE OF SECTORAL BUSINESS OPERATIONS**

Details of the sectoral business operation of the Group are as follows:

**Consolidated Financial Statements  
For the quarters ended January 31, 2011 and 2010**

	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 Business		Total							
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2010							
	Thai	Laos	Cambodia	Thai	Laos	Cambodia	Thai	Laos	Thai	Laos	Thai	Laos	Thai	2010						
Net revenue from operation - domestic	1,544	5	123	1,189	-	87	150	172	202	143	12	35	250	278	324	14	(844)	(499)	1,766	1,419
Net revenue from operation - foreign	830	4	10	1,112	-	-	-	-	-	-	-	-	-	-	20	25	(20)	-	844	1,137
Total	2,374	9	133	2,301	-	87	150	172	202	143	12	35	250	278	344	39	(864)	(499)	2,610	2,556
Profit (loss) from operations	610	19	16	564	(19)	(45)	6	46	81	67	16	39	60	34	44	11	(63)	(7)	789	690
Selling expenses and administrative expenses																			(489)	(715)
Financial costs																			(89)	(64)
Share of profit of investment in an associate (net of income tax)																			3	1
Income tax expense																			(63)	(10)
Profit (loss) for the period																			151	(98)
Add (Less) Loss (Profit) for the period of minority interest																			(7)	35
Profit (loss) for the period of the Company																			144	(63)
<b>As at January 31, 2011 and 2010</b>																				
Trade accounts receivable - net	875	-	127	556	-	62	47	58	201	107	21	10	103	124	132	65	(724)	(357)	782	625
Inventories - net	3,043	85	405	3,437	45	188	59	52	68	-	-	-	219	280	95	26	-	-	3,974	4,028
Property, plant and equipment - net	8,766	1,097	2,220	8,535	852	1,337	979	846	3,637	2,314	1,036	1,433	433	469	799	306	(583)	(116)	18,384	15,976
Central assets	2,981	308	683	3,446	218	646	124	69	65	79	49	64	44	33	386	413	(1,239)	(1,746)	3,401	3,222
Total Assets	15,665	1,490	3,435	15,974	1,115	2,233	1,209	1,025	3,971	2,500	1,106	1,507	799	906	1,412	810	(2,546)	(2,219)	26,541	23,851

## 28. COMMITMENTS AND CONTINGENT LIABILITIES

As at January 31, 2011 and October 31, 2010, apart from liabilities reflected in the financial statements, the Company and its subsidiaries have commitments and contingent liabilities as follows :-

28.1 The Company and its subsidiaries have commitments relating to the agreements to sell sugar but not yet delivered in the consolidated financial statements amounting to Baht 7,318.35 million and Baht 2,012.00 million, respectively, and in the separate financial statements amounting to Baht 4,035.50 million and Baht 1,428.71 million, respectively.

28.2 The Company and three subsidiaries had issued post-dated checks to farmers to purchase cane. The Company and the subsidiaries did not record the said liabilities as the checks are not yet due and the cane of the production season has not been received from the farmers as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
For the production season 2009/2010	-	17.61	-	17.61
For the production season 2010/2011	261.75	599.19	28.02	140.70
For the production season 2011/2012	90.89	-	75.47	-

28.3 A subsidiary entered into two electricity sale-purchase agreements with the Electricity Generating Authority of Thailand (EGAT) as follows:

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khonkaen Province, for the period of 21 years commencing from the first month of electricity selling (December 2006) at the volume of 20 Megawatt at the voltage of 115 Kilovolts. For the second year until the year before last, EGAT agrees to buy electricity at not less than 80% of the electricity volume stipulated in the agreement.
- Agreement dated January 12, 2010, EGAT agrees to buy electricity at the volume of 22 Megawatt at the voltage of 115 Kilovolts at Bo Ploy District, Kanchanaburi Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from October 1, 2011. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sell the electricity. Furthermore, on October 20, 2010, the subsidiary entered into additional amendment to the agreement to temporary sell the electricity to EGAT at the volume of 8 Megawatt at the voltage of 22 Kilovolts from November 25, 2010 to September 30, 2011.

