

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

To the Shareholders of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and the Company balance sheets as at April 30, 2005, the related consolidated and the Company statements of income for the three-month and six-month periods ended on April 30, 2005, changes in shareholders' equity and cash flows for the six-month period ended on the same date of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also the financial statements of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my review.

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

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

Another auditor in the same auditing firm audited the consolidated and the Company financial statements for the year ended on October 31, 2004 of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also the financial statements of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only in accordance with generally accepted auditing standards who gave a qualified opinion relating to non-observation of the inventory counting as at the ending of year 2002 thereon in the report dated November 26, 2004. The related consolidated and the Company balance sheets as at October 31, 2004 as presented herein for comparison purpose are an integral part of such financial statements.

Apart from this, the related consolidated and the Company statements of income for the three-month and six-month periods ended on April 30, 2004, changes in shareholders' equity and cash-flow for the six-month period ended on the same date of KHON KEAN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also the financial statements of KHON KEAN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only as presented herein for comparison purpose were reviewed by another auditor in the same auditing firm who gave a qualified opinion relating to the exception of limitation since the consolidated and the Company statement of income for the three-month and six-month periods ended on April 30, 2003, the consolidated and the Company statements of changes in shareholders' equity and the Company cash flow statement for the six-month period ended on April 30, 2003 as presented herein for comparison purpose have not been reviewed by an auditor. Also the Company did not present the consolidated cash flow statement for the six-month period ended on April 30, 2003 which needed for comparison purpose, thus not in accordance to the generally accepted accounting standard as in the report dated June 23, 2004.

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

( Miss Praphasri Leelasupha )

Certified Public Accountant Registration No. 4664

Bangkok,

June 9, 2005

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS

AS AT APRIL 30, 2005 AND OCTOBER 31, 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash at Financial Institutions	159,569	331,867	33,296	51,027
Short-Term Investments	71,300	166,500	-	-
Trade Accounts and Notes Receivable - Subsidiary and Related Companies (Notes 3.1,4)	7,169	2,551	67,503	7,955
Trade Accounts and Notes Receivable (Note 5)	184,269	134,370	100,710	100,003
Farmer Accounts Receivable -Net (Note 6)	186,441	106,740	84,503	19,898
Short-Term Loans due from Subsidiary Companies, Related Party and Related Companies (Note 3.1)	275,248	122,322	5,632	25,738
Short-Term Loan due from Other Company	-	2,796	-	2,796
Short-Term Loan due from Farmers (Note 7)	172,334	296,462	9,714	23,989
Inventories (Note 8)	3,051,161	652,871	1,735,581	351,895
Supplies-Net (Note 9)	209,935	180,635	124,387	89,304
Other Current Assets	70,358	66,668	32,599	43,178
<b>TOTAL CURRENT ASSETS</b>	<b>4,387,784</b>	<b>2,063,782</b>	<b>2,193,925</b>	<b>715,783</b>
NON-CURRENT ASSETS				
Investments under Equity Method (Note 10)	48,747	48,747	2,307,780	1,778,899
Other Long-Term Investments-Net (Note 11)	78,929	78,883	51,794	51,628
Investment in Property-Net (Note 12)	79,871	-	-	-
Property, Plant and Equipment-Net (Note 13)	5,784,868	5,559,709	2,253,934	2,201,659
Land not used in Operation	161,517	144,896	125,167	108,545
Obligated Fixed Deposits	5,160	35,134	5,160	35,134
Other Non-Current Assets	32,609	26,012	1,844	2,701
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,191,701</b>	<b>5,893,381</b>	<b>4,745,679</b>	<b>4,178,566</b>
<b>TOTAL ASSETS</b>	<b>10,579,485</b>	<b>7,957,163</b>	<b>6,939,604</b>	<b>4,894,349</b>

Notes to financial statements are an integral part of the above statements.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS

AS AT APRIL 30, 2005 AND OCTOBER 31, 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY C	
	2005	2004	2005	
	Unaudited	Audited	Unaudited	
	Limited Review Only	Limited Review Only	Limited Review Only	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank Overdrafts and Short-Term Loans from				
Financial Institutions (Note 14)	1,498,927	446,094	576,227	94,825
Trade Accounts and Notes Payable-Subsidiary and Related Companies (Note 3.1)	41	-	74,183	49,950
Trade Accounts and Notes Payable (Note 15)	248,418	358,033	207,149	231,136
Current Portion of Long-Term Loans (Note 18)	142,000	148,600	120,000	120,000
Short-Term Debenture (Note 16)	500,000	-	500,000	-
Loans due to Subsidiary, Associated and Related Companies (Note 3.1)	-	-	140,000	135,000
Accrued Corporate Income Tax	144,903	66,532	74,977	57,583
Advance Received from Customers for Goods	124,111	62,308	37,666	9,373
Accrued Stabilization Function Payment (Note 17)	34,170	21,417	17,644	10,726
Accrued Manufacturing Expenses	318,218	-	162,223	-
Other Accrued Expenses	44,452	47,202	19,553	13,936
Other Accounts Payables	97,248	168,412	53,735	47,801
Other Current Liabilities	52,933	48,918	11,041	18,938
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,205,421</b>	<b>1,367,516</b>	<b>1,994,398</b>	<b>789,268</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Loans (Note 18)	121,600	181,600	95,000	155,000
Other Non-Current Liabilities	17,480	15,899	8,863	7,449
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>139,080</b>	<b>197,499</b>	<b>103,863</b>	<b>162,449</b>
<b>TOTAL LIABILITIES</b>	<b>3,344,501</b>	<b>1,565,015</b>	<b>2,098,261</b>	<b>951,717</b>

Notes to financial statements are an integral part of the above statements.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## BALANCE SHEETS

AS AT APRIL 30, 2005 AND OCTOBER 31, 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
	Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
SHAREHOLDERS' EQUITY				
Share Capital		(Note 19)		
Authorized Share Capital :				
1,600,000,000 Ordinary Shares @ Baht 1.00 Par Value	1,600,000	1,600,000	1,600,000	1,600,000
Issued and Paid-Up Shares Capital				
1,550,000,000 Ordinary Shares @ Baht 1.00 Par Value	1,550,000	-	1,550,000	-
1,270,462,080 Ordinary Shares @ Baht 1.00 Par Value	-	1,270,462	-	1,270,462
Premium on Share Capital	1,554,617	670,462	1,554,617	670,462
Revaluation Surplus on Assets-Parent Company	1,049,578	1,080,481	1,049,578	
Revaluation Surplus on Assets-Subsidiary Companies	151,433	153,612	151,433	
Surplus from Internal Restructure of Entities under Common Control (Note 20)	1,301,167	1,368,336	-	
Unrealized Gain on Available for Sale Securities	2,583	2,445	2,583	
Retained Earnings		(Note 21)		
Appropriated				
Legal Reserve	74,500	38,100	74,500	38,100
Unappropriated	458,632	727,070	458,632	727,070
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY	6,142,510	5,310,968	4,841,343	3,942,632
Minority Shareholders' Equity	1,092,474	1,081,180	-	-
TOTAL SHAREHOLDERS' EQUITY	7,234,984	6,392,148	4,841,343	3,942,632
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,579,485	7,957,163	6,939,604	4,894,349

