

REVIEW INTERIM REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and Board of Directors of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and the separate balance sheets as at April 30, 2008, the related consolidated and the separate statements of income for the three-month and the six-month periods ended on April 30, 2008 and 2007 and the related consolidated and the separate statements of changes in shareholders' equity and cash flows for the six-month periods ended on April 30, 2008 and 2007 of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also 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.

The financial statements of a foreign subsidiary company, which are used for consolidation, have been reviewed by other auditor. I have received the review report from that auditor and my report presentation in part related to amount of various items of the foreign subsidiary company included in the consolidated financial statements was based on the report of that other auditor. As at April 30, 2008, the financial statements of that foreign subsidiary company showed the total assets of Baht 361.76 million and for the periods of three-months and six-months ended on April 30, 2008 showed total net loss of Baht 6.35 million and Baht 6.83 million respectively.

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 review and another auditor's report, 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 used to audit the consolidated and the separate financial statements for the year ended on October 31, 2007 of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only, in accordance with generally accepted auditing standards and gave an unqualified opinion together with provision of additional explanatory paragraph to emphasize the information regarding the change in the policy for recording of investments in subsidiary and associated companies from the equity method to the cost method commencing from the accounting year of 2007 and the change in the policy for recording the land not used in operation from the original recording at cost and shown at the fair value when the land is evaluated to recording at cost in the consolidated and the separate financial statements, as reported thereon dated on December 21, 2007. The consolidated and the separate balance sheets as at October 31, 2007, presented herein for comparison, are an integral part of the financial statements which I audited and reported thereon. I have not used any other auditing procedures subsequent to the date in the report.

I would like to draw your attention to the note to the financial statements no. 4, the Company has retro-adjusted the consolidated and the separate statements of income for the three-month and six-month periods ended on April 30, 2007 and the separate statement of changes in the shareholder's equity and cash flow for the six-month period ended on April 30, 2007 to be consistent with the change in the policy for recording of investments in subsidiary and associated companies from the equity method to the cost method and for recording the land not used in operation from the original recording at cost and shown at the fair value when the land is evaluated to recording at cost, which the same principle has been applied in the preparation of the consolidated and the separate financial statements for the year ended on October 31, 2007.

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

(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand), Registration No. 4664

Bangkok,

June 11, 2008

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at April 30, 2008 and October 31, 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
	Unaudited	Audited	Unaudited	Audited
	Limited Review Only		Limited Review Only	
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash Equivalent Items	561,762	290,496	52,506	32,268
Short-Term Investments	2,509	2,978	-	-
Trade Accounts and Notes Receivable-Net (Note 6)	535,419	430,918	125,527	137,098
Trade Accounts and Notes Receivable-Subsidiary and Related Companies (Notes 5.1 and 7)	3,005	1,795	38,396	9
Farmer Accounts Receivable-Net (Note 8)	50,272	28,782	-	-
Short-Term Loans due from Subsidiary and Related Companies (Note 5.1)	567,531	95,581	454,600	47,600
Short-Term Loans due from Farmers (Note 9)	238,444	398,700	140,864	85,953
Inventories-Net (Note 10)	4,435,011	1,540,311	2,317,055	819,011
Real Estate Development Cost	47,283	43,605	-	-
Machine Maintenance Supplies	271,596	218,958	96,412	99,987
Other Accounts Receivable-Cane Value and Compensation for Production and Distribution of Sugar (Note 11)	761,535	818,281	426,438	440,676
Share Subscriptions Receivable-Subsidiary Company's Shareholders	109,497	-	-	-
Accrued Dividend Receivable from Subsidiary Companies (Note 5.1)	-	-	-	143,900
Other Current Assets	124,820	142,278	48,133	51,482
TOTAL CURRENT ASSETS	7,708,684	4,012,683	3,699,931	1,857,984
NON-CURRENT ASSETS				
Investments in Subsidiary and Associated Companies-Net (Note 12)	56,500	49,676	3,115,587	2,463,528
Other Long-Term Investments-Net (Note 13)	95,911	77,622	59,385	49,915
Deferred Cane Plantation Cost-Net (Note 14)	233,313	156,249	12,135	22,745
Property, Plant and Equipment-Net (Note 15)	10,172,689	9,479,375	2,959,815	2,972,792
Land not Used in Operation-Net	134,544	134,867	98,282	98,282
Loans for Cane Plantation Development-Net (Note 16)	118,178	129,490	-	-
Obligated Fixed Deposits	7,977	7,539	5,577	5,339
Other Non-Current Assets	5,744	5,570	151	151
TOTAL NON-CURRENT ASSETS	10,824,856	10,040,388	6,250,932	5,612,752
TOTAL ASSETS	18,533,540	14,053,071	9,950,863	7,470,736

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at April 30, 2008 and October 31, 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
	Unaudited	Audited	Unaudited	Audited
	Limited Review Only		Limited Review Only	
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank Overdrafts and Short-Term Loans due to				
Financial Institutions	(Note 17)	1,626,444	647,221	165,000
Other Short-Term Loans-Net	(Note 18)	2,240,580	1,525,469	2,240,580
Trade Accounts and Notes Payable	(Note 19)	529,585	236,707	291,216
Trade Accounts and Notes Payable-Subsidiary				
and Related Companies	(Note 5.1)	816	86	122,910
Current Portion of Long-Term Loans	(Note 22)	140,000	203,500	60,000
Short-Term Loans due to Subsidiary Companies	(Note 5.1)	-	-	91,500
Accrued Corporate Income Tax		213,566	154,953	46,390
Advance Received from Customers for Goods		108,005	71,521	54,160
Accrued Stabilization Function Payment	(Note 20)	15,082	94,656	7,480
Accrued Manufacturing Expenses		750,593	-	460,007
Other Accrued Expenses		159,547	70,536	71,988
Other Accounts Payable		361,597	170,521	48,242
Other Current Liabilities		73,276	70,763	13,032
TOTAL CURRENT LIABILITIES		6,219,091	3,245,933	3,581,005
NON-CURRENT LIABILITIES				
Debentures-Net	(Note 21)	1,495,611	-	1,495,611
Long-Term Loans-Net from Current Portion	(Note 22)	768,054	1,115,554	-
Other Non-Current Liabilities		24,979	27,591	11,107
TOTAL NON-CURRENT LIABILITIES		2,288,644	1,143,145	1,506,718
TOTAL LIABILITIES		8,507,735	4,389,078	5,087,723

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at April 30, 2008 and October 31, 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
	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	1,600,000	1,600,000	1,600,000	1,600,000
Issued and Paid-Up Share Capital				
1,550,000,000 Ordinary Shares @ Baht 1.00 Par	1,550,000	1,550,000	1,550,000	1,550,000
Premium on Share Capital	1,554,617	1,554,617	1,554,617	1,554,617
Revaluation Surplus on Assets-Parent Company	1,356,977	1,403,784	1,356,977	1,403,785
Revaluation Surplus on Assets-Subsidiary Companies	138,151	140,273	-	-
Surplus from Internal Restructure of Entities under Common Control (Note 23)	1,955,367	2,049,173	-	-
Surplus from Changes in Shareholding Ratio in Subsidiary Companies	19,895	12,277	-	-
Unrealized Gain on Available-for-Sale Securities	2,991	3,253	3,620	3,750
Accumulated Result of Foreign Currency Translation Adjustment	(7,964)	(5,084)	-	-
Retained Earnings (Note 24)				
Appropriated				
Legal Reserve	144,120	144,120	144,120	144,120
Unappropriated	1,601,842	1,394,132	253,806	394,905
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY	8,315,996	8,246,545	4,863,140	5,051,177
Minority Shareholders' Equity	1,709,809	1,417,448	-	-
TOTAL SHAREHOLDERS' EQUITY	10,025,805	9,663,993	4,863,140	5,051,177
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,533,540	14,053,071	9,950,863	7,470,736