28.4 A subsidiary was granted the electricity generating business concession from the Ministry of Energy (the Concession Granter) on July 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. The important conditions are as follows:

- Once the concession period expired or is terminated, the Concession Granter has the option to purchase the entire electricity generating business from the subsidiary at the price determined by the Committee approved by the Cabinet and the Concession Granter shall inform the subsidiary in writing at least six months prior to the expiration date of the concession and within three months from the rescind date of the concession.
- Once the concession period is expired, Metropolitan Electricity Authority, Provincial Electricity Authority, municipal government or sanitation district has the intention to operate the subsidiary's electricity generating business, they can purchase the assets of the electricity generating business at the price determined by the Committee approved by the Cabinet. However, if the said government sectors do not wish to purchase the electricity generating business and the subsidiary has the intention to continue the operation, the Concession Granter may consider the appropriateness in extending the concession term.

In case the subsidiary does not agree to the proposal as mentioned above, the subsidiary shall demolish all the constructions constructed or installed in public area and renovate to their original conditions within six months after this concession is expired.

28.5 The consolidated and separate financial statements, as at January 31, 2011 and October 31, 2010, have commitments, contingent liabilities and credit facilities as follows:

		Unit : Million					
		Consolidated Financial Statements					
		As at January 31, 2011			As at October 31, 2010		
Currency	Total	Utilized	Remaining	Total	Utilized	Remaining	
<b>Commitments</b>							
	Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	THB	-	6,096.91	-	-	4,441.11
	Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	USD	-	99.40	-	-	133.68
<b>Contingent Liabilities</b>							
	Letters of guarantees (not specified credit limit)	THB	-	92.99	-	-	86.75
	Notes acceptance	THB	30.00	-	30.00	30.00	-
	Letters of credit and trust receipts	THB	2,484.00	1,016.29	1,467.71	2,934.00	1,017.66
	Letters of credit	USD	21.88	11.88	10.00	21.88	11.88
<b>Credit Facilities</b>							
	Overdraft and short-term loans	THB	11,716.00	2,626.51	9,089.49	11,336.00	632.80
	Short-term loans	USD	20.50	18.47	2.03	23.00	20.00
	Joint credit line in short-term loans	THB	1,485.70	97.46	1,388.24	1,285.70	123.81
	Long-term loans	THB	4,693.00	4,403.00	290.00	2,800.00	1,508.00
	Long-term loans	USD	40.00	40.00	-	-	-
	Joint credit line in the letters of credit and long-term loans	THB	260.00	146.00	114.00	260.00	146.00

Unit : Million							
Separate Financial Statements							
As at January 31, 2011							
As at October 31, 2010							
Currency	Total	Utilized	Remaining	Total	Utilized	Remaining	
<b>Commitments</b>							
Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	THB	-	5,906.81	-	-	4,441.11	-
Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	USD	-	40.93	-	-	63.68	-
<b>Contingent Liabilities</b>							
Letters of guarantees (unspecified credit limit)	THB	-	2.86	-	-	2.86	-
Letters of credit and trust receipt	THB	30.00	-	30.00	30.00	-	30.00
<b>Credit Facilities</b>							
Overdraft and short-term loans	THB	4,068.00	627.00	3,441.00	3,858.00	-	3,858.00
Short-term loans	USD	0.50	-	0.50	3.00	-	3.00
Joint credit line in short-term loans	THB	1,485.70	97.46	1,388.24	1,285.70	123.81	1,161.89
Long-term loans	THB	248.00	248.00	-	248.00	248.00	-

As at January 31, 2011 and October 31, 2010, the credit line for short-term loans of USD 5.00 million is credit facility received from a financial institution which the credit facility utilization is jointly granted to 2 foreign subsidiaries and has already been utilized USD 2.60 million and USD 4.10 million, equivalent to Baht 80.96 million and Baht 123.81 million, respectively.