Notes to financial statements are an integral part of the above statements.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## INCOME STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
REVENUES FROM OPERATION				
Sales and Services	1,495,867	1,530,085	657,907	1,067,735
Rental Income	8,778	7,214	7,021	7,775
Revenue from Sales of Electricity	25,014	1,827	10,944	-
Revenue from Sales of Fuel Oil and Cane Harvest	34,904	74,111	8,895	24,438
Gain from Sales of Assets	34	75,664	-	22,500
Participating Profit from Investments in Subsidiary and Associated Companies	85	-	75,803	145,884
Other Income	42,223	97,369	30,984	52,213
TOTAL REVENUES	1,606,905	1,786,270	791,554	1,320,545
EXPENSES FROM OPERATION				
Cost of Sales and Services	1,178,041	1,105,178	504,392	834,021
Selling and Administrative Expenses	175,881	272,173	90,359	179,370
Directors' Remuneration	6,529	7,727	1,395	797
Participating Loss from Investments in Associated Company	-	19	-	19
TOTAL EXPENSES	1,360,451	1,385,097	596,146	1,014,207
PROFIT BEFORE INTEREST EXPENSES AND				
CORPORATE INCOME TAX	246,454	401,173	195,408	306,338
INTEREST EXPENSES	(16,164)	(11,473)	(11,568)	(4,882)
CORPORATE INCOME TAX	(55,274)	(111,685)	(27,196)	(53,653)
NET PROFIT	175,016	278,015	156,644	247,803
LESS MINORITY SHAREHOLDERS' NET PROFIT	(18,372)	(30,212)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	156,644	247,803	156,644	247,803
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.11	0.23	0.11	
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARE)	1,462,055	1,081,115	1,462,055	

Unaudited  
Limited Review Only

Notes to financial statements are an integral part of the above statements.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## INCOME STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
REVENUES FROM OPERATION				
Sales and Services	2,414,345	2,852,179	1,274,633	2,043,920
Rental Income	16,637	15,352	13,881	14,844
Revenue from Sales of Electricity	26,340	1,827	12,270	-
Revenue from Sales of Fuel Oil and Cane Harvest	102,730	138,391	37,303	52,427
Gain on Sales of Assets	34	76,783	-	20,877
Participating Profit from Investments in Subsidiary and Associated Companies	128	-	182,985	150,479
Other Income	74,455	120,832	46,337	66,675
TOTAL REVENUES	2,634,669	3,205,364	1,567,409	2,349,222
EXPENSES FROM OPERATION				
Cost of Sales and Services	1,632,534	2,174,158	863,654	1,641,911
Selling and Administrative Expenses	375,352	439,036	198,567	273,650
Directors' Remuneration	14,934	10,086	2,790	1,951
Participating Loss from Investments in Associated Company	-	19	-	19
TOTAL EXPENSES	2,022,820	2,623,299	1,065,011	1,917,531
PROFIT BEFORE INTEREST EXPENSES AND				
CORPORATE INCOME TAX	611,849	582,065	502,398	431,691
INTEREST EXPENSES	(21,983)	(21,563)	(16,330)	(9,031)
CORPORATE INCOME TAX	(150,836)	(160,545)	(82,875)	(85,906)
NET PROFIT	439,030	399,957	403,193	336,754
LESS NET PROFIT OF SUBSIDIARY COMPANIES BELONGING TO				
PARENT COMPANY BEFORE SHARE ACQUISITION	-	(22,444)	-	-
LESS MINORITY SHAREHOLDERS' NET PROFIT	(35,837)	(40,759)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	403,193	336,754	403,193	336,754
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.30	0.34	0.30	0.34
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARE)	1,364,671	989,562	1,364,671	989,562

Unaudited  
Limited Review Only

Notes to financial statements are an integral part of the above statements.

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE SIX-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004**

**CONSOLIDATED**

(Unit : Thousand Baht)

	Issued and Paid-up Share Capital	Premium on Share Capital	Revaluation	Revaluation	Surplus on Internal	Unrealized Gain on	Retained Earnings		Minority Shareholders' Equity	TOTAL
			Surplus on Assets- Parent Company	Surplus on Assets- Subsidiary Companies	Restructure of Entities under Common Control	Available for Sale Securities	Appropriated Legal Reserve	Unappropriated		
Beginning Balance as at October 31, 2004	1,270,462	670,462	1,080,481	153,612	1,368,336	2,445	38,100	727,070	1,081,180	6,392,148
Unrealized Gain on Available for Sale Securities	-	-	-	-	-	138	-	-	-	138
Depreciation-Revaluation Surplus on Assets	-	-	(30,903)	(2,179)	-	-	-	-	-	(33,082)
Decrease in Surplus on Internal Restructure of Entities under Common Control (Note 20)	-	-	-	-	(67,169)	-	-	-	-	(67,169)
Unrealized Transaction in Income Statements	1,270,462	670,462	1,049,578	151,433	1,301,167	2,583	38,100	727,070	1,081,180	6,292,035
Capital increase (Note 19)	279,538	884,155	-	-	-	-	-	-	-	1,163,693
Dividend Paid (Note 21)	-	-	-	-	-	-	-	(635,231)	-	(635,231)
Legal Reserve (Note 21)	-	-	-	-	-	-	36,400	(36,400)	-	-
Net Profit for the Period	-	-	-	-	-	-	-	403,193	-	403,193
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	11,294	11,294
Ending Balance as at April 30, 2005	1,550,000	1,554,617	1,049,578	151,433	1,301,167	2,583	74,500	458,632	1,092,474	7,234,984
Beginning Balance as at October 31, 2003	900,000	300,000	404,344	-	-	2,457	24,100	327,922	230,237	2,189,060
Unrealized Gain on Available for Sale Securities	-	-	-	-	-	37	-	-	-	37
Revaluation Surplus on Assets increase during the Period	-	-	716,503	-	-	-	-	-	-	716,503
Depreciation-Revaluation Surplus on Assets	-	-	(24,686)	-	-	-	-	-	-	(24,686)
Increase in Surplus on Internal Restructure of Entities under Common Control	-	-	-	-	1,426,946	-	-	-	-	1,426,946
Unrealized Transaction in Income Statements	900,000	300,000	1,096,161	-	1,426,946	2,494	24,100	327,922	230,237	4,307,860
Capital increase	370,462	370,462	-	-	-	-	-	-	-	740,924
Dividend Paid	-	-	-	-	-	-	-	(180,000)	-	(180,000)
Legal Reserve	-	-	-	-	-	-	14,000	(14,000)	-	-
Net Profit for the Period	-	-	-	-	-	-	-	336,754	-	336,754
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	331,631	331,631
Ending Balance as at April 30, 2004	1,270,462	670,462	1,096,161	-	1,426,946	2,494	38,100	470,676	561,868	5,537,169

**Unaudited**

**Limited Review Only**

Notes to financial statements are an integral part of the above statements.



**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004**

**THE COMPANY ONLY**

**(Unit : Thousand Baht)**

	Issued and Paid-up Share Capital	Premium on Share Capital	Revaluation Surplus on Assets- Parent Company	Revaluation Surplus on Assets- Subsidiary Companies	Unrealized Gain on Available for Sale Securities	Retained Earnings		TOTAL
						Appropriated Legal Reserve	Unappropriated	
Beginning Balance as at October 31, 2004	1,270,462	670,462	1,080,481	153,612	2,445	38,100	727,070	3,942,632
Unrealized Gain on Available for Sale Securities	-	-	-	-	138	-	-	138
Depreciation-Revaluation Surplus on Assets	-	-	(30,903)	(2,179)	-	-	-	(33,082)
Unrealized Transaction in Income Statements	1,270,462	670,462	1,049,578	151,433	2,583	38,100	727,070	3,909,688
Capital increase (Note 19)	279,538	884,155	-	-	-	-	-	1,163,693
Dividend Paid (Note 21)	-	-	-	-	-	-	(635,231)	(635,231)
Legal Reserve (Note 21)	-	-	-	-	-	36,400	(36,400)	-
Net Profit for the Period	-	-	-	-	-	-	403,193	403,193
Ending Balance as at April 30, 2005	1,550,000	1,554,617	1,049,578	151,433	2,583	74,500	458,632	4,841,343
Beginning Balance as at October 31, 2003	900,000	300,000	404,344	-	2,457	24,100	327,922	1,958,823
Unrealized Gain on Available for Sale Securities	-	-	-	-	37	-	-	37
Revaluation Surplus on Assets increase during the Period	-	-	716,503	-	-	-	-	716,503
Depreciation-Revaluation Surplus on Assets	-	-	(24,686)	-	-	-	-	(24,686)
Unrealized Transaction in Income Statements	900,000	300,000	1,096,161	-	2,494	24,100	327,922	2,650,677
Capital increase	370,462	370,462	-	-	-	-	-	740,924
Dividend Paid	-	-	-	-	-	-	(180,000)	(180,000)
Legal Reserve	-	-	-	-	-	14,000	(14,000)	-
Net Profit for the Period	-	-	-	-	-	-	336,754	336,754
Ending Balance as at April 30, 2004	1,270,462	670,462	1,096,161	-	2,494	38,100	470,676	3,548,355