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

INCOME STATEMENTS

For the three-month periods ended on April 30, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007 (Restated)	2008	2007 (Restated)
REVENUES FROM OPERATION				
Sales and Services	2,776,120	2,559,708	1,240,616	1,014,494
Income from Sale of Oil, Fertiliser and Other Supplies	156,872	86,187	58,069	37,646
Compensation Income from Production and Distribution of Sugar	37,910	-	31,950	-
Dividends Income	67	-	43,370	116,110
Other Income	113,345	73,890	47,136	34,180
Participating Profit from Investments under Equity Method	5,602	-	-	-
TOTAL REVENUES	3,089,916	2,719,785	1,421,141	1,202,430
EXPENSES FROM OPERATION				
Cost of Sales and Services	2,078,644	1,861,697	1,013,762	755,683
Cost of Sales of Other Goods	150,347	82,957	56,259	36,098
Selling and Administrative Expenses	242,933	168,957	99,993	74,864
Directors' Remuneration	2,520	2,461	1,410	1,411
Participating Loss from Investments under Equity Method	-	760	-	-
TOTAL EXPENSES	2,474,444	2,116,832	1,171,424	868,056
PROFIT BEFORE INTEREST EXPENSES AND				
CORPORATE INCOME TAX	615,472	602,953	249,717	334,374
INTEREST EXPENSES	(54,360)	(55,500)	(36,893)	(35,787)
CORPORATE INCOME TAX	(137,418)	(136,273)	(37,746)	(44,981)
PROFIT AFTER INTEREST EXPENSES AND CORPORATE INCOME TAX	423,694	411,180	175,078	253,606
LESS MINORITY SHAREHOLDERS' NET PROFIT	(48,552)	(28,863)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	375,142	382,317	175,078	253,606
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.24	0.25	0.11	0.16
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARES)	1,550,000	1,550,000	1,550,000	1,550,000

Unaudited
Limited Review Only

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

INCOME STATEMENTS

For the six-month periods ended on April 30, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007 (Restated)	2008	2007 (Restated)
REVENUES FROM OPERATION				
Sales and Services	4,942,075	4,296,524	2,400,403	1,861,957
Income from Sale of Oil, Fertiliser and Other Supplies	266,340	167,020	107,379	74,835
Compensation Income from Production and Distribution of Sugar	37,910	-	31,950	-
Dividends Income	67	-	43,370	116,110
Other Income	209,454	152,879	85,306	80,143
Participating Profit from Investments under Equity Method	6,824	-	-	-
TOTAL REVENUES	5,462,670	4,616,423	2,668,408	2,133,045
EXPENSES FROM OPERATION				
Cost of Sales and Services	3,773,948	3,137,565	2,042,150	1,453,487
Cost of Sales of Other Goods	257,478	161,292	104,358	72,000
Selling and Administrative Expenses	512,124	403,982	207,820	181,794
Directors' Remuneration	6,937	6,635	4,662	4,657
Participating Loss from Investments under Equity Method	-	2,253	-	-
TOTAL EXPENSES	4,550,487	3,711,727	2,358,990	1,711,938
PROFIT BEFORE INTEREST EXPENSES AND				
CORPORATE INCOME TAX	912,183	904,696	309,418	421,107
INTEREST EXPENSES	(95,432)	(83,354)	(61,848)	(52,088)
CORPORATE INCOME TAX	(214,277)	(209,494)	(47,669)	(65,770)
PROFIT AFTER INTEREST EXPENSES AND CORPORATE INCOME TAX	602,474	611,848	199,901	303,249
LESS NET PROFIT OF SUBSIDIARY COMPANIES BELONGING TO				
PARENT COMPANY BEFORE SHARE ACQUISITION	(251)	-	-	-
LESS MINORITY SHAREHOLDERS' NET PROFIT	(53,513)	(37,481)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	548,710	574,367	199,901	303,249
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.35	0.37	0.13	0.20
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARES)	1,550,000	1,550,000	1,550,000	1,550,000

Unaudited
Limited Review Only

Notes to financial statements are an integral part of these financial 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, 2008 and 2007

Consolidated Financial Statements

(Unit : Thousand Baht)

	Issued and Paid-Up Shares Capital	Premium on Share Capital	Revaluation	Revaluation	Surplus from Internal	Surplus from Changes	Unrealized Gain (Loss) on Available- for-Sale Securities	Accumulated Result of Foreign Currency Translation Adjustment	Retained Earnings		Minority Shareholders' Equity	TOTAL
			Surplus on Assets- Parent Company	Surplus on Assets- Subsidiary Companies	Restructure of Entities under Common Control	in Shareholding Ratio in Subsidiary Companies			Appropriated Legal Reserve	Unappropriated		
Balance as at October 31, 2007	1,550,000	1,554,617	1,403,784	140,273	2,049,173	12,277	3,253	(5,084)	144,120	1,394,132	1,417,448	9,663,993
Foreign Currency Translation Adjustment	-	-	-	-	-	-	-	(2,880)	-	-	(14,540)	(17,420)
Unrealized Loss on Available-for-Sale Securities	-	-	-	-	-	-	(262)	-	-	-	(421)	(683)
Increase Revaluation Surplus on Assets	-	-	-	-	286	-	-	-	-	-	-	286
Depreciation and written off-Revaluation Surplus on Assets	-	-	(46,807)	(2,122)	(94,092)	-	-	-	-	-	(14,893)	(157,914)
Increase in Surplus from Changes in Shareholding Ratio in Subsidiary Companies	-	-	-	-	-	7,618	-	-	-	-	(7,618)	-
Unrealized Transaction in Income Statements	1,550,000	1,554,617	1,356,977	138,151	1,955,367	19,895	2,991	(7,964)	144,120	1,394,132	1,379,976	9,488,262
Dividends paid (Note 24)	-	-	-	-	-	-	-	-	-	(341,000)	(4,697)	(345,697)
Net Profit for the Period	-	-	-	-	-	-	-	-	-	548,710	53,764	602,474
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	-	-	280,766	280,766
Balance as at April 30, 2008	1,550,000	1,554,617	1,356,977	138,151	1,955,367	19,895	2,991	(7,964)	144,120	1,601,842	1,709,809	10,025,805
			(Restated)		(Restated)					(Restated)	(Restated)	
Balance as at October 31, 2006	1,550,000	1,554,617	964,672	144,592	1,123,933	16,470	2,249	1,555	121,120	934,896	1,104,084	7,518,188
Accumulated Result from Change in Accounting Policy												
Investments in Subsidiary and Associated Companies (Note 12)	-	-	-	-	-	-	-	-	-	(12,626)	-	(12,626)
Land not Used in Operation (Note 4.2)	-	-	(159,190)	-	(589)	-	-	-	-	-	(64)	(159,843)
Restated balance	1,550,000	1,554,617	805,482	144,592	1,123,344	16,470	2,249	1,555	121,120	922,270	1,104,020	7,345,719
Foreign Currency Translation Adjustment	-	-	-	-	-	-	-	(2,120)	-	-	(1,444)	(3,564)
Unrealized Gain on Available-for-Sale Securities	-	-	-	-	-	-	367	-	-	-	317	684
Depreciation and written off-Revaluation Surplus on Assets	-	-	(28,333)	(2,195)	(62,282)	(69)	-	-	-	-	(13,361)	(106,240)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	777,149	142,397	1,061,062	16,401	2,616	(565)	121,120	922,270	1,089,532	7,236,599
Dividends paid	-	-	-	-	-	-	-	-	-	(341,000)	(12,289)	(353,289)
Net Profit for the Period	-	-	-	-	-	-	-	-	-	574,367	37,481	611,848
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	-	-	97,607	97,607
Balance as at April 30, 2007	1,550,000	1,554,617	777,149	142,397	1,061,062	16,401	2,616	(565)	121,120	1,155,637	1,212,331	7,592,765

**Unaudited
Limited Review Only**

Notes to financial statements are an integral part of these financial 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, 2008 and 2007

Separate Financial Statements

(Unit : Thousand Baht)

