

REVIEW INTERIM REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

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, 2006, the related consolidated and the Company statements of income for the three-month and the six-month periods ended on April 30, 2006 and 2005, changes in shareholders' equity and cash flows for the six-month periods ended on April 30, 2006 and 2005 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 company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards and, accordingly, I do not express an opinion on the reviewed financial statements.

Based on my 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.

I have ever audited the consolidated and the Company financial statements for the year ended on October 31, 2005 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 and gave a unqualified opinion as reported thereon dated December 23, 2005. The comparative consolidated and the Company balance sheets as at October 31, 2005, presented herein for comparison are an integral part of the financial statements which I have audited and reported thereon. I have not used any other auditing procedure subsequent to the date in the report.

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

(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand) Registration No. 4664

Bangkok,

June 9, 2006

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

AS AT APRIL 30, 2006 AND OCTOBER 31, 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
	Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash at Financial Institutions	212,511	161,609	32,278	15,461
Short-Term Investments	66,545	107,092	-	-
Trade Accounts and Notes Receivable (Note 4)	250,646	123,795	121,896	76,414
Trade Accounts and Notes Receivable - Subsidiary and Related Companies (Notes 3.1,5)	1,289	1,309	14,445	13
Farmer Accounts Receivable -Net (Note 6)	81,705	41,913	-	-
Short-Term Loans due from Subsidiary Companies, Related Party and Related Companies (Note 3.1)	410,857	130,049	60,507	5,521
Short-Term Loans due from Farmers (Note 7)	128,233	452,782	80,670	183,159
Inventories (Note 8)	4,610,634	874,294	1,826,814	564,562
Supplies-Net	201,425	213,484	108,487	126,443
Other Current Assets	75,837	24,111	32,031	6,142
TOTAL CURRENT ASSETS	6,039,682	2,130,438	2,277,128	977,715
NON-CURRENT ASSETS				
Investments under Equity Method (Note 9)	48,928	48,975	2,550,322	2,289,253
Other Long-Term Investments-Net (Note 10)	79,133	78,926	51,998	51,703
Investment Property-Net (Note 11)	77,226	78,676	-	-
Property, Plant and Equipment-Net (Note 12)	6,539,910	5,804,258	2,256,433	2,156,714
Land not used in Operation	337,631	337,631	301,281	301,281
Loans for Cane Plantation Development (Note 13)	124,823	109,182	-	-
Obligated Fixed Deposits	5,185	5,159	5,185	5,159
Other Non-Current Assets	24,476	26,752	249	2,807
TOTAL NON-CURRENT ASSETS	7,237,312	6,489,559	5,165,468	4,806,917
TOTAL ASSETS	13,276,994	8,619,997	7,442,596	5,784,632

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, 2006 AND OCTOBER 31, 2005

(Unit : Thousand Baht)

		CONSOLIDATED		THE COMPANY ONLY	
		2005		2006	2005
		Audited	Unaudited	Audited	Audited
		Review Only	Review Only	Review Only	Review Only
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank Overdrafts and Short-Term Loans due to					
Financial Institutions	(Note 14)	3,021,169	342,193	1,255,002	125,000
Trade Accounts and Notes Payable	(Note 15)	100,638	284,133	84,170	213,727
Trade Accounts and Notes Payable-Subsidiary and Related Companies	(Note 3.1)	690	-	79,779	13,225
Current Portion	(Note 16)	105,100	148,600	95,000	120,000
Loans due to Subsidiary Companies	(Note 3.1)	-	-	120,000	185,000
Accrued Corporate Income Tax		193,585	69,449	70,213	36,242
Advance Received from Customers for Goods		138,269	57,150	11,438	33,905
Accrued Stabilization Function Payment		54,469	41,882	27,834	21,965
Accrued Manufacturing Cost		1,083,932	-	400,704	-
Accrued Other Expenses		45,836	63,738	19,495	21,734
Other Accounts Payable		375,631	152,344	122,347	57,931
Other Current Liabilities		60,843	35,856	13,050	6,903
TOTAL CURRENT LIABILITIES		5,180,162	1,195,345	2,299,032	835,632
NON-CURRENT LIABILITIES					
Long-Term Loans	(Note 16)	655,164	159,796	-	35,000
Other Non-Current Liabilities		26,267	25,093	10,723	10,300
TOTAL NON-CURRENT LIABILITIES		681,431	184,889	10,723	45,300
TOTAL LIABILITIES		5,861,593	1,380,234	2,309,755	880,932

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, 2006 AND OCTOBER 31, 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
	Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital :				
1,600,000,000 Ordinary Shares @ Baht 1.00 Par Value		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
Premium on Share Capital		1,554,617	-	1,554,617
Revaluation Surplus on Assets-Parent Company		1,022,372	-	1,022,372
Revaluation Surplus on Assets-Subsidiary Companies	147,063	149,242	147,063	149,242
Surplus from Internal Restructure of Entities under Common Control (Note 17)	1,176,798	1,239,145	-	-
Unrealized Gain on Available for Sale Securities	2,257	2,417	2,257	2,417
Surplus from change in shareholding Ratio in Subsidiary Companies	4,815	-	-	-
Translation Adjustment	157	-	157	-
Retained Earnings				
Appropriated				
Legal Reserve	90,920	90,920	90,920	90,920
Unappropriated	794,305	534,132	794,305	534,132
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY	6,314,454	6,142,845	5,132,841	4,903,700
Minority Shareholders' Equity	1,100,947	1,096,918	-	-
TOTAL SHAREHOLDERS' EQUITY	7,415,401	7,239,763	5,132,841	4,903,700
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,276,994	8,619,997	7,442,596	5,784,632

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 PERIODS ENDED ON APRIL 30, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
REVENUES FROM OPERATION				
Sales and Services	1,646,405	1,495,867	935,087	657,907
Rental Income	8,952	8,778	8,200	7,021
Revenue from Sales of Electricity	19,689	25,014	9,192	10,944
Revenue from Sales of Fuel Oil and Cane Harvest	95,523	34,904	17,913	8,895
Participating Profit from Investments in Subsidiary and Associated Companies	30	85	211,232	75,803
Other Income	55,199	42,257	49,284	30,984
TOTAL REVENUES	1,825,798	1,606,905	1,230,908	791,554
EXPENSES FROM OPERATION				
Cost of Sales and Services	1,189,062	1,178,041	839,605	504,392
Other Cost of Sales	83,369	33,118	29,207	16,776
Selling and Administrative Expenses	127,690	142,763	65,608	73,583
Directors' Remuneration	6,865	6,529	1,395	1,395
TOTAL EXPENSES	1,406,986	1,360,451	935,815	596,146
PROFIT BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX	418,812	246,454	295,093	195,408
INTEREST EXPENSES	(33,365)	(16,164)	(16,136)	(11,568)
CORPORATE INCOME TAX	(103,175)	(55,274)	(14,675)	(27,196)
PROFIT AFTER INTEREST EXPENSES AND CORPORATE INCOME TAX	282,272	175,016	264,282	156,644
LESS NET PROFIT OF SUBSIDIARY COMPANIES BELONGING TO PARENT COMPANY BEFORE ACQUISITION OF SHARES	(546)	-	-	-
LESS MINORITY SHAREHOLDERS' NET PROFIT	(17,444)	(18,372)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	264,282	156,644	264,282	156,644
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED (UNIT : BAHT)		0.11	0.17	0.11
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (UNIT : THOUSAND SHARES)		1,462,0	1,462,055	

