

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY 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, 2014, and the related consolidated and separate statements of income, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three-month period then ended, 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 review.

**Scope of Review**

We conducted our review 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 review, 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".

### **Emphasis of Matter**

Without modifying our conclusion, as discussed in Note 3 to the interim financial information, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have adopted Thai Accounting Standard No. 12 “Income Taxes” for the first time and adopted Thai Financial Reporting Standard No. 8 (Revised 2013) “Operating Segment” before its effective date. The corresponding figures thus have been retrospectively restated to be in accordance with the new accounting policies.

**BANGKOK**  
March 10, 2014

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, 2014**

UNIT : TH

	Notes	Consolidated			Separate	
		Financial Statements			Financial Statement	
		"Unaudited"	"Restated"	"Restated"	"Unaudited"	"Restated"
		As at	As at	As at	As at	As at
		January 31,	October 31,	November 1,	January 31,	October 31,
		2014	2013	2012	2014	2013
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	5.2	435,734	198,721	289,455	116,240	40,942
Temporary investments		10,022	13,522	274	-	-
Trade and other receivables	7	1,553,285	1,266,031	1,197,959	1,854,367	1,647,728
Short-term loans	8	663,513	1,026,575	909,373	3,025,970	3,959,771
Inventories		7,446,404	3,647,457	3,492,966	3,318,659	1,657,755
Other current assets		234,445	211,377	144,167	63,059	52,426
Total Current Assets		<u>10,343,403</u>	<u>6,363,683</u>	<u>6,034,194</u>	<u>8,378,295</u>	<u>7,358,622</u>
<b>NON-CURRENT ASSETS</b>						
Investments in an associate	9	35,611	36,803	37,299	73,800	73,800
Investments in subsidiaries	9	-	-	-	6,156,311	6,156,311
Other long-term investments		23,779	23,857	16,825	6,551	6,555
Long-term loans		464,183	439,689	398,950	25,640	12,609
Deferred cane plantation costs		452,611	479,509	569,984	45,983	39,714
Investment property	10	2,886,169	2,938,735	625,710	412,921	414,304
Property, plant and equipment	11	26,265,238	25,137,516	21,424,187	7,383,026	6,739,722
Intangible assets		37,661	25,103	17,405	21,334	8,485
Deferred tax assets	19	888	354	560	-	-
Other non-current assets		532,432	572,006	492,536	41,261	44,853
Total Non-Current Assets		<u>30,698,572</u>	<u>29,653,572</u>	<u>23,583,456</u>	<u>14,166,827</u>	<u>13,496,353</u>
<b>TOTAL ASSETS</b>		<u><u>41,041,975</u></u>	<u><u>36,017,255</u></u>	<u><u>29,617,650</u></u>	<u><u>22,545,122</u></u>	<u><u>20,854,975</u></u>

See notes to the interim financial information

THOUSAND BAHT

is

**"Restated"**

**As at  
November 1,  
2012**

21,506

-

736,340

1,485,604

807,855

24,463

3,075,768

73,800

5,695,234

6,574

14,736

59,431

285,163

4,277,150

4,291

-

42,684

10,459,063

13,534,831

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT JANUARY 31, 2014**

UNIT : TH

	Notes	Consolidated			Separate	
		Financial Statements			Financial Statement	
		"Unaudited"	"Restated"	"Restated"	"Unaudited"	"Restated"
		As at	As at	As at	As at	As at
		January 31, 2014	October 31, 2013	November 1, 2012	January 31, 2014	October 31, 2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings from financial institutions		11,106,296	9,392,451	5,896,935	6,498,609	5,637,888
Trade and other payables	12	3,838,486	2,284,425	2,798,532	1,707,087	1,046,323
Current portion of long-term debentures	14	1,499,217	-	1,999,491	1,499,217	-
Current portion of long-term borrowings	15	2,021,853	1,613,853	1,125,418	735,833	735,833
Short-term borrowings		-	-	-	1,543,300	1,286,300
Current income tax payable		78,083	40,124	349,066	-	-
Provision for production costs	13	416,048	-	-	197,883	-
Other current liabilities		140,696	135,517	153,415	12,767	13,365
Total Current Liabilities		<u>19,100,679</u>	<u>13,466,370</u>	<u>12,322,857</u>	<u>12,194,696</u>	<u>8,719,709</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term debentures	14	998,816	2,497,644	1,498,093	998,816	2,497,644
Long-term borrowings	15	5,946,996	5,498,695	3,502,481	2,441,333	2,591,333
Deferred tax liabilities	19	418,892	447,738	435,051	68,465	94,271
Employee benefit obligations		180,818	179,828	175,547	74,115	73,459
Other non-current liabilities		180,375	224,414	85,981	87,626	92,741
Total Non-Current Liabilities		<u>7,725,897</u>	<u>8,848,319</u>	<u>5,697,153</u>	<u>3,670,355</u>	<u>5,349,448</u>
<b>TOTAL LIABILITIES</b>		<u>26,826,576</u>	<u>22,314,689</u>	<u>18,020,010</u>	<u>15,865,051</u>	<u>14,069,157</u>

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT JANUARY 31, 2014**

UNIT : TH

	Notes	Consolidated			Separate	
		Financial Statements			Financial Statement	
		"Unaudited"	"Restated"	"Restated"	"Unaudited"	"Restated"
		As at	As at	As at	As at	As at
		January 31,	October 31,	November 1,	January 31,	October 31,
		2014	2013	2012	2014	2013
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>						
<b>SHAREHOLDERS' EQUITY</b>						
SHARE CAPITAL	16					
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	1,870,000
Issued and paid-up share capital						
1,704,646,884 ordinary shares of Baht 1.00 each, fully paid		1,704,647	1,704,647		1,704,647	1,704,647
1,575,768,083 ordinary shares of Baht 1.00 each, fully paid				1,575,768		
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439	2,946,439	1,786,530	2,946,439	2,946,439
RETAINED EARNINGS						
Appropriated						
Legal reserve		187,000	187,000	187,000	187,000	187,000
Reserve for treasury stocks		433,154	433,154	-	433,154	433,154
Unappropriated		6,344,251	5,916,916	5,485,690	1,314,439	1,420,186
OTHER COMPONENTS OF EQUITY		1,078,863	1,016,111	920,419	527,546	527,546
		12,694,354	12,204,267	9,955,407	7,113,225	7,218,972
<u>Less</u> Treasury stocks (34,100,000 shares)		(433,154)	(433,154)	-	(433,154)	(433,154)
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS</b>						
<b>OF THE PARENT</b>		12,261,200	11,771,113	9,955,407	6,680,071	6,785,818
NON-CONTROLLING INTERESTS		1,954,199	1,931,453	1,642,233	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		14,215,399	13,702,566	11,597,640	6,680,071	6,785,818
<b>TOTAL LIABILITIES AND</b>						
<b>SHAREHOLDERS' EQUITY</b>		41,041,975	36,017,255	29,617,650	22,545,122	20,854,975

See notes to the interim financial information

THOUSAND BAHT

is

**"Restated"**

**As at**

**November 1,**

**2012**

595,172

953,618

1,999,491

201,800

1,441,500

199,548

-

12,564

5,403,693

1,498,093

909,000

80,093

69,674

75,050

2,631,910

8,035,603

THOUSAND BAHT

ts

"Restated"

As at

November 1,

2012

1,870,000

1,575,768

1,786,530

187,000

-

1,526,428

423,502

5,499,228

-

5,499,228

-

5,499,228

13,534,831



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

**STATEMENTS OF INCOME**

**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**

**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
			"Restated"		"Restated"
		2014	2013	2014	2013
Revenues from sales and revenues from services					
Revenues from sales		3,557,209	4,394,948	1,571,118	1,431,155
Revenues from services		81,101	21,370	6,233	-
		<u>3,638,310</u>	<u>4,416,318</u>	<u>1,577,351</u>	<u>1,431,155</u>
Costs of the sales of goods and the rendering of services					
Costs of the sales of goods		(2,435,118)	(3,414,613)	(1,418,887)	(1,156,531)
Costs of the rendering of services		(53,963)	(22,803)	(4,411)	-
		<u>(2,489,081)</u>	<u>(3,437,416)</u>	<u>(1,423,298)</u>	<u>(1,156,531)</u>
Gross profit		1,149,229	978,902	154,053	274,624
Other incomes		78,548	154,658	55,980	93,839
Selling expenses		(327,344)	(416,633)	(140,175)	(149,225)
Administrative expenses		(202,209)	(170,418)	(72,046)	(63,458)
Management benefit expenses	17	(66,108)	(63,383)	(17,684)	(15,363)
Finance costs		(181,351)	(136,461)	(111,681)	(69,189)
Share of profit (loss) of an associate		(1,192)	2,444	-	-
Profit (loss) before income tax income (expense)		449,573	349,109	(131,553)	71,228
Income tax income (expense)	19	(7,709)	(29,365)	25,806	(16,075)
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<u>441,864</u>	<u>319,744</u>	<u>(105,747)</u>	<u>55,153</u>
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>					
Owners of the parent		427,335	389,967	(105,747)	55,153
Non-controlling interests		14,529	(70,223)	-	-
		<u>441,864</u>	<u>319,744</u>	<u>(105,747)</u>	<u>55,153</u>
<b>EARNINGS (LOSS) PER SHARE</b>	20				
Basic (loss) earnings per share	BAHT	0.256	0.244	(0.063)	0.034
Diluted earnings per share	BAHT	0.256	0.240	(0.063)	0.034
Basic number of ordinary shares	THOUSAND SHARES	1,670,547	1,601,136	1,670,547	1,601,136
Diluted number of ordinary shares	THOUSAND SHARES	1,670,547	1,623,464	1,670,547	1,623,464

See notes to the interim financial information

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**  
**"UNAUDITED"**

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	"Restated"		"Restated"	
	2014	2013	2014	2013
<b>Net profit (loss) for the period</b>	441,864	319,744	(105,747)	55,153
<b>Other comprehensive income (expense) :</b>				
Exchange differences on translation financial statements	76,598	(32,610)	-	-
(Loss) gain on remeasuring available-for-sale investments	(45)	14	-	-
Loss on asset revaluation	(5,584)	(16,679)	-	-
Gain on change in shareholding ratio in subsidiaries	-	18,609	-	-
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIODS</b>	<u>512,833</u>	<u>289,078</u>	<u>(105,747)</u>	<u>55,153</u>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO</b>				
Owners of the parent	490,087	387,353	(105,747)	55,153
Non-controlling interests	22,746	(98,275)	-	-
	<u>512,833</u>	<u>289,078</u>	<u>(105,747)</u>	<u>55,153</u>

