

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 statement of financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate statement of financial position of Khon Kaen Sugar Industry Public Company Limited as at January 31, 2013 and the related consolidated and the separate statements of income and statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month periods ended January 31, 2013 and 2012, and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our reviews.

Scope of Reviews

We conducted our reviews in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the aforementioned interim financial information has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Comparative statement of financial position as at October 31, 2012

We have previously audited, in accordance with Thai Standards on Auditing, the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited for the year ended October 31, 2012, and expressed an unqualified opinion in our report dated December 25, 2012 based on our audit and the reports of other auditors. The consolidated and separate statements of financial position as at October 31, 2012, presented herein for comparison, have been derived from such consolidated and separate financial statements. We have not performed any other audit procedures subsequent to such report date.

BANGKOK
March 12, 2013

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 FINANCIAL POSITION

AS AT JANUARY 31, 2013 AND OCTOBER 31, 2012

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		January 31,	October 31,	January 31,	October 31,
		2013	2012	2013	2012
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.2	498,913	289,455	148,303	21,506
Temporary investments		453	274	-	-
Trade and other receivables	6	1,916,662	1,197,959	896,947	736,340
Short-term loans	7	787,061	909,373	2,216,136	1,485,604
Inventories		6,330,769	3,492,966	1,787,009	807,855
Other current assets		148,263	144,167	40,132	24,463
Total Current Assets		<u>9,682,121</u>	<u>6,034,194</u>	<u>5,088,527</u>	<u>3,075,768</u>
NON-CURRENT ASSETS					
Investments in an associate	8	39,743	37,299	73,800	73,800
Investments in subsidiaries	8	-	-	5,787,771	5,695,234
Other long-term investments		17,207	16,825	6,569	6,574
Long-term loans		450,170	398,950	14,912	14,736
Deferred cane plantation costs		426,884	569,984	49,267	59,431
Investment property	9	697,482	625,710	284,187	285,163
Property, plant and equipment	10	22,717,529	21,424,187	5,280,272	4,277,150
Intangible assets		19,374	17,405	6,028	4,291
Other non-current assets		593,736	492,536	100,422	42,684
Total Non-Current Assets		<u>24,962,125</u>	<u>23,582,896</u>	<u>11,603,228</u>	<u>10,459,063</u>
TOTAL ASSETS		<u><u>34,644,246</u></u>	<u><u>29,617,090</u></u>	<u><u>16,691,755</u></u>	<u><u>13,534,831</u></u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JANUARY 31, 2013 AND OCTOBER 31, 2012

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		January 31,	October 31,	January 31,	October 31,
		2013	2012	2013	2012
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions		6,654,606	5,896,935	1,850,485	595,172
Trade and other payables	11	4,508,410	2,798,532	1,683,698	953,618
Current portion of long-term debentures	13	1,499,695	1,999,491	1,499,695	1,999,491
Current portion of long-term borrowings	14	1,188,003	1,125,418	301,800	201,800
Short-term borrowings		-	-	1,088,500	1,441,500
Current income tax payable		390,321	349,066	221,286	199,548
Provision for production costs	12	131,718	-	7,669	-
Other current liabilities		139,440	153,415	9,185	12,564
Total Current Liabilities		<u>14,512,193</u>	<u>12,322,857</u>	<u>6,662,318</u>	<u>5,403,693</u>
NON-CURRENT LIABILITIES					
Long-term debentures	13	2,496,491	1,498,093	2,496,491	1,498,093
Long-term borrowings	14	4,264,276	3,502,481	1,258,000	909,000
Employee benefit obligations		178,143	175,547	70,871	69,674
Other non-current liabilities		156,616	85,980	99,889	75,050
Total Non-Current Liabilities		<u>7,095,526</u>	<u>5,262,101</u>	<u>3,925,251</u>	<u>2,551,817</u>
TOTAL LIABILITIES		<u>21,607,719</u>	<u>17,584,958</u>	<u>10,587,569</u>	<u>7,955,510</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JANUARY 31, 2013 AND OCTOBER 31, 2012

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		January 31,	October 31,	January 31,	October 31,
		2013	2012	2013	2012
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	15				
Authorized share capital					
1,870,000,000 ordinary shares of Baht 1.00 each		1,870,000	1,870,000	1,870,000	1,870,000
Issued and paid-up share capital					
1,623,396,109 ordinary shares of Baht 1.00 each,					
fully paid		1,623,396		1,623,396	
1,575,768,083 ordinary shares of Baht 1.00 each,					
fully paid			1,575,768		1,575,768
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,215,182	1,786,530	2,215,182	1,786,530
RETAINED EARNINGS					
Appropriated					
Legal reserve		187,000	187,000	187,000	187,000
Unappropriated		5,867,514	5,492,937	1,549,230	1,500,645
OTHER COMPONENTS OF EQUITY		1,236,931	1,236,808	529,378	529,378
TOTAL OWNERS OF THE PARENT		11,130,023	10,279,043	6,104,186	5,579,321
NON-CONTROLLING INTERESTS		1,906,504	1,753,089	-	-
TOTAL SHAREHOLDERS' EQUITY		13,036,527	12,032,132	6,104,186	5,579,321
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		34,644,246	29,617,090	16,691,755	13,534,831

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012

"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2013	2012	2013	2012
Revenues from sales and revenues from services					
Revenues from sales		4,394,948	4,890,215	1,431,155	1,563,580
Revenues from services		21,370	46,088	-	-
		<u>4,416,318</u>	<u>4,936,303</u>	<u>1,431,155</u>	<u>1,563,580</u>
Costs of the sales of goods and the rendering of services					
Costs of the sales of goods		(3,414,613)	(3,499,285)	(1,156,531)	(1,194,224)
Costs of the rendering of services		(22,803)	(38,986)	-	-
		<u>(3,437,416)</u>	<u>(3,538,271)</u>	<u>(1,156,531)</u>	<u>(1,194,224)</u>
Gross profit		978,902	1,398,032	274,624	369,356
Other incomes		154,658	84,977	93,839	55,701
Selling expenses		(416,633)	(430,829)	(149,225)	(205,947)
Administrative expenses		(170,418)	(292,776)	(63,458)	(46,521)
Management benefit expenses	16	(63,383)	(59,381)	(15,363)	(14,649)
Finance costs		(136,461)	(134,071)	(69,189)	(56,931)
Share of profit (loss) of an associate		2,444	(4,946)	-	-
Profit before income tax expense		<u>349,109</u>	<u>561,006</u>	<u>71,228</u>	<u>101,009</u>
Income tax expense		(44,597)	(137,591)	(22,643)	(40,192)
NET PROFIT FOR THE PERIOD		<u><u>304,512</u></u>	<u><u>423,415</u></u>	<u><u>48,585</u></u>	<u><u>60,817</u></u>
PROFIT ATTRIBUTABLE TO:					
Owners of the parent		374,577	415,901	48,585	60,817
Non-controlling interests		(70,065)	7,514	-	-
		<u>304,512</u>	<u>423,415</u>	<u>48,585</u>	<u>60,817</u>
EARNINGS PER SHARE	18				
Basic earnings per share	BAHT	0.234	0.266	0.030	0.039
Diluted earnings per share	BAHT	0.231	0.261	0.030	0.038
Basic number of ordinary shares	THOUSAND SHARES	1,601,136	1,563,012	1,601,136	1,563,012
Diluted number of ordinary shares	THOUSAND SHARES	1,623,464	1,595,502	1,623,464	1,595,502

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2013	2012	2013	2012
Net profit for the period	304,512	423,415	48,585	60,817
Other comprehensive income (expense) :				
Exchange differences on translation financial statements	(32,610)	9,424	-	-
Gain on remeasuring available-for-sale investments	83	201	-	-
Gain (loss) on asset revaluation	4,819	-	-	-
Gain on change in shareholding ratio in subsidiaries	21,779	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIODS	<u>298,583</u>	<u>433,040</u>	<u>48,585</u>	<u>60,817</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	374,700	422,558	48,585	60,817
Non-controlling interests	(76,117)	10,482	-	-
	<u>298,583</u>	<u>433,040</u>	<u>48,585</u>	<u>60,817</u>

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 THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012

"UNAUDITED"