Overdrafts and short-term loans from financial institutions as at January 31, 2011 and October 31, 2010 carried interest rates at 1.65-3.30% per annum and 1.65-3.50% per annum, respectively.

Part of the above credit facilities are secured by land together with structure, machineries, the subsidiary's leasehold right for the land, where the factory is located, and share certificates of a related company held by the shareholders of the subsidiary. The inter-guarantee was also offered between the Company and its subsidiaries, and benefits arisen from insurance policy for structure and machineries were transferred to the lenders, and for some of the credit facilities, if the drawdown is made, the Company and its subsidiaries have to additionally pledge parts of their inventories as collateral.

Furthermore, in relation to commitments for long-term loans, the Company and its subsidiaries have to comply with certain financial conditions such as maintaining the debt-to-equity ratio, maintaining the shareholding ratio in subsidiary, maintaining the debt service coverage ratio, limitation in creating additional long-term debts, increase of the registered share capital and limitation in dividend payment, etc.

28.6 As at January 31, 2011 and October 31, 2010, the Company and its subsidiaries have remaining commitments under the various contracts as follows:

Unit : Million

**Consolidated Financial Statements**

As at

	Currency	January 31, 2011		October 31, 2010	
		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	359.74	112.80	512.76	108.01
	USD	0.03	0.03	-	-
Machine and equipment purchase agreements	THB	555.37	190.42	607.54	327.19
	USD	2.69	0.58	17.63	2.42
	JPY	3,190.00	1,650.00	3,190.00	1,650.00
	EURO	-	-	1.18	0.89
	CHF	0.16	0.11	-	-
Land development agreements	USD	-	-	11.25	4.86
Rental agreements	THB	12.73	12.01	-	-
Materials purchase agreements	THB	208.50	162.28	-	-
	USD	11.56	9.98	-	-
Fertilizer purchase agreements	RIEL	19.69	19.69	-	-

## 29. OTHER SIGNIFICANT INFORMATION

- 29.1 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary), made a contract to develop area in the Lao People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 30 years which can be extended for another 20 years if approved by the counter party. As at January 31, 2011 and October 31 2010, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.
- 29.2 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 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. As at January 31, 2011 and October 31, 2010, the subsidiaries have already utilized the area of 10,481 hectares.
- 29.3 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with third parties to build port and land awaiting development dated May 21, 2007 and June 1, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at January 31, 2011 and October 31, 2010, the remaining amount of the advance lease fee paid is USD 462,276 and USD 463,466, respectively.

### 30. FINANCIAL INSTRUMENTS

#### Policy to manage financial risk

As at January 31, 2011, the policy to manage financial risks, credit risks and fair values is the same as that of the financial statements as at October 31, 2010.

#### Risk on interest rate

Risk on interest rates is derived from the fluctuation of the market interest rate in the future, which will affect upon the Company and its subsidiaries' operating results and cash flows. However, the Group companies manage risk on interest rate by using various methods including the loans allocation to gain appropriate balance between fixed interest rate loans and floating interest rate loans and compatible to different activities of the Group companies with the details mainly as following:

Unit : Thousand Baht					
Consolidated Financial Statements					
As at January 31, 2011					
	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year	More than 5 years	Interest Rate	
		to 5 years			
<b>Financial Assets</b>					
Saving account deposits	-	-	-	331,285	331,285
Fixed account deposits	-	-	-	21	21
Loans for cane plantation development	1,775	3,638	14,603	220,111	240,127
Short-term loans to farmers	437,877	-	-	-	437,877
Other long-term investments	750	14,890	-	-	15,640
Total	<u>440,402</u>	<u>18,528</u>	<u>14,603</u>	<u>551,417</u>	<u>1,024,950</u>
<b>Financial Liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	2,313,713	-	-	1,380,008	3,693,721
Debentures	779,430	2,996,804	-	-	3,776,234
Long-term loans	-	-	-	5,794,748	5,794,748
Total	<u>3,093,143</u>	<u>2,996,804</u>	<u>-</u>	<u>7,174,756</u>	<u>13,264,703</u>