See notes to the interim financial information

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**  
**"UNAUDITED"**

UNIT : THOUSAND BAH

Notes	Equity attributable to 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							
<b>"Restated"</b>														
<b>For three-month period ended January 31, 2013</b>														
		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
		Effects of the adoption of new Thai Accounting Standard												
	3	-	-	-	(7,248)	-	88	(316,476)	-	-	(316,388)	(323,636)	(110,855)	(434,491)
		1,575,768	1,786,530	187,000	5,485,689	(62,844)	(295)	1,272,807	(264,043)	(25,205)	920,420	9,955,407	1,642,234	11,597,641
		Changes in shareholders' equity during the period												
	16	47,628	428,652	-	-	-	-	-	-	-	-	476,280	-	476,280
		-	-	-	-	-	-	-	-	-	-	-	229,532	229,532
		-	-	-	389,967	(22,829)	1	(4,735)	-	24,949	(2,614)	387,353	(98,275)	289,078
		<u>1,623,396</u>	<u>2,215,182</u>	<u>187,000</u>	<u>5,875,656</u>	<u>(85,673)</u>	<u>(294)</u>	<u>1,268,072</u>	<u>(264,043)</u>	<u>(256)</u>	<u>917,806</u>	<u>10,819,040</u>	<u>1,773,491</u>	<u>12,592,531</u>

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**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**  
**"UNAUDITED"**

	Note	Owners of the Parent										Non-controlling interests			
		Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings			Other components of equity						Treasury stocks	Total owners of the parent	
				Appropriated Legal reserve	Unappropriated Reserve for treasury stocks	Other comprehensive income (expense) differences			Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries	Total other components of equity				
						Exchange differences on translating financial statements	Gain (loss) on remeasuring available-for-sale investments	Gain (loss) on asset revaluation							
<b>For three-month period ended January 31, 2014</b>															
Beginning balance as at November 1, 2013		1,704,647	2,946,439	187,000	433,154	5,909,478	(44,558)	(383)	1,750,369	(264,043)	(86,811)	1,354,574	(433,154)	12,102,138	2,047,812
Effects of the adoption of new Thai Accounting Standard															
- Income tax	3	-	-	-	-	7,438	-	40	(341,673)	-	3,170	(338,463)	-	(331,025)	(116,359)
Beginning balance as at November 1, 2013 after adjustment		1,704,647	2,946,439	187,000	433,154	5,916,916	(44,558)	(343)	1,408,696	(264,043)	(83,641)	1,016,111	(433,154)	11,771,113	1,931,453
Changes in shareholders' equity during the year															
- Total comprehensive income (expense) for the year		-	-	-	-	427,335	61,376	(9)	1,385	-	-	62,752	-	490,087	22,746
<b>Ending balance as at January 31, 2014</b>		<b>1,704,647</b>	<b>2,946,439</b>	<b>187,000</b>	<b>433,154</b>	<b>6,344,251</b>	<b>16,818</b>	<b>(352)</b>	<b>1,410,081</b>	<b>(264,043)</b>	<b>(83,641)</b>	<b>1,078,863</b>	<b>(433,154)</b>	<b>12,261,200</b>	<b>1,954,199</b>

See notes to the interim financial information

**UNIT : BAHT**

**Total  
shareholders'  
equity**

14,149,950

(447,384)

13,702,566

512,833

14,215,399

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

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

**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**

**"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	
<b>"Restated"</b>								
<b>For three-month period ended January 31, 2013</b>								
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
Effects of the adoption of new Thai Accounting Standard								
- Income tax	3	-	-	-	25,783	(105,876)	(105,876)	(80,093)
Beginning balance as at November 1, 2012 after adjustment		1,575,768	1,786,530	187,000	1,526,428	423,502	423,502	5,499,228
Changes in shareholders' equity during the period								
- Increase in ordinary shares	16	47,628	428,652	-	-	-	-	476,280
- Total comprehensive income for the period		-	-	-	55,153	-	-	55,153
<b>Ending balance as at January 31, 2013</b>		<b>1,623,396</b>	<b>2,215,182</b>	<b>187,000</b>	<b>1,581,581</b>	<b>423,502</b>	<b>423,502</b>	<b>6,030,661</b>

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**  
**"UNAUDITED"**

UNIT : BAHT

	Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Treasury stocks	Total shareholders' equity	
				Appropriated Legal reserve	Unappropriated Reserve for treasury stocks	Other comprehensive income (expense) Gain (loss) on asset revaluation	Total other components of equity			
<b>For three-month period ended January 31, 2014</b>										
Beginning balance as at November 1, 2013		1,704,647	2,946,439	187,000	433,154	1,382,570	659,433	659,433	(433,154)	6,880,089
Effects of the adoption of new Thai Accounting Standard										
- Income tax	3	-	-	-	-	37,616	(131,887)	(131,887)	-	(94,271)
Beginning balance as at November 1, 2013 after adjustment		1,704,647	2,946,439	187,000	433,154	1,420,186	527,546	527,546	(433,154)	6,785,818
Changes in shareholders' equity during the year										
- Total comprehensive income for the year		-	-	-	-	(105,747)	-	-	-	(105,747)
<b>Ending balance as at January 31, 2014</b>		<b>1,704,647</b>	<b>2,946,439</b>	<b>187,000</b>	<b>433,154</b>	<b>1,314,439</b>	<b>527,546</b>	<b>527,546</b>	<b>(433,154)</b>	<b>6,680,071</b>

See notes to the interim financial information



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

**STATEMENTS OF CASH FLOWS**

**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**

**"UNAUDITED"**

UNIT : THOU

	Consolidated		Separ
	Financial Statements		Financial S
	"Restated"		
	2014	2013	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit (loss) before income tax income (expense)	449,573	349,109	(131,553)
Adjustments for:			
Doubtful accounts - trade and other receivables (reversal)	(3,793)	(12)	129
Share of (profit) loss of investment in an associate	1,192	(2,444)	-
Amortization (increase) of premium on bonds	33	(34)	5
Employee benefit expenses	990	2,791	656
Loss on damaged cane and adjustment to decrease the cane plantation costs	662	171	-
Loss from diminution in value and obsolescence of inventories (reversal)	(30,537)	66,005	-
Depreciation and amortization	355,422	323,285	106,604
Gain from disposal of assets	(11,384)	(1,744)	-
Gain on sales of other investment in subsidiary	-	(21,138)	-
Unrealized loss (gain) on exchange rate	13,438	(8,661)	37,069
Interest expenses	181,351	122,252	111,293
Finance costs	389	513	389
	<u>957,336</u>	<u>830,093</u>	<u>124,592</u>
Operating assets (increase) decrease			
Trade and other receivables	(285,653)	(720,709)	(206,721)
Inventories	(3,768,409)	(2,903,808)	(1,660,904)
Other current assets	(16,869)	(26,453)	(4,533)
Deferred cane plantation costs	54,569	145,110	(5,605)
Other non-current assets	36,233	(78,842)	2,221
Operating liabilities increase (decrease)			
Trade and other payables	1,721,320	1,741,088	738,959
Provision for production costs	416,048	131,718	197,883
Other current liabilities	5,180	(13,976)	(598)
Employee benefit obligations	-	(195)	-
Other non-current liabilities	(42,635)	70,635	(5,116)
Cash received (paid) from operating activities	<u>(922,880)</u>	<u>(825,339)</u>	<u>(819,822)</u>
Interest paid	(238,278)	(139,307)	(157,347)
Income tax expense paid	(6,736)	(3,341)	(6,099)
Net cash used in operating activities	<u>(1,167,894)</u>	<u>(967,987)</u>	<u>(983,268)</u>

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**

**"UNAUDITED"**

UNIT : THOU

	Consolidated		Separ
	Financial Statements		Financial S
	"Restated"		
	2014	2013	2014
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (increase) in short-term loans to related parties	-	-	956,868
Decrease (increase) in short-term loans to farmers and others	341,070	103,482	(31,104)
Cash payments for investments in subsidiaries	-	(18,718)	-
Cash received from sales of investment in subsidiaries	-	39,856	-
Cash received from sales of temporary investments	3,500	-	-
Cash payments for purchase of other long-term investments	-	(445)	-
(Increase) decrease in loans for cane plantation development	-	(32,391)	(4,994)
Cash payments for purchases of property, plant and equipment	(1,152,695)	(1,048,337)	(560,616)
Cash received from sales of property, plant and equipment	10,336	2,430	-
Cash payments for purchase of investment properties	-	(73,292)	-
Cash received from sales of assets not yet used in operation	5,704	-	-
Cash payments for purchase of intangible assets	(13,669)	(2,519)	(13,445)
Net cash (used in) provided by investing activities	<u>(805,754)</u>	<u>(1,029,934)</u>	<u>346,709</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term loans from financial institutions	1,775,248	794,267	842,576
Increase (decrease) in short-term loans from related parties	-	-	257,000
Cash payment for accounts payable on purchases of assets	(481,051)	(675,476)	(237,719)
Cash received from long-term debentures	-	998,089	-
Cash payment for long-term debentures	-	(500,000)	-
Cash received from long-term borrowings	1,220,917	1,104,000	-
Cash payment for long-term borrowings	(376,240)	(254,728)	(150,000)
Cash received from issuance of ordinary shares	-	476,280	-
Cash received from increase in capital of subsidiary of non-controlling interests	-	251,311	-
Net cash provided by financing activities	<u>2,138,874</u>	<u>2,193,743</u>	<u>711,857</u>
Exchange differences on translation of cash of foreign subsidiaries	71,787	13,636	-
Net increase in cash and cash equivalents	<u>237,013</u>	<u>209,458</u>	<u>75,298</u>
Cash and cash equivalents at the beginning of the period	<u>198,721</u>	<u>289,455</u>	<u>40,942</u>
Cash and cash equivalents at the end of the period	<u><u>435,734</u></u>	<u><u>498,913</u></u>	<u><u>116,240</u></u>