UNIT : THOUSAND BAHT

Notes	Owners of the parent										Non-controlling interests	Total shareholders'		
	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity					Total owners of the parent				
			Appropriated	Unappropriated	Other comprehensive income (expense)			Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries	Total other components of equity				
			Legal reserve		Exchange differences on translating financial statements	Gain (loss) on remeasuring Available-for-sale investments	Gain (loss) on asset revaluation							
For three-month period ended January 31, 2012														
	Beginning balance as at November 1, 2011	1,551,065	1,564,204	187,000	4,069,296	(66,330)	(503)	2,747,184	(264,043)	(25,205)	2,391,103	9,762,668	1,888,800	11,651,468
	Effects of the changes in accounting policies and adoption of new Thai Accounting Standards	3												
	- Employee benefit obligations	-	-	-	(154,267)	-	-	-	-	-	-	(154,267)	(24,411)	(178,678)
	- Investment property	-	-	-	-	-	-	(49,298)	-	-	(49,298)	(49,298)	(157,663)	(206,961)
	- Gain on asset revaluation	-	-	-	-	-	-	(2,040,693)	-	-	(2,040,693)	(2,040,693)	(189,315)	(2,230,008)
	Beginning balance as at November 1, 2011 after adjusted	1,551,065	1,564,204	187,000	3,915,029	(66,330)	(503)	657,193	(264,043)	(25,205)	301,112	7,518,410	1,517,411	9,035,821
	Changes in shareholders' equity during the period													
	- Increase in ordinary shares	15	21,986	197,876	-	-	-	-	-	-	-	219,862	-	219,862
	- Total comprehensive income (expense) for the period	-	-	-	420,757	6,609	48	-	-	-	6,657	427,414	463	427,877
	Ending balance as at January 31, 2012	1,573,051	1,762,080	187,000	4,335,786	(59,721)	(455)	657,193	(264,043)	(25,205)	307,769	8,165,686	1,517,874	9,683,560

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012
"UNAUDITED"

UNIT : THOUSAND BAHT

Note	Owners of the parent										Non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity					Total owners of the parent				
			Appropriated	Unappropriated	Other comprehensive income (expense)			Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries	Total other components of equity				
			Legal reserve		Exchange differences on translating financial statements	Gain (loss) on remeasuring Available-for-sale investments	Gain (loss) on asset revaluation							
For three-month period ended January 31, 2013														
	Beginning balance as at November 1, 2012	1,575,768	1,786,530	187,000	5,492,937	-62,844	-383	1,589,283	(264,043)	(25,205)	1,236,808	10,279,043	1,753,089	12,032,132
	Changes in shareholders' equity during the period													
	- Increase in ordinary shares	15	47,628	428,652	-	-	-	-	-	-	-	476,280	-	476,280
	- Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	-	229,532	229,532
	- Total comprehensive income (expense) for the period		-	-	374,577	-22,829	20	1,153	-	21,779	123	374,700	(76,117)	298,583
	Ending balance as at January 31, 2013		1,623,396	2,215,182	187,000	5,867,514	(85,673)	1,590,436	(264,043)	(3,426)	1,236,931	11,130,023	1,906,504	13,036,527

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 THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012

"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Total Shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense) Gain (loss) on asset revaluation	Total other components of equity	
For three-month period ended January 31, 2012								
Beginning balance as at November 1, 2011		1,551,065	1,564,204	187,000	1,341,429	1,006,489	1,006,489	5,650,187
Effects of the changes in accounting policies and adoption of new Thai Accounting Standards	3							
- Employee benefit obligations		-	-	-	(70,717)	-	-	(70,717)
- Gain on asset revaluation		-	-	-	-	(690,055)	(690,055)	(690,055)
Beginning balance as at November 1, 2011 after adjusted		1,551,065	1,564,204	187,000	1,270,712	316,434	316,434	4,889,415
Changes in shareholders' equity during the period								
- Increase in ordinary shares	15	21,986	197,876	-	-	-	-	219,862
- Total comprehensive income (expense) for the period		-	-	-	61,438	-	-	61,438
Ending balance as at January 31, 2012		1,573,051	1,762,080	187,000	1,332,150	316,434	316,434	5,170,715

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012

"UNAUDITED"

UNIT : THOUSAND BAHT

	Note	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Total Shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense) Gain (loss) on asset revaluation	Total other components of equity	
For three-month period ended January 31, 2013								
Beginning balance as at November 1, 2012		1,575,768	1,786,530	187,000	1,500,645	529,378	529,378	5,579,321
Changes in shareholders' equity during the period								
- Increase in ordinary shares	15	47,628	428,652	-	-	-	-	476,280
- Total comprehensive income for the period		-	-	-	48,585	-	-	48,585
Ending balance as at January 31, 2013		1,623,396	2,215,182	187,000	1,549,230	529,378	529,378	6,104,186

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	349,109	561,006	71,228	101,009
Adjustments for:				
Doubtful accounts - trade and other receivables (reversal)	(12)	624	(75)	-
Share of (profit) loss of investment in an associate	(2,444)	4,946	-	-
Amortization (increase) of premium on bonds	(34)	5	4	4
Employee benefit expenses	2,791	5,828	1,392	1,367
Loss on damaged cane and adjustment to decrease the cane plantation costs	171	9,806	-	16,090
Loss from diminution in value and obsolescence of inventories (reversal)	66,005	186,713	(23,564)	85,438
Depreciation and amortization	323,285	254,904	123,567	77,468
Gain from disposal of assets	(1,744)	(8,888)	(374)	(8,498)
Loss on damaged assets	-	103,714	-	-
Gain on sales of other long-term investments	(21,138)	-	(21,138)	-
Unrealized (gain) loss on exchange rate	(8,661)	(4,890)	1,658	-
Interest expenses	122,252	137,591	68,656	56,873
Finance costs	513	556	513	556
	<u>830,093</u>	<u>1,251,915</u>	<u>221,867</u>	<u>330,307</u>
Operating assets (increase) decrease				
Trade and other receivables	(720,709)	(403,373)	(161,093)	91,143
Inventories	(2,903,808)	(3,096,078)	(955,590)	(973,207)
Other current assets	(26,453)	(114,247)	(15,669)	14,155
Deferred cane plantation costs	145,110	53,722	11,218	(15,811)
Other non-current assets	(78,842)	(17,335)	(57,737)	131
Operating liabilities increase (decrease)				
Trade and other payables	1,741,088	1,759,848	610,907	490,689
Provision for production costs	131,718	918,681	7,669	281,574
Other current liabilities	(13,976)	(33,177)	86,153	11,030
Employee benefit obligations	(195)	-	-	-
Other non-current liabilities	70,635	3,555	(64,889)	3,019
Cash received (paid) from operating activities	<u>(825,339)</u>	<u>323,511</u>	<u>(317,164)</u>	<u>233,030</u>
Interest paid	(139,307)	(165,496)	(79,627)	(78,037)
Income tax expense paid	(3,341)	(4,949)	(904)	(904)
Net cash provided by (used in) operating activities	<u>(967,987)</u>	<u>153,066</u>	<u>(397,695)</u>	<u>154,089</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2013	2012	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in short-term loans to related parties	-	-	(554,000)	(977,373)
(Increase) decrease in short-term loans to farmers and others	103,482	212,430	(176,729)	(77,015)
Cash payments for investments in subsidiaries	(18,718)	-	(111,255)	-
Cash received from sales of investment in subsidiaries	39,856	-	39,856	-
Cash payments for purchase of other long-term investments	(445)	-	-	-
(Increase) decrease in loans for cane plantation development	(32,391)	(65,162)	21	-
Cash payments for purchases of property, plant and equipment	(1,048,337)	(487,061)	(664,789)	(269,261)
Cash received from sales of property, plant and equipment	2,430	14,165	374	9,194
Cash payments for purchase of investment properties	(73,292)	-	-	-
Cash payments for purchase of intangible assets	(2,519)	-	(1,924)	-
Net cash used in investing activities	<u>(1,029,934)</u>	<u>(325,628)</u>	<u>(1,468,446)</u>	<u>(1,314,455)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short-term loans from financial institutions	794,267	566,239	1,255,313	564,000
Decrease in short-term loans from related parties	-	-	(353,000)	(77,000)
Cash payment for accounts payable on purchases of assets	(675,476)	(304,158)	(332,744)	(50,208)
Cash received from long-term debentures	998,089	1,497,305	998,089	1,497,305
Cash payment for long-term debentures	(500,000)	(780,000)	(500,000)	(780,000)
Cash received from long-term borrowings	1,104,000	-	549,000	-
Cash payment for long-term borrowings	(254,728)	(687,131)	(100,000)	(164,000)
Cash received from issuance of ordinary shares	476,280	219,862	476,280	219,862
Cash received from increase in capital of subsidiary of non-controlling interests	251,311	-	-	-
Net cash provided by financing activities	<u>2,193,743</u>	<u>512,117</u>	<u>1,992,938</u>	<u>1,209,959</u>
Exchange differences on translation of cash of foreign subsidiaries	13,636	(9,201)	-	-
Net increase in cash and cash equivalents	209,458	330,354	126,797	49,593
Cash and cash equivalents at the beginning of the period	289,455	280,926	21,506	42,732
Cash and cash equivalents at the end of the period	<u>498,913</u>	<u>611,280</u>	<u>148,303</u>	<u>92,325</u>

See notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED JANUARY 31, 2013 AND 2012
“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 listed with the Stock Exchange of Thailand on March 7, 2005 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 the locations of its 2 factories (branches) are as follows:

Branch I at No. 43 Moo 10, Tambon Namphong, Amphur Namphong, Khonkaen Province

Branch II at No. 255 Moo 4, Tambon Nongyaplong, Amphur Wangsaphung, Loei 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 FOR PREPARATION AND PRESENTATION OF INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2009) “Interim Financial Statements” and in accordance with accounting practices generally accepted in Thailand and the additional disclosures in accordance with the Notification of the Office of the Securities and Exchange commission.

The Company presents the condensed notes to interim financial statements. 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, 2012.

2.2 The unaudited results of operations for the three-month period ended January 31, 2013 are not necessarily indicative of the operating results anticipated for the full year.

2.3 The consolidated and separate statements of financial position as at October 31, 2012, 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, 2012. The structure of the Group is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at	As at		
	January 31,	October 31,		
	2013	2012		
	%	%		
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,		
	2013	2012	2013	2012		
	%	%	%	%		
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.*	27.86	34.83	28.48	35.44	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	16.52	23.54	16.59	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 Thai Financial Reporting Standards.

The accounting periods of subsidiaries ended the same date as the Company (accounting period ended on October 31) except for 10 subsidiaries whose accounting periods ended December 31, as follows:

- Tamaka Sugar Industry Company Limited
- New Krung Thai Sugar Factory Company Limited
- New Kwang Soon Lee Sugar Factory Company Limited
- KSL. Agro & Trading Company Limited
- Thai Sugar Terminal Public Company Limited
- T S G Asset Co., Ltd.
- T S Oil Industry Co., Ltd.
- T S Flour Mill Public Company Limited
- 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 The Federation of Accounting Professions issued the Notifications regarding the Thai Financial Reporting Standards which are effective for the financial statements of periods beginning on or after January 1, 2013 as follows:

Thai Accounting Standards (TAS)

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Thai Financial Reporting Standards (TFRS)

TFRS 8	Operating Segments
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Thai Standard Interpretations (TSI)

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

TSI and TFRI which are effective for the financial statements for the periods beginning on or after January 1, 2014:

Thai Accounting Standard Interpretation (TSI)

TSI 29	Disclosure - Service Concession Arrangements
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Thai Financial Reporting Interpretations (TFRI)

TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes

The Company's and its subsidiaries' management will adopt the above TAS, TFRS and TSI relevant to the Company and its subsidiaries in the preparation of the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company when they become effective. In addition, the Company's and its subsidiaries' management have assessed the effects of these standards and believes that they will not have any significant impact on the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the period in which they are initially applied, except for TAS 12 "Income Taxes" and TAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", which the Company's and its subsidiaries' 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 Thai Financial Reporting Standards 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, 2012.

In the first quarter of fiscal year 2012, the Company and its subsidiaries initially adopted TAS 19 "Employee Benefits" and TAS 40 (Revised 2009) "Investment Property". Therefore, the consolidated and separate financial statements for the three-month period ended January 31, 2012 had been adjusted for the effect of such changes.

In the fourth quarter of fiscal year 2012, the Company and its subsidiaries changed their accounting policy for buildings and construction, machineries and equipment, and motor vehicles and labor saving tools from revaluation method to cost method because the Company's management believe that the new policy is more practical for current situation and operations of the Company and its subsidiaries. Therefore, the consolidated and separate financial statements for the year ended October 31, 2012 had been retrospectively adjusted for the effect of the change to be in accordance with the new accounting policy. As a result, the statement of change in shareholders' equity for the three-month period ended January 31, 2012, presented herein for comparison, and the financial information for the year ended January 31, 2012, which is presented for comparison with the financial information for the year ended January 31, 2013 for the business with definite seasonal fluctuation (see Note 23), have been retrospectively adjusted for the effect of such change accordingly.

4. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

4.1 Significant non-cash items in the consolidated and separate financial statements for the three-month periods ended January 31, 2013 and 2012, are as follows:

Type of transactions	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2013	2012	2013	2012
Unrealized gain (loss) from available-for-sale securities	83	201	-	-
Increase in surplus on revaluation of assets	4,819	-	-	-
Transfer of depreciation to deferred cane plantation costs	12,076	25,303	1,054	868
Purchases of fixed assets which has not yet been paid	624,711	257,500	459,446	129,688
Interest expenses capitalized as asset costs	10,695	5,410	2,344	-
Transfer temporary investments to other long-term investments	179	-	-	-
Reclassification of other current assets to other non-current assets	22,357	-	-	-
Reclassification of investment property to property, plant and equipment	275	-	-	-
Reclassification of property, plant and equipment to investment property	-	277,824	-	143,477
Reclassification of property, plant and equipment to assets not yet used in operation	-	19,472	-	-
Reclassification of property, plant and equipment to inventories	-	135,532	-	-
Reclassification of other non-current assets to property, plant and equipment	-	90,095	-	-

4.2 Cash and cash equivalents as at January 31, 2013 and 2012, are as follows:

Type of transaction	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2013	2012	2013	2012
Cash	8,016	17,459	5,015	75,933
Savings accounts deposits	277,926	570,182	59,235	12,764
Current accounts deposits	199,971	23,639	84,053	3,628
Fixed accounts deposits 3 month	13,000	-	-	-
Total	<u>498,913</u>	<u>611,280</u>	<u>148,303</u>	<u>92,325</u>

5. TRANSACTIONS WITH RELATED PARTIES

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

5.1 Significant balances with the related parties are as follows:

Type of balances	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Trade receivables				
Subsidiaries	-	-	89.05	57.78
Related companies	5.13	1.23	0.43	0.03
Total	<u>5.13</u>	<u>1.23</u>	<u>89.48</u>	<u>57.81</u>
Accrued dividend receivable from subsidiary (included in other receivables)				
Subsidiary	-	-	392.27	392.27
Short-term loans				
Subsidiaries	-	-	1,867.50	1,313.50
Other current assets				
Subsidiaries	-	-	0.33	4.93
Related companies	0.11	5.15	-	0.01
Total	<u>0.11</u>	<u>5.15</u>	<u>0.33</u>	<u>4.94</u>
Trade payables				
Subsidiaries	-	-	52.39	14.38
Related companies	0.03	1.24	-	0.01
Total	<u>0.03</u>	<u>1.24</u>	<u>52.39</u>	<u>14.39</u>
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	1.19	1.32
Related companies	2.94	0.01	-	-
Total	<u>2.94</u>	<u>0.01</u>	<u>1.19</u>	<u>1.32</u>
Payables on purchase of fixed assets (included in other payables)				
Related companies	18.81	-	18.81	-
Other accounts payable (included in other payables)				
Related companies	2.75	1.16	1.96	1.00
Short-term borrowings				
Subsidiaries	-	-	1,088.50	1,441.50
Other current liabilities				
Subsidiaries	-	-	0.72	-
Related companies	10.47	4.00	10.47	-
Total	<u>10.47</u>	<u>4.00</u>	<u>11.19</u>	<u>-</u>
Other non-current liabilities				
Subsidiaries	-	-	0.53	0.62
Related companies	0.84	0.84	0.84	0.84
Total	<u>0.84</u>	<u>0.84</u>	<u>1.37</u>	<u>1.46</u>

As at January 31, 2013 and October 31, 2012, short-term loans to subsidiaries represented unsecured promissory notes payable on demand, carrying interest rates at 2.92% - 3.65% per annum and 3.15% - 3.75% per annum, respectively.