Unit : Thousand Baht

**Consolidated Financial Statements**  
As at October 31, 2010

	Fixed Interest Rate		Floating	Total
	Within	More than	Interest Rate	
	1 year	1 year to 5 years		
<b>Financial Assets</b>				
Saving accounts deposits	-	-	144,728	144,728
Fixed accounts deposits	5,729	-	-	5,729
Loans for cane plantation development	38,430	181,569	21,651	241,650
Short-term loans to farmers	454,336	-	-	454,336
Other long-term investments	751	17,998	-	18,749
Total	<u>499,246</u>	<u>199,567</u>	<u>166,379</u>	<u>865,192</u>
<b>Financial Liabilities</b>				
Overdrafts and short-term loans from financial institutions	-	-	1,902,246	1,902,246
Short-term loans from others	5,000	-	-	5,000
Debentures	999,933	3,775,647	-	4,775,580
Long-term loans	-	-	4,894,840	4,894,840
Total	<u>1,004,933</u>	<u>3,775,647</u>	<u>6,797,086</u>	<u>11,577,666</u>

#### Risk on exchange rate

Risks on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import of machine as transactions are made in foreign currencies. As at January 31, 2011 and October 31, 2010, the Company and its subsidiaries possessed assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been made as follows:

Unit : Million

Currencies	Consolidated Financial Statements				Separate Financial Statements			
	As at				As at			
	January 31, 2011		October 31, 2010		January 31, 2011		October 31, 2010	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	15.14	88.09	-	9.49	2.28	-	-	-
YEN	-	80.00	-	802.09	-	-	-	-
RIEL	1,164.44	1,262.38	944.54	161.89	-	-	-	-

As at January 31, 2011 and October 31, 2010, in the consolidated and separate financial statements, the Company and its subsidiaries made forward contracts with a commercial banks to hedge against exchange rate risk from receipt and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liability in the financial statements. The forward contracts that have repayment due dates not over 12 months are as follows:

Unit : Million Baht

Currency	Amount fixed in contract				Currency	Amount earned in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements 2011	Financial Statements 2010	Financial Statements 2011	Financial Statements 2010		Financial Statements 2011	Financial Statements 2010	Financial Statements 2011	Financial Statements 2010
USD	77.63	10.90	-	1.00	THB	2,193.14	345.28	-	30.08
YEN	-	400.00	-	-	THB	-	139.54	-	-



Net fair values of financial derivatives as at the balance sheets date of the Company and its subsidiaries are as follows:

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at January 31, 2011	As at October 31, 2010	As at January 31, 2011	As at October 31, 2010
Net fair values of forward contracts	(60.22)	0.20	-	0.06

Risk on the fluctuation of sugar and cane prices

Since the cane and sugar industry in Thailand is an industry under the control and supervision of the government sector by the Cane and Sugar Board under the Cane and Sugar Act B.E. 2527 which has the following restrictions:

1. The quota system on the allocation on sugar distribution channels is as follows:
  - 1.1 Quota A for the sugar produced for the domestic consumption,
  - 1.2 Quota B for the raw sugar determined by the Cane and Sugar Board for the sugar mill factories to produce and deliver to Thailand Cane and Sugar Corporation (TCSC) for distribution. These will be used as a base to set the standard price of raw sugar exported to calculate the income of the system,
  - 1.3 Quota C for the sugar that the sugar mill factories produced for international sales or for the raw material for the production of goods to be exported overseas.
2. The allocation of net income of the system between the cane farmers and the sugar mill factories under the benefit sharing, where the cane farmers receive 70% of the income which consisted of the cane price and the sugar mill factories receive 30% which consisted of the return on production. The net income of the cane and sugar system is calculated by using the income from the domestic sugar distribution (Quota A) and income from the international sales (Quota B and Quota C which using the average price of the sugar in Quota B and the exchange rate of the actual sales made by TCSC as the base for income calculation for the international sales) less the expenses of the Cane and Sugar Industry. Currently, the proportion of the exported sugar comparing to the domestic sales sugar is approximately 70:30.