**Unaudited**

**Limited Review Only**

Notes to financial statements are an integral part of the above statements.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## CASH FLOW STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	403,193	336,754	403,193	336,754
Reconciliation of Net Profit with Cash Received (Payment) from Operating Activities				
Doubtful Accounts (Reversal) - Farmer Accounts Receivable	5,104	(16,589)	-	(2,074)
Depreciation	77,041	64,121	45,250	47,630
Loss on Impairment of Assets	-	3,284	-	1,272
Amortization of Leasehold Right	696	-	696	-
Amortization of Premium on Bond	36	-	29	-
Loss on Impairment of General Investment (Reversal)	-	(1,470)	-	-
Unrealized Gain on Exchange Rate	(126)	(97)	(46)	-
(Gain) Loss on Sales of Assets	(34)	(90)	-	153
Gain on Sales of General Investments	-	(76,693)	-	(21,030)
Loss on Cessation of Using Fixed Assets	-	473	-	-
Participating (Profit) Loss from Investments under Equity Method	(128)	19	(182,985)	(150,460)
Equity Participation of Subsidiaries before Share Acquisition	-	(1,402)	-	-
Net Profit of Subsidiary Companies before Net Share Acquisition from Subsidiaries' Equity	-	(21,042)	-	-
Net Profit of Subsidiary Companies belonging to Parent Company before Share Acquisition	-	22,444	-	-
Net Profit of Minority Shareholders	35,837	40,759	-	-
Profit from Operation before Changes in Operating Assets and Liabilities	521,619	350,471	266,137	212,245
(Increase)Decrease in Trade Accounts and Notes Receivable-				
Subsidiary and Related Companies	(4,618)	905,198	(59,548)	(304,533)
(Increase)Decrease in Trade Accounts and Notes Receivable	(49,773)	(270,369)	(661)	7,361
(Increase)Decrease in Farmer Accounts Receivable	(84,805)	64,237	(64,605)	5,748
(Increase)Decrease in Inventories	(2,398,290)	(1,256,953)	(1,383,686)	(663,135)
(Increase)Decrease in Supplies	(29,300)	17,845	(35,083)	15,944
(Increase)Decrease in Other Current Assets	(4,536)	47,200	10,844	17,628
(Increase)Decrease in Other Non-Current Assets	(7,293)	(13,493)	161	(6,775)
Increase(Decrease) in Trade Accounts and Notes Payable - Subsidiary Companies and Related Companies				
	41	(948,859)	24,233	335,712
Increase(Decrease) in Trade Accounts and Notes Payable	(109,615)	463,854	(23,987)	221,180
Increase(Decrease) in Accrued Corporate Income Tax	78,371	66,678	17,394	41,497
Increase(Decrease) in Advance Received from Customers for Goods	61,803	(22,274)	28,293	(31,107)
Increase(Decrease) in Accrued Stabilization Function Payment	12,753	(70,280)	6,918	(34,735)
Increase(Decrease) in Accrued Manufacturing Expenses	318,218	211,069	162,223	117,697
Increase(Decrease) in Other Current Liabilities	(69,899)	(38,614)	3,654	18,056
Increase(Decrease) in Other Non-Current Liabilities	1,581	55	1,414	477
Net Cash Received (Used) from Operating Activities	(1,763,743)	(494,235)	(1,046,299)	(46,740)

**Unaudited**  
**Limited Review Only**

Notes to financial statements are an integral part of the above statements.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## CASH FLOW STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Increase)Decrease in Short-Term Investments	47,000	(14,547)	-	-
(Increase)Decrease in Short-Term Loans due from Subsidiary Companies, Related Party and Related Companies	(152,926)	85,771	20,106	(2,434)
(Increase)Decrease in Short-Term Loans due from Other Company	2,796	-	2,796	-
(Increase)Decrease in Short-Term Loans due from Farmers	124,128	26,843	14,275	16,614
Purchase of Investments-Subsidiary and Associated Companies	-	-	(418,468)	(2,525)
Net Cash Received from Purchasing Investments in Subsidiary Companies	-	52,752	-	-
Dividend Received from Investment in Subsidiary and Associated Companies	128	-	70,071	-
Purchase of General Investment	(127)	(5,059)	-	-
Sale of General Investment	-	179,053	-	84,998
Purchase of Property Investment	(80,165)	-	-	-
Purchase of Property, Plant and Equipment	(416,864)	(155,494)	(128,428)	(115,201)
Sale of Property, Plant and Equipment	34	18,427	-	18,184
Purchase of Land not used in Operation	(16,621)	(50,961)	(16,622)	(52,331)
(Increase)Decrease in Other Account Receivable-Related Company	-	90,000	-	90,000
(Increase)Decrease in Obligated Fixed Deposits	29,974	89,950	29,974	89,950
Net Cash Received (Used) from Investing Activities	(462,643)	316,735	(426,296)	127,255
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase(Decrease) in Bank Overdrafts and Short-Term Loans from Financial Institutions	1,052,833	557,102	481,402	207,869
Increase (Decrease) in Short-Term Loans from Related Companies	-	(17,000)	5,000	(17,000)
Cash Payment to Short-Term Loans due from Directors and Shareholders	-	(452,531)	-	(452,531)
Increase (Decrease) in Short-Term Debenture	500,000	-	500,000	-
Cash Payment to Loan due from Other Companies	-	(13,399)	-	(8,905)
Cash Received from Long-Term Loan	-	335,000	-	335,000
Repayment of Long-Term Loans	(66,600)	-	(60,000)	-
Cash Received from Capital Increase	1,163,693	-	1,163,693	-
Dividend Paid to Parent Company's Shareholders	(635,231)	(180,000)	(635,231)	(180,000)
Dividend Paid to Minority's Shareholders	(8,807)	(847)	-	-
Increase in Minority Shareholders' Equity from additional purchased Investment	-	1,225	-	-
Net Cash Received (Used) from Financing Activities	2,005,888	229,550	1,454,864	(115,567)
Cash and Cash Equivalents Increase(Decrease) - Net	(220,498)	52,050	(17,731)	(35,052)
Cash and Cash Equivalents at the Beginning of the Period	446,367	144,882	51,027	52,920
Cash and Cash Equivalents at the End of the Period (Note 22)	225,869	196,932	33,296	17,868

Unaudited

Limited Review Only

Notes to financial statements are an integral part of the above statements.

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## CASH FLOW STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2005	2004	2005	2004
Additional Disclosure :				
1. Cash payment during the period				
- Interest Expenses	21,190	18,026	14,995	9,914
- Corporate Income Tax	72,465	71,186	65,481	44,409

2. For the six-month period ended on April 30, 2005, the Company and its subsidiary companies have material items not affecting cash flow as follows:-

- In the consolidated financial statements, the Company written-off the surplus from internal restructure under common control at amount of Baht 67.17 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies written-off the depreciations of the revaluation surplus at amount of Baht 33.08 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies recognized unrealized gain on revaluation of available for sale securities amounting to Baht 0.14 million.