As at January 31, 2013 and October 31, 2012, short-term borrowings from subsidiaries represented unsecured promissory notes payable on demand, carrying the interest rate at 2.92% - 3.65% per annum and 3.18% per annum, respectively.

5.2 Significant transactions with related parties for the three-month periods ended January 31, 2013 and 2012, are as follows:

Type of transactions	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2013	2012	2013	2012
Revenue from sales and services				
Subsidiaries	-	-	464.45	703.76
Related companies	0.84	8.85	-	-
Total	<u>0.84</u>	<u>8.85</u>	<u>464.45</u>	<u>703.76</u>
Cost of sales and services				
Subsidiaries	-	-	233.77	122.62
Related companies	8.35	1.81	5.14	0.67
Total	<u>8.35</u>	<u>1.81</u>	<u>238.91</u>	<u>123.29</u>
Other income				
Subsidiaries	-	-	21.92	30.45
Related companies	1.67	0.71	0.70	0.70
Total	<u>1.67</u>	<u>0.71</u>	<u>22.62</u>	<u>31.15</u>
Selling expenses				
Subsidiaries	-	-	14.01	2.08
Related companies	-	0.02	-	-
Total	<u>-</u>	<u>0.02</u>	<u>14.01</u>	<u>2.08</u>
Administrative expenses				
Subsidiaries	-	-	0.46	0.20
Related companies	3.66	1.88	1.03	0.85
Related juristic person	2.53	2.74	2.22	1.51
Total	<u>6.19</u>	<u>4.62</u>	<u>3.71</u>	<u>2.56</u>
Financial costs				
Subsidiaries	<u>-</u>	<u>-</u>	<u>9.51</u>	<u>8.82</u>

POLICIES OF INTER-PRICE SETTING

- The inter-purchases/sales and borrow-return of raw sugar transactions between the group companies 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 companies, which each company has already been allocated the sales volume, if any company within the group companies has no sufficient volume of sugar to sell, the purchases of sugar can be made within the group companies at the same price as stipulated in such sugar purchases/sales agreements.
- The prices for other inter-purchases/sales of goods (except for sugar products) are in accordance with the prices stipulated in the mutually agreed contracts, which are higher than 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.
- Revenues from sales of supplies are in accordance with the agreed prices by counter parties, which are higher than cost.

- Revenues from land leased to a subsidiary are charged according to the lease agreement which term is 30 years, commencing from January 25, 2005 until January 24, 2035 at annual rent of Baht 0.11 million, and will be increased by 10% for every 3 years. Once the lease is expired, ownership rights on all constructions built on the leased land will be vested to the lessor.
- Rental income from land 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.

5.3 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
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.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at January 31, 2013 and October 31, 2012 consisted of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Trade receivables	1,346,947	835,629	308,611	122,649
Farmer receivables	402,525	194,554	131,709	134,871
Other receivables - compensation for sugar production and distribution	-	39,041	-	36,607
Other receivables	23,366	33,501	23,791	28,491
Prepaid expenses	50,216	25,833	14,667	7,229
Advance payment	43,147	27,454	9,849	6,396
Accrued dividend receivable from subsidiaries	-	-	392,272	392,272
Accrued income	50,461	41,947	16,048	7,825
Total trade and other receivables	<u>1,916,662</u>	<u>1,197,959</u>	<u>896,947</u>	<u>736,340</u>

6.1 Trade receivables consisted of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Related parties	5,103	4,928	85,667	57,810
Others	1,350,192	838,853	222,944	64,839
Total trade receivables	<u>1,355,295</u>	<u>843,781</u>	<u>308,611</u>	<u>122,649</u>
Less Allowance for doubtful accounts	<u>(8,348)</u>	<u>(8,152)</u>	<u>-</u>	<u>-</u>
Total trade receivables	<u>1,346,947</u>	<u>835,629</u>	<u>308,611</u>	<u>122,649</u>

Aging analyzes for trade accounts receivable were as follows:

6.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Domestic trade receivables				
Not yet due	4,917	3,666	85,667	57,810
Overdue not over 3 months	186	1,262	-	-
Total trade receivables - related parties	<u>5,103</u>	<u>4,928</u>	<u>85,667</u>	<u>57,810</u>

The normal credit terms granted by the related parties of the Company and subsidiaries range from 7 days to 365 days.

6.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Domestic trade receivables				
Not yet due	811,785	671,302	101,782	62,974
Overdue not over 3 months	111,151	127,593	3,640	-
Overdue over 3 months but not over 6 months	1,955	1,657	-	-
Overdue over 6 months but not over 12 months	1,742	127	-	-
Over 12 months	7,179	7,173	-	-
Total	<u>933,812</u>	<u>807,852</u>	<u>105,422</u>	<u>62,974</u>
Foreign trade receivables				
Not yet due	334,985	31,001	36,749	1,865
Overdue not over 3 months	81,395	-	80,773	-
Total	<u>416,380</u>	<u>31,001</u>	<u>117,522</u>	<u>1,865</u>
Total	1,350,192	838,853	222,944	64,839
<u>Less</u> Allowance for doubtful accounts	<u>(8,348)</u>	<u>(8,152)</u>	<u>-</u>	<u>-</u>
Total trade receivables - others	<u>1,341,844</u>	<u>830,701</u>	<u>222,944</u>	<u>64,839</u>

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

6.2 Farmer receivables consisted of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Cane receivables				
Before Season 2008/2009	43,861	43,994	-	-
Season 2008/2009	524	524	77	77
Season 2009/2010	4,278	4,278	3,131	3,131
Season 2010/2011	12,744	13,042	2,380	2,380
Season 2011/2012	49,699	52,480	6,410	7,169
Total cane receivables	<u>111,106</u>	<u>114,318</u>	<u>11,998</u>	<u>12,757</u>
Advance payment				
Season 2012/2013	315,089	112,598	99,405	110,427
Season 2013/2014	26,018	14,777	23,723	14,777
Total advance payment for purchases of cane	<u>341,107</u>	<u>127,375</u>	<u>123,128</u>	<u>125,204</u>
Receivables from fuel oil, fertilizer and other services	4,970	7,727	4,573	4,975
Total	457,183	249,420	139,699	142,936
<u>Less</u> Allowance for doubtful accounts	<u>(54,658)</u>	<u>(54,866)</u>	<u>(7,990)</u>	<u>(8,065)</u>
Total farmer receivables	<u>402,525</u>	<u>194,554</u>	<u>131,709</u>	<u>134,871</u>

7. SHORT-TERM LOANS

Short-term loans as at January 31, 2013 and October 31, 2012 consisted of:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Short-term loans to related parties	-	-	1,867,500	1,313,500
Short-term loans to farmers	644,210	747,693	314,648	137,919
Current portion of loans for cane plantation development	142,851	161,680	33,988	34,185
Total short-term loans	<u>787,061</u>	<u>909,373</u>	<u>2,216,136</u>	<u>1,485,604</u>

As at January 31, 2013 and October 31, 2012, 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.

8. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

Investments in subsidiaries and an associate consisted of:

Consolidated Financial Statements

Company Name	Paid-Up		Percentage of		As at January 31, 2013			As at October 31, 2012		
	Share Capital		Shareholding		Investment			Investment		
			%	%	Cost	Equity	Dividend	Cost	Equity	Dividend
	2013	2012	2013	2012						
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	39,743	-	73,800	37,299	228
Total					<u>73,800</u>	<u>39,743</u>	<u>-</u>	<u>73,800</u>	<u>37,299</u>	<u>228</u>

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Dividends	
	share Capital		Shareholding		As at	As at	For the three-month	For the year
			%	%	January 31,	October 31,	periods ended	ended
	2013	2012	2013	2012	2013	2012	January 31,	October 31,
<u>Associate</u>								
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	-	228
Total investment in an associate					<u>73,800</u>	<u>73,800</u>	<u>-</u>	<u>228</u>
<u>Subsidiaries</u>								
Thai Sugar Terminal Public Company Limited	132,000	132,000	23.82	23.82	81,967	81,967	-	7,545
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	-	324,772
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	-	1,220
KSL Chemical Company Limited	10,000	10,000	100.00	100.00	9,119	9,119	-	-
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	-	67,500
Savannah 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. *	368,957	368,957	100.00	100.00	368,957	368,957	-	-
T S G Assets Co., Ltd.	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.	500,000	400,000	0.62	0.62	3,089	2,472	-	-
T S Flour Mill Public Company Limited	285,000	200,000	0.07	0.10	196	196	-	98
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					5,424,895	5,424,278	-	401,135
<u>Add</u> Advance payment for share subscription - Koh Kong Sugar Industry Co., Ltd.					368,760	276,840	-	-
					5,793,655	5,701,118	-	401,135
<u>Less</u> Allowance for impairment of investments					(5,884)	(5,884)	-	-
Total investments in subsidiaries					<u>5,787,771</u>	<u>5,695,234</u>	-	<u>401,135</u>
Total investments in subsidiaries and an associate					<u>5,861,571</u>	<u>5,769,034</u>	-	<u>401,363</u>

* The Company holds Koh Kong Plantation Company Limited's 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.

9. INVESTMENT PROPERTY

Movement of investment property for the three-month period ended January 31, 2013 are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning book value - net	625,710	285,163
Reclassify for the period	(275)	-
Purchases for the period	73,292	-
Depreciation for the period	<u>(1,245)</u>	<u>(976)</u>
Ending book value	<u>697,482</u>	<u>284,187</u>

For the three-month periods ended January 31, 2013 and 2012, the Company and its subsidiaries recognized rental income from property investments of Baht 16.28 million and Baht 13.29 million, respectively, in the consolidated statements of income and of Baht 10.96 million and Baht 9.47 million, respectively, in the separate statements of income.

As at January 31, 2013 and October 31, 2012, the Company and its subsidiaries have the assets for rent with the book value stated in the consolidated financial statements of Baht 172.64 million and Baht 101.74 million, respectively, were pledged as collateral against credit facilities given by two commercial banks.

10. PROPERTY, PLANT AND EQUIPMENT

Movements for the three-month period ended January 31, 2013 are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning book value	21,424,187	4,277,150
Purchases of assets (including construction in progress)	1,673,048	1,124,235
Capitalized interest expenses as costs of assets	10,695	2,344
Transfer in - cost	107,056	6,078
Transfer out - cost	(107,056)	(6,078)
Transfer from investment property	275	-
Cost of disposal/written off of assets	(19,061)	(1,619)
Accumulated depreciation - disposal/written off	18,375	1,619
Gain on asset revaluation	4,819	-
Depreciation	(333,572)	(123,457)
Translation of financial statements differences	<u>(61,237)</u>	<u>-</u>
Ending book value	<u>22,717,529</u>	<u>5,280,272</u>

For the three-month period ended January 31, 2013, increased assets are mainly due to construction in progress of Baht 1,250.33 million.

As at January 31, 2013 and October 31, 2012, land together with structure and machinery at the book value of Baht 823.41 million and Baht 934.98 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 14 and 20.5.

As at January 31, 2013 and October 31, 2012, buildings and structure and building under construction of three foreign subsidiaries at book value of Baht 654.83 million and Baht 660.85 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 Note 20.7).

As at January 31, 2013 and October 31, 2012, assets at cost amount of Baht 2,867.47 million and Baht 2,695.64 million, respectively, in the consolidated financial statements, and of Baht 1,124.96 million and Baht 1,008.73 million, respectively, in the separate financial statements, were fully depreciated but still in use.

11. TRADE AND OTHER PAYABLES

Trade and other payables as at January 31, 2013 and October 31, 2012, consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Trade payables - related parties	35	13	52,386	14,394
Trade payable - others				
- Payables for cane purchase	1,966,352	734,268	500,702	193,151
- Other trade payables	1,003,212	394,227	352,844	87,144
Advances received for sales of goods	51,595	27,784	24,495	17,388
Accrued fees payable to the Office of the Cane and Sugar Fund	79,164	74,028	35,666	30,041
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	68,964	54,915	33,385	26,292
Other accrued expenses	233,905	235,037	77,327	77,826
Payables on purchases of assets	812,437	837,286	491,608	363,808
Other payables	292,746	440,974	115,285	143,574
Total trade and other payables	<u>4,508,410</u>	<u>2,798,532</u>	<u>1,683,698</u>	<u>953,618</u>

As at January 31, 2013, the Company and its three subsidiaries purchased canes for the production season 2012/2013 using the initial cane price for production season 2012/2013 announced by the Cane and Sugar Board's in the Royal Gazette dated December 7, 2012. The price is Baht 950.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 57.00 per cane ton. Until the date the Company's Audit Committee approved the issuance of these financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2012/2013. Therefore, the Company and its subsidiaries recorded the provision for production expenses as mentioned in Note 12 and calculated cost of goods sold and inventories for the three-month period ended January 31, 2013, from estimation made by the management of the Company and its subsidiaries at cane price of Baht 1,075.34 - 1,174.63 per ton with average sweetness level at 10.51 - 12.26 c.c.s.

12. PROVISION FOR PRODUCTION COSTS

The Company and its three subsidiaries recorded provision for 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 11 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 “Provision for Production Costs”, 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.

13. LONG-TERM DEBENTURES

Long-term debentures as at January 31, 2013 and October 31, 2012 are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	As at January 31, 2013	As at October 31, 2012
Unsecured senior debt debentures	3,996,186	3,497,584
<u>Less</u> Current portion	<u>(1,499,695)</u>	<u>(1,999,491)</u>
	<u>2,496,491</u>	<u>1,498,093</u>

Movements of long-term debentures for the three-month period ended January 31, 2013 are as follows:

	Unit : Thousand Baht
	Consolidated Financial Statements/ Separate Financial Statements
Beginning book value	3,497,584
Increase during the period	998,089
Redemptions during the period	(500,000)
Amortized debenture issuance expenses during the period	513
Ending book value	<u>3,996,186</u>

In the during period the Company has issued Thai Baht currency debentures which are holder specified, non-subordinated and unsecured bonds to a limited number of investors, with the following details:

Symbol	Term	Maturity Date	Consolidated Financial Statements/Separate Financial Statements				Unit : Thousand Baht	
			Interest Rate Per Annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	1,911	998,089	1,002,464

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

- The Company shall maintain the debts with interest-to-equity ratio and the debt-to-equity ratio in the consolidated financial statements are conditions as follows.

	The entire term	As of October 31 Every year
Debts with interest to equity	2 : 1	2 : 1
Debt-to-equity	3 : 1	2 : 1

- 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.