See notes to the interim financial information

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2013

71,228

(75)

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4

1,392

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(23,564)

123,567

(374)

(21,138)

1,658

68,656

513

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221,867

(161,093)

(955,590)

(15,669)

11,218

(57,737)

610,907

7,669

86,153

-

(64,889)

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(317,164)

(79,627)

(904)

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(397,695)

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USAND BAHT

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"Restated"

2013

(554,000)

(176,729)

(111,255)

39,856

-

-

21

(664,789)

374

-

-

(1,924)

(1,468,446)

1,255,313

(353,000)

(332,744)

998,089

(500,000)

549,000

(100,000)

476,280

-

1,992,938

-

126,797

21,506

148,303

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2014**  
**“UNAUDITED”**

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

Khon Kaen Sugar Industry Public Company Limited (the “Company”) was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 0107547000214 and was listed with the Stock Exchange of Thailand on March 7, 2005. Its registered headquarter is located at No. 503 K.S.L. Tower, 9<sup>th</sup> Floor, Sriyudahya Road, Thanon Phaya Thai Sub-District, Ratchathewi, Bangkok, and the locations of its 5 factories (branches) are as follows :

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

Branch II at No. 255 Moo 4, Tambol Nongyaplong, Amphur Wangsaphung, Loei Province

Branch III at No. 99 Moo 6, Tambol Lumlang, Amphur Boploy, Kanchanaburi Province

Branch VI at No. 14/1 Moo 10, Saengchooto Road, Tambol Tamaka, Amphur Tamaka, Kanchanaburi Province

Branch V at No. 24 Moo 1, Ban-Nhongbua Road, Tambol Mon-Nang, Amphur Panutnikom, Chonburi Province.

The Company’s main businesses are to manufacture and distribute sugar and molasses and trading of spare parts and supplies to its subsidiaries, subcontractors and farmers who have business with the Company and/or its subsidiaries. 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 issued and paid-up share capital.

**2. BASIS FOR PREPARATION AND PRESENTATION OF INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION**

2.1 The interim financial information are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2009) “Interim Financial Reporting” 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 and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544.

The Company presents the condensed interim financial statements. Therefore, certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards, 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, 2013.

- 2.2 The unaudited results of operations for the three-month period ended January 31, 2014 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, 2013, presented herein for comparison, have been derived from the financial statements for the year then ended which have been audited and retroactively adjusted for the adoption of new and revised Thai Financial Reporting Standards (see Note 3).
- 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, 2013. The structure of the Group is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at January 31, 2014	As at October 31, 2013		
	%	%		
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	91.02	80.31	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental
K.S.L. Export Trading Co., Ltd.	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Material Supplies Co., Ltd.	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.	80.00	80.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services

\* The Company participates in controlling power, thus they are considered subsidiaries under the definition specified in Thai Financial Reporting Standards.

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,		
	2014	2013	2014	2013		
	%	%	%	%		
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	27.86	28.48	28.48	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	16.52	16.52	16.59	16.59	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	80.00	80.00	80.00	80.00	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 interim financial statements are prepared based on the same accounting policies for the same accounting items or similar accounting events.

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

## 2.5 New or revised Thai Financial Reporting Standards

2.5.1 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 onwards 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

The adoption of those Thai Financial Reporting Standards which are relevant to the Group has no significant impact on these financial statements, except for the adoption of Thai Accounting Standard No. 12, "Income Taxes" as disclosed in the Note 3 to the interim financial information.

2.5.2 Thai Financial Reporting Standards which have been issued in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRS), which are effective for the accounting period beginning on or after January 1, 2014 onwards as follows:

### **Thai Accounting Standards ("TAS")**

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible assets



**Thai Financial Reporting Standards (“TFRS”)**

TFRS 2 (Revised 2012)	Share-Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

**Thai Accounting Standards Interpretations (“TSI”)**

TSI 15	Operating Leases - Incentives
TSI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 29	Disclosure - Service Concession Arrangements
TSI 32	Intangible Assets - Web Site Costs

**Thai Financial Reporting Standard Interpretations (“TFRI”)**

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets Form Customers

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRS), which are effective for the accounting period beginning on or after January 1, 2016 onwards as follows:

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 4	Insurance Contracts
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The Group’s management will adopt the above TFRSs relevant to the Group’s financial statements when they become effective, except for the adoption of Thai Financial Reporting Standard No. 8 (Revised 2012), “Operating Segment” which is early adopted before its effective date as disclosed in Note 3 to the interim financial information. The management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

- 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. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company and subsidiaries have adopted new and revised Thai Financial Reporting Standards issued by the Federation Accounting Professions in the preparation and presentation of these interim financial information as follows:

#### 3.1 TAS No. 12, "Income Taxes" which is effective for the financial statements of periods beginning on or after January 1, 2013 onwards

Since November 1, 2013, the Company and its subsidiaries have firstly adopted TAS 12, "Income Taxes" by changing its accounting policy relating to income tax from accrual basis based on the taxable profit for the year to deferred income tax which income tax expense (income) represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

##### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). The Company and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences, and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each statement of financial position date. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Company and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered.

The Company and its subsidiaries measures deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of one company in the Group is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

Cumulative effects of the change in the accounting policy to the corresponding figures are summarized as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>	<b>Financial Statements</b>	<b>Separate</b>	<b>Separate</b>
	<b>October 31,</b>	<b>November 1,</b>	<b>October 31,</b>	<b>November 1,</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Statements of financial position</b>				
Deferred tax assets increased	354	560	-	-
Deferred tax liabilities increased	447,738	435,051	94,271	80,093
Retained earnings-unappropriated increased (decreased)	7,439	(7,248)	37,616	25,783
Other components of equity decreased	(338,463)	(316,388)	(131,887)	(105,876)
Non-controlling interests decreased	(116,360)	(110,855)	-	-

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statement</b>	<b>Financial Statement</b>	<b>Separate</b>	<b>Separate</b>
	<b>For the three-month period ended</b>			
	<b>January 31, 2013</b>			
<b>Statements of comprehensive income</b>				
Income tax expenses decreased		(15,232)		(6,568)
Net profit increased decreased		15,232		6,568
Loss attributable to owners of the parent increased		15,390		6,568
Profit attributable to non-controlling interests increased		(158)		-
Basic earnings attributable to owners of the parent per share increased (Baht per share)		0.010		0.004

3.2 TFRS No. 8 (Revised 2012), “Operating Segments” which is effective for the financial statements of periods beginning on or after January 1, 2014 onwards. The Company and its subsidiaries have early adopted before effective date.

The Company and its subsidiaries’ main businesses are to manufacture and distribute sugar, molasses and downstream industries. The main products are sugar, molasses, alcohol and electricity which is sold in the country and overseas. The Company has considered the operating segment based on domestic sale and overseas.

The Company and its subsidiaries have intersegment and external customers revenue, profit of all operating segments and reconciliations of the totals of segment profit or loss with profit and loss before tax expense for the three-month period ended January 31, 2014 as disclosed in Note 21 to the interim financial information.

For the three-month period ended January 31, 2014, the Company has adopted those two standards for the first time and retroactively adjusted and presented the consolidated and separate financial statements as at October 31, 2013 and for the three-month period ended January 31, 2013, which are presented as corresponding figures, in accordance with the new accounting policies.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial information are prepared using the same accounting policies and calculation method as those used in the financial statements for the year ended October 31, 2013, except for the adoption of new and revised Thai Financial Reporting Standards as discussed in Note 3.

#### 5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

5.1 Significant non-cash items in the consolidated and separate financial statements for the three-month period ended January 31, are as follows:

Type of transactions	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements 2014	2013	Financial Statements 2014	2013
Unrealized gain from available-for-sale securities	-	83	-	-
Increase in surplus on revaluation of assets	-	4,819	-	-
Transfer of depreciation to deferred cane plantation costs	11,899	12,076	664	1,054
Purchases of fixed assets which has not yet been paid	323,153	624,711	183,939	459,446
Interest expenses capitalized as asset costs	6,189	10,695	2,667	2,344
Transfer other long-term investments to temporary investments	-	179	-	-
Reclassification of other current assets to other non-current assets	-	22,357	-	-
Reclassification of investment property to property, plant and equipment	40,530	275	-	-
Reclassification of property, plant and equipment to investment property	1,180	-	316	-
Reclassification of other non-current assets to property, plant and equipment	34,127	-	-	-

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

Type of transaction	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements 2014	2013	Financial Statements 2014	2013
Cash	3,370	8,016	755	5,015
Savings accounts deposits	361,992	277,926	101,339	59,235
Current accounts deposits	70,372	199,971	14,146	84,053
Fixed accounts deposits 3 month	-	13,000	-	-
Total	<u>435,734</u>	<u>498,913</u>	<u>116,240</u>	<u>148,303</u>

## 6. TRANSACTIONS WITH RELATED PARTIES

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

6.1 Significant balances with the related parties are as follows:

Type of Balances	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	As at January 31, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
Trade and other receivables				
Subsidiaries	-	-	334.21	183.66
Related companies	9.92	4.99	7.28	0.04
Total	<u>9.92</u>	<u>4.99</u>	<u>341.49</u>	<u>183.70</u>
Accrued dividend receivable from subsidiaries (included in other receivables)				
Subsidiaries	-	-	1,169.75	1,169.75
Short-term loans				
Subsidiaries	-	-	2,842.11	3,798.98
Other current assets				
Subsidiaries	-	-	4.60	12.08
Related companies	-	0.49	-	0.21
Total	<u>-</u>	<u>0.49</u>	<u>4.60</u>	<u>12.29</u>
Trade and other payables				
Subsidiaries	-	-	142.93	55.52
Related companies	3.07	1.60	2.53	0.16
Total	<u>3.07</u>	<u>1.60</u>	<u>145.46</u>	<u>55.68</u>
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	18.55	3.34
Related companies	-	0.05	-	0.04
Total	<u>-</u>	<u>0.05</u>	<u>18.55</u>	<u>3.38</u>
Short-term borrowings				
Subsidiaries	-	-	1,543.30	1,286.30
Other current liabilities				
Subsidiaries	-	-	0.73	0.16
Related companies	4.76	2.29	4.76	2.29
Total	<u>4.76</u>	<u>2.29</u>	<u>5.49</u>	<u>2.45</u>
Other non-current liabilities - others				
Subsidiaries	-	-	0.50	0.55
Related companies	0.88	-	0.88	-
Total	<u>0.88</u>	<u>-</u>	<u>1.38</u>	<u>0.55</u>

As at January 31, 2014 and October 31, 2013, short-term loans to subsidiaries represented unsecured promissory notes payable on demand, carrying interest rates at 1.68% - 4.13% per annum and 1.75% - 3.17% per annum, respectively.