For the six-month period ended on April 30, 2004, the Company and its subsidiary companies have material items not affecting cash flow as follows:-

- The Company acquired investments in subsidiary companies at amount of Baht 740.92 million by swapping its common stocks for common stocks of the previous shareholders of the subsidiary companies.
- The Company performed a revaluation of property, plant and equipment, which resulted in the Company increase the asset value at net amount of Baht 691.83 million.
- In the consolidated financial statements, a subsidiary company performed a revaluation of the property, plant and equipment prior to purchasing of the investment by the parent company at amount of Baht 1,737.87 million, which showed in the item-surplus from internal restructure of entities under common control.
- A related company transferred its asset to the Company at amount of Baht 182.46 million to repay loan at amount of Baht 158.59 million. The outstanding amount reflected as other account payable – related company at amount of Baht 23.87 million.
- The Company set off the inter-company sales-purchase of goods with 3 subsidiary companies at Baht 173.47 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies recognized unrealized gain on available for sale securities amounting to Baht 0.22 million.

Unaudited

Limited Review Only

## KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## CASH FLOW STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED ON APRIL 30, 2005 AND 2004

(Unit : Thousand Baht)

3. In the first quarter of year 2004, the Company acquired the subsidiary companies. The market prices of asset acquired and liabilities assumed were as follows: -

- Cash and Cash Equivalents	54,847
- Trade Accounts and Notes Receivable	83,242
- Trade Accounts Receivable-Related Companies	761,218
- Farmer Accounts Receivable -Net	129,615
- Loans due from Farmers	177,423
- Loans due from Related Companies	151,204
- Inventories	735,307
- Supplies-Net	84,308
- Other Current Assets	59,562
- Other Long-Term Investments	49,800
- Property, Plant and Equipment-Net	2,572,539
- Land not used in Operation	36,350
- Other Assets	22,043
- Bank Overdrafts and Short-Term Loans from Financial Institutions	(666,874)
- Trade Accounts and Notes Payable	(434,231)
- Trade Accounts and Notes Payable-Related Companies	(779,008)
- Current Portion of Long-Term Loans	(28,600)
- Short-Term Loans due to Related Companies	(90,000)
- Short-Term Loans due to Directors	(2,300)
- Other Short-Term Loan	(4,494)
- Other Current Liabilities	(337,280)
- Long-Term Loans	(26,600)
- Surplus from Internal Restructure of Entities under Common Control	(1,463,371)
- Minority Shareholders' Equity	(295,784)
- Others	59,607
Total Purchase Price	848,523
<u>Less</u> Purchase of Net Investment with Swapped Common Shares	(740,924)
Cash and Cash Equivalents of Subsidiary Companies on the Acquisition Date	(54,847)
Cash Flow received on Acquisition of Net Investment	52,752

Unaudited

Limited Review Only

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED****AND ITS SUBSIDIARY COMPANIES****NOTES TO FINANCIAL STATEMENTS****April 30, 2005 and 2004 (Unaudited/Limited Review Only)****and October 31, 2004 (Audited)**

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**1. Basis of Financial Statements Preparation and Accounting Policies**

- 1.1 The interim consolidated and the Company financial statements were prepared in accordance with the generally accepted accounting principle in Thailand and shown in the condensed format as determined in the accounting standard No. 41 on the subject of “The Interim Financial Statements” and included additional transactions in the primary financial statements; for instance, balance sheet, income statement, statement of changes in shareholders’ equity and cash flow statement in compliance with the format defined in the announcement of the Department of Commercial Registration (B.E. 2544) on the subject of “Determination of Condensed Transactions” which need to be presented in the financial statements so as to comply with the pronouncement of the Securities and Stock Exchange of Commission and regulations of the Stock Exchange of Thailand.
- 1.2 The financial statements for the year ended on October 31, 2004 have been reclassified in order to facilitate comparative analysis with those for the six-month period ended on April 30, 2005.
- 1.3 Significant accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended October 31, 2004, so that these interim financial statements should be read in conjunction with the 2004 annual financial statements

## 2. Basis of Consolidation

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

<u>Company Name</u>	<u>Percentage of</u>		<u>Country of</u> <u>Incorporation</u>	<u>Kind of Business</u>
	<u>Holding</u>			
	<u>2005</u>	<u>2004</u>		
Thai Sugar Terminal Public Co., Ltd.	23.82	23.82	Thailand	Sugar Transportation Service and silo warehouse rental
New Krung Thai Sugar Factory Co., Ltd.	91.06	91.06	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Co., Ltd.	88.82	88.82	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Co., Ltd.	96.85	96.85	Thailand	Manufacture and distribution of sugar and molasses
K.S.L. Real Estate Co., Ltd.	80.31	80.31	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center
K.S.L. Export Trading Co., Ltd.	78.32	78.32	Thailand	Export sugar as exporting agent
KS Laxmi Co., Ltd.	51.00	51.00	Thailand	Manufacture of ethyl acetic and acetic acid
Khon Kaen Sugar Power Plant Co., Ltd.	100.00	100.00	Thailand	Manufacture of electricity
Khon Kaen Alcohol Co., Ltd.	100.00	100.00	Thailand	Manufacture of alcohol

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

2.2 As at April 30, 2005 and October 31, 2004, investments in subsidiary companies were recorded under equity method. The accounting periods of subsidiary companies end on the same date as the parent company (Accounting period ended on October 31) except the THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED, which its accounting period ends on December 31.

2.3 The balances between the Company and its subsidiary companies, investment in subsidiary companies and subsidiary companies' share capital were eliminated from the consolidated financial statement.

## 3. Inter-Transaction between the Related Companies

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

## 3.1 Inter-Assets and Liabilities

(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Company Only</u>	
		<u>As at</u>		<u>As at</u>	
		<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
- Trade Accounts and Notes Receivable – Subsidiary and Related Companies					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	36,253	4,222
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	14,525	3,091
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	11,829	642
Thai Fermentation Industry Co., Ltd.	Related	5,233	162	4,896	-
Prachaup Industry Co., Ltd.	Related	1,025	1,233	-	-
Other Related Companies		911	1,156	-	-
Total		7,169	2,551	67,503	7,955
- Trade Accounts and Notes Payable – Subsidiary and Related Companies					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	27,221	38,266
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	43,222	2,918
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	3,740	8,766
Thai Fermentation Industry Co., Ltd.	Related	41	-	-	-
Total		41	-	74,183	49,950
- Advance Received from Customers for Goods					
Thai Fermentation Industry Co., Ltd.	Related	27,850	4,718	15,600	4,418
- Short-Term Loans due from Subsidiary Companies, Related Party and Related Companies					
Tamaka Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	50,000
Decrease in the period		-	-	-	(50,000)
Ending balance		-	-	-	-
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary				
Beginning balance		-	-	20,000	-
Increase in the period		-	-	-	20,000
Decrease in the period		-	-	(20,000)	-
Ending balance		-	-	-	20,000
K.S.L. Real Estate Co., Ltd.	Subsidiary				
Beginning balance		-	-	5,400	-
Increase in the period		-	-	-	5,400
Decrease in the period		-	-	-	-
Ending balance		-	-	5,400	5,400
Khon Kaen Alcohol Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	7,500
Decrease in the period		-	-	-	(7,500)
Ending balance		-	-	-	-
K.S.L. IT Center Co., Ltd.	Related				
Beginning balance		-	10,650	-	10,650
Increase in the period		-	1,400	-	1,400
Decrease in the period		-	(12,050)	-	(12,050)
Ending balance		-	-	-	-



(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Company Only</u>	
		<u>As at</u>		<u>As at</u>	
		<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
Khon Kaen MDF Board Co., Ltd.	Related				
Beginning balance		-	155,000	-	155,000
Increase in the period		-	3,000	-	3,000
Decrease in the period		-	(158,000)	-	(158,000)
Ending balance		-	-	-	-
Chengteh Chinaware (Thailand) Co., Ltd.	Related				
Beginning balance		-	-	-	-
Increase in the period		-	40,000	-	40,000
Decrease in the period		-	(40,000)	-	(40,000)
Ending balance		-	-	-	-
Raja Porcelain Co., Ltd.	Related				
Beginning balance		-	-	-	-
Increase in the period		-	10,000	-	10,000
Decrease in the period		-	(10,000)	-	(10,000)
Ending balance		-	-	-	-
Prachaup Industry Co., Ltd.	Related				
Beginning balance		121,984	-	-	-
Increased Investment in Subsidiary Company		-	88,204	-	-
Increase in the period		171,682	33,780	-	-
Decrease in the period		(18,650)	-	-	-
Ending balance		275,016	121,984	-	-
- Loan due from Related Party	Company Advisor				
Beginning balance		338	857	338	857
Increase in the period		-	300	-	300
Decrease in the period		(106)	(819)	(106)	(819)
Ending balance		232	338	232	338
Total		275,248	122,322	5,632	25,738

Loans due from subsidiary and related companies were loans in the form of promissory notes and payable on demand bearing interest rates at 2.50-5.00 percent per annum (the same rate for the two years).