In the consolidated and separate financial statements as at January 31, 2013 and October 31, 2012, debt with interest-to-equity and debt-to-equity are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
Debt with interest-to-equity	1.24 : 1.00	1.17 : 1.00	1.39 : 1.00	1.19 : 1.00
Debt-to-equity	1.69 : 1.00	1.46 : 1.00	1.76 : 1.00	1.43 : 1.00

14. LONG-TERM BORROWINGS

Movements of long-term borrowings for the three-month period ended January 31, 2013, are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning balance at book value	4,627,899	1,110,800
Proceeds in the period	1,104,000	549,000
Repayment in the period	(254,729)	(100,000)
Currency translation differences	(24,891)	-
Ending balance at book value	<u>5,452,279</u>	<u>1,559,800</u>
<u>Less</u> Current portion of long-term borrowings	<u>(1,188,003)</u>	<u>(301,800)</u>
Long-term borrowings	<u>4,264,276</u>	<u>1,258,000</u>

During the three-month period ended January 31, 2013, the subsidiary repaid long-term borrowings before the maturity. The Company and its subsidiaries, therefore, have long-term borrowings from the commercial banks in the consolidated and separate financial statements as at January 31, 2013, which important covenants are as follows:

No.	Limit	Term of payment	Guarantee/Collateral
1	Baht 1,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 100.00 million each, commencing the first installment in January 2013.	None
2	Baht 500 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 50.00 million each, commencing the first installment in May 2013.	None
3	Baht 2,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 200.00 million each with the grace period of two years, commencing the first installment in December 2011.	- Secured by Khon Kean Sugar Industry Public Company Limited - 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
4	Baht 1,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 100.00 million each with the grace period of two years, commencing the first installment in March 2012.	
5	Baht 190 million	Repayment of principal at every six-month period for the total of 8 installments at Baht 23.75 million each, commencing the first installment in December 2012.	- Mortgaged land with structure of subsidiary who obtained and used these credit lines
6	Baht 50 million	Repayment of principal at every month period for the total of 60 installments, the 1st-59th installments at Baht 0.83 million each and the last installment repayment of the remaining principal, commencing the first installment in November 2012.	
7	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

No.	Limit	Term of payment	Guarantee/Collateral
8	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million with the grace period of two years, commencing the first installment in March 2011.	- Secured by Khon Kean Sugar Industry Public Company Limited based on percentage of share holding
9	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million with the grace period of two years, commencing the first installment in March 2011.	- Secured by two subsidiaries - Share certificate of a related company holding by shareholders of subsidiary
10	USD 30 million	Repayment of principal at every six-month period for the total of 10 installments at USD 3.00 million with the grace period of two years, commencing the first installment in June 2011.	
11	Baht 2,150 million	Repayment of principal at every six-month period, commencing the first installment in 25th month after the first withdraw and must repayment the total of principal and interest within 84 months from the first draw down date (March 2012).	- The Company and a subsidiary shall not pledge their core assets as collateral (Negative Pledge) - Insurance coverage for structure and machineries at maximum sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank
12	Baht 45.20 million	Repayment of principal at annually for the total of 6 installments, commencing the first installment in June 2012.	- Secured by the executive directors of Khon Kean Sugar Industry Public Company Limited

The first to seventh and eleventh credit lines are Thai Baht loans carrying interest rates at AMLR-2.875% (AMLR is average MLR of 4 financial institutions) to 4.98% p.a. The eighth to tenth credit lines are USD loans carrying interest rates at LIBOR+2% p.a. and the twelfth credit line which is loan for purchases of agricultural equipment carries interest rate at 2% p.a.

In addition, the Company and its subsidiaries have to abide to certain financial conditions, such as maintaining of debt with interest-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.

15. SHARE CAPITAL

The Company issued 47.63 million new ordinary shares with a par value of Baht 1 each, totaling Baht 47.63 million to support the conversion of warrants at the exercise price of Baht 10.00 per ordinary share.

Movement of share capital for the three-month periods ended January 31, 2013 and 2012, is as follow:

	Par Value Baht	2013		2012	
		Number Million Shares	Amount Million Baht	Number Million Shares	Amount Million Baht
Issued and paid-up share capital					
As at beginning of the periods	1	1,575.77	1,575.77	1,551.07	1,551.07
Ordinary during the periods	1	47.63	47.63	21.98	21.98
As at the end of the periods	1	<u>1,623.40</u>	<u>1,623.40</u>	<u>1,573.05</u>	<u>1,573.05</u>

16. 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:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2013	2012	2013	2012
For the three-month periods ended January 31,	7.15	7.82	3.84	3.82

17. EXPENSES BY NATURE

The significant expenses by nature for the three-month periods ended January 31, 2013 and 2012 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2013	2012	2013	2012
Salaries, wages and other employee benefits	437,106	386,139	123,078	105,879
Depreciation	352,027	276,106	95,644	85,886
Fuel costs	130,123	127,901	68,076	66,926
Fee payable to the Office of the Cane and Sugar Fund	296,012	303,930	115,227	179,745
Maintenance expenses	187,333	169,052	71,597	51,448
Transportation expenses	121,700	136,745	35,104	31,526
Raw material and supplies used	4,641,188	4,998,504	1,464,391	1,616,049
Purchased finished goods	131,138	46,268	230,724	113,326
Changes in finished goods and work in process	(2,495,971)	(2,864,422)	(932,629)	(969,912)
Management benefit expenses	63,383	59,381	15,363	14,649
Interest expenses	133,829	131,220	68,656	55,066
Other financial expenses	2,632	1,938	533	1,864
Loss from damaged goods and machines	-	137,300	-	-
Other operating expenses	223,811	545,266	98,002	165,820
Total	<u>4,224,311</u>	<u>4,455,328</u>	<u>1,453,766</u>	<u>1,518,272</u>

18. EARNINGS PER SHARE

The calculations of basic earnings per share were based on dividing the profit 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 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 three-month period ended January 31, 2013, the Company's dilutive potential ordinary shares are the stock options provided to the existing shareholders. The details are as follows:

	Consolidated Financial Statements		
	Net profit	Number of shares	Earnings per share
	Thousand Baht	Thousand Shares	Baht
Basic earnings per share			
Profit available to ordinary equity holders	374,577	1,601,136*	<u>0.234</u>
Effect of diluted equivalent ordinary shares			
Warrants	<u>-</u>	<u>22,328</u>	
Diluted earnings per share			
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	<u>374,577</u>	<u>1,623,464</u>	<u>0.231</u>
	Separate Financial Statements		
	Net profit	Number of shares	Earnings per share
	Thousand Baht	Thousand shares	Baht
Basic earnings per share			
Profit available to ordinary equity holders	48,585	1,601,136*	<u>0.030</u>
Effect of diluted equivalent ordinary shares			
Warrants	<u>-</u>	<u>22,328</u>	
Diluted earnings per share			
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	<u>48,585</u>	<u>1,623,464</u>	<u>0.030</u>

* Represented the weighted average number of ordinary shares based on the proportion of time of issuance of ordinary shares during the period.

19. DISCLOSURE OF SECTORAL BUSINESS OPERATIONS

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

Consolidated Financial Statements

For the three-month periods ended January 31, 2013 and 2012

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		Inter-Transaction		Total			
	2013			2012			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
	Thai	Laos	Cambodia	Thai	Laos	Cambodia	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	(Restated)	(Restated)	(Restated)	
Net revenue from operation - domestic	2,352	-	97	2,489	-	142	366	112	617	567	21	81	277	253	535	641	(1,879)	(2,016)	2,386	2,269
Net revenue from operation - foreign	1,849	7	4	2,348	-	6	270	343	-	-	-	-	-	-	8	9	(108)	(40)	2,030	2,666
Total	4,201	7	101	4,837	-	148	636	455	617	567	21	81	277	253	543	650	(1,987)	(2,056)	4,416	4,935
Profit (loss) from operations	729	2	(29)	977	(1)	3	165	105	337	285	10	50	54	42	(66)	67	(68)	(45)	1,134	1,483
Selling expenses and administrative expenses																			(651)	(783)
Finance costs																			(136)	(134)
Share of profit (loss) of investment in an associate																			2	(5)
Income tax expenses																			(45)	(138)
Net profit for the period																			304	423
Add (Less) Loss (Profit) for the period of non-controlling interest																			70	(8)
Profit for the period																			374	415

As at January 31, 2013 and 2012

Trade and other receivables	2,084	25	113	1,625	15	224	129	47	450	385	15	32	135	102	330	190	(1,365)	(1,054)	1,916	1,566
Inventories	4,101	148	450	4,598	94	362	135	290	235	260	-	22	550	309	729	434	(17)	34	6,331	6,403
Property, plant and equipment	11,565	1,101	1,965	7,291	1,094	2,098	942	854	5,433	3,756	787	532	413	353	1,121	994	(609)	(544)	22,718	16,428
Central assets	10,843	189	369	10,138	255	1,158	28	146	265	119	579	424	59	3	808	361	(9,461)	(9,204)	3,679	3,400
Total Assets	28,593	1,463	2,897	23,652	1,458	3,842	1,234	1,337	6,383	4,520	1,381	1,010	1,157	767	2,988	1,979	(11,452)	(10,768)	34,644	27,797

20. COMMITMENTS CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENTS

As at January 31, 2013 and October 31, 2012, apart from liabilities reflected in the financial statements, the Company and its subsidiaries have commitments and contingent liabilities as follows:

20.1 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 10,693.76 million and Baht 2,210.62 million, respectively, and in the separate financial statements amounting to Baht 3,912.66 million and Baht 878.76 million, respectively.