As at January 31, 2014 and October 31, 2013, short-term borrowings from subsidiaries represented unsecured promissory notes payable on demand, carrying the interest rate at 1.68% - 4.65% per annum and 3.00% - 4.65% per annum, respectively.

6.2 Significant transactions with related parties for the three-month periods ended January 31, are as follows:

Type of transactions	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2014	2013	2014	2013
Revenue from sales and services				
Subsidiaries	-	-	785.31	464.45
Related companies	10.66	0.84	7.29	-
Total	<u>10.66</u>	<u>0.84</u>	<u>792.60</u>	<u>464.45</u>
Cost of sales and services				
Subsidiaries	-	-	671.63	233.77
Related companies	2.40	8.35	2.14	5.14
Total	<u>2.40</u>	<u>8.35</u>	<u>673.77</u>	<u>238.91</u>
Other income				
Subsidiaries	-	-	31.21	21.92
Related companies	0.77	1.67	0.77	0.70
Total	<u>0.77</u>	<u>1.67</u>	<u>31.98</u>	<u>22.62</u>
Selling expenses				
Subsidiaries	-	-	15.07	14.01
Total	<u>-</u>	<u>-</u>	<u>15.07</u>	<u>14.01</u>
Administrative expenses				
Subsidiaries	-	-	0.28	0.46
Related companies	3.52	3.66	1.19	1.03
Related juristic person	2.46	2.53	2.19	2.22
Total	<u>5.98</u>	<u>6.19</u>	<u>3.66</u>	<u>3.71</u>
Financial costs				
Subsidiaries	-	-	11.65	9.51

#### POLICIES OF INTER-PRICE SETTING

- The inter-purchases/sales and borrow-return of raw sugar transactions between the Group are based on the world market prices when the first sales-purchase for the year is made.
- In case of the sugar purchases/sales agreements entered into on behalf of the group companies, which each company has already been allocated the sales volume, if any company within the Group has no sufficient volume of sugar to sell, the purchases of sugar can be made within the group 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.

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

<b>Company Name</b>	<b>Relationship</b>	<b>Connection</b>
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
Parahitac 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 Industry Co., Ltd.	Related Company	Mutual directors in subsidiary
KSL Tower Juristic Person Office	Related Juristic Person	Shared owner of office building

All of the aforementioned related entities are incorporated in Thailand.

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

## 7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
Trade receivables	810,235	880,909	380,965	248,528
Farmer receivables	479,936	256,083	187,522	169,854
Other receivables	19,306	13,397	80,560	27,304
Prepaid expenses	59,542	22,990	15,314	6,476
Advance payment	47,733	53,402	10,306	8,048
Accrued dividend receivable from subsidiaries	-	-	1,169,748	1,169,748
Accrued income	136,533	39,250	9,952	17,770
Total trade and other receivables	<u>1,553,285</u>	<u>1,266,031</u>	<u>1,854,367</u>	<u>1,647,728</u>

### 7.1 Trade receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
Related parties	9,905	4,711	264,120	158,607
Others	825,835	898,652	116,845	89,921
Total trade receivables	<u>835,740</u>	<u>903,363</u>	<u>380,965</u>	<u>248,528</u>
Less Allowance for doubtful accounts	(25,505)	(22,454)	-	-
Total trade receivables	<u>810,235</u>	<u>880,909</u>	<u>380,965</u>	<u>248,528</u>

Aging analyzes for trade accounts receivable were as follows:

#### 7.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at January 31, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
Domestic trade receivables				
Not yet due	9,905	3,394	264,120	158,607
Overdue not over 3 months	-	1,317	-	-
Total trade receivables - related parties	<u>9,905</u>	<u>4,711</u>	<u>264,120</u>	<u>158,607</u>

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



7.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	January 31, 2014	October 31, 2013	January 31, 2014	October 31, 2013
Business of manufacturing and distributing sugar and molasses				
Domestic trade receivables				
Not yet due	210,732	215,147	100,065	73,382
Overdue not over 3 months	41,821	3,585	913	638
Overdue over 3 months but not over 6 months	-	-	-	-
Overdue over 6 months but not over 12 months	488	-	-	-
Over 12 months	95	395	-	-
Total	<u>253,136</u>	<u>219,127</u>	<u>100,978</u>	<u>74,020</u>
Foreign trade receivables				
Not yet due	<u>106,940</u>	<u>61,452</u>	<u>15,867</u>	<u>15,901</u>
Total	<u>106,940</u>	<u>61,452</u>	<u>15,867</u>	<u>15,901</u>
Total of business of manufacturing and distributing sugar and molasses	<u>360,076</u>	<u>280,579</u>	<u>116,845</u>	<u>89,921</u>
Business of manufacturing and distributing of alcohol and electricity				
Domestic trade receivables				
Not yet due	<u>241,685</u>	<u>295,165</u>	<u>-</u>	<u>-</u>
Total of business of manufacturing and distributing of alcohol and electricity	<u>241,685</u>	<u>295,165</u>	<u>-</u>	<u>-</u>
Other business				
Domestic trade receivables				
Not yet due	97,310	157,352	-	-
Overdue not over 3 months	63,086	114,272	-	-
Overdue over 3 months but not over 6 months	9,983	31,509	-	-
Overdue over 6 months but not over 12 months	33,870	12,025	-	-
Over 12 months	19,825	7,750	-	-
Total	<u>224,074</u>	<u>322,908</u>	<u>-</u>	<u>-</u>
Total of other business	<u>224,074</u>	<u>322,908</u>	<u>-</u>	<u>-</u>
Total	825,835	898,652	116,845	89,921
<u>Less</u> Allowance for doubtful accounts	<u>(25,505)</u>	<u>(22,454)</u>	<u>-</u>	<u>-</u>
Total trade receivables - others	<u>800,330</u>	<u>876,198</u>	<u>116,845</u>	<u>89,921</u>

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

7.2 Farmer receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	January 31, 2014	October 31, 2013	January 31, 2014	October 31, 2013
Cane receivables				
Before Season 2009/2010	37,666	41,733	77	77
Season 2009/2010	4,253	4,253	3,116	3,116
Season 2010/2011	11,196	11,230	2,277	2,278
Season 2011/2012	31,345	41,386	3,980	4,169
Season 2012/2013	41,550	46,952	10,282	12,295
Total cane receivables	<u>126,010</u>	<u>145,554</u>	<u>19,732</u>	<u>21,935</u>
Advance payment				
Season 2013/2014	358,301	152,781	144,012	145,375
Season 2014/2015	36,610	12,651	33,966	12,652
Total advance payment for purchases of cane	<u>394,911</u>	<u>165,432</u>	<u>177,978</u>	<u>158,027</u>
Receivables from fuel oil, fertilizer and other services	16,652	7,077	5,711	5,920
Total	537,573	318,063	203,421	185,882
<u>Less</u> Allowance for doubtful accounts	(57,637)	(61,980)	(15,899)	(16,028)
Total farmer receivables	<u>479,936</u>	<u>256,083</u>	<u>187,522</u>	<u>169,854</u>

8. SHORT-TERM LOANS

Short-term loans consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	January 31, 2014	October 31, 2013	January 31, 2014	October 31, 2013
Short-term loans to related parties	-	-	2,842,108	3,798,976
Short-term loans to farmers	491,981	827,434	154,428	123,324
Current portion of loans for cane plantation development	171,532	199,141	29,434	37,471
Total short-term loans	<u>663,513</u>	<u>1,026,575</u>	<u>3,025,970</u>	<u>3,959,771</u>

Short-term loans to farmers at January 31, 2014 and October 31, 2013 included in the consolidated and separate financial statements are post-dated checks, which the farmers discounted with the Company and its subsidiaries with the interest rates based on the lending rates of commercial banks.

## 9. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

Investments in subsidiaries and an associate consisted of:

### Consolidated Financial Statements

Company Name	Paid-up Share Capital		Percentage of Shareholding		As at January 31, 2014			As at October 31, 2013		
					Investment		Dividend	Investment		Dividend
							for 2014		for 2013	
	2014	2013	% 2014	% 2013	Cost	Equity	period	Cost	Equity	period
<b>Associate</b>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	35,611	-	73,800	36,803	325
Total					73,800	35,611	-	73,800	36,803	325

### Separate Financial Statements

Company Name	Paid-up share Capital		Percentage of Shareholding		Investment Cost		Dividends	
					As at	As at	For the period ended	For the year ended
	January 31,	October 31,	January 31,	October 31,				
	2014	2013	2014	2013	2014	2013		
<b>Associate</b>								
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	-	325
Total investment in an associate					73,800	73,800	-	325
<b>Subsidiaries</b>								
Thai Sugar Terminal Public Company Limited	145,200	145,200	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	840,000	840,000	40.77	40.77	319,134	319,134	-	-
K.S.L. Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	-	2,033
KSL Material Supplys Co., Ltd.	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	-	479,983
Khon Kaen Alcohol Company Limited	610,000	610,000	100.00	100.00	609,986	609,986	-	304,993
KSL. Agro & Trading Company Limited	300,000	300,000	100.00	100.00	300,000	300,000	-	60,000
Savannahet Sugar Corporation*	684,757	684,757	98.49	98.49	674,178	674,178	-	-
Koh Kong Sugar Industry Co., Ltd.*	1,167,660	1,167,660	80.00	80.00	932,589	932,589	-	-
Wynn In Trading Co., Ltd.	487,497	487,497	100.00	100.00	487,497	487,497	-	-
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	500,000	0.62	0.62	3,089	3,089	-	-
T S Flour Mill Public Company Limited	285,000	285,000	0.07	0.07	196	196	-	29
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					6,162,195	6,162,195	-	1,179,355
<b>Less</b> Allowance for impairment of investments					(5,884)	(5,884)	-	-
Total investments in subsidiaries					6,156,311	6,156,311	-	1,179,355
Total investments in subsidiaries and associate					6,230,111	6,230,111	-	1,179,680

\* The Company holds the shares of Koh Kong Plantation Company Limited indirectly through Wynn In Trading Co., Ltd. at 80%. 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.