Loan due from the Company's advisor carried interest rate at 6.50 percent per annum (the same rate for the two years).

(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Company Only</u>	
		<u>As at</u>		<u>As at</u>	
		<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
- Loan due to Subsidiary, Associated and Related Companies					
Tamaka Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	55,000	-
Increase in the period		-	-	250,000	150,000
Decrease in the period		-	-	(305,000)	(95,000)
Ending balance		-	-	-	55,000

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		As at		As at	
		April 30, 2005	October 31, 2004	April 30, 2005	October 31, 2004
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary				
Beginning balance		-	-	80,000	-
Increase in the period		-	-	-	150,000
Decrease in the period		-	-	(80,000)	(70,000)
Ending balance		-	-	-	80,000
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	140,000	-
Decrease in the period		-	-	-	-
Ending balance		-	-	140,000	-
Champion Fermentation Co., Ltd.	Associated				
Beginning balance		-	-	-	-
Increased Investment in Subsidiary Companies		-	27,000	-	-
Increase in the period		-	122,000	-	-
Decrease in the period		-	(149,000)	-	-
Ending balance		-	-	-	-
Amarco Co., Ltd.	Related				
Beginning balance		-	6,500	-	6,500
Increase in the period		-	-	-	-
Decrease in the period		-	(6,500)	-	(6,500)
Ending balance		-	-	-	-
On Nuj Construction Co., Ltd.	Related				
Beginning balance		-	5,000	-	5,000
Increase in the period		-	-	-	-
Decrease in the period		-	(5,000)	-	(5,000)
Ending balance		-	-	-	-
KSL Tower Juristic Person Office	Shared Owner in Condominium Building				
Beginning balance		-	5,500	-	5,500
Increase in the period		-	-	-	-
Decrease in the period		-	(5,500)	-	(5,500)
Ending balance		-	-	-	-
Total		-	-	140,000	135,000
- Short-Term Loan from Directors and Shareholders					
Beginning balance		-	452,531	-	452,531
Increased Investment in Subsidiary Companies		-	2,300	-	-
Increase in the period		-	25,300	-	25,300
Decrease in the period		-	(480,131)	-	(477,831)
Ending balance		-	-	-	-

As at April 30, 2005 and October 31, 2004, loans from related companies and loans from directors and shareholders are loans repayable at call and carry interest rates at 1.25-1.50 percent and 3.00-5.00 percent per annum respectively.

## 3.2 Inter-Revenue and Expense

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		For the six-month period ended on April 30.			
		2005	2004	2005	2004
<b>- Sales</b>					
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	10,739	35,724
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	29,989	136,430
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	10,984	112,597
Thai Fermentation Industry Co., Ltd.	Related	23,210	29,094	10,745	22,875
Total		<u>23,210</u>	<u>29,094</u>	<u>62,457</u>	<u>307,626</u>
<b>- Purchases</b>					
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	62,364	104,449
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	88,924	169,972
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	26,427	123,028
Thai Fermentation Industry Co., Ltd.	Related	1,401	1,823	499	415
Total		<u>1,401</u>	<u>1,823</u>	<u>178,214</u>	<u>397,864</u>

Policy of Inter-Company Price Setting for Goods

- The inter swapping goods for export, the Company uses the world market price that the sales-purchase is made for the first time of that year to be the price of sales-purchase of sugar between the Company's group. The selling – buying price incurs no profit between each other.
- The inter sales-purchase goods for local sales, the Company has the policy to use the market price to determine the price of goods transacted between each other.

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		For the six-month period ended on April 30.			
		2005	2004	2005	2004
<b>- Rental Income and Service</b>					
On Nuij Construction Co., Ltd.	Related	243	66	243	66
Chengteh Chinaware (Thailand) Co., Ltd.	Related	720	720	720	720
Khon Kaen MDF Board Co., Ltd.	Related	-	131	-	131
K. K. Wood Industry Co., Ltd.	Related	415	-	415	-
K.S.L. IT Center Co., Ltd.	Related	180	180	180	180
Total		<u>1,558</u>	<u>1,097</u>	<u>1,558</u>	<u>1,097</u>
<b>- Other Income</b>					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	626	40
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	199	22
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	228	78
Thai Fermentation Industry Co., Ltd.	Related	185	104	50	67
K. K. Wood Industry Co., Ltd.	Related	-	20,766	-	20,766
Total		<u>185</u>	<u>20,870</u>	<u>1,103</u>	<u>20,973</u>

(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Company Only</u>	
		<u>For the six-month period ended on April 30,</u>			
		<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>- Interest Received</b>					
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	239	-
K.S.L. Real Estate Co., Ltd.	Subsidiary	-	-	98	-
Total		-	-	337	-
<b>- Goods Custody and Exporting Fees</b>					
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	314	4,086
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	633	1,385
Kerry Siam Seaport Co., Ltd.	Related	68	-	68	-
TS Warehouse Co., Ltd.	Related	-	-	180	-
Total		68	-	1,195	5,471
<b>- Other Expenses</b>					
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	314	2,304
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	633	267
Thai Fermentation Industry Co., Ltd.	Related	33	57	10	7
K.S.L. IT Center Co., Ltd.	Related	1,957	-	720	-
Total		1,990	57	1,677	2,578
<b>- Interest Expenses</b>					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	412	-
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	102	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	316	-
Total		-	-	830	-

### Policy of Price Setting

- Rental income and service are charged according to the mutually agreed agreements.
- Other income from K.K. Wood Industry Co., Ltd. is income from converting sugar at mutually agreed service fee and selling machinery in the mutually agreed prices.
- Fees for goods custody are charged according to the volume of the goods and the custody time, which are general rates in the market.
- The expenses paid on behalf of each other are charges according to the actual expenses.

For the six-month period ended on April 30, 2004, the accompanying consolidated and the Company had disposed the General Investment of Chengteh Chinaware (Thailand) Co., Ltd. at book value amount of Baht 37.80 million and Baht 9.00 million respectively, to directors at the price of Baht 115.50 million and Baht 31.50 million respectively, and Gain on sales of General Investment of Baht 77.70 million and Baht 22.50 million respectively.

For the six-month period ended on April 30, 2004, the Company had disposed the ordinary shares of Raja Porcelain Co., Ltd., On Nuj Construction Co., Ltd., Para Ruamchoke Co., Ltd., Amarco Co., Ltd. and K.K. Wood Industry Co., Ltd. to directors and the company's shareholders at book value.