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 PERIODS ENDED ON APRIL 30, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
REVENUES FROM OPERATION				
Sales and Services	2,802,213	2,414,345	1,782,258	1,274,633
Rental Income	17,636	16,637	16,175	13,881
Revenue from Sales of Electricity	24,681	26,340	11,331	12,270
Revenue from Sales of Fuel Oil and Cane Harvest	170,815	102,730	52,970	37,303
Participating Profit from Investments in Subsidiary and Associated Company	-	128	278,007	182,985
Other Income	100,961	74,489	75,782	46,337
TOTAL REVENUES	3,116,306	2,634,669	2,216,523	1,567,409
EXPENSES FROM OPERATION				
Cost of Sales and Services	1,907,288	1,632,534	1,397,351	863,654
Other Cost of Sales	144,734	85,476	65,063	44,872
Selling and Administrative Expenses	286,559	289,876	151,803	153,695
Directors' Remuneration	13,823	14,934	2,790	2,790
Participating Loss from Investments in Associated Company	47	-	-	-
TOTAL EXPENSES	2,352,451	2,022,820	1,617,007	1,065,011
PROFIT BEFORE INTEREST EXPENSES AND				
CORPORATE INCOME TAX	763,855	611,849	599,516	502,398
INTEREST EXPENSES	(37,674)	(21,983)	(20,263)	(16,330)
CORPORATE INCOME TAX	(191,454)	(150,836)	(71,097)	(82,875)
PROFIT BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX	534,727	439,030	508,156	403,193
LESS NET PROFIT OF SUBSIDIARY COMPANIES BELONGING TO				
PARENT COMPANY BEFORE ACQUISITION OF SHARES	(988)	-	-	-
LESS MINORITY SHAREHOLDERS' NET PROFIT	(25,583)	(35,837)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	508,156	403,193	508,156	403,193
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.33	0.30	0.33	0.30
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARES)	1,550,000	1,364,671	1,550,000	1,364,671

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 PERIODS ENDED ON APRIL 30, 2006 AND 2005
CONSOLIDATED**

(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	Surplus on Internal Restructure of Entities under Common Control	Unrealized Gain(loss) on Available for Sale Securities	Surplus from change in shareholding Ratio in Subsidiary Companies	Translation Adjustment	Retained Earnings		Minority Shareholders' Equity	TOTAL
									Appropriated Legal Reserve	Unappropriated		
Beginning Balance as at October 31, 2005	1,550,000	1,554,617	1,022,372	149,242	1,239,145	2,417	-	-	90,920	534,132	1,096,918	7,239,763
Translation Adjustment	-	-	-	-	-	-	-	157	-	-	38	195
Unrealized Loss on Available for Sale Securities	-	-	-	-	-	(160)	-	-	-	-	-	(160)
Depreciation-Revaluation Surplus on Assets	-	-	(28,850)	(2,179)	-	-	-	-	-	-	-	(31,029)
Decrease in Surplus on Internal Restructure of Entities under Common Control (Note 17)	-	-	-	-	(62,347)	-	-	-	-	-	-	(62,347)
Surplus from change in shareholding Ratio in Subsidiary Companies	-	-	-	-	-	-	4,815	-	-	-	-	4,815
Unrealized Transaction in Income Statements	1,550,000	1,554,617	993,522	147,063	1,176,798	2,257	4,815	157	90,920	534,132	1,096,956	7,151,237
Dividend Paid (Note 18)	-	-	-	-	-	-	-	-	-	(247,983)	-	(247,983)
Net Profit for the Period	-	-	-	-	-	-	-	-	-	508,156	-	508,156
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	-	-	3,991	3,991
Ending Balance as at April 30, 2006	1,550,000	1,554,617	993,522	147,063	1,176,798	2,257	4,815	157	90,920	794,305	1,100,947	7,415,401
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	-	-	-	-	(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	279,538	884,155	-	-	-	-	-	-	-	-	-	1,163,693
Dividend Paid	-	-	-	-	-	-	-	-	-	(635,231)	-	(635,231)
Legal Reserve	-	-	-	-	-	-	-	-	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

**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 PERIODS ENDED ON APRIL 30, 2006 AND 2005

THE COMPANY ONLY

(Unit : Thousand Baht)

	Issued and Paid-up Share Capital	Premium on Share Capital	Revaluation	Revaluation	Unrealized Gain(loss) on Available for Sale Securities	Translation Adjustment	Retained Earnings		TOTAL
			Surplus on Assets- Parent Company	Surplus on Assets- Subsidiary Companies			Appropriated Legal Reserve	Unappropriated	
Beginning Balance as at October 31, 2005	1,550,000	1,554,617	1,022,372	149,242	2,417	-	90,920	534,132	4,903,700
Translation Adjustment	-	-	-	-	-	157	-	-	157
Unrealized Loss on Available for Sale Securities	-	-	-	-	(160)	-	-	-	(160)
Depreciation-Revaluation Surplus on Assets	-	-	(28,850)	(2,179)	-	-	-	-	(31,029)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	993,522	147,063	2,257	157	90,920	534,132	4,872,668
Dividend Paid (Note 18)	-	-	-	-	-	-	-	(247,983)	(247,983)
Net Profit for the Period	-	-	-	-	-	-	-	508,156	508,156
Ending Balance as at April 30, 2006	1,550,000	1,554,617	993,522	147,063	2,257	157	90,920	794,305	5,132,841
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	279,538	884,155	-	-	-	-	-	-	1,163,693
Dividend Paid	-	-	-	-	-	-	-	(635,231)	(635,231)
Legal Reserve	-	-	-	-	-	-	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

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 PERIODS ENDED ON APRIL 30, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	508,156	403,193	508,156	403,193
Reconciliation of Net Profit with Cash Received (Payment) from Operating Activities				
Doubful Accounts (Reversal) - Farmer Accounts Receivable	(2,073)	5,104	-	-
Doubful Accounts - Other Accounts Receivable	407	-	-	-
Depreciation	108,921	77,041	57,784	45,250
Amortization of Leasehold Right	26	696	-	696
Amortization of Premium on Bond	39	36	30	29
Unrealized (Gain)Loss on Exchange Rate	161	(126)	(1,247)	(46)
Gain on Sales of Assets	(125)	(34)	(505)	-
Gain on Sales of Available for Sale Securities	(28)	-	-	-
Participating (Profit) Loss from Investments under Equity Method	47	(128)	(278,007)	(182,985)
Net Profit of Subsidiary Companies belonging to Parent Company before				
Acquisition of Shares	988	-	-	-
Net Profit of Minority Shareholders	25,583	35,837	-	-
Profit from Operation before Changes in Operating Assets and Liabilities	642,102	521,619	286,211	266,137
(Increase)Decrease in Trade Accounts and Notes Receivable	(127,195)	(49,773)	(45,596)	(661)
(Increase)Decrease in Trade Accounts and Notes Receivable-				
Subsidiary and Related Companies	20	(4,618)	(14,432)	(59,548)
(Increase)Decrease in Farmer Accounts Receivable	(37,719)	(84,805)	-	(64,605)
(Increase)Decrease in Inventories	(3,736,340)	(2,398,290)	(1,262,252)	(1,383,686)
(Increase)Decrease in Supplies	12,059	(29,300)	17,956	(35,083)
(Increase)Decrease in Other Current Assets	(40,406)	(4,536)	(25,889)	10,844
(Increase)Decrease in Other Non-Current Assets	(376)	(7,293)	(94)	161
Increase(Decrease) in Trade Accounts and Notes Payable	(183,495)	(109,615)	(129,557)	(23,987)
Increase(Decrease) in Trade Accounts and Notes Payable - Subsidiary and Related Companies	690	41	66,554	24,233
Increase(Decrease) in Accrued Corporate Income Tax	124,136	78,371	33,971	17,394
Increase(Decrease) in Advance Received from Customers for Goods	81,302	61,803	(22,284)	28,293
Increase(Decrease) in Accrued Stabilization Function Payment	12,587	12,753	5,869	6,918
Increase(Decrease) in Accrued Manufacturing Cost	1,083,932	318,218	400,704	162,223
Increase(Decrease) in Accrued Other Expenses	(17,902)	(2,750)	(2,239)	5,617
Increase(Decrease) in Other Accounts Payable	223,287	(71,164)	10,572	5,934
Increase(Decrease) in Other Current Liabilities	24,987	4,015	6,147	(7,897)
Increase(Decrease) in Other Non-Current Liabilities	1,174	1,581	423	1,414
Net Cash Received (Used) from Operating Activities	(1,937,157)	(1,763,743)	(673,936)	(1,046,299)