## 10. INVESTMENT PROPERTY

Movement of investment property for the three-month period ended January 31, 2014 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning book value	2,938,735	414,304
Reclassification/Adjustments	(43,673)	(316)
Purchases	28	-
Depreciation for the period	(8,921)	(1,067)
Ending book value	<u>2,886,169</u>	<u>412,921</u>

For the three-month periods ended January 31, 2014 and 2013, the Company and its subsidiaries recognized rental income from property investments of Baht 38.26 million and Baht 16.28 million, respectively, in the consolidated statements of income and of Baht 10.07 million and Baht 10.96 million, respectively, in the separate statements of income.

As at January 31, 2014 and October 31, 2013, the Company and its subsidiaries have the assets for rent with the book value stated in the consolidated financial statements of Baht 298.73 million and Baht 296.92 million, respectively, which were pledged as collateral against credit facilities given by two commercial banks as stated in Notes 15 and 22.5.

## 11. PROPERTY, PLANT AND EQUIPMENT

Movements for the three-month period ended January 31, 2014 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning book value	25,137,516	6,739,722
Reclassifications/adjustments	33,988	1,687
Purchases of assets (including construction in progress)	1,280,657	744,555
Capitalized interest expenses as costs of assets	6,189	2,667
Transfer in - cost	4,962,006	2,772,967
Transfer out - cost	(4,962,006)	(2,772,967)
Transfer from investment property	41,710	-
Cost of disposal/written off of assets	(39,750)	-
Accumulated depreciation - disposal/written off	36,321	-
Depreciation	(355,740)	(105,605)
Translation of financial statements differences	124,347	-
Ending book value	<u>26,265,238</u>	<u>7,383,026</u>

As at January 31, 2014 and October 31, 2013, land together with structure and machinery at the book value of Baht 402.54 million and Baht 671.25 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 15 and 22.5.

As at January 31, 2014 and October 31, 2013, buildings and structure and building under construction of three foreign subsidiaries at book value of Baht 711.12 million and Baht 688.67 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 (see Note 22.7) are expired.

As at January 31, 2014 and October 31, 2013, assets at cost amount of Baht 2,443.93 million and Baht 2,338.60 million, respectively, in the consolidated financial statements, and of Baht 1,206.07 million and Baht 1,205.23 million, respectively, in the separate financial statements, were fully depreciated but still in use.

## 12. TRADE AND OTHER PAYABLES

Trade and other payables as at January 31, 2014 and October 31, 2013 consisted of:

	Consolidated		Unit : Thousand Baht Separate	
	As at January 31, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
Trade payables - related parties	8	-	141,674	43,235
Trade payable - others				
- Payables for cane purchase	1,792,647	530,691	560,681	183,112
- Other trade payables	658,652	215,264	296,587	101,518
Advances received for sales of goods	25,953	70,299	15,323	21,608
Accrued fees payable to the Office of the Cane and Sugar Fund	68,071	70,345	30,580	21,770
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	73,150	56,224	29,405	21,276
Other accrued expenses	221,680	210,886	95,685	92,282
Payables on purchases of assets	590,578	734,603	196,814	249,349
Other payables	407,747	396,113	340,338	312,173
Total trade and other payables	<u>3,838,486</u>	<u>2,284,425</u>	<u>1,707,087</u>	<u>1,046,323</u>

As at January 31, 2014, the Company and its three subsidiaries purchased canes for the production season 2013/2014 using the initial cane price for production season 2013/2014 announced by the Cane and Sugar Board's in the Royal Gazette dated December 6, 2013. The price is Baht 900.00 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 2013/2014. Therefore, the Company and its subsidiaries recorded the provision for production expenses as mentioned in Note 13 and calculated cost of goods sold and inventories for the three-month period ended January 31, 2014, from estimation made by the management of the Company and its subsidiaries at cane price of Baht 960.14 - 1,089.10 per ton with average sweetness level at 10.89 - 12.26 c.c.s.

### 13. 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 12 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.

### 14. LONG-TERM DEBENTURES

Long-term debentures consisted of:

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	As at January 31, 2014	As at October 31, 2013
Unsecured senior debt debentures	2,498,033	2,497,644
<u>Less</u> Current portion	<u>(1,499,217)</u>	<u>-</u>
	<u>998,816</u>	<u>2,497,644</u>

Movements of long-term debentures for the three-month period ended January 31, 2014 are as follows:

	Unit : Thousand Baht
	Consolidated Financial Statements/ Separate Financial Statements
Beginning book value	2,497,644
Amortized debenture issuance expenses during the period	<u>389</u>
Ending book value	<u>2,498,033</u>

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

- The Company shall maintain the debts with interest to equity in the consolidated financial statements as at October 31 every year ratio not exceed 2 : 1 the entire term.

As at October 31, 2013, the debts with interest to equity ratio is 1.34 : 1.00.

- 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.

## 15. LONG-TERM BORROWINGS

Movements of long-term borrowings for the three-month period ended January 31, 2014, are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning balance at book value	7,112,548	3,327,166
Proceeds in the period	1,220,917	-
Repayment in the period	(376,240)	(150,000)
Currency translation differences	11,624	-
Ending balance at book value	<u>7,968,849</u>	<u>3,177,166</u>
<u>Less</u> Current portion	<u>(2,021,853)</u>	<u>(735,833)</u>
Long-term borrowings	<u>5,946,996</u>	<u>2,441,333</u>

In the consolidated and separate financial statements as January 31, 2014, the Company and its subsidiaries obtained borrowings from the commercial banks, which the first to ninth credit lines and the thirteenth credit lines are long-term loans denominated in Baht with interest rate at AMLR-2.875% (AMLR is the average MLR of 4 financial institutions) to 4.98% per annum. The tenth to twelfth credit lines are long-term loans denominated in U.S. dollar with interest rate at LIBOR+2.0% per annum and the fourteenth to fifteenth credit lines are long-term loans for the purchase of agricultural equipment with the interest rate of 2.00% per annum, with important conditions 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
	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 September 2013	None
	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 September 2013	None
	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 March 2014	None
3	Baht 800 million	Repayment of principal at every six-month period for the total of 8 installments at Baht 100.00 million each, commencing the first installment in February 2014	- Secured by Khon Kean Sugar Industry Public Company Limited

No.	Limit	Term of Payment	Guarantee/Collateral
4	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 maximum sum insured by insurance company with transferring beneficial right of the said insurance coverage to the commercial bank lender
5	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	
6	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 December 2013	- Secured by Khon Kean Sugar Industry Public Company Limited
7	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 included in investment property and property, plant and equipment of subsidiary who obtained and used these credit lines
8	Baht 50 million	Repayment of principal at every month 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	
9	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
10	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million each 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 shareholding - Secured by two subsidiaries
11	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million each with the grace period of two years, commencing the first installment in March 2011	- Share certificate of a related company holding by shareholders of subsidiary
12	USD 30 million	Repayment of principal at every six-month period for the total of 10 installments at USD 3.00 million each with the grace period of two years, commencing the first installment in June 2011	
13	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 and equipment at maximum sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank
14	Baht 45.20 million	Repayment of principal at annual for the total of 6 installments, commencing the first installment in June 2012	- Secured by executive directors of Khon Kean Sugar Industry Public Company Limited
15	Baht 23 million	Repayment of principal at annual for the total of 6 installments at Baht 3.83 million each, commencing the first installment in June 2013	- 6 guaranteed cheques

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 of subsidiaries.



## 16. SHARE CAPITAL

For the three-month period ended January 31, 2014, there is no movement in the number of ordinary shares of the Company from the existing number of ordinary shares as at October 31, 2013.

For the three-month period ended January 31, 2013, 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 per ordinary share.

Movement of share capital for the three-month period ended January 31, 2013 is as follows:

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

## 17. 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 Financial Statements		Unit : Million Baht Separate Financial Statements	
	2014	2013	2014	2013
For the three-month periods ended January 31,	7.60	7.15	4.32	3.84

## 18. EXPENSES BY NATURE

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

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Salaries, wages and other employee benefits	523,479	437,106	174,199	123,078
Depreciation	386,545	352,027	120,456	95,644
Fuel costs	520,457	130,123	223,203	68,076
Fee payable to the Office of the Cane and Sugar Fund	240,489	296,012	116,822	115,227
Maintenance expenses	204,906	187,333	82,284	71,597
Transportation expenses	97,088	121,700	25,591	35,104
Raw material and supplies used	4,876,643	4,641,188	1,872,331	1,464,391
Purchased finished goods	249,605	131,139	599,606	230,724
Changes in finished goods and work in process	(4,326,136)	(2,495,971)	(1,652,460)	(932,629)
Management benefit expenses	66,720	63,383	17,684	15,363
Interest expenses	178,490	133,828	111,293	68,656
Other financial expenses	2,861	2,632	389	533
Other operating expenses	244,946	223,811	73,486	98,002
Total	<u>3,266,093</u>	<u>4,224,311</u>	<u>1,764,884</u>	<u>1,453,766</u>

## 19. INCOME TAX (INCOME) EXPENSE, DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

### 19.1 Income tax (income) expense

Income tax (income) expense for the three-month period ended January 31, are as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<u>Current income tax</u>				
Current income tax expense	41,245	51,797	-	22,643
<u>Deferred income tax</u>				
Deferred income tax (income) expense and temporary differences	(33,536)	(22,432)	(25,806)	(6,568)
Total	<u>7,709</u>	<u>29,365</u>	<u>(25,806)</u>	<u>16,075</u>

Reconciliation of income tax expenses and the results of the accounting profit multiplied by the income tax rate for the three-month period ended January 31, are as follows:

	<b>Unit : Thousand Baht Consolidated Financial Statements</b>	
	<b>2014</b>	<b>2013</b>
Profit before income tax expense		
- Promoted sector, exempted from income tax	421,752	310,674
- Non-promoted sector	27,821	38,435
Total profit before income tax expense	<u>449,573</u>	<u>349,109</u>
Statutory tax rates (%)	20	23 and 20
Income tax expense		
- Non-promoted sector	5,564	29,008
Total income tax	<u>5,564</u>	<u>29,008</u>
Effect on income tax from non-deductible taxable expense	<u>27,657</u>	<u>22,789</u>
	33,221	51,797
Prior year income tax expense	8,024	-
Deferred income tax income	<u>(33,536)</u>	<u>(22,432)</u>
Income tax expense	<u><u>7,709</u></u>	<u><u>29,365</u></u>

  

	<b>Unit : Thousand Baht Separate Financial Statements</b>	
	<b>2014</b>	<b>2013</b>
Profit (loss) before income tax (income) expense	(131,553)	71,228
Statutory tax rates (%)	20	23
Income tax expense	-	16,382
Effect on income tax from non-deductible taxable expense	-	6,261
	-	22,643
Deferred income tax income	<u>(25,806)</u>	<u>(6,568)</u>
Income tax (income) expense	<u><u>(25,806)</u></u>	<u><u>16,075</u></u>

On October 11, 2011, the Thai Cabinet approved the reduction of corporate income tax rate and the Royal Decree No. 530 dated December 14, 2011 was announced to reduce corporate income tax rate from 30% to 23% for accounting period ending December 31, 2012 and to 20% for accounting periods ending on or after December 31, 2013.