### 3.3 Relationship of Related Companies

Consisted of: -

<u>Company Name</u>	<u>Relationship</u>	<u>Connection</u>
K.K. Wood Industry Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Khon Kaen MDF Board Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
K.S.L. IT Center Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Chengteh Chinaware (Thailand) Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Raja Porcelain Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Kerry Siam Seaport Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
TS Warehouse Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Amarco Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Thai Fermentation Industry Co., Ltd.	Related Company	Same group of shareholder
KSL Tower Juristic Person Office	Related Company	Shared Owner of Condominium Building

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

### 4. Trade Accounts and Notes Receivable - Subsidiary and Related Companies

Consisted of :

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
Trade Accounts Receivable				
Not yet due	6,440	1,740	67,503	7,420
Not over 30 days	729	658	-	-
Over 30 days but not over 60 days	-	153	-	-
Total	7,169	2,551	67,503	7,420
Notes Receivable	-	-	-	535
Total	7,169	2,551	67,503	7,955

5. Trade Accounts and Notes Receivable

Consisted of :

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31,2004</u>	<u>April 30, 2005</u>	<u>October 31,2004</u>
Accounts Receivable - Local				
Not yet due	33,094	70,725	7,558	52,969
Not over 30 days	99,764	20,813	72,982	7,414
Over 30 days but not over 60 days	21	300	-	-
Over 60 days but not over 90 days	-	-	-	-
Over 90 days	-	16	-	-
Total	132,879	91,854	80,540	60,383
Accounts Receivable – Foreign (Not yet due)	46,347	35,242	19,383	33,245
Notes Receivable	5,043	7,274	787	6,375
Total	184,269	134,370	100,710	100,003

6. Farmer Accounts Receivable - Net

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31,2004</u>	<u>April 30, 2005</u>	<u>October 31,2004</u>
Cane Accounts Receivable				
Before Season 1999 / 2000	27,970	28,705	398	398
Season 1999 / 2000	3,357	4,136	-	-
Season 2000 / 2001	2,556	2,613	-	-
Season 2001 / 2002	6,565	7,035	-	-
Season 2002 / 2003	42,855	49,990	-	-
Season 2003 / 2004	28,333	36,333	-	-
Season 2004 / 2005	71,260	19,897	30,869	19,898
Season 2005 / 2006	53,635	-	53,634	-
Total	236,531	148,709	84,901	20,296
Fuel Oil Accounts Receivable	1,981	4,998	-	-
Total	238,512	153,707	84,901	20,296
<u>Less</u> Allowance for Doubtful Accounts	(52,071)	(46,967)	(398)	(398)
Net	186,441	106,740	84,503	19,898

7. Short-Term Loan due from Farmers

In the consolidated and the Company's financial statements as at April 30, 2005 and October 31, 2004, the whole amount was posts dated cheques farmers received from the Company and its subsidiary companies and were rediscounted with the Company and its subsidiary companies with interest rate based on lending rate of Bank for Agriculture and Agricultural Cooperatives.

8. Inventories

In the consolidated financial statements as at October 31, 2004, a subsidiary company pledged a part of inventory in amount of Baht 29.00 million as collaterals against short-term loan due to a commercial bank.

9. Supplies - Net

Consisted of:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	As at		As at	
	April 30, 2005	October 31, 2004	April 30, 2005	October 31, 2004
Supplies	210,057	180,757	124,387	89,304
<u>Less</u> Allowance for Dilapidated Supplies	(122)	(122)	-	-
Net	209,935	180,635	124,387	89,304

10. Investments under Equity Method

Consisted of:

Company Name	Paid-Up Share Capital	Percentage of Shareholding		(Unit : Thousand Baht)					
				Consolidated			Consolidated		
				As at April 30, 2005			As at October 31, 2004		
				Investment Cost	Equity	Dividend	Investment Cost	Equity	Dividend
<u>Associated Company (Direct Holding)</u>		2005	2004						
Champion Fermentation Co., Ltd.	150,000	32.00	32.00	56,800	48,747	128	56,800	48,747	-
Total				56,800	48,747	128	56,800	48,747	-

(Unit : Thousand Baht)

Company Name	Paid-Up Share Capital	Percentage of		As at April 30, 2005			As at October 31, 2004		
		Shareholding		Investment			Investment		
		2005	2004	Cost	Equity	Dividend/ Stock Dividend	Cost	Equity	Dividend
<b>Subsidiary and Associated Companies (Direct and Indirect Holding)</b>									
Thai Sugar Terminal Public Co., Ltd.	110,000	23.82	23.82	79,109	232,132	2,647	79,109	228,357	263
New Krung Thai Sugar Factory Co., Ltd.	540,000	91.06	91.06	306,894	378,248	-	306,894	358,705	-
Tamaka Sugar Industry Co., Ltd.	525,000	88.82	88.82	448,337	625,670	69,943	448,337	599,252	-
New Kwang Soon Lee Sugar Factory Co., Ltd.	880,000	96.85	96.85	289,284	405,206	-	289,284	335,252	-
K.S.L. Real Estate Co., Ltd.	140,000	80.31	80.31	89,134	67,758	-	89,134	68,875	-
K.S.L. Export Trading Co., Ltd.	10,000	78.32	78.32	3,388	(813)	-	3,388	3,992	-
KS Laxmi Co.,Ltd.	2,500	51.00	51.00	1,275	557	-	1,275	830	-
Khon Kaen Sugar Power Plant Co., Ltd.	400,000	100.00	100.00	399,972	398,781	-	100,743	100,176	-
Khon Kaen Alcohol Co., Ltd.	160,000	100.00	100.00	159,985	151,494	-	40,746	34,713	-
Champion Fermentation Co., Ltd.	150,000	32.00	32.00	56,800	48,747	128	56,800	48,747	-
Total				1,834,178	2,307,780	72,718	1,415,710	1,778,899	263

As at April 30, 2005, the Company used the financial statements for the three-month period ended on March 31, 2005 of Champion Fermentation Co., Ltd. in the recognition of equity in such investment. The said associated company's financial statements have not been audited by an auditor. The recognized equity in the income statement for the six-month period ended on April 30, 2005 at amount of Baht 0.13 million.

As at October 31, 2004, the Company used the financial statements for the nine-month period ended on September 30, 2004 of Champion Fermentation Co., Ltd. in the recognition of equity in such investment. The said associated company's financial statements were audited by other auditor. The recognized equity in the income statement for the year ended on October 31, 2004 at amount of Baht 0.09 million.

#### 11. Other Long-Term Investments - Net

Consisted of:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	As at		As at	
	April 30, 2005	October 31, 2004	April 30, 2005	October 31, 2004
<b>11.1 Available for Sale Securities</b>				
Investment in Debt Securities				
- Investment in Subordinated Debenture	4,000	4,000	-	-
Investment in Marketable Equity Securities				
- Bangkok Bank Public Co., Ltd.	336	336	336	336
- Bank of Asia Public Co., Ltd.	172	172	172	172
- Ratchaburi Egco Holding Public Co., Ltd.	792	792	792	792
- Finansa Public Co., Ltd.	50	50	50	50
<u>Add Unrealized Gain on Available for Sale Securities</u>	2,400	2,445	2,640	2,445
Available for Sale Securities Investment - Net	7,750	7,795	3,990	3,795



(Unit : Thousand Baht)

Company Name	Kind of Business	Paid-Up Share Capital	Percentage of Holding		Consolidated As at		The Company Only As at	
			2005	2004	April 30, 2005	October 31, 2004	April 30, 2005	October 31, 2004
			<b>11.2 General Investments</b>					
- Thai Sugar Intertrade Co., Ltd.	Warehouse and Silo	10,000	3.91	3.91	393	393	393	393
- Thai Sugar Transportation Co., Ltd.	Transportation	1,250	16.20	16.20	210	210	210	210
- Thai Sugar Asset Co., Ltd.	Warehouse and Silo	12,500	4.10	4.10	523	523	523	523
- Thai Cane and Sugar Corp. Ltd.	Export Agent	20,000	1.61	1.61	786	786	323	323
- Thai Sugar Property Co., Ltd.	Sugar Depository	30,000	4.11	4.11	1,238	1,238	1,238	1,238
- TS Warehouse Co., Ltd.	Warehouse and Silo	12,500	4.03	4.03	509	509	509	509
- Thai Sugar Miller Co., Ltd.	Marketing Information Service	109	2.00	2.00	9	9	2	2
- Kerry Siam Seaport Co., Ltd.	Seaport	484,500	5.95	5.95	54,390	54,390	37,787	37,787
- Krung Thai Investment And Security Co., Ltd.	Closed	-	-	-	45	45	45	45
- Mahanakorn Bank Public Co., Ltd.	Closed	-	-	-	614	614	-	-
<u>Less</u> Allowance for Impairment of Investment					(659)	(659)	(45)	(45)
Other Investments – Net					58,058	58,058	40,985	40,985
<b>11.3 Investment in Held-to-Maturity Debt Securities</b>								
- Bond					13,121	13,030	6,819	6,848
Total Investment in Held-to-Maturity Debt Securities					13,121	13,030	6,819	6,848
Total Other Long-term Investment - Net					78,929	78,883	51,794	51,628

As at April 30, 2005 and October 31, 2004, the Company and its subsidiary companies pledged the bond as guarantee for electricity usage with the Provincial Electricity Authority, which had the book value in consolidated financial statements of Baht 12.95 million and Baht 12.84 million respectively and in the Company' financial statements of Baht 6.65 million and Baht 6.66 million respectively.