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 PERIODS ENDED ON APRIL 30, 2006 AND 2005

	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)Decrease in Short-Term Investments		47,000	-	-
(Increase)Decrease in Short-Term Loans due from Subsidiary Cc and Related Companies			(152,926)	20,106
(Increase)Decrease in Short-Term Loans due from Other Compa		2,796		2,796
(Increase)Decrease in Short-Term Loans due from Farmers		156,675		14,275
(Increase)Decrease Loans for Cane Plantation Development		(32,547)	-	-
Purchase of Investments-Subsidiary Companies	-	-	(44,729)	(418,468)
Dividend Received from Investment in Subsidiary and Associated Companies	-	128	114,240	70,071
Purchase of Long-Term Investment	(58)	(127)	(58)	-
Purchase of Property Investment	(85)	(80,165)	-	-
Purchase of Property, Plant and Equipment	(962,845)	(416,864)	(198,446)	(128,428)
Cash Received from Sale of Preperty, Plant and Equipment	14,965	34	15,250	-
Purchase of Land not used in Operation	-	(16,621)	-	(16,622)
(Increase)Decrease in Obligated Fixed Deposits	(26)	29,974	(26)	29,974
Net Cash Received (Used) from Investing Activities	(920,284)	(462,643)	(66,266)	(426,296)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase(Decrease) in Bank Overdrafts and Short-Term Loans from Financial Institutions	2,678,976	1,052,833	1,130,002	481,402
Increase (Decrease) in Loans due to Related Companies	-	-	(65,000)	5,000
Increase (Decrease) in Short-Term Debenture	-	500,000	-	500,000
Cash Received from Long-Term Loans	548,368	-	-	-
Repayment of Long-Term Loans	(96,500)	(66,600)	(60,000)	(60,000)
Cash Received from Capital Increase	-	1,163,693	-	1,163,693
Dividend Paid to Parent Company's Shareholders	(247,983)	(635,231)	(247,983)	(635,231)
Cash Received from Minority's Shareholders	471	-	-	-
Dividend Paid to Minority's Shareholders	(14,384)	(8,807)	-	-
Net Cash Received (Used) from Financing Activities	2,868,948	2,005,888	757,019	1,454,864
Increase (Decrease) from Translation Adjustment	195	-	-	-
Cash and Cash Equivalent Increase(Decrease) - Net	11,702	(220,498)	16,817	(17,731)
Cash and Cash Equivalent at the Beginning of the Period	263,609	446,367	15,461	51,027
Cash and Cash Equivalent at the Ending of the Period	275,311	225,869	32,278	33,296

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 PERIODS ENDED ON APRIL 30, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005

Additional Disclosure :

1. Cash payment during the period

- Interest Expenses	34,761	21,190	19,139	14,995
- Corporate Income Tax	66,526	72,465	36,242	65,481

2. For the six-month period ended on April 30, 2006, the Company and its subsidiary companies have material items not affecting cash flow as follows:-

- In the consolidated financial statements, the Company amortize the surplus from internal restructure under common control at amount of Baht 62.35 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies amortize the depreciations of the revaluation surplus on assets at amount of Baht 31.03 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies recognized unrealized loss on revaluation of available for sale securities amounting to Baht 0.16 million.
- In the Company's financial statements, the Company additionally invested in two subsidiary companies remained at amount of Baht 53.84 million.
- In the consolidated and the Company's financial statements, the Company transferred in advanced for land to land at Baht 2.65 million.
- In the consolidated financial statements, the subsidiary companies recorded interest expenses as cost of fixed asset at Baht 4.92 million.
- In the consolidated financial statements, the subsidiary companies have surplus from change in shareholding ratio in subsidiary companies at amount of Baht 4.81 million.
- In the consolidated financial statements, the Company received investment from Minority's Shareholders remained at amount of Baht 11.73 million.

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

material items

not affecting cash

- In the consolidated financial statements, the Company amortize 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 amortize the depreciations of the revaluation surplus on assets 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.

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
NOTES TO FINANCIAL STATEMENTS
April 30, 2006 and 2005 (Unaudited/Limited Review Only)
and October 31, 2005 (Audited)

1. Basis of Financial Statement 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 office of the Securities and Exchange of Commission, Thailand and regulations of the Stock Exchange of Thailand.
- 1.2 The financial statements for the year ended on October 31, 2005 have been reclassified in order to facilitate comparative analysis with those for the six-month period ended on April 30, 2006.
- 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, 2005, so that these interim financial statements should be read in conjunction with the 2005 annual financial statements.

2. Basis of Consolidation

- 2.1 The interim 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>Kind of Business</u>
	<u>Holding</u>	<u>Incorporation</u>		
	<u>2006</u>	<u>2005</u>		
Thai Sugar Terminal Public Co., Ltd. and its subsidiary companies	23.82	23.82	Thailand	Locating and silo warehouse and property rental and during investment process in wheat flour business
New Krung Thai Sugar Industry Co., Ltd.	91.06	91.06	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Co., Ltd.	89.20	88.82	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Industry Co., Ltd.	96.85	96.85	Thailand	Manufacture and distribution of sugar and molasses
KSL 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
KSL Chemical Co., Ltd. (Former Name KS Laxmi Co., Ltd.)	100.00	51.00	Thailand	Agency of chemical
Khon Kaen Sugar Power Plant Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of electricity
Khon Kaen Alcohol Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of alcohol and chemical
KSL. Agro Co., Ltd.	100.00	-	Thailand	Agricultural Operation

Company Name	Percentage of		Country of	Kind of Business
	Holding			
	2006	2005		
Savannakhet Sugar Corporation	80.00	-	Laos	Agricultural Operation Manufacture and distribution of sugar and molasses with investment process

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, 2006 and October 31, 2005, 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 and its subsidiary companies and SAVANNAKHET SUGAR CORPORATION, which their 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 persons could be summarized as follows:-

3.1 Inter-Assets and Liabilities

Type of Transaction/Company Name	Relationship	(Unit : Thousand Baht)			
		Consolidated		The Company Only	
		As at		As at	
		April 30, 2006	October 31, 2005	April 30, 2006	October 31, 2005
- Trade Accounts and Notes Receivable					
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	-	13
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	14,445	-
Prachaup Industry Co., Ltd.	Related	1,204	863	-	-
Thai Fermentation Industry Co., Ltd.	Related	69	331	-	-
Other Related Companies		16	115	-	-
Total		1,289	1,309	14,445	13
- Other Accounts Receivable					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	7,567	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	315	-
Kerry Siam Seaport Co., Ltd.	Related	-	-	1,037	-
Other Related Companies		7	-	114	-
Total		7	-	9,033	-