	Issued and Paid-Up Shares Capital	Premium on Share Capital	Revaluation Surplus on Assets- Parent Company	Revaluation Surplus on Assets- Subsidiary Companies	Unrealized Gain (Loss) on Available- for-Sale Securities	Accumulated Result of Foreign Currency Translation Adjustment	Retained Earnings		TOTAL
							Appropriated Legal Reserve	Unappropriated	
Balance as at October 31, 2007	1,550,000	1,554,617	1,403,785	-	3,750	-	144,120	394,905	5,051,177
Unrealized Loss on Available-for-Sale Securities	-	-	-	-	(130)	-	-	-	(130)
Depreciation-Revaluation Surplus on Assets	-	-	(46,808)	-	-	-	-	-	(46,808)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	1,356,977	-	3,620	-	144,120	394,905	5,004,239
Dividends paid (Note 24)	-	-	-	-	-	-	-	(341,000)	(341,000)
Net Profit for the Period	-	-	-	-	-	-	-	199,901	199,901
Balance as at April 30, 2008	1,550,000	1,554,617	1,356,977	-	3,620	-	144,120	253,806	4,863,140
				(Restated)	(Restated)	(Restated)		(Restated)	
Balance as at October 31, 2006	1,550,000	1,554,617	964,672	144,592	2,249	1,555	121,120	934,896	5,273,701
Accumulated Result from Change in Accounting Policy									
Investments in Subsidiary and Associated Companies (Note 4.1)	-	-	-	(144,592)	839	(1,555)	-	(635,299)	(780,607)
Land not Used in Operation (Note 4.2)	-	-	(159,190)	-	-	-	-	-	(159,190)
Restated balance	1,550,000	1,554,617	805,482	-	3,088	-	121,120	299,597	4,333,904
Unrealized Gain on Available-for-Sale Securities	-	-	-	-	269	-	-	-	269
Depreciation-Revaluation Surplus on Assets	-	-	(28,333)	-	-	-	-	-	(28,333)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	777,149	-	3,357	-	121,120	299,597	4,305,840
Dividends paid	-	-	-	-	-	-	-	(341,000)	(341,000)
Net Profit for the Period	-	-	-	-	-	-	-	303,249	303,249
Balance as at April 30, 2007	1,550,000	1,554,617	777,149	-	3,357	-	121,120	261,846	4,268,089

Unaudited

Limited Review Only

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

For the six-month periods ended on April 30, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
		(Restated)		(Restated)
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	548,710	574,367	199,901	303,249
Reconciliation of Net Profit with Cash Received (Payment) from Operating Activities :-				
Doubful Accounts-Farmer Accounts Receivable, Other Accounts Recievable and Advance	(2,572)	12,316	-	-
Compensation Income from Production and Distribution of Sugar	(37,910)	-	(31,950)	-
Loss from Dilapidated Inventories and Written Down the Value of Inventories-Reversal	(7,794)	-	-	-
Participating (Profit) Loss from Investments under Equity Method	(6,824)	2,253	-	-
Amortization of Premium on Bond	40	43	33	35
Loss from Written Down in Cane Plantation Cost	15,555	3,734	127	-
Depreciation	166,483	146,348	62,538	65,138
Gain on Sales of Property, Plant and Equipment	(10,028)	(361)	(8,098)	(3,687)
Loss from Impairment of Assets-Reversal	(203)	-	-	-
Loss from Impairment Investments in Subsidiary and Associated Companies	-	-	2,711	22,700
Dividends Income	(67)	-	(43,370)	(116,110)
Deferred Expense from Debentures Issuance	631	-	631	-
Unrealized (Gain) Loss on Exchange Rate	(1,046)	(356)	(266)	40
Net Profit of Subsidiary Companies belonging to Parent Company before Share Acquisition	251	-	-	-
Minority Shareholders' Net Profit	53,513	37,481	-	-
Profit from Operation before Changes in Operating Assets and Liabilities	718,739	775,825	182,257	271,365
(Increase)Decrease in Trade Accounts and Notes Receivable	(103,486)	(417,251)	11,660	(100,540)
(Increase)Decrease in Trade Accounts and Notes Receivable-Subsidiary and Related Companies	(1,237)	(5,132)	(38,387)	-
(Increase)Decrease in Farmer Accounts Receivable	(17,476)	14,583	-	-
(Increase)Decrease in Inventories	(2,864,718)	(3,035,047)	(1,498,044)	(1,856,817)
(Increase)Decrease in Real Estate Development Cost	(3,678)	(4,359)	-	-
(Increase)Decrease in Machine Maintenance Supplies	21,718	(30,449)	3,575	(138)
(Increase)Decrease in Compensation from Insurance Company	-	(63,894)	-	-
(Increase)Decrease in Receivables for Cane Value	-	(215,705)	-	(127,407)
(Increase)Decrease in Other Current Assets	(1,121)	22,087	3,349	(21,071)
(Increase)Decrease in Deferred Cane Plastation Cost	(69,335)	8,402	11,811	45,090
(Increase)Decrease in Other Non-Current Assets	(900)	7,704	-	-
Increase(Decrease) in Trade Accounts and Notes Payable	263,938	(189,790)	140,899	(37,081)
Increase(Decrease) in Trade Accounts and Notes Payable-Subsidiary and Related Companies	2,019	467	75,932	59,952
Increase(Decrease) in Accrued Corporate Income Tax	58,613	126,504	44,538	64,457
Increase(Decrease) in Advance Received from Customers for Goods	36,973	66,318	12,020	41,815
Increase(Decrease) in Accrued Stabilization Function Payment	15,082	14,898	7,480	7,006
Increase(Decrease) in Accrued Manufacturing Expenses	750,593	502,618	460,007	201,299
Increase(Decrease) in Other Accrued Expenses	85,502	30,299	42,484	13,755
Increase(Decrease) in Other Accounts Payable	89,592	(49,947)	(34)	(13,048)
Increase(Decrease) in Other Current Liabilities	(2,341)	10,184	1,648	333
Increase(Decrease) in Other Non-Current Liabilities	(2,613)	(1,072)	1,333	297
Net Cash Received Used from Operating Activities	(1,024,136)	(2,432,757)	(537,472)	(1,450,733)

Unaudited
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Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

For the six-month periods ended on April 30, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
		(Restated)		(Restated)
CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)Decrease in Short-Term Loans	(326)	-	-	-
(Increase)Decrease in Short-Term Loans due from Subsidiary and Related Companies	(471,950)	(207,914)	(407,000)	(502,000)
(Increase)Decrease in Short-Term Loans due from Farmers	159,730	(44,834)	(54,911)	45,240
(Increase)Decrease in Loans for Cane Plantation Development	9,222	28,181	-	-
Cash Purchase of Investments in Subsidiary and Associated Companies	-	-	(654,770)	(119,145)
Cash Received from Dividend from Subsidiary and Other Companies	67	-	187,270	116,110
Cash Purchase of Other Long-Term Investments	(18,368)	(490)	(9,633)	-
Purchase of Property, Plant and Equipment	(982,285)	(405,535)	(97,804)	(100,445)
Cash Received from Sale of Property, Plant and Equipment	10,276	4,033	8,205	3,847
Cash Received from Sale of Land not Used in Operation	-	450	-	450
(Increase)Decrease in Obligated Fixed Deposits	(438)	1,497	(238)	(154)
Net Cash Used from Investing Activities	(1,294,072)	(624,612)	(1,028,881)	(556,097)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase(Decrease) in Bank Overdrafts and Short-Term Loans due to Financial Institutions	979,224	494,720	(135,000)	(344,843)
Increase(Decrease) in Other Short-Term Loans	715,111	2,495,233	715,111	2,495,233
Increase(Decrease) in Short-Term Loans due to Subsidiary Companies	-	-	(91,500)	95,000
Cash Received from Debentures	1,494,980	-	1,494,980	-
Cash Received from Long-Term Loans	15,000	569,205	-	200,000
Repayment of Long-Term Loans	(426,000)	(78,100)	(56,000)	(63,000)
Dividend Paid to Parent Company's Shareholders	(341,000)	(341,000)	(341,000)	(341,000)
Dividend Paid to Minority Shareholders'	(4,697)	(12,289)	-	-
Increase(Decrease) in Minority Shareholders'	174,276	91,290	-	-
Net Cash Received from Financing Activities	2,606,894	3,219,059	1,586,591	2,041,390
Decrease from Accumulated Result of Foreign Currency Translation Adjustment	(17,420)	(3,564)	-	-
Cash and Cash Equivalent Items Increase-Net	271,266	158,126	20,238	34,560
Cash and Cash Equivalent Items at the Beginning of the Period	290,496	175,704	32,268	18,972
Cash and Cash Equivalent Items at the End of the Period	(Note 25) 561,762	333,830	52,506	53,532

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KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

For the six-month periods ended on April 30, 2008 and 2007

(Unit : Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2008	2007	2008	2007
		(Restated)		(Restated)