## 12. Investment in Property-Net

For the six-month period ended on April 30, 2005, movement as follows: -

(Unit : Thousand Baht)

	<u>Consolidated</u>
Beginning Book Value - Net	-
Purchase/Transfer in	80,165
Depreciation	(294)
Ending Book Value - Net	<u>79,871</u>

13. Property Plant and Equipment - Net

For the six-month period ended on April 30, 2005, movement as follows: -

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>The Company Only</u>
Beginning Book Value - Net	5,559,709	2,201,659
Purchase/Transfer in	700,785	261,187
Sale/Transfer out	(285,709)	(132,759)
Depreciation	(76,747)	(45,250)
Depreciation-Surplus Revaluation of Assets	(114,958)	(30,903)
Accumulated Depreciation – Sale/Transfer out	1,788	-
Ending Book Value - Net	<u>5,784,868</u>	<u>2,253,934</u>

In the consolidated and the Company's financial statements as at April 30, 2005 and October 31, 2004, the Company and its subsidiary companies pledged a part of land together with construction and machinery at cost amount of Baht 5,141.68 million and Baht 2,651.14 million respectively as collaterals against short-term and long-term credit facilities with commercial banks (equally for both years).

The Company's land in the amount of Baht 11.60 million is the land the Company has utilized as cane plantation but has not received the title deeds. At present, it is in the process of applying for the land's title deeds.

14. Bank Overdrafts and Short-Term Loans from Financial Institutions

Consisted of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
Bank Overdrafts	11,562	20,611	7,427	14,825
Loans from Financial Institutions	1,136,003	303,500	568,800	80,000
Trust Receipt	76,345	-	-	-
Accounts Payable-Packing Credit	275,017	121,983	-	-
Total	<u>1,498,927</u>	<u>446,094</u>	<u>576,227</u>	<u>94,825</u>

Loans from financial institutions according to the consolidated and the Company's financial statements as at April 30, 2005 and October 31, 2004 are loans in the form of promissory notes with the maturity period ranged from 3 - 6 months, carrying interest rates of 2.30 - 3.25 percent and 1.75 - 2.75 percent per annum respectively. The bank overdrafts and short-term loans were pledged by using parts of land, machinery, equipment, parts of goods and fixed deposits as collaterals. The Company's directors and the subsidiary companies' directors also offer their personal guarantees.

15. Trade Accounts and Notes Payable

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
Cane Accounts Payable	141,504	255,579	111,469	130,585
Trade Accounts Payable	103,383	100,662	95,666	99,751
Notes Payable	3,531	1,792	14	800
Total	248,418	358,033	207,149	231,136

As at April 30, 2005, the Company and its subsidiary companies recorded the cane price for the production season year 2004/2005 by using the announcement of the initial price of cane for production season year 2004/2005, which announced by the Office of the Cane and Sugar Board, dated February 3, 2005, stating the price of cane at Baht 620 per metric tonne at 10 C.C.S. and adjustment was plus/minus Baht 37.20 per unit of C.C.S. per metric tonne and until the date in the report, the Office of the Cane and Sugar Board has not announced the final price of cane for the production season year 2004/2005, so the Company and its subsidiary companies recorded the cane accounts payable and calculated the cost and inventory for the six-month period ended on April 30, 2005 were estimated by the Company's and its subsidiary companies managements at Baht 714.02-776.99 per metric tonne.

As at October 31, 2004, the Office of the Cane and Sugar Board has not announced the final price of cane for the production season year 2003/2004, so the Company and the 3 subsidiary companies recorded the cane accounts payable and calculated the cost of good sold and inventory at the end of the period as at October 31, 2004 by using the final price of cane estimated by the Company's management. In the second quarter of year 2005, the Office of the Cane and Sugar Board has announced the final price of cane for the production season year 2003/2004 in the Government Gazette dated April 4, 2005, where there was no difference between the announced final price of cane and the estimate made by the Company's management.

16. Short-Term Debenture

As at April 30, 2005, the Company issued and offered for sale the short-term debenture No.1/2005 in private placement for 8 specified investors at 550,000 units at Baht 1,000 per units, totaling Baht 550 million with the interest rate at 3.25 – 3.75% per annum. The maturity period of the debentures is 6 months and the maturity date is August 4, 2005 where the Company could redeem on April 4, 2005 which was prior to the maturity date. The Company has redeemed the debentures at Baht 50 million and the outstanding short-term debenture amount was Baht 500 million

17. Accrued Stabilization Function Payment

As at April 30, 2005 and October 31, 2004, the whole amount the Company has to pay to the Office of the Cane and Sugar Fund to stabilize the cane and sugar industry was calculated from the production of cane and sugar.

18. Long-Term Loans

Consisted of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
Loans due to Commercial Banks	263,600	330,200	215,000	275,000
<u>Less</u> Current Portion of Long-Term Loans	(142,000)	(148,600)	(120,000)	(120,000)
Net	121,600	181,600	95,000	155,000

Movement of long-term loans for the six-month period ended on April 30, 2005 is as follows: -

	<u>Consolidated</u>	<u>The Company Only</u>
Beginning book value	330,200	275,000
Increase in the Period	-	-
Decrease in the Period	(66,600)	(60,000)
Ending book value	263,600	215,000

As at April 30, 2005 and October 31, 2004, the Company obtained loan from a commercial bank with a credit line of Baht 490.00 million carrying an interest rate of 3.75% per annum. The repayment period is 4 years since the date of first withdrawal of the loan. The machinery with equipment were pledged as collateral against the credit facility. This loan has following important conditions: -

Repayment and Interest

- Loan principal is repayable every 6 months. The first installment is to be made on June 2004 until June 2007 for the total of 7 installments at amount of Baht 60.0 million each. The final installment is to be made in December 2007 at Baht 70.0 million.
- Interest is monthly payable

Other Compliance with Contract

- The Company has to register the pledge of machinery with equipment as collateral within 6 months from the date of first withdrawal of the loan.
- The Company agreed to pay the fee in early repayment of loan at the rate of 2% of the early repaid principal or paid exceeding the terms in the agreement, except when the loan repayment is made from the money received from capital increase and/or profit from the Company's operation.

As at April 30, 2005 and October 31, 2004, a subsidiary company borrowed from a commercial bank with the credit line of Baht 450.00 million with the interest rate of MLR-0.50% per annum. The subsidiary company pledged land together with construction and machinery as collateral against credit facility. The subsidiary company's directors also offered their personal guarantees.

19. Share Capital

In accordance with the minutes of the annual shareholders' general meeting No.1/2547 held on February 24, 2004, it was resolved to increase the Company's registered capital from Baht 1,270,462,080 to Baht 1,600,000,000 and to convert par value of share from Baht 10 to Baht 1 each and the Company registered this change with the Ministry of Commerce on March 18, 2004.