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		As at		As at	
		April 30, 2006	October 31, 2005	April 30, 2006	October 31, 2005
- Prepaid Expense					
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	7,203	-
K.S.L. IT Center Co., Ltd.	Related	52	-	12	-
Total		52	-	7,215	-
- Accrued revenues					
KSL. Agro Co., Ltd.	Subsidiary	-	-	20	-
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	1	-
KSL Real Estate Co., Ltd.	Subsidiary	-	-	3	-
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	28	-
Total		-	-	52	-
- Advanced Payment for Sugar					
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	1,209	1,059
Total		-	-	1,209	1,059
- Guarantee for Collection					
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	93	-
Total		-	-	93	-
- Other Accounts Payable					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	-	861
Thai Fermentation Industry Co., Ltd.	Related	61	-	-	-
K.S.L. IT Center Co., Ltd.	Related	1,621	-	686	-
Total		1,682	-	686	861
- Advance Income Received					
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	81	-
Total		-	-	81	-
- Accrued Expense					
KSL Real Estate Co., Ltd.	Subsidiary	-	-	10	-
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	369	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	39	-
K.S.L. IT Center Co., Ltd.	Related	161	-	-	-
Total		161	-	418	-
- Guarantee for Building Rental					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	90	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	440	-
K.S.L. IT Center Co., Ltd.	Related	110	-	110	-
Total		110	-	640	-
- Share Subscription Payable					
KSL. Agro Co., Ltd.	Subsidiary	-	-	23,750	-
Savannahet Sugar Corporation	Subsidiary	-	-	30,093	-
Total		-	-	53,843	-

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		As at		As at	
		April 30, 2006	October 31, 2005	April 30, 2006	October 31, 2005
- Advance Received from Customers for Goods					
Thai Fermentation Industry Co., Ltd.	Related	131,476	11,482	6,315	11,455
Total		131,476	11,482	6,315	11,455
- Trade Accounts and Notes Payable					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	29,461	13,163
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	34,428	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	15,196	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	623	-
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	-	62
K.S.L. IT Center Co., Ltd.	Related	74	-	-	-
Thai Fermentation Industry Co., Ltd.	Related	616	-	71	-
Total		690	-	79,779	13,225
- Advance payment for the Company	Subsidiary's Director	1,623	-	-	-
Total		1,623	-	-	-
- Short-Term Loans due to					
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	20,000
Increase in the period		-	-	-	-
Decrease in the period		-	-	-	(20,000)
Ending balance		-	-	-	-
KSL Real Estate Co., Ltd.	Subsidiary				
Beginning balance		-	-	5,400	5,400
Increase in the period		-	-	2,000	-
Decrease in the period		-	-	(400)	-
Ending balance		-	-	7,000	5,400
KSL. Agro Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	53,500	-
Decrease in the period		-	-	-	-
Ending balance		-	-	53,500	-
Prachaup Industry Co., Ltd.	Related				
Beginning balance		129,928	121,983	-	-
Increase in the period		380,007	178,977	-	-
Decrease in the period		(99,085)	(171,032)	-	-
Ending balance		410,850	129,928	-	-
- Loan due from Related Party	Company's Advisor				
Beginning balance		121	338	121	338
Increase in the period		-	-	-	-
Decrease in the period		(114)	(217)	(114)	(217)
Ending balance		7	121	7	121
Total		410,857	130,049	60,507	5,521

As at April 30, 2006 and October 31, 2005, loans due to subsidiary and related companies were loans in the form of promissory notes and payable on demand bearing interest rates at 4.00 - 6.75% and 2.75-4.00% per annum respectively.

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

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	(Unit : Thousand Baht)			
		<u>Consolidated</u>		<u>The Company Only</u>	
		<u>As at</u>		<u>As at</u>	
		<u>April 30, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
- Loans due to					
Tamaka Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	55,000
Increase in the period		-	-	-	250,000
Decrease in the period		-	-	-	(305,000)
Ending balance		-	-	-	-
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	80,000
Increase in the period		-	-	-	-
Decrease in the period		-	-	-	(80,000)
Ending balance		-	-	-	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary				
Beginning balance		-	-	185,000	-
Increase in the period		-	-	85,000	240,000
Decrease in the period		-	-	(150,000)	(55,000)
Ending balance		-	-	120,000	185,000
Total		-	-	120,000	185,000

As at April 30, 2006 and October 31, 2005, loans due to subsidiary companies are loans repayable at call and carry interest rates at 3.05 – 6.00% per annum and 3.05% per annum respectively.

3.2 Inter-Revenue and Expense

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	(Unit : Thousand Baht)			
		<u>Consolidated</u>		<u>The Company Only</u>	
		<u>For the six-month period ended on April 30,</u>			
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
- Sales					
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	56	10,739
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	56	29,989
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	31	10,984
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	4	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	176,379	-
Thai Fermentation Industry Co., Ltd.	Related	96,308	23,210	27,192	10,745
Other Related Companies		3	-	3	-
Total		96,311	23,210	203,721	62,457

(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>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
- Purchases					
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	63,571	62,364
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	119,731	88,924
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	41,220	26,427
Thai Fermentation Industry Co., Ltd.	Related	1,866	1,401	485	499
Total		1,866	1,401	225,007	178,214

Policy of Inter-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 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)

<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>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
- Rental Income and Service					
On Nuj Construction Co., Ltd.	Related	243	243	243	243
Chengteh Chinaware (Thailand) Co., Ltd.	Related	720	720	720	720
K. K. Wood Industry Co., Ltd.	Related	415	415	415	415
K.S.L. IT Center Co., Ltd.	Related	180	180	180	180
Amarco Co., Ltd.	Related	9	-	9	-
Total		1,567	1,558	1,567	1,558
- Land sold value					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	15,244	-
- Other Income					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	141	626
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	6	199
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	-	228
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	26,601	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	420	-
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	80	50
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	28	-
Thai Fermentation Industry Co., Ltd.	Related	238	185	34	-
K.S.L. IT Center Co., Ltd.	Related	2	-	-	-
Total		240	185	27,310	1,103

(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>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
- Interest Income					
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	-	239
KSL Real Estate Co., Ltd.	Subsidiary	-	-	136	98
KSL. Agro Co., Ltd.	Subsidiary	-	-	488	-
Total		-	-	624	337
- Goods Custody and Exporting Fees					
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	714	314
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	443	633
TS Warehouse Co., Ltd.	Subsidiary	-	-	112	180
Kerry Siam Seaport Co., Ltd.	Related	45	68	45	68
Total		45	68	1,314	1,195
- Other Expenses					
KSL Real Estate Co., Ltd.	Subsidiary	-	-	11	-
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	93	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	64	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	3,998	-
Thai Fermentation Industry Co., Ltd.	Related	57	33	18	10
K.S.L. IT Center Co., Ltd.	Related	2,680	1,957	792	720
K.S.L. Tower Juristic Person Office	Related	4,102	-	-	-
Total		6,839	1,990	4,976	730
- Interest Expenses					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	-	412
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	-	102
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	2,970	316
Total		-	-	2,970	830

Policy of Price Setting

- Rental income, service income and sale of land are charged according to the mutually agreed agreements.
- Revenue from selling of supplies are according to the mutually agreed prices.
- Revenue from selling of construction material are charged according to the cost.
- Revenue from sale on raw material are charged according to the market price.
- 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.