20.2 The Company and three subsidiaries had issued post-dated checks to farmers to purchase cane. The Company and 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:

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	As at January 31, 2013	As at October 31, 2012	As at January 31, 2013	As at October 31, 2012
For the production season 2012/2013	1,083.61	945.44	314.65	137.92

20.3 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, 2012. 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 sale 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.

20.4 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) when the Energy Industry Act B.E. 2550 was effective, for 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions of the license.

20.5 The consolidated and separate financial statements, as at January 31, 2013, and October 31, 2012, have commitments, contingent liabilities and credit facilities as follows:

	Currency	Consolidated Financial Statements					
		As at January 31, 2013			As at October 31, 2012		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	4,693.42	-	-	4,843.40	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	74.80	-	-	71.52	-
Contingent Liabilities							
Letters of guarantees (not specified credit limit)	THB	-	107.54	-	-	95.06	-
Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
Letters of credit and trust receipts	THB	838.17	509.84	328.33	1,133.17	848.19	284.98
Letters of credit	USD	20.01	6.40	13.61	26.58	12.45	14.13
Credit Facilities							
Overdraft and short-term borrowings	THB	13,540.84	2,862.35	10,678.49	16,700.83	4,594.81	12,106.02
Trust receipts	THB	163.03	163.03	-	-	-	-
Trust receipts	USD	4.68	4.68	-	-	-	-
Short-term borrowings	USD	20.50	20.00	-	-	11.75	8.75
Joint credit line in short-term borrowings	THB	4,249.99	2,919.10	1,330.89	3,027.77	2,040.31	987.46
Long-term borrowings	THB	5,992.73	5,497.73	495.00	5,608.14	4,074.14	1,534.00
Long-term borrowings	USD	24.00	24.00	-	27.00	27.00	-

	Currency	Separate Financial Statements					
		As at January 31, 2013			As at October 31, 2012		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	4,693.42	-	-	4,843.40	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	30.80	-	-	32.77	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	4.33	-	-	4.33	-
Letters of credit and trust receipts	THB	30.00	-	30.00	330.00	248.81	81.19
Letters of credit	USD	4.40	3.35	1.05	7.29	6.80	0.49
Credit Facilities							
Overdraft and short-term borrowings	THB	1,765.00	925.00	840.00	5,303.00	2,356.31	2,946.69
Trust receipts	USD	3.45	3.45	-	-	-	-
Short-term borrowings	USD	0.50	-	0.50	0.50	-	0.50
Joint credit line in short-term borrowings	THB	4,154.99	2,824.10	1,330.89	3,027.77	2,040.31	987.46
Long-term borrowings	THB	2,559.80	1,559.80	1,000.00	3,159.80	1,660.80	1,499.00

Overdrafts and short-term loans from financial institutions as at January 31, 2013 and October 31, 2012, carried interest rates at 1.75% - 4.53% per annum and 3.15% - 4.75% per annum, respectively.

Part of the above credit facilities are secured by land together with structure 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.

20.6 As at January 31, 2013 and October 31, 2012, the Company and its subsidiaries have remaining commitments under the various contracts as follows:

Unit : Million					
Consolidated Financial Statements					
As at January 31, 2013					
As at October 31, 2012					
Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	745.73	190.11	1,081.50	459.28
Building, machine and equipment purchase agreements	THB	2,574.99	1,915.91	959.91	456.14
	USD	23.60	9.26	23.60	13.59
	JPY	800.00	737.00	800.00	800.00
	EURO	-	-	0.74	0.56
Rental agreements	THB	26.19	17.66	23.11	16.04
Materials purchase agreements	THB	126.88	109.69	102.48	69.21
	USD	0.38	0.38	0.76	0.76

Unit : Million					
Separate Financial Statements					
As at January 31, 2013					
As at October 31, 2012					
Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments	
Construction and subcontract agreements	THB	631.09	156.63	834.33	355.51
Building, machine and equipment purchase agreements	THB	2,240.37	1,888.36	596.93	257.13
	USD	8.40	4.01	8.40	7.85
	JPY	70.00	7.00	70.00	70.00
Rental agreements	THB	26.19	17.66	23.11	16.04

20.7 Other significant agreements

- 20.7.1 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, 2013 and October 31 2012, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.
- 20.7.2 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 19,100 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, 2013 and October 31, 2012, the subsidiaries have already utilized the area of 10,481 hectares.
- 20.7.3 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 31, 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, 2013 and October 31, 2012, the remaining amount of the advance lease fee paid is USD 453,989, same the both periods.

21. FINANCIAL INSTRUMENTS

Policy to manage financial risk

As at January 31, 2013, the policy to manage financial risks, credit risks and fair values is the same as that of the financial statements as at October 31, 2012.

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 Company and subsidiaries 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 Company and subsidiaries with the details mainly as following:

Unit : Thousand Baht

Consolidated Financial Statements
As at January 31, 2013

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years		
Financial Assets					
Saving account deposits	-	-	-	277,926	277,926
Fixed account deposits	13,000	-	-	22	13,022
Loans for cane plantation development	144,060	386,505	58,176	4,280	593,021
Short-term loans to farmers	578,070	12,002	-	54,138	644,210
Other long-term investments	431	13,177	-	-	13,608
Total	<u>735,561</u>	<u>411,684</u>	<u>58,176</u>	<u>336,366</u>	<u>1,541,787</u>
Financial Liabilities					
Short-term borrowings from financial institutions	4,513,942	-	-	2,140,664	6,654,606
Debentures	1,499,695	2,496,491	-	-	3,996,186
Long-term borrowings	307,360	1,280,780	-	3,864,139	5,452,279
Liabilities from long-term lease agreements	1,635	7,855	-	-	9,490
Total	<u>6,322,632</u>	<u>3,785,126</u>	<u>-</u>	<u>6,004,803</u>	<u>16,112,561</u>

Unit : Thousand Baht

Consolidated Financial Statements
As at October 31, 2012

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years		
Financial Assets					
Saving accounts deposits	-	-	-	234,423	234,423
Fixed account deposits	13,000	-	-	22	13,022
Loans for cane plantation development	158,580	350,719	51,027	-	560,326
Short-term loans to farmers	701,720	-	-	45,973	747,693
Other long-term investments	253	13,322	-	-	13,575
Total	<u>873,553</u>	<u>364,041</u>	<u>51,027</u>	<u>280,418</u>	<u>1,569,039</u>
Financial Liabilities					
Short-term borrowings from financial institutions	4,786,874	-	-	1,110,060	5,896,934
Long-term debentures	1,999,491	1,498,092	-	-	3,497,583
Long-term borrowings	207,360	931,780	-	3,488,760	4,627,900
Liabilities from long-term lease agreements	1,667	8,459	-	-	10,126
Total	<u>6,995,392</u>	<u>2,438,331</u>	<u>-</u>	<u>4,598,820</u>	<u>14,032,543</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, 2013 and October 31, 2012, 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:

Currencies	Consolidated Financial Statements				Separate Financial Statements				Unit : Million
	As at		As at		As at		As at		
	January 31, 2013		October 31, 2012		January 31, 2013		October 31, 2012		
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
USD	27.30	88.69	9.50	65.27	3.90	4.01	-	2.96	
YEN	-	82.00	-	874.55	-	7.00	-	44.40	
RIEL	3,410.05	1,097.66	415.84	169.72	-	-	-	-	
LAK	63.84	-	63.30	1,055.93	-	-	-	-	

As at January 31, 2013 and October 31, 2012, 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 consolidated and separate financial statements. The forward contracts that have repayment due dates not over 12 months are as follows:

Currency	Amount fixed in contract				Currency	Amount earned in contract				Unit : Million
	Consolidated		Separate			Consolidated		Separate		
	Financial Statements		Financial Statements			Financial Statements		Financial Statements		
	As at	As at	As at	As at		As at	As at	As at	As at	
	January 31, 2013	October 31, 2012	January 31, 2013	October 31, 2012		January 31, 2013	October 31, 2012	January 31, 2013	October 31, 2012	
USD	66.90	77.10	1.00	13.60	THB	2,178.28	2,498.58	30.02	431.15	
YEN	-	737.00	-	7.00	THB	-	279.25	-	2.65	

Net fair values of financial derivatives at the end of the reporting periods of the Company and its subsidiaries are as follows:

	Consolidated		Separate		Unit : Million Baht
	Financial Statements		Financial Statements		
	As at	As at	As at	As at	
	January 31, 2013	October 31, 2012	January 31, 2013	October 31, 2012	
Net fair values of forward contracts (loss)	176.62	8.03	(0.23)	-	

Risk on the fluctuation of sugar and cane prices

The cane and sugar industry in Thailand is under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production. To manage risk on the fluctuation of gross profit, the Company and its subsidiaries have hedged the risk by entering into commodity swap contracts for the periods not over 2 years. Gain or loss is recognized in the statement of income when the contracts are settled or expired.