As at March 1, 2005, the Company received in full the share subscription fees for the additional shares distributed to the general public at 273,426,020 shares and to the employees at 6,111,900 shares, total 279,537,920 shares at Baht 4.30 per share. Therefore, the premium on share capital was Baht 922.48 million and the expenses in distribution and underwriter fee, which used to decrease the premium on share capital, at Baht 38.32 million. The Company registered this change with the Ministry of Commerce on the same date.

20. Surplus from Internal Restructure of Entities under Common Control

In the consolidated financial statements, movement of surplus from internal restructure of entities under common control for the six-month period ended on April 30, 2005, is as follows: -

(Unit : Thousand Baht)

	<u>Revaluation Surplus on Assets-Subsidiary Companies</u>	<u>Discount from Internal Restructure of Entities under Common Control</u>	<u>Net</u>
Beginning balance	1,631,979	(263,643)	1,368,336
Decrease in the period	(67,169)	-	(67,169)
Ending balance	1,564,810	(263,643)	1,301,167

In the first quarter of the year 2004, the parent company has additionally invested in 5 subsidiary companies with common management for the benefit of internal restructure. The investments caused difference between the purchased price paid for the subsidiary companies and the fair value of the assets and liabilities of the said subsidiary companies (after deducted the capital surplus of valuation of the subsidiaries' assets prior to investment and unrealized gain from the available for sale securities) at Baht 275.51 million, which reflected under "Surplus from Internal Restructure of Entities under Common Control" in the shareholders' equity. In the third quarter of the year 2004, the parent company and the subsidiary companies had restructured the shareholding from indirect shareholding to direct shareholding. Thus changed the ratio of the parent company's investment and affected the surplus from internal restructure of entities under common control to decrease by Baht 11.87 million.

21. Dividend Paid and Legal Reserve

In accordance with the minutes of the annual shareholders' general meeting No.1/2548 held on January 14, 2005, it was unanimously resolved to pay interim dividend from the operating result for the year 2004 at Baht 20.00 per share aggregating to Baht 180.00 million according to the minutes of board of directors' meeting No.12/2546 held on November 21, 2003, and resolved to pay additional annual dividend of operating result for the 2004 at Baht 0.50 per share aggregating to Baht 635.23 million.

In the first quarter of the year 2005, the Company had appropriated a part of the annual net profit under the Public Companies Act as a legal reserve in amount of Baht 36.40 million.

22. Cash and Cash Equivalents

Consisted of: -

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	As at		As at	
	April 30, 2005	April 30, 2004	April 30, 2005	April 30, 2004
Cash on Hand and at Banks	159,569	90,282	33,296	17,868
Short-Term Investments	71,300	131,650	-	-
Total	230,869	221,932	33,296	17,868
<u>Less</u> Short-Term Investments due in 3-6 Months	(5,000)	(25,000)	-	-
Net	225,869	196,932	33,296	17,868

In the consolidated financial statements as at April 30, 2005 and 2004, short-term investments were deposits in the form of promissory notes with interest rates of 1.50-1.75% and 1.25 % per annum respectively.

23. Financial Information by Segments

## Consolidated

For the six-month period ended on April 30, 2005 and 2004

(Unit : Million Baht)

	Manufacture and Distribution of Sugar		Real Estate Rental		Sugar Exporting Agent		Land Appropriation for Housing		Manufacture and Distribution of Alcohol		Manufacture and Distribution of Electricity		Others Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2005	2005	2005	2005	2004
	Net Sales and Services – Domestic	1,325	1,262	93	98	1	1	1	1	-	-	-	-	1,420
- Foreign	1,214	1,792	-	-	-	-	-	-	-	-	-	-	1,214	1,792
Total	2,539	3,054	93	98	1	1	1	1	-	-	-	-	2,634	3,154
Profit from Operation	580	527	47	58	(8)	(2)	(1)	(1)	(3)	(2)	(1)	-	612	582
Interest Expenses													(22)	(22)
Corporate Income Tax													(151)	(160)
Net Profit													439	400
<u>Less</u> Net Profit of Parent Company before Acquisition of Shares													-	(22)
<u>Less</u> Net Profit of Minority Shareholders													(36)	(41)
Net Profit of Parent Company													403	337
Property Plant and Equipment - Net as at April 30	4,487	4,395	1,051	378	3	3	18	20	171	55	-	-	5,785	4,796
Central Assets	4,191	3,722	219	192	298	340	55	55	24	6	1	-	4,794	4,309
Total Assets as at April 30	8,678	8,117	1,270	570	301	343	73	75	195	61	1	-	10,579	9,105

## 24. Obligations and Contingent Liabilities

As at April 30, 2005 and October 31, 2004, apart from liabilities reflected in the balance sheets, the Company and subsidiary companies have obligations and contingent liabilities as follows:-

### 24.1 Obligations

24.1.1 The Company and its subsidiary companies have obligations relating to agreements to sell goods but not yet delivered in the consolidated financial statement in amount of Baht 2,756.15 million and Baht 681.35 million respectively and in the Company's financial statement in amount of Baht 1,745.68 million and Baht 238.41 million respectively.

24.1.2 The Company and the three subsidiary companies have issued post-dated cheques to farmers to purchase cane for the production season 2005/2006 and 2004/2005 at the total of Baht 207.05 million and Baht 339.45 million respectively. The Company and the subsidiary companies have not recorded the said liability as the cheques are not due and the cane of the said production season has not been received from farmers.

24.1.3 The Company and its subsidiary companies have credit lines of bank overdrafts and short-term and long-term loans from commercial banks that haven't been utilized were pledged parts of goods, fixed deposits, land together with constructions and machinery and leasehold right as collateral against the credit facilities. The Company's and its subsidiaries' directors offered their personal guarantees. The credit limits in the consolidated financial statement are Baht 3,610.04 million and Baht 2,597.50 million respectively and in the Company's financial statement are Baht 831.78 million and Baht 1,692.50 million respectively.

24.1.4 The Company and the three subsidiary companies have issued cheques as guarantees for abiding by the regulations to the Office of Cane and Sugar Fund as follows:-

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
For the production season 2002/2003	-	50.80	-	42.60
For the production season 2003/2004	85.07	85.07	46.10	46.10

24.1.5 The three subsidiary companies have obligation from giving guarantees for associated and related companies to commercial banks at the limit of Baht 63.00 million equally for both years.



## 24.2 Contingent Liabilities

	(Unit : Million Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31, 2004</u>	<u>April 30, 2005</u>	<u>October 31, 2004</u>
Letters of Guarantees issued by Commercial Banks	1.96	11.81	1.44	11.44

24.3 The consolidated financial statement, subsidiary companies had a forward exchange contract that hasn't been utilized with bank as follows:-

	<u>Consolidated</u>	
	<u>As at</u>	
	<u>April 30, 2005</u>	<u>October 31, 2004</u>
Currency		
Million Baht	800.00	-
Million US Dollar	23.06	20.00

## 25. Financial Instruments

### Policy to manage financial risk

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

### Risk on Interest Rate

Risk on interest rates is derived from the change of the market interest rate in the future, which will affect upon the Company and its subsidiaries' operating results and cash flows, since the Company and subsidiary companies have financial institutions deposits, and financial institutions loans. However, these financial assets and liabilities bear interest rates comparable to market interest rates. The Company and subsidiary companies believe that no material risk derived from interest rates.

### Risk on Exchange Rate

Risks on exchange rates mainly involve with sales of goods and purchases of machine made in foreign currencies. As at April 30, 2005 and October 31, 2004, the Company and its subsidiary companies possessed assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows :-

		<u>As at</u>	
	<u>Foreign Currency</u>	<u>April 30, 2005</u>	<u>April 30, 2004</u>
Assets	US Dollar	1,119,738	1,721,413
Liabilities	US Dollar	63,461	174,049

#### Credit Risk

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

#### Fair Value

Since most of the financial assets and liabilities are short-term and loans bearing interest rates closed to market rates, the Company management believes such financial assets and liabilities are presented in value not materially different from relevant fair value.

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