Additional Disclosure :

1. Cash payment during the period

- Interest Expenses	71,243	115,768	37,292	66,866
- Corporate Income Tax	156,064	85,027	3,173	1,313

2. For the six-month period ended on April 30, 2008, the Company and its subsidiary companies had material items not affecting cash flow as follows:-

- In the consolidated and the separate financial statements, the Company and its subsidiary companies amortize the depreciations of the revaluation surplus on assets at amount of Baht 152.24 million and Baht 43.85 million respectively.
- In the consolidated and the separate financial statements, the Company and its subsidiary companies wrote off revaluation surplus on asset net from accumulate depreciation at amount of Baht 5.68 million and Baht 2.96 million respectively.
- In the consolidated and the separate financial statements, the Company and its subsidiary companies recognized unrealized loss on available-for-sale securities amounting to Baht 0.68 million and Baht 0.13 million respectively.
- In the consolidated and the separate financial statements, the Company and its subsidiary companies transferred land development cost and depreciation charge to be part of deferred cane plantation cost at amounts of Baht 23.28 million and Baht 1.33 million respectively.
- In the consolidated financial statements, subsidiary companies had liabilities from purchase of assets which remained unpaid at amount of Baht 87.70 million.
- In the consolidated financial statements, a subsidiary company received debt repayment in the form of assets at Baht 26.38 million
- In the consolidated financial statements, a subsidiary company transferred property plant and equipment to machine maintenance supplies at Baht 55.93 million.
- In the consolidated financial statements, a subsidiary company transferred land not used in operation to property, plant and equipment at Baht 0.32 million.
- In the consolidated financial statements, a subsidiary company had share subscriptions receivable due from minority shareholders, which has not been received, at amount of Baht 109.50 million.

3. For the six-month period ended on April 30, 2007, the Company and its subsidiary companies had material items not affecting cash flow as follows:-

- In the consolidated and the separate financial statements, the Company and its subsidiary companies amortize the depreciation of the revaluation surplus on assets amounting to Baht 98.55 million and Baht 28.33 million respectively.
- In the consolidated financial statements, subsidiary companies wrote off revaluation surplus on assets net from accumulated depreciation at amount of Baht 7.69 million.
- In the consolidated and the separate financial statements, the Company and its subsidiary companies recognized unrealized gain on available-for-sale securities amounting to Baht 0.37 million
- In the consolidated financial statements, subsidiary companies recorded interest expenses as cost of fixed assets at Baht 8.61 million.
- In the consolidated financial statements, a subsidiary company had share subscriptions receivable due from minority shareholders, which has not been received, at amount of Baht 6.32 million.
- In the consolidated and the separate financial statements, the Company and its subsidiary companies transferred depreciation charge to be part of deferred cane plantation cost at amount of Baht 4.65 million and Baht 1.26 million respectively.
- In the consolidated financial statements, subsidiary companies had liabilities from purchase of assets which remained unpaid at amount of Baht 39.10 million.
- In the consolidated financial statements, a subsidiary company purchased a vehicle under a hire purchase contract at value of Baht 1.25 million.
- In the consolidated financial statements, a subsidiary company transferred land to real estate development cost at amount of Baht 14.08 million.

Unaudited
Limited Review Only

Notes to financial statements are an integral part of these financial statements.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**NOTES TO FINANCIAL STATEMENTS****April 30, 2008 and 2007 (Unaudited/Limited Review Only)****and October 31, 2007 (Audited)**

1. General Information

The Company was registered as a limited company under the Civil and Commercial Code on October 6, 1976 with the registration number 1163/2519 and was registered as a public company limited on March 18, 2004 with the registration number Bor Mor Jor 0107547000214. Its registered headquarter is located at 503 K.S.L.Tower, 9th Floor, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at 43 Moo 10, Namphong District, Namphong, Khonkaen Province. The Company's main business is to manufacture and distribute sugar and molasses.

2. Basis of Financial Statement Preparation and Accounting Policies

- 2.1 The interim consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principles used 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 items in the primary financial statements, which cover balance sheet, statement of income changes in shareholders' equity and cash flow 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 Items" 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 in Thailand and regulation of the Stock Exchange of Thailand.
- 2.2 These interim financial statements have been prepared to provide additional information from the latest presented annual financial statements; therefore the interim financial statements emphasized on providing the information on the new activities, events and situations so the information presented is not redundant with the information already presented. These interim financial statements should be read in conjunction with the latest annual financial statements.
- 2.3 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 on October 31, 2007.
- 2.4 The consolidated financial statements for the year ended on October 31, 2007 have been reclassified in case of other liability item to trade accounts and notes payable in amount of Baht 80.96 million and reclassified other long-term investments to minority shareholders' in amount of Baht 4.20 million for the comparative purpose with the financial statements for the six-month period ended on April 30, 2008 with no effect to the reported the Company's operating.

3. Basis of Consolidation Financial Statement Preparation

3.1 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 Shareholding</u>		<u>Country of Incorporation</u>	<u>Kind of Business</u>
	2008	2007		
Thai Sugar Terminal Public Co., Ltd. and its subsidiary companies	23.82	23.82	Thailand	Sugar transporting service, silo warehouse and property rental and manufacture and distribution of wheat flour
New Krung Thai Sugar Factory Co., Ltd.	91.06	91.06	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Co., Ltd.	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Co., Ltd.	98.61	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.	78.79	78.63	Thailand	Export sugar as exporting agent
KSL Chemical Co., Ltd.	100.00	100.00	Thailand	Importer and distributor of chemicals
Khon Kaen Sugar Power Plant Co., Ltd.	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL. Agro Co., Ltd.	100.00	100.00	Thailand	Agricultural operation
Savannakhet Sugar Corporation	97.00	97.00	Laos	Agricultural operation, manufacture and distribution of sugar and molasses which are during investment process
Koh Kong Plantation Co., Ltd.	50.00	50.00	Cambodia	Agricultural operation are during investment process
Koh Kong Sugar Industry Co., Ltd.	50.00	-	Cambodia	Manufacture and distribution of sugar and molasses are during investment process

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

3.2 THAI SUGAR TERMINAL PUBIC CO., LTD., which is a subsidiary company, has increased its investment in T S TRANSPORT AND LOGISTIC CO., LTD. from 2% to 77.44% of the latter's issued and paid-up share capital, thus changing it from an associated company to a subsidiary company status. The financial statements of T S TRANSPORT AND LOGISTIC CO., LTD. are therefore, included in the consolidated financial statements of THAI SUGAR TERMINAL PUBIC CO., LTD., and its subsidiary companies since the second quarter of year 2008.

3.3 The accounting periods of subsidiary companies ended 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, SAVANNAKHET SUGAR COPRORATION, KOH KONG PLANTATION CO., LTD. and KOH KONG SUGAR INDUSTRY CO., LTD., whose accounting periods ended on December 31.

3.4 The balances between the Company and its subsidiary companies, investments in subsidiary companies and subsidiary companies' shareholders' equity were eliminated from the consolidated financial statements.

4. The Change in the Accounting Policy

4.1 In the fourth quarter of year 2007, the Company changed the policy for recording of investments in subsidiary and associated companies in the separate financial statements from the equity method to the cost method with the Federation of Accounting Professions (FAP)'s notification No. 26/2006 dated on October 11, 2006 on Accounting Treatment relating to Thailand Accounting Standard (TAS) No. 44 on Consolidated Financial Statements and Accounting for Investment in Subsidiaries (1st Amendment), the Federation of Accounting Professions (FAP)'s notification No. 9/2007 dated on May 2, 2007 on Accounting Standard. The Company has performed retro-adjustment to the comparative financial statements. The Company restated by using original cost as initial cost in investments in subsidiary and associated companies of the separate financial statements. This adjustment caused the net profit in the separate financial statements to differ from that reported in the consolidated financial statements. For the three-month and the six-month periods ended on April 30, 2007 in the consolidated financial statements had net profit of Baht 382.32 million and Baht 574.37 million respectively. However, the separate financial statements over the same periods showed net profit of Baht 253.61 million and Baht 303.25 million respectively. Therefore, the Company would like to clarify with the additional information about the effects on the said changed the policy for recording as follows: -

- 1) The effects on the separate statement of income for the three-month and the six-month periods ended on April 30, 2007 caused net profit to be decreased by Baht 128.71 million and Baht 271.12 million respectively (earning per share is decreased by Baht 0.08 and Baht 0.17 per share respectively). This is because the separate financial statements did not include participating profit from investments under the equity methods in the amounts of Baht 244.14 million and Baht 364.53 million respectively but included the dividend income from the subsidiary companies in the amounts of Baht 116.11 million for both periods and loss from impairment of investments in the amounts of Baht 0.68 million and Baht 22.70 million respectively.
- 2) The effect on the separate statement of shareholders' equity for the six-month periods ended on April 30, 2007 resulted in the surplus from the asset revaluation-subsubsidiary companies decreased by Baht 144.59 million, the unrealized gain from available for sale asset increased by Baht 0.84 million, the accumulated result of foreign currency translation adjustment decreased by Baht 1.56 million and the beginning balance of retained earnings decreased by Baht 635.30 million and shown in "Accumulated Result from Change in Accounting Policy-Investment in the Subsidiary and Associated Companies".