From such system, the selling price of sugar under Quota B and the exchange rate of the actual sales made by TCSC have significant effect on the cane price which is the major cost of the sugar production. The sugar sales price of foreign subsidiaries is based on the sugar guaranteed price under the Decrees 12 and 13 of Regulation (EC) No. 980/2005 which the price is determined for 4 years in advance (Year 2014/2015). To manage risk on the fluctuation of the gross profit, the Company has utilized the risk management process by entering into Commodity Swap Contract with the contractual periods not over 2 years

The consideration on the prevention of risk on the raw sugar and white sugar prices would be considered by mainly using the information used in preparation of TCSC's cane price determination and the estimate of the production made by the production department of the sugar mill factories in conjunction with the basic information of the world sugar price related to the consumption demand and the anticipated production volume, including the related financial information. The risk prevention would refer to the price of the raw sugar NY#11 and the price of white sugar LD#5.

The Group would account for when the contract is settled or the contract is expired by recording the gain or loss incurred in the statement of income for the period. The Company recognized assets or liabilities and gain or loss from investments in derivative instruments when entered into commodity swap agreements. For the quarters ended January 31, 2011 and 2010, the Company has accounted for transactions in the financial statements as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at		As at	
	January 31, 2011	October 31, 2010	January 31, 2011	October 31, 2010
Assets from investments in derivative instruments	34.55	-	-	-

  

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	for quarters ended		for quarters ended	
	January 31, 2011	2010	January 31, 2011	2010
Profit (loss) from investments in derivative instruments	33.08	(236.56)	-	(106.23)

Net fair values of financial derivatives as at January 31, 2011 and October 31, 2010, of the Company and its subsidiaries are as follows:

	Currency	Unit : Million Baht	
		Consolidated/ Separate	
		Financial Statements	
		As at	
		January 31, 2011	October 31, 2010
Net fair values for commodity swap contracts	USD	(1.55)	(0.45)
	THB	(65.98)	-

The fair values of the commodity swap are calculated by using the raw sugar price and white sugar price from The Exchange and Bloomberg at the balance sheet dates as though the Company and its subsidiaries have settled the said contracts on the balance sheet dates.