3.3 Relationship of Related Companies

Consisted of: -

<u>Company Name</u>	<u>Relationship</u>	<u>Connection</u>
K.S.L. IT Center Co., Ltd.	Related Company	Same 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
K.K. Wood Industry Co., Ltd.	Related Company	Same group of shareholder
Amarco Co., Ltd.	Related Company	Same group of shareholder
Thai Fermentation Industry Co., Ltd.	Related Company	Same group of shareholder
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in subsidiary company
Mitr Kaset Sugar Industry Co., Ltd.	Related Company	Mutual directors in subsidiary company
Eastern Sugar and Sugar Cane Co., Ltd.	Related Company	Mutual directors in subsidiary company
Kerry Siam Seaport Co., Ltd.	Related Company	Mutual directors
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

Consisted of :

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
Trade Accounts Receivable - Local				
Not yet due	162,857	98,656	82,051	76,281
Not over 30 days	17,006	11,860	769	-
Over 30 days but not over 60 days	44	123	-	-
Total	179,907	110,639	82,820	76,281
Trade Accounts Receivable – Foreign	55,095	9,023	27,741	-
Notes Receivable	15,644	4,133	11,335	133
Total	250,646	123,795	121,896	76,414

5. 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, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
Trade Accounts Receivable				
Not yet due	1,129	505	14,445	-
Not over 30 days	144	3	-	-
Over 30 days but not over 60 days	16	110	-	-
Total	1,289	618	14,445	-
Notes Receivable	-	691	-	13
Total	1,289	1,309	14,445	13

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, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
Cane Accounts Receivable				
Before Season 2001 / 2002	28,259	31,225	398	398
Season 2001 / 2002	5,649	6,363	-	-
Season 2002 / 2003	18,180	18,991	-	-
Season 2003 / 2004	8,348	10,533	-	-
Season 2004 / 2005	9,987	16,097	-	-
Season 2005 / 2006	54,396	-	-	-
Total	124,819	83,209	398	398
Fuel Oil Accounts Receivable	1,512	5,884	-	-
Fertilizer Accounts Receivable	585	104	-	-
Total	126,916	89,197	398	398
<u>Less</u> Allowance for Doubtful Accounts	(45,211)	(47,284)	(398)	(398)
Net	81,705	41,913	-	-

7. Short-Term Loans due from Farmers

As at April 30, 2006 and October 31, 2005, these loans consisted of portion that was charged interest at 5.00 - 6.50% per annum and 5.00 - 6.00 % per annum respectively and another portion in the form of post- dated cheques where farmers discounted with the Company and its subsidiary companies with interest rate based on lending rate of Bank for Agriculture and Agricultural Cooperatives.

8. Inventories

As at April 30, 2006, in the consolidated and the Company's financial statements, the Company and 3 subsidiary companies pledged a part of inventory in amount of Baht 505.57 million as collaterals against short-term loans due to a commercial bank.

9. Investments under Equity Method

Consisted of:

(Unit : Thousand Baht)

Company Name	Paid-Up Share Capital	Percentage of Shareholding		Consolidated					
				As at April 30, 2006			As at October 31, 2005		
				Cost	Equity	Dividend	Cost	Equity	Dividend
Associated Company (Direct Holding)		2006	2005						
Champion Fermentation Co., Ltd.	150,000	32.00	32.00	56,80	48,928	-	56,80	48,975	128
Total				56,80	48,928	-	56,80	48,975	128

(Unit : Thousand Baht)

Company Name	Paid-Up		Percentage of Shareholding		The Company Only					
					As at April 30, 2006			As at October 31, 2005		
					Cost	Equity	Dividend	Cost	Equity	Dividend
Subsidiary and Associated Companies (Direct and Indirect Holding)	2006	2005	2006	2005						
Thai Sugar Terminal Public Co., Ltd.	120,000	120,000	23.82	23.82	79,109	234,607	-	79,109	235,459	2,646
New Krung Thai Sugar Industry Co., Ltd.	472,500	540,000	91.06	91.06	306,894	444,444	-	306,894	371,722	-
Tamaka Sugar Industry Co., Ltd.	543,750	525,000	89.20	88.82	467,087	666,696	114,240	448,337	635,608	69,943
New Kwang Soon Lee Sugar Industry Co., Ltd.	220,000	880,000	96.85	96.85	289,284	436,244	-	289,284	383,940	-
KSL Real Estate Co., Ltd.	140,000	140,000	80.31	80.31	89,134	64,861	-	89,134	66,232	-
K.S.L. Export Trading Co., Ltd.	10,000	10,000	78.32	78.32	3,387	(1,717)	-	3,387	1,425	-
KSL Chemical Co., Ltd.	7,500	2,500	100.00	51.00	6,618	4,512	-	1,275	27	-
Khon Kaen Sugar Power Plant Co., Ltd.	400,000	400,000	100.00	100.00	399,972	408,374	-	399,972	400,523	-
Khon Kaen Alcohol Co., Ltd.	160,000	160,000	100.00	100.00	159,986	170,975	-	159,986	145,342	-
KSL. Agro Co., Ltd	28,750	-	100.00	-	28,750	27,332	-	-	-	-
Savannakhet Sugar Corporation	58,635	-	80.00	-	46,908	45,066	-	-	-	-
Champion Fermentation Co., Ltd.	150,000	150,000	32.00	32.00	56,800	48,928	-	56,800	48,975	128
Total					1,933,929	2,550,322	114,240	1,834,178	2,289,253	72,717

As at April 30, 2006 and October 31, 2005, the Company used the financial statements for the six-month period ended on March 31, 2006 and the year ended on September 30, 2005 of Champion Fermentation Co., Ltd. in the recognition of equity in such investment. The said associated company's financial statements were not yet reviewed and audited by any certified auditor. The recognized participating profit(loss) in the income statement for the six-month period ended on April 30, 2006 and the year ended on October 31, 2005 is Baht (0.05) million and Baht 0.36 million respectively.

In accordance with the minutes of the shareholders' extraordinary meeting No.1/2548 held on July 11, 2005 and No.2/2548 held on July 26, 2005 of New Krung Thai Sugar Industry Co., Ltd., a subsidiary company, it was unanimously resolved to reduce the registered capital by reduce the par value by Baht 1.25 per share amounting to Baht 67.50 million from the former registered and paid-up capital of Baht 540.00 million (54 million ordinary shares at par value of Baht 10.00 per share) to Baht 472.50 million (54 million ordinary shares at the par value of Baht 8.75 per share) to write - off retained loss. The subsidiary company registered the reduction of registered capital with the Ministry of Commerce on December 7, 2005.

In accordance with the minutes of the shareholders' extraordinary meeting No.1/2548 held on July 11, 2005 and No.2/2548 held on July 26, 2005 of New Kwang Soon Lee Sugar Industry Co., Ltd., a subsidiary company, it was unanimously resolved to reduce the number of registered capital by reduce the number of ordinary shares by 66 million ordinary shares amounting to Baht 660.00 million from the former registered and paid-up capital of Baht 880.00 million (88 million ordinary shares at the par value of Baht 10.00 per share) to Baht 220.00 million (22 million ordinary shares at the par value of Baht 10.00 per share) to write-off retained loss. The subsidiary company registered the reduction of registered capital with the Ministry of Commerce on December 7, 2005.

In the first quarter of the year 2006, the Company additionally invested in the ordinary shares of KSL Chemical Co., Ltd. thus increase the ratio from formerly 51% to 100% amount Baht 5.34 million.