The said change in the accounting policy has effect to the reflection of the accounting transactions related to the subsidiary and associated companies in the separate financial statements only, there was no effect to the consolidated financial statements and the fundamental business operation of the Company.

- 4.2 In the fourth quarter of year 2007, the Company and its subsidiary companies have changed the policy for recording the land not used in operation from the original cost recording at cost and shown at the fair value when the land is evaluated to recording at cost to be more suitable and compliance with the accounting standard No. 44 (revised 2007) on the consolidated and separate financial statements, which set for the consolidated financial statements to be prepared by applying the same accounting policy for the same accounting transaction and other event in the similar situation; therefore created effect to the consolidated and separate statements of changes in the shareholders' equity and shown under the "Accumulated Result from Change in Accounting Policy-Land not used in Operation" for the six-month period ended on April 30, 2007 as follows: -

Item	Change	Amount (million Baht)	
		Consolidated	Separate
		<u>financial statements</u>	<u>financial statements</u>
Surplus from Asset Revaluation-Parent Companies	decrease	159.19	159.19
Surplus from Internal Restructure of Entities under Common Control	decrease	0.59	-
Minority Shareholders'	decrease	0.06	-

5. Inter-Transaction between the Related Parties and Companies

The Company and its subsidiary companies hold accounting transaction items with the related parties and 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:-

5.1 Inter-Assets and Liabilities

Type of Transaction/Company Name	Relationship	(Unit :Thousand Baht)			
		Consolidated		Separate	
		<u>financial statements</u>		<u>financial statements</u>	
		As at		As at	
		April 30, 2008	October 31, 2007	April 30, 2008	October 31, 2007
- Trade Accounts and Notes Receivable					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	6,969	-
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	17,049	-
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	3,981	-
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	-	9
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	7,741	-
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	2,656	-
Thai Fermentation Industry Co., Ltd.	Related	963	417	-	-
Other Related Companies		2,042	1,378	-	-
Total		3,005	1,795	38,396	9

		(Unit :Thousand Baht)			
Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements		financial statements	
		As at		As at	
		April 30, 2008	October 31, 2007	April 30, 2008	October 31, 2007
- Other Accounts Receivable					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	-	1,527
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	-	1
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	104	1
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	1,631	664
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	27,105	29,792
Thai Sugar Terminal Public Company Limited	Subsidiary	-	-	118	36
Savannakhet Sugar Corporation	Subsidiary	-	-	86	46
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	4,315	13
Chengteh Chinaware (Thailand) Co., Ltd.	Related	116	-	116	-
K. K. Wood Industry Co., Ltd.	Related	14	233	14	233
Total		130	233	33,489	32,313
- Accrued Dividend Received					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	-	94,725
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	-	49,175
Total		-	-	-	143,900
- Cash Advance for Sugar					
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	2,675	818
- Advance					
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	-	1,767
- Trade Accounts and Notes Payable					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	46,552	13,043
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	60,408	19,869
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	6,384	1,208
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	9,566	12,858
K.S.L. IT Center Co., Ltd.	Related	134	-	-	-
Thai Fermentation Industry Co., Ltd.	Related	682	-	-	-
Other Related Companies		-	86	-	-
Total		816	86	122,910	46,978
- Other Accounts and Note Payable					
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	168	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	1,481	2,142
Thai Sugar Terminal Public Company Limited	Subsidiary	-	-	220	-
TS Warehouse Co., Ltd.	Subsidiary	-	-	230	-
Kerry Siam Seport Co., Ltd.	Related	1,267	616	1,267	616
K.S.L. IT Center Co., Ltd.	Related	508	16	114	16
Thai Fermentation Industry Co., Ltd.	Related	299	19	102	19
KSL Tower Juristic Person Office	Related	-	673	-	673
Other Related Companies		3	-	3	-
Total		2,077	1,324	3,585	3,466

		(Unit :Thousand Baht)			
Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements		financial statements	
		As at		As at	
		April 30, 2008	October 31, 2007	April 30, 2008	October 31, 2007
- Accrued Expense					
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	739	-
Kerry Siam Seport Co., Ltd.	Related	-	297	-	297
K.S.L. IT Center Co., Ltd.	Related	84	-	-	-
K.S.L Tower Juristic Person Office	Related	-	27	-	27
Other Related Companies		2	-	5	-
Total		<u>86</u>	<u>324</u>	<u>744</u>	<u>324</u>
- Advance Received from Customers for Goods					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	11,039	20,436
Thai Fermentation Industry Co., Ltd.	Related	69,689	41,083	14,875	3,725
Total		<u>69,689</u>	<u>41,083</u>	<u>25,914</u>	<u>24,161</u>
- Short-Term Loans due from					
Tamaka Sugar Industry Co., Ltd.					
Beginning balance	Subsidiary	-	-	-	-
Increase in the period		-	-	252,000	394,000
Repaid in the period		-	-	(80,000)	(394,000)
Ending balance		<u>-</u>	<u>-</u>	<u>172,000</u>	<u>-</u>
New Krung Thai Sugar Factory Co., Ltd.					
Beginning balance	Subsidiary	-	-	-	-
Increase in the period		-	-	80,000	178,000
Repaid in the period		-	-	(80,000)	(178,000)
Ending balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
New Kwang Soon Lee Sugar Factory Co., Ltd.					
Beginning balance	Subsidiary	-	-	34,000	-
Increase in the period		-	-	180,000	284,000
Repaid in the period		-	-	(34,000)	(250,000)
Ending balance		<u>-</u>	<u>-</u>	<u>180,000</u>	<u>34,000</u>
K.S.L. Real Estate Co., Ltd.					
Beginning balance	Subsidiary	-	-	13,600	13,600
Increase in the period		-	-	-	-
Repaid in the period		-	-	(11,000)	-
Ending balance		<u>-</u>	<u>-</u>	<u>2,600</u>	<u>13,600</u>
Khon Kaen Alcohol Co., Ltd.					
Beginning balance	Subsidiary	-	-	-	-
Increase in the period		-	-	68,000	148,000
Repaid in the period		-	-	(68,000)	(148,000)
Ending balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>As at</u>		<u>As at</u>	
		<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
- Short-Term Loans due from (Continued)					
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	100,000	22,000
Repaid in the period		-	-	-	(22,000)
Ending balance		-	-	100,000	-
KSL Chemical Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	2,000
Repaid in the period		-	-	-	(2,000)
Ending balance		-	-	-	-
Prachaup Industry Co., Ltd.	Related				
Beginning balance		95,581	153,167	-	-
Increase in the period		903,930	717,180	-	-
Repaid in the period		(431,980)	(774,766)	-	-
Ending balance		567,531	95,581	-	-
Total		567,531	95,581	454,600	47,600

As at April 30, 2008 and October 31, 2007, loans due from subsidiary and related companies were loans in the form of at call on demand promissory notes bearing interest rates at 3.53-6.87% and 4.08-6.87% per annum respectively. The loan due from related company was incurred by a subsidiary company borrowing money in the form of packing credit on behalf of the related company as specified in the notes to financial statements No. 17.