Deferred tax assets and liabilities as at January 31, 2014 and October 31, 2013 are determined using corporate income tax rate that has been changed in accordance with the Royal Decree No. 530 dated December 14, 2011.

19.2 Deferred tax assets as at January 31, 2014 and October 31, 2013 are as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
<b>Deferred tax assets</b>				
Employee benefit obligations	363	354	-	-
Loss carried forward	525	-	-	-
Deferred tax assets - net	<u>888</u>	<u>354</u>	<u>-</u>	<u>-</u>

The movements of deferred tax assets during three-month period ended January 31, are as follows

2014

	Unit : Thousand Baht				
	Consolidated Financial Statements				
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	Items as recognized in shareholders' equity directly	As at January 31, 2014
<b>Deferred tax assets</b>					
Employee benefit obligations	354	9	-	-	363
Loss carried forward	-	525	-	-	525
Deferred tax assets - net	<u>354</u>	<u>534</u>	<u>-</u>	<u>-</u>	<u>888</u>

2013

	Unit : Thousand Baht				
	Consolidated Financial Statements				
	As at November 1, 2012	Items as recognized in profit loss	Items as recognized in other comprehensive income	Items as recognized in shareholders' equity directly	As at January 31, 2013
<b>Deferred tax assets</b>					
Employee benefit obligations	560	(213)	-	-	347
Deferred tax assets - net	<u>560</u>	<u>(213)</u>	<u>-</u>	<u>-</u>	<u>347</u>

19.3 Deferred tax liabilities as at January 31, 2014 and October 31, 2013 are as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	As at January 31, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
<b>Deferred tax liabilities</b>				
Allowance for doubtful accounts	(31,138)	(30,933)	(4,956)	(4,982)
Allowance for diminution in value of inventories	(195)	(6,292)	-	-
Allowance for impairment in other long-term investments	(1,609)	(1,609)	(1,177)	(1,177)
Employee benefit obligations	(35,747)	(35,559)	(14,823)	(14,692)
Gain on asset revaluation	445,861	441,705	131,887	131,887
Loss carried forward	(42,793)	(4,147)	(21,459)	-
Depreciation	85,276	95,548	(19,154)	(14,991)
Others	(763)	(10,975)	(1,853)	(1,774)
Deferred tax liabilities - net	<u>418,892</u>	<u>447,738</u>	<u>68,465</u>	<u>94,271</u>

The movements of deferred tax liabilities during three-month period ended January 31, are as follows

**2014**

	Unit : Thousand Baht Consolidated Financial Statements			
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	As at January 31, 2014
<b>Deferred tax liabilities</b>				
Allowance for doubtful accounts	(30,933)	(205)	-	(31,138)
Allowance for diminution in value of inventories	(6,292)	6,097	-	(195)
Allowance for impairment in other long-term investments	(1,609)	-	-	(1,609)
Employee benefit obligations	(35,559)	(188)	-	(35,747)
Gain on asset revaluation	441,705	-	4,156	445,861
Loss carried forward	(4,147)	(38,646)	-	(42,793)
Depreciation	95,548	(10,272)	-	85,276
Others	(10,975)	10,212	-	(763)
Deferred tax liabilities - net	<u>447,738</u>	<u>(33,002)</u>	<u>4,156</u>	<u>418,892</u>

**2013**

	Unit : Thousand Baht Consolidated Financial Statements			
	As at November 1, 2012	Items as recognized in profit loss	Items as recognized in other comprehensive income	As at January 31, 2013
<b>Deferred tax liabilities</b>				
Allowance for doubtful accounts	(20,841)	(479)	-	(21,320)
Allowance for diminution in value of inventories	(5,656)	5,478	-	(178)
Allowance for impairment in other long-term investments	(1,609)	-	-	(1,609)
Employee benefit obligations	(34,278)	(940)	-	(35,218)
Gain on asset revaluation	416,269	-	24,924	441,193
Loss carried forward	(3,059)	(827)	-	(3,886)
Depreciation	96,944	(26,424)	-	70,520
Others	(12,719)	7,560	-	(5,159)
Deferred tax liabilities - net	<u>435,051</u>	<u>(15,632)</u>	<u>24,924</u>	<u>444,343</u>

2014

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	As at January 31, 2014
<b>Deferred tax liabilities</b>				
Allowance for doubtful accounts	(4,982)	26	-	(4,956)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(14,692)	(131)	-	(14,823)
Gain on asset revaluation	131,887	-	-	131,887
Loss carried forward	-	(21,459)	-	(21,459)
Depreciation	(14,990)	(4,164)	-	(19,154)
Others	(1,775)	(78)	-	(1,853)
Deferred tax liabilities - net	<u>94,271</u>	<u>(25,806)</u>	<u>-</u>	<u>68,465</u>

2013

	Unit : Thousand Baht			
	Separate Financial Statements			
	As at November 1, 2012	Items as recognized in profit loss	Items as recognized in other comprehensive income	As at January 31, 2013
<b>Deferred tax liabilities</b>				
Allowance for doubtful accounts	(3,389)	15	-	(3,374)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(13,935)	(239)	-	(14,174)
Gain on asset revaluation	105,876	-	-	105,876
Depreciation	472	(11,344)	-	(10,872)
Others	(7,754)	5,000	-	(2,754)
Deferred tax liabilities - net	<u>80,093</u>	<u>(6,568)</u>	<u>-</u>	<u>73,525</u>

Unrecognized deferred tax assets as at January 31, 2014 and October 31, 2013 are as follows

	Unit : Thousand Baht Consolidated	
	Financial Statements	
	2014	2013
The following deferred tax assets have not been recognized		
Temporary differences	2,743	4,460
Loss carried forward	58,809	41,769
	<u>61,552</u>	<u>46,229</u>

Loss carried forward of Baht 58.81 million consisted of taxable loss of Baht 41.77 million expiring in the year 2017 and Baht 17.04 million expiring in the year 2018.

## 20. EARNINGS (LOSS) PER SHARE

The calculations of basic earnings (loss) per share were based on dividing the profit (loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares held by the outsiders outstanding during the period. Basic earnings (loss) per share for three-month period ended January 31, 2014 is as follows:

	Consolidated Financial Statements			Separate Financial Statements		
	Net profit for the period Thousand Baht	Number of shares Thousand Shares	Earnings per share Baht	Net loss for the period Thousand Baht	Number of shares Thousand Shares	Loss per share Baht
<u>Basic earnings (loss) per share</u>						
Profit (loss) for the period to ordinary equity holders	427,335	1,670,547	<u>0.256</u>	(105,747)	1,670,547	<u>(0.063)</u>

As at January 31, 2014, the number of shares being used in the calculation of basic earnings (loss) per share is the number of ordinary shares adjusted with the number of treasury stock of 34.10 million shares and the Company has no dilutive potential ordinary shares.

## 21. DISCLOSURE OF OPERATING SEGMENTS

The Company and subsidiaries (“Group”) presented the segment information in respect of the Group’s business segments. The primary format in segment information report is based on the Group’s management and internal reporting structure.

The Group comprises the following main business segments:

### **Manufacture and Distribution of Sugar and Molasses**

Produce and distribute sugar and molasses to industrial enterprises, re-export manufacturing enterprises and international sugar traders.

### **Manufacture and Distribution of Alcohol**

Produce and distribute alcohol to a domestic and overseas oil companies.

### **Manufacture and Sale of Electricity**

Generate and sale electricity to Electricity Generating Authority of Thailand and the group companies.

### **Real Estate Rental**

Operate office building for rent and holiday resort for training and seminar center.

**Manufacture and Distribution of Wheat Flour**

Produce and distribute wheat flour to industrial enterprises.

Geographical segments information is based on entity operating in the country and overseas. The overseas operations comprise Lao People's Democratic Republic and Kingdom of Cambodia.

**Major Customer Information**

For the three-month periods ended January 31, 2014 and 2013, the Group has revenue with a single external customer in electricity sector in the amount of Baht 250.36 million and Baht 253.49 million, respectively, of the Group's total revenue.