In the first quarter of the year 2006, the Company additionally invested in the whole amount ordinary shares of KSL. Agro Co., Ltd. amount Baht 1.25 million and in the second quarter of the year 2006 the Company also additionally invested in the capital increase ordinary shares of the said subsidiary company, at Baht 27.50 million, which its ratio of shareholding remained the same.

During the second quarter of the year 2006, the Company additionally invested in the ordinary shares of Savannakhet Sugar Corporation to construct the sugar plant and apply for 62,500-Rai 30-year land concession intended for sugar cane plantation in Savannakhet, Lao People's Democratic Republic. The initial investment for the project is expected to be approximately USD 10 million. The Company holds shares at the ratio of 80% equals to Baht 46.91 million.

During the second quarter of the year 2006, the Company additionally invested in the capital increase ordinary shares of Tamaka Sugar Industry Co., Ltd., a subsidiary company, at Baht 75.00 million thus increased its ratio of shareholding from 88.82% to 89.20%.

10. Other Long-Term Investments - 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,</u>	<u>October 31,</u>	<u>April 30,</u>	<u>October 31,</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>10.1 Available-for-Sale Securities</u>				
Investment in Debt Securities				
- Subordinated Debenture	4,000	4,000	-	-
Investment in Marketable Equity Securities				
- Bangkok Bank Public Co., Ltd.	336	336	336	336
- United Overseas Bank (Thai) Public Co., Ltd.	231	173	231	173
- Ratchaburi Egco Holding Public Co., Ltd.	792	792	792	792
- Finansa Public Co., Ltd.	50	50	50	50
<u>Add</u> Unrealized Gain on Available-for-Sale Securities	2,365	2,177	2,845	2,578
Available-for-Sale Securities Investment - Net	<u>7,774</u>	<u>7,528</u>	<u>4,254</u>	<u>3,929</u>

	<u>Company Name</u>	<u>Kind of Business</u>	<u>Paid-Up</u>	<u>Percentage of</u>	(Unit : Thousand Baht)						
					<u>Share Capital</u>	<u>Holding</u>		<u>Consolidated</u>		<u>The Company Only</u>	
						<u>Consolidated</u>	<u>The</u>	<u>As at</u>		<u>As at</u>	
								<u>Company</u>	<u>Company</u>	<u>April 30,</u>	<u>October 31,</u>
						<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>		
<u>10.2 General Investments</u>											
- Thai Sugar Intertrade Co., Ltd.		Warehouse and Silo	57,500	0.68	0.68	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, Silo and Properties	12,500	4.10	4.10	523	523	523	523		
- Thai Cane and Sugar Corp. Ltd.		Export Agent	20,000	2.80	1.61	787	787	323	323		
- Thai Sugar Property Co., Ltd.		Warehouse and Silo	30,000	4.11	4.11	1,238	1,238	1,238	1,238		
- TS Warehouse Co., Ltd.		Sugar Depository and Warehouse and Silo	12,500	4.03	4.03	508	508	508	508		
- Thai Sugar Miller Co., Ltd.		Marketing Information Service	109	8.00	2.00	9	9	2	2		
- Kerry Siam Seaport Co., Ltd.		Seaport	484,500	11.26	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)		
General Investments - Net						<u>58,058</u>	<u>58,058</u>	<u>40,984</u>	<u>40,984</u>		
<u>10.3 Investment in Held-to-Maturity Debt Securities</u>											
- Bond						13,301	13,340	6,760	6,790		
Total Investment in Held-to-Maturity Debt Securities						<u>13,301</u>	<u>13,340</u>	<u>6,760</u>	<u>6,790</u>		
Total Other Long-term Investments - Net						<u>79,133</u>	<u>78,926</u>	<u>51,998</u>	<u>51,703</u>		

As at April 30, 2006 and October 31, 2005, 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 statement of Baht 13.12 million and Baht 13.16 million respectively and in the Company financial statement of Baht 6.58 million and Baht 6.61 million respectively.

11. Investment Property-Net

For the six-month period ended on April 30, 2006, investment property hold movement as follows:-

	(Unit : Thousand Baht)
	<u>Consolidated</u>
Beginning Book Value - Net	78,676
Purchase/Transfer in	85
Depreciation	(1,535)
Ending Book Value - Net	<u>77,226</u>

12. Property, Plant and Equipment - Net

For the six-month period ended on April 30, 2006, Property, Plant and Equipment hold movement as follows: -

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>The Company Only</u>
Beginning Book Value - Net	5,804,258	2,156,714
Purchase/Transfer in	1,476,654	364,635
Sale/Transfer out	(530,478)	(178,310)
Depreciation	(107,386)	(57,784)
Depreciation-Revaluation Surplus on Assets	(107,244)	(28,850)
Accumulated Depreciation-Sale/Transfer out	4,106	28
Ending Book Value - Net	<u>6,539,910</u>	<u>2,256,433</u>

In the consolidated and the Company's financial statements as at April 30, 2006 and October 31, 2005, 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 as collaterals against short-term and long-term credit facilities with commercial banks (equally for both periods).

For the six-month period ended on April 30, 2006 and for the year ended on October 31, 2005, in the consolidated financial statements, the cost of project during construction included interest expense of Baht 4.92 million and Baht 2.86 million respectively arisen from long - term loans obtained for construction of factory and machine installation.

As at April 30, 2006 and October 31, 2005, the Company's land in the amount of Baht 11.60 million equally for the both periods 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.

As at April 30, 2006 and October 31, 2005, in the consolidated financial statements, assets in cost value of Baht 3,460.84 million and Baht 3,289.32 million respectively and in the Company's financial statements, of Baht 1,168.18 million and Baht 1,164.19 million respectively, were fully depreciated but still in use.

13. Loans for Cane Plantation Development

As at April 30, 2006 and October 31, 2005, three subsidiary companies gave loans to cane farmers for development of cane plantation in order to use such loans to buy land for plantation purpose and agricultural equipment. The loans contracts are for the term of 3-10 years onward and interest rate is 8.00-8.50 % per annum and 6.00-8.50 % per annum respectively. Most of farmers used land and vehicle as collaterals.

14. Bank Overdrafts and Short-Term Loans due to 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, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
Bank Overdrafts	3,319	2,856	2	-
Loans due to Financial Institutions	2,607,000	165,000	1,255,000	125,000
Packing Credit	410,850	129,928	-	-
Trust Receipt	-	4,064	-	-
Letter of Credit	-	40,345	-	-
Total	3,021,169	342,193	1,255,002	125,000

In the consolidated and the Company's financial statements as at April 30, 2006 and October 31, 2005, loans due to financial institutions are loans in the form of promissory notes with the maturity period ranged from 3-6 months and carrying interest rates of 4.93-6.50% and 2.30-4.75% per annum respectively.

The bank overdrafts, short-term loans due to financial Institutions, trust receipt and letter of credit were pledged by part of land and construction, machinery, equipment and fixed deposits as collaterals. The subsidiary companies' directors also offer their personal guarantees.

In the consolidated financial statements as at April 30, 2006 and October 31, 2005, packing credits was a loan contract of a subsidiary company with a commercial bank for the benefit of a related company with the directors of the said subsidiary company offered their personal guarantees. The related company issued a promissory note with the same amount and gave it as a guarantee. The principal amount of Baht 76.28 million was subject to annual MLR with payments due by 2015. Creditors withhold the right to change the period of payment annually.