(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>As at</u>		<u>As at</u>	
		<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
- Short-Term Loans due to					
Tamaka Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	65,000
Increase in the period		-	-	147,000	160,000
Repayment in the period		-	-	(147,000)	(225,000)
Ending balance		-	-	-	-
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary				
Beginning balance		-	-	43,000	-
Increase in the period		-	-	20,000	211,000
Repayment in the period		-	-	(63,000)	(168,000)
Ending balance		-	-	-	43,000
K.S.L. Export Trading Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	-	660,000
Repayment in the period		-	-	-	(660,000)
Ending balance		-	-	-	-

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements		financial statements	
		As at		As at	
		April 30, 2008	October 31, 2007	April 30, 2008	October 31, 2007
- Short-Term Loans due to (Continued)					
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary				
Beginning balance		-	-	48,500	-
Increase in the period		-	-	54,000	165,500
Repayment in the period		-	-	(102,500)	(117,000)
Ending balance		-	-	-	48,500
T S Transport and Logistics Co., Ltd.	Related				
Beginning balance		-	-	-	-
Increase in the period		-	1,000	-	-
Repayment in the period		-	(1,000)	-	-
Ending balance		-	-	-	-
Total		-	-	-	91,500

As at April 30, 2008 and October 31, 2007, loans due to subsidiary companies are loans repayable at call and carrying interest rates at 2.00-3.50% and 2.75-6.25% per annum respectively.

In the year 2007, loan due to K.S.L. Export Trading Co., Ltd. was in the form of promissory notes repayable at call on demand and bearing interest rate at 4.00% per annum. This loan was incurred by K.S.L. Export Trading Co., Ltd. borrowing money in the form of packing credit on behalf of the Company which has been fully repaid during the period.

5.2 Inter Revenues and Expenses

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements		financial statements	
		For the six-month periods ended on April 30,			
		2008	2007	2008	2007
- Sales and Services					
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	16,011	81
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	6,590	81
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	3,764	45
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	134,035	112,739
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	8	13
Thai Fermentation Industry Co., Ltd.	Related	65,469	87,950	26,094	399
Prachaup Industry Co., Ltd.	Related	2,649	6,074	-	-
Other Related Companies		165	556	70	3
Total		68,283	94,580	186,572	113,361
- Purchases					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	237,157	273,775
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	248,841	173,123
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	17,597	40,859
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	4,024	3,591
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	56,774	39,485
Thai Fermentation Industry Co., Ltd.	Related	2,510	2,186	665	851
Total		2,510	2,186	565,058	531,684

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements		financial statements	
		For the six-month periods ended on April 30.			
		2008	2007	2008	2007
- Other Incomes					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	12	6
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	8	6
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	26	-
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	17	28
KSL Chemical Co., Ltd.	Subsidiary	-	-	-	6
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	21,084	31,245
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	4,575	66,057
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	1,044	198
Savannakhet Sugar Corporation	Subsidiary	-	-	246	170
Koh Kong Plantation Co., Ltd.	Subsidiary	-	-	7,004	2,219
Koh Kong Sugar Industry Co., Ltd.	Subsidiary	-	-	284	-
Thai Fermentation Industry Co., Ltd.	Related	465	157	31	46
On Nuj Construction Co., Ltd.	Related	243	243	243	243
Chengteh Chinaware (Thailand) Co., Ltd.	Related	735	720	730	720
K. K. Wood Industry Co., Ltd.	Related	546	415	546	415
Other Related Companies		201	191	201	190
Total		2,190	1,726	36,051	101,549
- Interest Incomes					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	1,457	2,687
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	549	1,196
New Kwang Soon Lee Sugar Factory Co., Ltd.	Subsidiary	-	-	1,500	2,566
K.S.L. Real Estate Co., Ltd.	Subsidiary	-	-	89	453
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	191	1,435
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	204	213
Total		-	-	3,990	8,550
- Goods Custody and Exporting Fees					
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	4,100	1,847
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	2,384	1,240
TS Warehouse Co., Ltd.	Subsidiary	-	-	1,335	910
Kerry Siam Seaport Co., Ltd.	Related	2,932	528	2,932	528
Total		2,932	528	10,751	4,525

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		Separate	
		financial statements		financial statements	
		For the six-month periods ended on April 30,			
		2008	2007	2008	2007
- Other Expenses					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	25	1
K.S.L. Real Estate Co., Ltd.	Subsidiary	-	-	-	75
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	-	710
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	-	5,709
K.S.L. IT Center Co., Ltd.	Related	3,490	2,792	1,105	850
KSL. Tower Juristic Person Office	Related	4,197	4,179	4,197	4,179
Prachaup Industry Co., Ltd.	Related	10	783	-	-
Other Related Companies	Related	205	92	108	29
Total		7,902	7,846	5,435	11,553
- Interest Expenses					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	380	1,663
New Krung Thai Sugar Factory Co., Ltd.	Subsidiary	-	-	414	557
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	-	197
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	499	-
Total		-	-	1,293	2,417

Policy of Inter-Price Setting

- 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 mutually agreed price which is higher than cost price .
- Rental income are charged according to the normal price charged to general clients.
- Revenue from selling of supplies are charged according to the cost.
- Income from land leased out to a subsidiary company was charged according to the lease agreement, of which the tenor is 30 years, starting from January 25, 2005 until January 24, 2035 at the annual rental fee of Baht 0.11 million to be increased by 10% for every three years. Once the lease is expired, ownership rights on all constructions built on the leased land would automatically belong to the lessor.
- Inter-Service income, other income and expense are charged according to the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody time, which are general market rates.
- The expenses paid on behalf of each other are charged according to actual expenses.

5.3 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 shareholder Group /Mutual directors
Chengteh Chinaware (Thailand) Co., Ltd.	Related Company	Same shareholder Group /Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same shareholder Group /Mutual directors
K.K. Wood Industry Co., Ltd.	Related Company	Same shareholder Group
Amarco Co., Ltd.	Related Company	Same shareholder Group
Thai Fermentation Industry Co., Ltd.	Related Company	Same shareholder Group
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in Subsidiary
Mitr Kaset Sugar Industry Co., Ltd.	Related Company	Mutual directors in Subsidiary
Kerry Siam Seaport Co., Ltd.	Related Company	Directors of the Related Company
KSL Tower Juristic Person office	Related Juristic Person	Shared Owner of Condominium Building

Prachuap Industry Co., Ltd. held no part in management of the Company, but is a related company, where some directors of Prachuap Industry Co., Ltd. are also the 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.

6. Trade Accounts and Notes Receivable-Net

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Accounts Receivable-Local				
Not yet due	390,757	326,482	83,737	88,311
Not over 3 months	45,916	22,595	2,353	-
Over 3 months but not over 6 months	7,127	-	-	-
Over 6 months but not over 9 months	44	-	-	-
Over 9 months	6	-	-	-
Total	443,850	349,077	86,090	88,311
Accounts Receivable-Foreign				
Not yet due	61,793	69,520	18,462	42,418
Total	61,793	69,520	18,462	42,418
Notes Receivable	29,776	13,085	20,975	6,369
Total Accounts and Notes Receivable	535,419	431,682	125,527	137,098
<u>Less</u> Allowance for Doubtful Debts	-	(764)	-	-
Net	535,419	430,918	125,527	137,098

7. Trade Accounts and Notes Receivable-Subsidiary and Related Companies

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Trade Accounts Receivable				
Not yet due	2,990	883	35,740	9
Not over 3 months	15	912	-	-
Total	3,005	1,795	35,740	9
Note Receivable	-	-	2,656	-
Total Accounts and Note Receivable	3,005	1,795	38,396	9

8. Farmer Accounts Receivable-Net

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Cane Accounts Receivable				
Before Season 2003 / 2004	45,189	46,054	398	398
Season 2003 / 2004	6,592	6,786	-	-
Season 2004 / 2005	7,094	7,712	-	-
Season 2005 / 2006	16,635	17,156	-	-
Season 2006 / 2007	5,053	15,518	-	-
Season 2007 / 2008	30,290	-	-	-
Total	110,853	93,226	398	398
Fuel Oil, Fertilizer and Other Service				
Charge Accounts Receivable	7,826	5,886	-	-
Total	118,679	99,112	398	398
<u>Less</u> Allowance for Doubtful Debts	(68,407)	(70,330)	(398)	(398)
Net	50,272	28,782	-	-

9. Short-Term Loans due from Farmers

As at April 30, 2008 and October 31, 2007, these loans consisted of majority portion in the form of post-dated cheques in the consolidated financial statements at Baht 180.95 million and Baht 338.99 million respectively and in the separate financial statements at Baht 83.43 million and Baht 27.04 million respectively where farmers discounted with the Company and its subsidiary companies with the interest rate based on the lending rate of commercial bank and another portion in the form of advance paid to farmer.