Details of the operating segments of the Group are as follows:

**Consolidated Financial Statements**

**For the three-month periods ended January 31, 2014 and 2013**

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			
	2014		2013		2014		2013		2014		2013		2014		2013			
	Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	(Restated)	(Restated)	(Restated)	
Net revenue from operation - external	2,121	-	2,768	-	609	636	251	254	78	7	263	266	316	485	-	-	3,638	4,416
Net revenue from operation - internal	1,322	102	1,433	108	-	-	501	363	7	14	12	11	332	58	(2,276)	(1,987)	-	-
<b>Total</b>	<b>3,443</b>	<b>102</b>	<b>4,201</b>	<b>108</b>	<b>609</b>	<b>636</b>	<b>752</b>	<b>617</b>	<b>85</b>	<b>21</b>	<b>275</b>	<b>277</b>	<b>648</b>	<b>543</b>	<b>(2,276)</b>	<b>(1,987)</b>	<b>3,638</b>	<b>4,416</b>
Profit (loss) from operations	615	21	729	(27)	196	165	364	337	50	10	42	53	17	(65)	(77)	(68)	1,228	1,134
Selling, administrative expenses and others																	(596)	(651)
Finance costs	(153)	(17)	(101)	(23)	-	(2)	(31)	(21)	(12)	(4)	(2)	(4)	(1)	(6)	35	24	(181)	(137)
Share of profit (loss) of investment in an associate																	(1)	2
Income tax expenses																	(8)	(29)
Net profit																	442	319
Add (Less) Loss (Profit) for the three-month period of non-controlling interest																	(15)	71
Profit for the period																	427	390
Interest income	59	2	43	2	-	-	-	-	-	-	-	-	-	-	(35)	(24)	26	21
Depreciation	(220)	(35)	(214)	(33)	(15)	(15)	(60)	(44)	(11)	(5)	(16)	(18)	(9)	(7)	-	-	(366)	(336)
<b>As at January 31, 2014 and 2013</b>																		
Trade and other receivables	2,737	133	2,084	138	122	129	553	450	17	15	161	135	172	330	(2,342)	(1,365)	1,553	1,916
Inventories	5,527	450	4,101	598	172	135	154	235	-	-	373	550	783	728	(13)	(17)	7,446	6,330
Property, plant and equipment	13,710	3,258	11,565	3,066	1,390	942	6,766	5,433	809	787	419	413	522	1,121	(609)	(609)	26,265	22,718
Central assets	12,741	529	10,843	560	506	28	224	265	2,617	579	85	59	1,157	809	(12,081)	(9,461)	5,778	3,682
<b>Total Assets</b>	<b>34,715</b>	<b>4,370</b>	<b>28,593</b>	<b>4,362</b>	<b>2,190</b>	<b>1,234</b>	<b>7,697</b>	<b>6,383</b>	<b>3,443</b>	<b>1,381</b>	<b>1,038</b>	<b>1,157</b>	<b>2,634</b>	<b>2,988</b>	<b>(15,045)</b>	<b>(11,452)</b>	<b>41,042</b>	<b>34,646</b>
Total Liabilities	23,305	2,750	17,329	3,533	540	339	4,538	3,726	1,107	5	454	559	861	1,265	(6,728)	(4,691)	26,827	22,065

## 22. COMMITMENTS, CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENTS

As at January 31, 2014 and October 31, 2013, apart from liabilities reflected in the interim financial statements, the Company and its subsidiaries have commitments and contingent liabilities as follows:

22.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 6,701.61 million and Baht 2,686.83 million, respectively, and in the separate financial statements amounting to Baht 3,895.47 million and Baht 847.45 million, respectively.

22.2 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, 2014	As at October 31, 2013	As at January 31, 2014	As at October 31, 2013
For the production season 2013/2014	290.22	831.67	181.21	132.15
For the production season 2014/2015	280.67	-	-	-

22.3 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 sales (December 2006) at the volume of 20 Megawatt at the voltage of 115 Kilovolts. For the second year until the year before last year, 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 April 1, 2011. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sale the electricity.

22.4 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.

22.5 The consolidated and separate financial statements have commitments, contingent liabilities and credit facilities as follows:

		Unit : Million					
		Consolidated Financial Statements					
		As at January 31, 2014			As at October 31, 2013		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
<b>Commitments</b>							
Contract to guarantee of debt repayment of subsidiaries for all contingent liabilities	THB	-	6,956.12	-	-	4,395.51	-
Contract to guarantee of debt repayment of subsidiaries for all contingent liabilities	USD	-	19.61	-	-	12.98	-
<b>Contingent Liabilities</b>							
Letters of guarantees (unspecified credit limit)	THB	-	74.89	-	-	86.87	-
Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
Letters of credit and trust receipts	THB	1,522.00	445.01	1,076.99	1,453.56	153.67	1,299.89
Letters of credit	USD	17.11	2.61	14.50	17.11	1.02	16.09
<b>Credit Facilities</b>							
Overdraft and short-term borrowings	THB	19,531.93	8,154.59	11,377.34	19,140.05	6,614.21	12,525.84
Trust receipts payable	THB	311.05	311.05	-	168.44	168.44	-
Short-term borrowings	USD	50.50	35.45	15.05	50.50	31.55	18.95
Joint credit line in short-term borrowings	THB	2,940.95	1,496.80	1,444.15	3,089.95	1,603.00	1,486.95
Long-term borrowings	THB	7,767.99	7,767.99	-	6,923.32	6,923.32	-
Long-term borrowings	USD	6.09	6.09	-	6.09	6.09	-
		Unit : Million					
		Separate Financial Statements					
		As at January 31, 2014			As at October 31, 2013		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
<b>Commitments</b>							
Contract to guarantee of debt repayment of subsidiaries for all contingent liabilities	THB	-	6,956.12	-	-	4,395.51	-
Contract to guarantee of debt repayment of subsidiaries for all contingent liabilities	USD	-	8.08	-	-	5.34	-
<b>Contingent Liabilities</b>							
Letters of guarantees (unspecified credit limit)	THB	-	1.33	-	-	1.33	-
Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
<b>Credit Facilities</b>							
Overdraft and short-term borrowings	THB	5,464.92	3,134.59	2,330.33	7,130.05	4,711.00	2,419.05
Short-term borrowings	USD	30.50	30.00	0.50	30.50	30.00	0.50
Joint credit line in short-term borrowings	THB	2,940.95	1,496.80	1,444.15	3,089.95	1,603.00	1,486.95
Long-term borrowings	THB	3,177.17	3,177.17	-	3,327.17	3,327.17	-

Overdrafts and short-term loans from financial institutions as at January 31, 2014 and October 31, 2013, carried interest rates at 1.75% - 4.53% per annum and 1.75% - 4.55% per annum, respectively.

The above credit facilities are partially secured by land with structure, machineries, subsidiary's leasehold right for the land where the factory is located, and share certificates of a related company held by the shareholders of 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. For certain credit facilities, if the facility is utilized, certain inventories of the Company and its subsidiaries will be used as collateral. As at January 31, 2014 and October 31, 2013, such facilities have not been used by the Company and its subsidiaries.

In addition, for joint commitments and long-term borrowings, the Company and its subsidiaries are required to be complied with certain financial conditions including maintaining the debt with interest-to-equity ratio, maintaining the shareholding ratio in subsidiary, maintaining the debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital, and restriction on dividend payment of subsidiaries, etc.

22.6 The Company and its subsidiaries have the remaining commitments under the various contracts as follows:

Unit : Million					
Consolidated Financial Statements					
As at January 31, 2014					
As at October 31, 2013					
	Currency	Contractual	Outstanding	Contractual	Outstanding
		Amount	Contractual Commitments	Amount	Contractual Commitments
Construction and subcontract agreements	THB	315.46	120.45	428.56	81.33
	USD	-	-	5.00	4.00
Machine and equipment purchase agreements	THB	1,295.08	300.87	1,476.69	364.07
	USD	41.09	25.76	29.43	10.43
Rental agreements	THB	26.19	11.44	27.96	14.36
Materials purchase agreements	THB	81.98	50.11	121.93	34.58
	USD	0.74	0.74	7.63	7.63

Unit : Million					
Separate Financial Statements					
As at January 31, 2014					
As at October 31, 2013					
	Currency	Contractual	Outstanding	Contractual	Outstanding
		Amount	Contractual Commitments	Amount	Contractual Commitments
Construction and subcontract agreements	THB	196.46	67.34	278.49	47.79
Machine and equipment purchase agreements	THB	1,118.71	223.36	1,302.04	336.95
Rental agreements	THB	26.19	11.44	27.96	14.36

## 22.7 Other significant agreements

- 22.7.1 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos 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, 2014 and October 31, 2013, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.
- 22.7.2 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, 2014 and October 31, 2013, the subsidiaries have already utilized the area of 10,481 hectares.
- 22.7.3 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person 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, 2014 and October 31, 2013, the balances of the advance lease fee paid are USD 446,039 and USD 453,989, respectively.

## 23. FINANCIAL INSTRUMENTS

### Policy to manage financial risk

As at January 31, 2014, the policy to manage financial risks, credit risks and fair values is the same as that disclosed in the financial statements as at October 31, 2013.

### 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, 2014

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years		
<b>Financial Assets</b>					
Saving account deposits	-	-	101,340	260,652	361,992
Fixed account deposits	10,022	-	-	-	10,022
Loans for cane plantation development	169,565	428,115	34,462	3,573	635,715
Short-term loans to farmers	430,300	4,375	-	57,306	491,981
Other long-term investments	-	20,168	-	-	20,168
Total	<u>609,887</u>	<u>452,658</u>	<u>135,802</u>	<u>321,531</u>	<u>1,519,878</u>
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	7,989,848	-	-	744,078	8,733,926
Other short-term borrowings	2,372,370	-	-	-	2,372,370
Long-term debentures	1,499,217	998,816	-	-	2,498,033
Long-term borrowings	941,393	3,058,553	-	3,968,902	7,968,848
Liabilities from long-term lease agreements	1,717	6,138	-	-	7,855
Total	<u>12,804,545</u>	<u>4,063,507</u>	<u>-</u>	<u>4,712,980</u>	<u>21,581,032</u>

Unit : Thousand Baht

Consolidated Financial Statements

As at October 31, 2013

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years		
<b>Financial Assets</b>					
Saving accounts deposits	-	-	-	142,056	142,056
Fixed account deposits	13,022	-	-	-	13,022
Loans for cane plantation development	189,144	414,148	33,117	2,118	638,527
Short-term loans to farmers and others	780,097	1,011	-	46,326	827,434
Other long-term investments	500	20,201	-	-	20,701
Total	<u>982,763</u>	<u>435,360</u>	<u>33,117</u>	<u>190,500</u>	<u>1,641,740</u>
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	6,951,145	-	-	451,210	7,402,355
Other short-term borrowings	1,990,096	-	-	-	1,990,096
Long-term debentures	-	2,497,644	-	-	2,497,644
Long-term borrowings	941,393	3,008,553	-	3,162,601	7,112,547
Liabilities from long-term lease agreements	1,696	6,575	-	-	8,271
Total	<u>9,884,330</u>	<u>5,512,772</u>	<u>-</u>	<u>3,613,811</u>	<u>19,010,913</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 machines as transactions are made in foreign currencies. As at January 31, 2014 and October 31, 2013, 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, 2014		October 31, 2013		January 31, 2014		October 31, 2013		
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
USD	7.24	54.35	3.07	50.30	0.02	0.56	-	2.96	
YEN	-	2.50	-	2.52	-	-	-	44.40	
RIEL	492.06	630.14	698.55	163.14	-	-	-	-	
LAK	343.14	730.82	-	572.67	-	-	-	-	

As at January 31, 2014 and October 31, 2013 the Company and its subsidiaries made forward contracts with 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, 2014	October 31, 2013	January 31, 2014	October 31, 2013		January 31, 2014	October 31, 2013	January 31, 2014	October 31, 2013	
USD	76.03	49.29	-	-	THB	2,452.04	1,517.99	-	-	

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, 2014	October 31, 2013	January 31, 2014	October 31, 2013	
Net fair values of forward contracts (loss)	(77.76)	25.50	-	-	

### 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.

Net fair values of financial derivatives as at January 31, 2014 and October 31, 2013 of the Company and its subsidiaries are as follows:

	Currency	Unit : Million	
		Consolidated/ Separate Financial Statements	
		As at January 31, 2014	As at October 31, 2013
Net fair values for commodity swap contracts	USD	0.32	(0.10)

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 have many receivables and 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.