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, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
Cane Trade Accounts Payable	1,521	170,237	1,521	113,514
Trade Accounts Payable	90,885	111,675	82,649	100,213
Notes Payable	8,232	2,221	-	-
Total	100,638	284,133	84,170	213,727

As at April 30, 2006, the Company and its subsidiary companies recorded the cane price for the production season year 2005/2006 according to the cabinet's resolution dated November 29, 2005 which set the initial price of cane at Baht 800 per metric tonne at the sweetness level of 10 C.C.S. with adjustment of +/- Baht 48 per metric tonne per unit of C.C.S. until the date in the report, the Office of the Cane and Sugar Board has not announced the initial price of cane for the production season year 2005/2006 the Company and its subsidiary companies recorded cane trade account payable and average cost of cane used to calculate the cost of inventories for the six-month period ended on April 30, 2006 were estimated by the Company and its subsidiary companies' managements at Baht 1,070.94-1,166.16 per metric tonne.

As at October 31, 2005, 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 three subsidiary companies recorded the cane trade accounts payable and calculated the cost of goods sold and inventories at the end of the period as at October 31, 2005 by using the final price of cane estimated by the Company and its subsidiary companies' management. In the first quarter of the year 2006, the Office of the Cane and Sugar Board has announced the final price of cane for the production season year 2004/2005 in the letter No. Or Kor 0602/Vor 3655 dated December 26, 2005 and in the Royal Gazette dated December 23, 2005, where there was no difference between the announced final price of cane and the estimate made by the Company and its subsidiary companies' management.

16. 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, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
Loans due to Commercial Banks	760,264	308,396	95,000	155,000
<u>Less</u> Current Portion	(105,100)	(148,600)	(95,000)	(120,000)
Net	655,164	159,796	-	35,000

Movement of long-term loans for the six-month period ended on April 30, 2006 is as follows: -

	<u>Consolidated</u>	<u>The Company Only</u>
Beginning book value	308,396	155,000
Increase in the Period	548,368	-
Decrease in the Period	(96,500)	(60,000)
Ending book value	760,264	95,000

In the consolidated and the Company's financial statements as at April 30, 2006 and October 31, 2005, the Company and its subsidiary companies obtained loans from three commercial banks and carry interest rates at 3.50 to MLR-1.50 percent per annum and fixed deposit rate plus 2.00-3.00 % per annum. The interest is monthly repayable. The credit facilities obtained can be classified in to 5 credit lines with the important covenants as follows:-

- The parent company's principal remaining of the first credit line is amounting to Baht 490.00 million with the remaining principal of Baht 95.00 million and Baht 155.00 million respectively. The repayment period is 4 years since the date of first withdrawal of the loan, which 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 60.00 million each. The final installment is to be made on December 2007 at Baht 70.00 million. The Company pledged a part of machinery and equipment as collateral against such credit facilities in full amount and this loan has following important conditions:-
 - 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 2.00% 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.

- A subsidiary company's principal remaining of the second credit line is amounting to Baht 200.00 million with the remaining principal of Baht 0.10 million and Baht 36.60 million respectively. The repayment period is repayable every 6 months. The first installment is to be made on March 2002 until September 2006 for the total of 10 installments at amount of Baht 14.30 million each and the final installment is to be made on March 2007 at amount of Baht 14.00 million. The subsidiary company pledged land together with construction and machinery as collateral against credit facility.
- A subsidiary company's principal remaining of the third credit line is amounting to Baht 200.00 million with the remaining principal of Baht 200.00 million and Baht 116.80 million respectively. The principal have the grace period of 2 years 6 months from the date of the first withdrawal (July 19, 2005). Afterward, the repayments are to be made at six-monthly totalling 10 installments. The repayment for 1st to 9th installment is at Baht 20.00 million per installment. The remaining principal must be repaid on the 10th installment. The subsidiary company pledged all land together with construction that the subsidiary company may have in the future and all machinery of project and this loan has following important conditions :-
 - The subsidiary company must have the registered capital at not less than Baht 100.00 million and the paid-up capital must be not less than 25% prior to or at the date of the first withdrawal of the loan.
 - The parent company must paid the shareholding proportion in the said subsidiary company at the rate not less than 85% of the issued and paid-up share capital though out the period of the loan.
 - The subsidiary company is not able to pay dividend except when it can repay the principal and interest according to the contract.
 - Except loans from shareholders or affiliated companies, the subsidiary company must not enter into any long-term loan contract unless it has obtained prior approval from the lenders.
- A subsidiary company's principal remaining of the fourth credit line is amounting to Baht 800.00 million with the remaining principal of Baht 165.16 million as at April 30, 2006. The principal have the grace period of 3 years 6 months from the date of the first withdrawal (December 30, 2005). Afterward, the repayments are to be made at six-monthly totalling 14 installments. The repayment for 1st to 13th installment is at Baht 57.50 million. The remaining principal must be repaid on the 14th installment this loan has following important conditions :-
 - The subsidiary company must hand over the leasehold right of the factory land to the bank where the land leasehold period must be not less than 30 years.
 - The subsidiary company has to register the pledge of construction that the subsidiary company may have in the future and machinery of project with the principal of pledge at Baht 1,000.00 million to be completed within 2 years from the date of the first withdrawal.
 - The parents company fully guaranteed against any form of credit facility.

- The subsidiary company, with the bank as its the beneficiary, insured the constructions and machinery. The highest insured value must be equal to the value acceptable by the insurance company.
- A Subsidiary company's principal remaining of the fifth credit line is amounting to Baht 300.00 million with the remaining principal as at April 30, 2006 of Baht 300.00 million. The repayment period is repayable every 6 months. The first installment is to be made on September 2006 until March 2012 for the total of 12 installments contractual. The subsidiary company pledged land together with construction and machinery as collateral against credit facility.

17. Surplus from Internal Restructure of Entities under Common Control

In the consolidated financial statement, movement of surplus from internal restructure of entities under common control for the six-month period ended on April 30, 2006 is as follows: -

	(Unit : Thousand Baht)		
	<u>Revaluation Surplus on</u>	<u>Discount from Internal</u>	<u>Net</u>
	<u>Assets-Subsidiary</u>	<u>Restructure of Entities</u>	
	<u>Companies</u>	<u>under Common Control</u>	
Beginning balance	1,502,788	(263,643)	1,239,145
Decrease in the period	(62,347)	-	(62,347)
Ending balance	1,440,441	(263,643)	1,176,798

18. Dividend Paid and Legal Reserve

In accordance with the minutes of the annual shareholders' general meeting No. 1/2549 held on February 27, 2006, it was unanimously resolved for the appropriated net profit in 2005 of Baht 16.42 million and net profit of the previous year of Baht 36.40 million to legal reserve and paid dividend from result from operation from November 1, 2004 to October 31, 2005 at the rate of Baht 0.16 per share totalling Baht 247.98 million. The dividend has been paid to shareholders on March 27, 2006.

19. Cash and Cash Equivalents

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at April 30,</u>		<u>As at April 30,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash on hand and at banks	212,511	159,569	32,278	33,296
Short-term investments	62,800	66,300	-	-
Investment in marketable equity - available for sales security-net	3,745	5,000	-	-
Total	279,056	230,869	32,278	33,296
<u>Less</u> Investment in marketable equity - available for sales security-net	(3,745)	(5,000)	-	-
Net	275,311	225,869	32,278	33,296

In the consolidated financial statements as at April 30, 2006 and 2005, short-term investments were deposits in the form of promissory notes with interest rates of 1.75-4.25 % and 1.50-1.75 % per annum respectively.

In the consolidated financial statements as at April 30, 2006, the subsidiary company has unrealized loss on revaluation of investment in marketable equity-available for sale for Baht 2.47 million.