10. Inventories-Net

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Refined Sugar	1,287,852	500,009	534,274	281,406
White Sugar	594,720	445,440	146,824	232,228
Raw Sugar	1,723,472	175,640	1,426,126	175,640
Molasses for sale	335,994	130,896	126,198	76,055
Alcohol and fertilizer in process	51,060	89,444	-	-
Alcohol and fertilizer	66,292	96,432	-	-
Chemical for sale	1,530	10,620	-	-
Other raw materials	260,970	14,504	-	-
Factory supplies	113,865	85,865	83,633	53,682
Total	4,435,755	1,548,850	2,317,055	819,011
<u>Less</u> Allowance for dilapidated inventories	(744)	-	-	-
Allowance for the cost value exceeding net realizable value	-	(8,539)	-	-
Net	4,435,011	1,540,311	2,317,055	819,011

11. Other Accounts Receivable-Cane Value and Compensation for Production and Distribution of Sugar

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statement</u>		<u>financial statement</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Other Accounts Receivable-Cane Value	477,420	572,076	263,947	310,135
Other Accounts Receivable-Compensation for Production and Distribution of Sugar	284,115	246,205	162,491	130,541
Total	<u>761,535</u>	<u>818,281</u>	<u>426,438</u>	<u>440,676</u>

For the harvest season 2006/2007, the final cane price and the final compensation for the production and distribution of sugar were less than the initial cane price. In accordance to the Sugarcane and Sugar Act B.E. 2527, Section 56 determined that the Cane and Sugar Fund pay the compensation to the Company and its subsidiaries at the amount equal to the different and the cane farmers do not have to return the excess amount of the cane price received. In year 2007, the different of the amount which the Company and its subsidiary companies paid the initial cane price to the farmer as published in the Royal Gazette, mentioned in the note to the financial statements No. 19 was higher than the final cane price, which the management has estimated (that equal to the final cane price announcement published in the Royal Gazette), is reflected as the "Other Accounts Receivable-Cane Value". The compensation paid to the Company and its subsidiary companies calculated from the rate differences of the final compensation for the production and distribution of sugar less than the initial price times the amount of the cane entered into the production process reflected in "Other Account Receivable-Compensation for Production and Distribution of Sugar". Further on March 24, 2008, the meeting of the representatives of sugar refining factories had a resolution to inform the Office of Cane and Sugar Board that all sugar refining factories wishing to pay stabilization money toward cane and sugar industry to the harvest season 2006/2007 to Cane and Sugar Fund by setting-off against compensation for the difference between primary cane price and the final cane price at and of the harvest season 2006/2007. The Company and its subsidiary companies followed suit by setting-off items in the consolidated and the separate financial statements for the amounts of Baht 94.66 million and Baht 46.19 million respectively with effect on "Other Accounts Receivable-Cane Value" decreased by the same amounts.

On January 9, 2008, the Office of the Cane and Sugar Board issued the letter no. Or. Kor. 0602/Vor.72 to inform the resolution of the cabinet to approve the compensation payment for the different of the cane price and the compensation for production and distribution of sugar by assigning the Ministry of Finance to source the fund to repay the other accounts receivable-cane value, which is now in the process. The Other Account Receivable-Compensation for Production and Distribution of Sugar the Ministry of Finance would consider the relaxation for the Company and its subsidiary companies to pay the corporate income tax after they already received the money from the Cane and Sugar Fund and according to minutes of the meeting of Cane and Sugar Board No. 3/2008 on March 4, 2008, it approved the payment of compensation for sugar production and distribution as credit to factories, and the Fund gradually made payment from collections received from cane and sugar industry.

The Company and its subsidiary companies together with other companies in the sugar industry jointly pled charge against the Cane and Sugar Board as 1st defendant and the Office of Cane and Sugar Board as 2nd defendant because they are not in agreement with the fixing of the final cane price and distribution for the harvest season 2001/2002. As of April 30, 2008, the Supreme Administrative Court gave a verdict in favour of the group of companies in the sugar industry resulting in the Office of Cane and Sugar Board has to compensate for the final cane price and for the sugar production and distributive for the harvest season 2001/2002 in the amounts of Baht 37.91 million as in the consolidated financial statements and Baht 31.95 million as in the separate financial statements which the Company and its subsidiary companies recognized them as other income and Other Account Receivables-Cane Value in the same amounts.

12. Investments in Subsidiary and Associated Companies-Net

Consisted of:

(Unit : Thousand Baht)

Company Name	Paid-Up		Percentage of		Consolidated financial statements					
	Share Capital		Shareholding		As at April 30, 2008			As at October 31, 2007		
	2008	2007	2008	2007	Investment			Investment		
					Cost	Equity	Dividend	Cost	Equity	Dividend
<u>Associated Company</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	56,500	-	73,800	49,676	-
Total					73,800	56,500	-	73,800	49,676	-

(Unit : Thousand Baht)

Separate financial statements								
As at April 30, 2008 and October 31, 2007								
Company Name	Paid-Up Share Capital		Investment				Dividend	
			Percentage of		Cost			
			Shareholding		Shareholding			
		(%)						
	2008	2007	2008	2007	2008	2007	2008	2007
<u>Subsidiary and Associated Companies</u>								
Thai Sugar Terminal Public Co., Ltd. and its subsidiaries	120,000	120,000	23.82	23.82	91,417	83,309	-	-
New Krung Thai Sugar Factory Co., Ltd.	472,500	472,500	91.06	91.06	306,893	306,893	-	78,679
Tamaka Sugar Industry Co., Ltd.	600,000	600,000	90.21	90.21	523,337	523,337	43,303	181,331
New Kwang Soon Lee Sugar Factory Co., Ltd.	500,000	220,000	98.61	96.85	569,284	289,284	-	-
K.S.L. Real Estate Co., Ltd.	140,000	140,000	80.31	80.31	89,134	89,134	-	-
K.S.L. Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	-	-
KSL Chemical Co., Ltd.	7,500	7,500	100.00	100.00	6,619	6,619	-	-
Khon Kaen Sugar Power Plant Co., Ltd.	400,000	400,000	100.00	100.00	399,972	399,972	-	-
Khon Kaen Alcohol Co., Ltd.	160,000	160,000	100.00	100.00	159,986	159,986	-	-
KSL. Agro Co., Ltd	100,000	100,000	100.00	100.00	100,000	100,000	-	-
Savannakhet Sugar Corporation	182,646	182,646	97.00	97.00	178,763	178,763	-	-
Koh Kong Plantation Co., Ltd.	553,905	180,980	50.00	50.00	276,952	90,490	-	-
Koh Kong Sugar Industry Co., Ltd.	399,780	-	50.00	-	199,890	-	-	-
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	-	-
Total					2,982,822	2,308,362	43,303	260,010
<u>Plus</u> Advance for share subscriptions-Koh Kong Plantation Co., Ltd.					-	102,412	-	-
-Savannakhet Sugar Corporation					163,295	80,573	-	-
Total					3,146,117	2,491,347	43,303	260,010
<u>Less</u> Allowance for impairment of investments					(30,530)	(27,819)	-	-
Net					3,115,587	2,463,528	43,303	260,010

In the first quarter of the year 2008, the Company additionally invested in the capital increase ordinary shares of New Kwang Soon Lee Sugar Factory Co., Ltd. in amount of Baht 280.00 million thus increased the shareholding ratio from formerly 96.85 % to 98.61 %.

In the first quarter of the year 2008, the Company invested in ordinary shares of Koh Kong Sugar Industry Co., Ltd. to build a sugar mill and apply for a concession of area to plant canes in Koh Kong Province, Kingdom of Cambodia in total of 10,000 hectares covering period of 90 years. The Company's shareholding ratio is 50% amounting to Baht 199.89 million.