### 31. COMPARATIVE DATA OF BALANCE SHEETS AS AT JANUARY 31, 2011 AND 2010

The nature of the operations of the Company and its subsidiaries with the main business activities in manufacture and distribute sugar depending on seasons, which can be classified as production season, from November to April of each year, and outside production season, from May to October. To facilitate the users of these financial statements in comparing the information for the business with definite seasonal fluctuation, the Company presents the comparative financial data as at January 31, 2011 and 2010 as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
		“Restated”		“Restated”
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalent	413,609	440,666	25,517	82,724
Trade accounts receivable - net	782,023	625,443	462,328	186,090
Farmer accounts receivable - net	350,733	163,034	147,061	92,678
Current portion of loans for cane plantation development	19,945	30,029	10,217	9,024
Current portion of other account receivable - compensation for sugar production and distribution	88,871	55,961	60,952	25,420
Short-term loans to farmers	437,877	369,965	284,170	285,355
Inventories - net	3,975,171	4,027,911	1,261,651	1,848,479
Machine maintenance supplies	249,351	438,447	86,405	91,595
Others	304,885	276,838	551,012	1,174,125
Total Current Assets	<u>6,622,465</u>	<u>6,428,294</u>	<u>2,889,313</u>	<u>3,795,490</u>
Deferred cane plantation costs - net	797,724	621,261	82,720	27,771
Loans for cane plantation development - net	224,862	86,202	23,434	12,119
Other account receivable - compensation for sugar production and distribution - net	-	139,042	-	82,749
Property, plant and equipment - net	18,382,638	15,976,480	2,562,666	2,767,328
Others	513,112	600,154	5,422,036	5,004,243
Total Non-Current Assets	<u>19,918,336</u>	<u>17,423,139</u>	<u>8,090,856</u>	<u>7,894,210</u>
<b>TOTAL ASSETS</b>	<u>26,540,801</u>	<u>23,851,433</u>	<u>10,980,169</u>	<u>11,689,700</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank overdrafts and short term loans from financial institutions	3,693,721	2,356,985	627,000	515,000
Trade accounts payable	1,619,485	1,684,336	701,850	772,127
Accrued income tax expense	107,726	127,889	28,679	4,712
Advance received for sales of goods	78,968	176,742	45,914	56,488
Estimated accrued production expenses	618,191	548,125	264,799	337,553
Account payable for purchases of assets	191,101	477,589	200	12,675
Liabilities from investment in derivative instrument	-	242,862	-	109,059
Others	2,059,226	2,650,473	1,469,004	2,520,482
Total Current Liabilities	<u>8,368,418</u>	<u>8,265,001</u>	<u>3,137,446</u>	<u>4,328,096</u>
Total Non-Current Liabilities	<u>8,152,219</u>	<u>5,034,818</u>	<u>3,086,808</u>	<u>2,534,308</u>
<b>TOTAL LIABILITIES</b>	<u>16,520,637</u>	<u>13,299,819</u>	<u>6,224,254</u>	<u>6,862,404</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>10,020,164</u>	<u>10,551,614</u>	<u>4,755,915</u>	<u>4,827,296</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>26,540,801</u>	<u>23,851,433</u>	<u>10,980,169</u>	<u>11,689,700</u>

### 32. EVENTS AFTER THE BALANCE SHEET DATE

The annual general shareholders' meeting for 2010 no. 1/2554 held on February 28, 2011 passed significant resolutions as follows:

- Approved the dividend payment from operating result of the year 2010 at the rate of Baht 0.07 per share to 1,550 million shares totaling Baht 108.50 million. The dividends will be paid on March 28, 2011 to the shareholders whose names are included in the shareholder register on March 8, 2011.
- Approved the allocation of share capital increased to offer for sales of the Company's share and support the warrants in accordance with the resolution of the annual general shareholders' meeting for 2009 no. 1/2553 held on February 26, 2010 as stated in Note 22.

### 33. RECLASSIFICATIONS

The consolidated and separate balance sheets as at October 31, 2010 and of the consolidated and separate statements of income for the quarter ended January 31, 2010 have been reclassified to conform to the classifications used in the consolidated and separate financial statements for the quarter ended January 31, 2011 as follows:

				Unit : Million Baht
<b>Consolidated financial statements</b>				
Previously presented as		Reclassified to be presented as		Amount
<b>Balance Sheet</b>				
Temporary investments - net	Decrease	Other long-term investments - net	Increase	2.43
Short-term loans to farmers	Decrease	Farmer accounts receivable - net	Increase	157.85
Deficit on internal restructure of entities under common control	Decrease	Surplus on revaluation of assets	Increase	1,731.47
<b>Statement of Income</b>				
Other income	Decrease	Revenue from sales	Increase	7.64
Other income	Decrease	Cost of sales	Decrease	28.05
Administrative expenses	Decrease	Cost of sales	Increase	54.46
Administrative expenses	Decrease	Management benefit expenses	Increase	0.59
				Unit : Million Baht
<b>Separate financial statements</b>				
Previously presented as		Reclassified to be presented as		Amount
<b>Statement of Income</b>				
Other income	Decrease	Cost of sales	Decrease	13.89

### 33. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuance by the Company's audit committee on March 11, 2011.