## 24. COMPARATIVE INFORMATION OF FINANCIAL STATEMENTS FOR THE YEARS ENDED JANUARY 31, 2014 AND 2013

The nature of the operations of the Company and its subsidiaries with the main business activities in manufacturing and distributing 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 information in comparing the information for the business with definite seasonal fluctuation, the Company presents the comparative financial information for the years ended January 31, 2014 and 2013 as follows:

	Consolidated Financial Statements As at January 31, 2014		Unit : Thousand Baht Separate Financial Statements As at January 31, 2013	
		2013 "Restated"	2014	2013 "Restated"
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalent	435,734	498,913	116,240	148,303
Trade and other receivables	1,553,285	1,916,662	1,854,367	896,947
Short-term loans	663,513	787,062	3,025,970	2,216,136
Inventories	7,446,404	6,330,769	3,318,659	1,787,009
Other current assets	244,467	148,715	63,059	40,132
Total Current Assets	<u>10,343,403</u>	<u>9,682,121</u>	<u>8,378,295</u>	<u>5,088,527</u>
<b>NON-CURRENT ASSETS</b>				
Deferred cane plantation costs	452,611	426,884	45,983	49,267
Long-term loans	464,183	450,170	25,640	14,912
Investment property	2,886,169	697,482	412,921	284,187
Property, plant and equipment	26,265,238	22,717,529	7,383,026	5,280,272
Other non-current assets	637,451	678,664	6,299,257	5,974,590
Total Non-Current Assets	<u>30,705,652</u>	<u>24,970,729</u>	<u>14,166,827</u>	<u>11,603,228</u>
<b>TOTAL ASSETS</b>	<u>41,049,055</u>	<u>34,652,850</u>	<u>22,545,122</u>	<u>16,691,755</u>



	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
			<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>As at January 31,</b>		<b>As at January 31,</b>	
<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	
	<b>“Restated”</b>		<b>“Restated”</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings from financial institutions	11,106,296	6,654,606	6,498,609	1,850,485
Trade and other payables	3,838,486	4,508,410	1,707,087	1,683,698
Current portion of long-term debentures	1,499,217	1,499,695	1,499,217	1,499,695
Current portion of long- term borrowings	2,021,853	1,188,003	735,833	301,800
Short-term borrowings	-	-	1,543,300	1,088,500
Current income tax payable	78,083	390,321	-	221,286
Provision for production costs	416,048	131,718	197,883	7,669
Other current liabilities	140,696	139,440	12,767	9,185
<b>Total Current Liabilities</b>	<b>19,100,679</b>	<b>14,512,193</b>	<b>12,194,696</b>	<b>6,662,318</b>
<b>Total Non-Current Liabilities</b>	<b>7,761,984</b>	<b>7,551,076</b>	<b>3,670,355</b>	<b>3,998,776</b>
<b>TOTAL LIABILITIES</b>	<b>26,862,663</b>	<b>22,063,269</b>	<b>15,865,051</b>	<b>10,661,094</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>14,186,392</b>	<b>12,589,581</b>	<b>6,680,071</b>	<b>6,030,661</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>41,049,055</b>	<b>34,652,850</b>	<b>22,545,122</b>	<b>16,691,755</b>

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
			<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>For the years ended</b>		<b>For the years ended</b>	
<b>January 31,</b>		<b>January 31,</b>		
<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	
	<b>“Restated”</b>		<b>“Restated”</b>	
Revenue from sales	17,777,086	21,381,037	6,131,354	7,397,049
Revenues from services	414,558	311,278	36,973	-
<b>Total of revenues</b>	<b>18,191,644</b>	<b>21,692,315</b>	<b>6,168,327</b>	<b>7,397,049</b>
Costs of the sales of goods	(13,814,480)	(16,233,973)	(5,528,014)	(5,614,852)
Cost of the rendering of services	(226,966)	(143,895)	(24,775)	-
<b>Total of costs</b>	<b>(14,041,446)</b>	<b>(16,377,868)</b>	<b>(5,552,789)</b>	<b>(5,614,852)</b>
Gross profit	4,150,198	5,314,447	615,538	1,782,197
Other incomes	700,408	562,327	1,524,838	668,227
Profit before expenses	4,850,606	5,876,774	2,140,376	2,450,424
Selling expenses	(1,417,537)	(1,585,379)	(532,527)	(657,892)
Administrative expenses	(635,095)	(578,695)	(216,750)	(206,173)
Management benefit expenses	(184,635)	(166,745)	(45,268)	(37,548)
Finance costs	(716,837)	(558,711)	(414,640)	(257,743)
Share of profit (loss) of an associate	(3,807)	(902)	-	-
Profit before income tax expense	1,892,695	2,986,342	931,191	1,291,068
Income tax expenses	(136,305)	(616,299)	46,519	(311,353)
Net profit for the year	1,756,390	2,370,043	977,710	979,715

**EFFECT OF THE ADOPTION OF NEW THAI ACCOUNTING STANDARD**

Effects of the change in accounting policy (see Note 3) to the consolidated and separate statements of financial position as at January 31, 2013 are as follows:

The effects to the statements of financial position as at January 31, 2013

	<b>Consolidated</b>	<b>Unit : Thousand Baht</b>
	<b>Financial Statements</b>	<b>Separate</b>
		<b>Financial Statements</b>
Increase in deferred tax assets	8,604	-
Increase in deferred tax liabilities	455,550	73,525
Increase in unappropriated retained earnings	3,131	32,351
Decrease in other components of shareholders' equity	(319,125)	(105,876)
Decrease in non-controlling interests	(130,952)	-

The effects to the statements of income for the year ended January 31, 2013

	<b>Consolidated</b>	<b>Unit : Thousand Baht</b>
	<b>Financial Statements</b>	<b>Separate</b>
		<b>Financial Statements</b>
Decrease in income tax expense	(9,354)	(6,568)
Increase in net profit	9,354	6,568
Increase in profit contribute to the parent	10,012	6,568
Decrease in profit contribute to non-controlling interests	(658)	-
Increase in basis earnings per share (Baht per share)	0.006	0.004

**25. EVENTS AFTER THE REPORTING PERIOD**

25.1 The meeting of annual general shareholders for 2013 No. 1/2557 of the Company held on February 26, 2014, approved the dividend payment from operating result for the year 2013 at the rate of Baht 0.35 per share to 1,671 million shares, totaling Baht 584.69 million. The dividends will be paid on March 26, 2014 to the shareholders whose names are included in the shareholder register on March 7, 2014.

25.2 On February 27, 2014, the Company issued debentures by private placement of 1,000,000 units at par value of Baht 1,000 each, totaling Baht 1,000 million. The term is for 3 years and with redemption date on February 27, 2017, carrying interest at 3.84% per annum. The Company shall maintain the interest bearing debt to shareholders' equity ratio in the consolidated financial statements as at October 31, of each year, at not more than 2:1 for the entire debentures terms.

**26. APPLICATION FOR LICENSES OF FACTORY OPERATION PERMIT AT LOEI PROVINCE**

According to the Cabinet Resolution dated May 11, 2010, the Company was permitted to move its factory to Loei Province and to expand production capacity from 12,000 tons per days to 24,000 tons per day. Then, the Company submitted the application of factory operation permit (Ror Ngor 4) to the Ministry of Industry according to the Factory Act, provided that the Company proceeded according to the procedures of such application and now the duration of consideration for the issuance of such factory operation permit has been passed. However, the Ministry of Industry did not issue such factory operation permit (Ror Ngor 4) to the Company.

The Company and Khon Kaen Sugar Power Plant Company Limited, a subsidiary, had filed a lawsuit in the Central Administrative Court on December 27, 2012 and asked such court to enforce the Ministry of Industry to issue the factory operation permit (Ror Ngor 4) to the Company and its subsidiary. In addition, the Company and its subsidiary filed the petition to such court for an interim measure of protection and then, such court issued its order for interim measures on January 17, 2013, providing that the factory of the Company at Loei Province was allowed by the court to crush sugar cane from the contracting farmers until April 15, 2013 and the Company's subsidiary was also allowed to generate the electricity to the Company in such period.

Later, the Company received the written order to notify that the Department of Industrial Works rejected to issue the factory operation permit (Ror Ngor 4) to the Company for the sugar factory located at Loei Province. On March 8, 2013, the Company filed an appeal regarding the rejected order to the Minister of Industry. On May 3, 2013, the Company filed a letter to follow up the result of such appeal. However, the Company has not received an outcome yet.

On September 2, 2013, the Company filed a lawsuit with the Central Administrative Court to request the revocation or exemption of the guidelines relating to the distance of factory location, the revocation of the order of the Ministry of Industry not issuing the Factory Operation Permit (Ror Ngor 4) and to order the Ministry of Industry to issue such Permit to the Company.

Subsequently, on January 27, 2014, the Central Administrative Court accepted certain issues and rejected certain issues in the charges. At the moment, the Company is preparing to file an appeal against the order not accepting such issues.

**27. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial information have been approved for issuance by the Company's audit committee on March 10, 2014.