20. Financial Information by Segments

The Company's business operation relates to manufacture and distribution of sugar and lease space to use as office. The Company only conduct its business in one geographical area namely Thailand.

Information about business operation by segments as follow: -

Consolidated

For the six-month periods ended on April 30, 2006 and 2005

	(Unit : Million Baht)											
	Manufacture and Distribution of Sugar		Real Estate Rental		Land Appropriation for Housing		Manufacture and Distribution of Alcohol		Others		Total	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Net Operation Revenues – Domestic	1,621	1,325	61	93	1	1	190	-	10	1	1,883	1,420
– Foreign	1,233	1,214	-	-	-	-	-	-	-	-	1,233	1,214
Total	2,854	2,539	61	93	1	1	190	-	10	1	3,116	2,634
Profit (loss) from Operation	710	580	23	47	(2)	(1)	37	(3)	(4)	(11)	764	612
Interest Expenses											(38)	(22)
Corporate Income Tax											(191)	(151)
Profit after interest expense and corporate income tax											535	439
<u>Less</u> Net Profit of subsidiary companies belonging to parent company before acquisition of shares											(1)	-
<u>Less</u> Net Profit of Minority Shareholders											(26)	(36)
Net Profit of Khon Kaen Sugar Industry Public Company Limited											508	403
Property, Plant and Equipment-Net as at April 30,	4,416	4,487	1,043	1,051	18	18	422	171	641	58	6,540	5,785
Central Assets	5,851	4,191	205	219	55	55	148	24	478	305	6,737	4,794
Total Assets as at April 30,	10,267	8,678	1,248	1,270	73	73	570	195	1,119	363	13,277	10,579

21. Obligations and Contingent Liabilities

As at April 30, 2006 and October 31, 2005, apart from liabilities reflected in the balance sheets, the Company and its subsidiary companies have obligations and contingent liabilities as follows:-

- 21.1 The Company and its subsidiary companies have obligations relating to agreements to sell goods but not yet delivered in the consolidated financial statements in amount of Baht 3,792.28 million and Baht 856.08 million respectively and in the Company's financial statement in amount of Baht 2,195.54 million and Baht 654.52 million respectively.
- 21.2 As at April 30, 2006, the Company and a subsidiary company have issued post-dated cheques to farmers to purchase cane for the production season 2006/2007 at the total of Baht 74.40 million and as at October 31, 2005, the Company and 3 of its subsidiary companies have issued post-dated cheques to farmers to purchase cane for the production season 2005/2006 at the total of Baht 386.76 million. The Company and the subsidiary companies have not recorded the said liabilities as the cheques are not due and the cane of the said production season has not been received from farmers.
- 21.3 The Company and its subsidiary companies, there were credit lines of bank overdrafts , short term and long term loans from commercial banks that were pledged fixed deposits, goods, land together with constructions, part of machinery, leaseholdright of construction as collateral and directors participate guarantee against the credit facilities. The credit limits in the consolidated financial statements are Baht 2,916.52 million and Baht 5,226.13 million respectively and in the Company's financial statements are Baht 703.00 million and Baht 1,833.00 million respectively.
- 21.4 The Company and 3 of its 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, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
For the production season 2003/2004	-	85.07	-	46.10
For the production season 2004/2005	79.56	79.56	42.98	42.98

- 21.5 A subsidiary company entered into a sale-purchase contract with the Electricity Generating Authority of Thailand (EGAT) on February 21, 2005 requiring the subsidiary company to commence selling electricity within October 31, 2006 for 21 years and EGAT agreed to buy electricity not less than 80% of electricity supply generated under the contract (20 megawatts) until the year period before the end of the contract. Nevertheless, in case the subsidiary company could not sell electricity under the contract within 12 months from October 31, 2006, it would deem that the contract expired.

- 21.6 A subsidiary company enter into two contracts to buy machine including installation for electricity generating biomass factory with 30 megawatts size with 2 separate companies to jointly undertake to import and install machines, to be completed by June 25, 2006. The subsidiary company has remaining obligations under the contracts as at April 30, 2006, at Baht 103.00 million and Yen 101.53 million respectively and as at October 31, 2005 at Baht 143.72 million and Yen 1,208.41 million respectively.

21.7 (Unit : Million Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2006</u>	<u>October 31, 2005</u>	<u>April 30, 2006</u>	<u>October 31, 2005</u>
Letters of Guarantees issued	92.48	92.22	1.33	1.33

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

<u>Currency</u>	<u>Consolidated</u>					<u>Company Only</u>			
	<u>As at</u>					<u>As at</u>			
	<u>April 30, 2006</u>		<u>October 31, 2005</u>			<u>April 30, 2006</u>		<u>October 31, 2005</u>	
	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>
	<u>CHF</u>	<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>
Letters of Credit	5.08	-	932	-	892	-	55	-	55
Forward Contracts	-	20	624	23	800	-	-	-	-
Letters of Guarantees	-	-	109	-	109	-	30	-	30
Packing Credit	-	-	75	-	410	-	-	-	-

Apart from these, as at April 30, 2006 and October 31, 2005, the Company entered into an agreement to guarantee for the debt payment of a subsidiary company for every type of debt that may occur in the future with a commercial bank at the limit of Baht 200 million.

- 21.9 In the consolidated financial statements, a subsidiary company had an obligation with a contractor to pay the construction fee at Baht 15.34 million and Baht 5.92 million respectively pursuant to the contract.
- 21.10 As at April 30, 2006, in the Company's financial statements, the Company had an obligation with a contractor to pay the construction fee at Baht 11.10 million pursuant to the contract.

21.11 In the consolidated financial statements, on November 21, 2005, a subsidiary company entered into machinery purchasing contract with a foreign company at the value of Swiss Franc 5.98 million equals to approximately Baht 192 million. As at December 31, 2005, the subsidiary company paid the deposit (15% of the contractual value) at Swiss Franc 0.90 million, equals to approximately Baht 28.21 million. For the remaining 85%, the subsidiary company used the letter of credit, which is payable when freight is on board. The period taken by the whole process is 9 months.

22. 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 financial 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 fluctuate of the market interest rate in the future, which will affect upon the Company and its subsidiary companies operating results and cash flows, since the Company and its subsidiary companies have deposits, and loans due from Financial Institutions. However, these financial assets and liabilities bear interest rates comparable to market interest rates. The Company and its 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 import machine made in foreign currencies. As at April 30, 2006 and October 31, 2005, 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, 2006</u>	<u>October 31, 2005</u>
Assets	Thousand US Dollar	741	222
Liabilities	Thousand US Dollar	105	385
	Thousand Yen	303,570	113,692

As at April 30, 2006, subsidiary companies entered into a forward exchange contract with a commercial bank to hedge against risk of exchange rates incur from debt payment in foreign currency and the subsidiary companies has not recorded the said financial liabilities in the financial statements. The maturity date of the forward exchange contract is not exceeding 6 months with the following details: -

<u>Foreign Currency</u>	<u>Contract Value</u>	<u>Value Gain</u>	<u>Fair Value at the end of the period</u>
		<u>'000 Baht</u>	<u>'000 Baht</u>
'000 CHF	2,500	76,600	78,244
'000 YEN	300,000	107,190	106,290

Credit Risk

The Company and its subsidiary companies have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans due from farmers and loans due from subsidiary 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 and its subsidiary companies do not anticipate any material damage from debt collections.

Fair Value

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

23. Approved of Financial Statements

These financial statements have been approved for issue by the board of audit committee on June 9, 2006.