For the three-month periods ended January 31, 2013 and 2012, the Company has accounted for transactions in the financial statements as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	for three-month periods ended		for three-month periods ended	
	January 31,		January 31,	
	2013	2012	2013	2012
Profit from investments in derivative instruments	-	0.96	-	0.35

Net fair values of financial derivatives as at January 31, 2013 and October 31, 2012, of the Company and its subsidiaries are as follows:

	Currency	Unit : Million	
		Consolidated/ Separate	
		Financial Statements	
		As at	As at
		January 31,	October 31,
		2013	2012
Net fair values for commodity swap contracts	USD	1.52	1.43
	THB	131.45	121.68

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 end of the reporting periods as though the Company and its subsidiaries have settled the said contracts at the end of the reporting periods dates.

Credit risk

The Company and its subsidiaries have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans to farmers, loans to related parties and others receivable. However, as the Company and its subsidiaries always have conservative policy in granting sound credit provision and carefully considered the appropriated allowance for doubtful debts; thus, it believes that the risk which the debtors will not repay is minimal.

23. COMPARATIVE DATA OF FINANCIAL STATEMENTS FOR THE YEARS ENDED JANUARY 31, 2013 AND 2012

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 interim financial statements in comparing the information for the business with definite seasonal fluctuation, the Company presents the comparative financial information for the years ended January 31, 2013 and 2012 as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31,		Financial Statements	
	2013	2012	As at January 31,	As at January 31,
		(Restated)	2013	2012
				(Restated)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalent	498,913	611,280	148,303	92,325
Trade and other receivables	1,916,662	1,566,303	896,947	661,610
Short-term loans	787,062	634,576	2,216,136	2,651,028
Inventories	6,330,769	6,403,541	1,787,009	1,944,124
Other current assets	148,715	151,554	40,132	14,811
Total Current Assets	<u>9,682,121</u>	<u>9,367,254</u>	<u>5,088,527</u>	<u>5,363,898</u>
NON-CURRENT ASSETS				
Deferred cane plantation costs	426,884	692,440	49,267	41,379
Long-term loans	450,170	411,511	14,912	22,953
Investment property	697,482	275,098	284,187	142,401
Property, plant and equipment	22,717,529	16,428,175	5,280,272	2,142,967
Other non-current assets	670,060	622,419	5,974,590	5,428,551
Total Non-Current Assets	<u>24,962,125</u>	<u>18,429,643</u>	<u>11,603,228</u>	<u>7,778,251</u>
TOTAL ASSETS	<u>34,644,246</u>	<u>27,796,897</u>	<u>16,691,755</u>	<u>13,142,149</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term borrowings from financial institutions	6,654,606	3,750,320	1,850,485	564,000
Trade and other payables	4,508,410	3,535,259	1,683,698	1,307,235
Current portion of long-term debentures	1,499,695	1,499,461	1,499,695	1,499,461
Current portion of long-term borrowings	1,188,003	1,033,346	301,800	-
Short-term borrowings	-	-	1,088,500	905,500
Current income tax payable	390,321	606,726	221,286	304,979
Provision for production costs	131,718	918,681	7,669	281,574
Other current liabilities	139,440	155,558	9,185	26,702
Total Current Liabilities	<u>14,512,193</u>	<u>11,499,351</u>	<u>6,662,318</u>	<u>4,889,451</u>
Total Non-Current Liabilities	<u>7,095,526</u>	<u>6,613,986</u>	<u>3,925,251</u>	<u>3,081,983</u>
TOTAL LIABILITIES	<u>21,607,719</u>	<u>18,113,337</u>	<u>10,587,569</u>	<u>7,971,434</u>
TOTAL SHAREHOLDERS' EQUITY	<u>13,036,527</u>	<u>9,683,560</u>	<u>6,104,186</u>	<u>5,170,715</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>34,644,246</u>	<u>27,796,897</u>	<u>16,691,755</u>	<u>13,142,149</u>

	Consolidated Financial Statements For the years ended January 31,		Unit : Thousand Baht	
			Separate Financial Statements For the years ended January 31,	
	2013	2012	2013	2012
	Revenue from sales	21,381,037	18,575,354	7,397,049
Revenues from services	311,278	210,774	-	-
Total of revenues	21,692,315	18,786,128	7,397,049	7,225,223
Costs of the sales of goods	(16,233,973)	(13,100,663)	(5,614,852)	(5,170,826)
Cost of the rendering of services	(143,895)	(119,702)	-	-
Total of costs	(16,377,868)	(13,220,365)	(5,614,852)	(5,170,826)
Gross profit	5,314,447	5,565,763	1,782,197	2,054,397
Other incomes	562,327	303,897	668,227	400,390
Profit before expenses	5,876,774	5,869,660	2,450,424	2,454,787
Selling expenses	(1,585,378)	(1,298,703)	(657,892)	(579,825)
Administrative expenses	(578,695)	(759,748)	(206,173)	(151,215)
Management benefit expenses	(166,745)	(154,171)	(37,548)	(33,715)
Finance costs	(558,711)	(510,352)	(257,743)	(217,636)
Share of profit (loss) of an associate	(903)	(17,095)	-	-
Profit before income tax expense	2,986,342	3,129,591	1,291,068	1,472,396
Income tax expenses	(632,534)	(825,642)	(292,138)	(351,731)
Net profit for the year	2,353,808	2,303,949	998,930	1,120,665

EFFECT OF CHANGE IN ACCOUNTING POLICY

Effects of the change in accounting policy (see Note 3) to the consolidated and separate statements of financial position as at January 31, 2012 are as follows:

	Effect	Unit : Thousand Baht	
		Consolidated Financial Statements	Separate Financial Statements
Assets			
Property, plant and equipment	Decrease	1,553,043	456,814
Assets not used in operation	Decrease	306,026	-
Shareholders' equity			
Gain on asset revaluation	Decrease	1,713,602	456,814
Non-controlling interests	Decrease	145,467	-

RECLASSIFICATIONS

Reclassifications has been made to the consolidated and separate statements of financial position as at January 31, 2012 to conform to the classifications used in the consolidated and separate statements of financial position as at January 31, 2013 as follows:

Transaction	Previously presented as	Reclassified to be presented as	Unit : Thousand Baht	
			Consolidated Financial Statements	Separate Financial Statements
Advance payment	Other current assets	Trade and other receivables	70,797	47,540
Accrued dividend receivable from subsidiary	Other current assets	Trade and other receivables	-	216,515
Machine maintenance supplies	Other current assets	Inventories	426,388	107,404

24. EVENTS AFTER THE REPORTING PERIOD

- 24.1 The meeting of annual general shareholders for 2012 No. 1/2556 of the Company held on February 28, 2013, approved the dividend payment from operating result of the year 2012 at the rate of Baht 0.50 per share to 1,623 million shares totaling Baht 811.70 million. The dividends will be paid on March 28, 2013 to the shareholders whose names are included in the shareholder register on March 8, 2013.
- 24.2 The meeting of annual general shareholders for 2013 No.1/2556 of K.S.L. Real Estate Company Limited held on February 26, 2013 passed a resolution to increase the authorized share capital from Baht 140 million to Baht 840 million, which such subsidiary is in the registration process.

25. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuance by the Company's audit committee on March 12, 2013.