In the first quarter of the year 2007, the Company invested in ordinary shares of Koh Kong Plantation Co., Ltd. to apply for a concession of area to plant canes in Koh Kong Province, Kingdom of Cambodia in total of 10,000 hectares covering period of 90 years. The Company's shareholding ratio is 50% amounting to Baht 90.49 million. As at October 31, 2007, the said subsidiary company increased its share capital, which the Company has already paid USD 3.00 million for the advance share subscription and in the first quarter of the year 2008, the Company additionally invested Baht 84.05 million while maintaining the former shareholding ratio and registered the increase share capital on December 12, 2007.

In the first quarter to the third quarter of 2007, the Company additionally invested in the capital increase for ordinary shares of Savannakhet Sugar Corporation at Baht 49.61 million while maintaining the previous shareholding ratio. During the fourth quarter of 2007, the Company additionally invested another Baht 29.25 million thus increased the shareholding ratio from 80.00% to 97.00%. In the first quarter of the year 2008 and the fourth quarter of the year 2007, the Company has paid the advance share subscription at USD 4.85 million and USD 2.35 million respectively. The subsidiary company has registered the increased capital on May 2, 2008.

The financial statements of Savannakhet Sugar Corporation, which is a foreign subsidiary company and its financial statements are consolidated, have been reviewed by other auditor. As of April 30, 2008, the financial statements of the said subsidiary company showed the total assets of Baht 361.76 million and for the periods of three-months and six-months ended on April 30, 2008 showed net loss of Baht 6.35 million and Baht 6.83 million respectively.

As of April 30, 2008 and October 31, 2007, in the consolidated financial statements, the financial statements of Champion Fermentation Co., Ltd., an associated company, which its investment is recorded under the equity method, is the financial statements prepared by the company's management and has not been reviewed and audited by a certified public accountant. The Company recognized the participate result of the investment of the associated company as the recognized participate profit in the consolidated statements of income for the six-months period ended on April 30, 2008 and for the year ended on October 31, 2007 at Baht 6.82 million and Baht 3.77 million respectively, equal to 1.24% and 0.45% of the consolidated net profit respectively. During the fourth quarter of year 2007, the said associated company has changed the policy in recording the investment in subsidiary company to be consistent with the accounting policy of the group companies which the Company performed retro-adjustment to the consolidated statements of income, changes in shareholders' equity and cash flow for the six-month period ended on April 30, 2007. Therefore, the consolidated statement of income shown the net profit decreased by Baht 2.29 million and the consolidated statement of change in the shareholders' equity shown the beginning balance of the retained earnings decreased by Baht 12.63 million which reflected under the caption "Accumulated Result from Change in Accounting Policy-Investment in Subsidiary Company of Associated Company".

13. Other Long-Term Investments-Net

Consisted of :-

Company Name	Kind of Business	Paid-Up		Percentage of Holding				Consolidated financial statements		Separate financial statements	
		Share Capital		%		%		As at		As at	
				Consolidated		Separate		April 30, 2008	October 31, 2007	April 30, 2008	October 31, 2007
		2008	2007	2008	2007	2008	2007	financial statements		financial statements	
13.1 <u>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
- 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								3,336	3,350	3,620	3,750
Available for Sale Securities Investment-Net								8,514	8,528	4,798	4,928
13.2 <u>General Investments</u>											
- T S Transport and Logistics Co., Ltd.	Transportation	-	1,250	-	18.20	-	16.20	-	236	-	210
- Thai Cane and Sugar Corp. Ltd.	Export Agent	20,000	20,000	3.93	3.93	1.61	1.61	787	787	323	323
- Thai Sugar Miller Co., Ltd.	Marketing	109	109	8.00	8.00	2.00	2.00	9	9	2	2
	Information Service										
- Kerry Siam Seaport Co., Ltd.	Seaport	650,000	484,500	11.23	11.23	5.95	5.95	72,969	54,390	47,630	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 Investments								(659)	(659)	(45)	(45)
General Investments-Net								73,765	55,422	47,955	38,322
13.3 <u>Investment in Held-to-Maturity Debt Securities</u>											
- Bond								13,632	13,672	6,632	6,665
Total Other Long-Term Investments-Net								95,911	77,622	59,385	49,915

As at April 30, 2008 and October 31, 2007, the Company and its subsidiary companies used bonds to pledge as guarantee for electricity usage with the Provincial Electricity Authority, which had the book value in the consolidated financial statements of Baht 13.45 million and Baht 13.49 million respectively and in the separate financial statements Baht 6.45 million and Baht 6.48 million respectively.

In the second quarter of 2008, the Company made investment in ordinary shares of T S Transport and Logistics Co., Ltd. for the amount of Baht 7.90 million and Thai Sugar Terminal Public Co., Ltd., which is a subsidiary company, also made additional investment in that company, thus changing status from as associated company to a subsidiary company.

In the second quarter of 2008, the Company and its subsidiary companies increased investment in ordinary shares of Kerry Siam Seaport Co., Ltd. for the amount of Baht 18.58 million as in the consolidated statements and Baht 9.84 million as in the separate financial statements. The proportion of shareholding is still the same.

14. Deferred Cane Plantation Cost-Net

Movement for the six-months periods ended on April 30, 2008 is as follow:-

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Beginning Book Value-Net	156,249	22,745
Additional cost during the period		
- Cost of cane plantation	124,532	31,331
- Transfer from Depreciation	23,284	1,328
Accumulated cost of canes planted	304,065	55,404
Amortized written-off canes cost	(55,197)	(43,142)
Ending Book Value	248,868	12,262
Loss from damaged cane	(6,159)	(127)
Loss from value impairment	(9,396)	-
Ending Book Value-Net	233,313	12,135

The Company and its subsidiary companies recorded the deferred cane plantation cost at the cost value less accumulated depreciation and allowance for accumulated value impairment because of the short cane plantation period of approximately 10-13 months and the fair value of the cane fluctuate with the weather of the plantation area which resulted in the volume and quality of the cane produced.

As at April 30, 2008, at Baht 7.92 million portion of the deferred cane plantation cost belongs to the Company which planted on the farmers' lands and the Baht 215.24 million portion belongs to two subsidiary companies who perform cane plantation on leased land as follows:-

- The first subsidiary company leased the land from the government of the Lao People's Democratic Republic as specified in the notes to the financial statements No. 28.1 at Baht 69.73 million.
- The second subsidiary company leased the land from the government of the Kingdom of Cambodia as specified in the notes to the financial statements No. 28.2 at Baht 145.51 million.

15. Property, Plant and Equipment-Net

Movement for the six-month period ended on April 30, 2008 as follows: -

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Beginning Book Value-Net	9,479,375	2,972,792
Purchase	1,040,757	97,804
Increase in Capital Surplus From Asset Revaluation	286	-
Impairment of Asset-Reversal	203	-
Transfer in	221,666	66,885
Sale and Amortization	(12,858)	(2,953)
Amortization of Capital Surplus from Asset Revaluation	(6,494)	(3,751)
Transfer out	(221,666)	(66,885)
Depreciation	(189,767)	(63,866)
Depreciation-Surplus from Revaluation of Assets	(152,236)	(43,851)
Accumulated Depreciation-Sale and Amortization	12,610	2,846
Accumulated Depreciation-Amortization of Capital Surplus from Asset Revaluation	813	794
Ending Book Value-Net	<u>10,172,689</u>	<u>2,959,815</u>

In the consolidated financial statements as at April 30, 2008 and October 31, 2007, the Company and its subsidiary companies pledged land together with construction and machinery at book value of Baht 856.59 million and Baht 1,194.54 million respectively and in the separate financial statements at amount of Baht 105.94 million and Baht 291.65 million respectively as collaterals against short-term and long-term credit facilities with commercial banks.

For the year ended on October 31, 2007, in the consolidated financial statements, the cost of assets included interest expenses of Baht 8.61 million arisen from long-term loans obtained for construction of factory and machine installation.

As at April 30, 2008 and October 31, 2007, buildings and machinery of subsidiary companies for the amounts of Baht 709.57 million and Baht 808.00 million respectively were constructed and installed on land leased from the parent company for the tenor of 30 years. The ownership of the buildings at the book value of Baht 74.32 million and Baht 76.21 million respectively when the asset lease agreement's term expired would be automatically transferred to the lessor as mentioned in the note to the financial statements No. 5.2.

As at April 30, 2008 and October 31, 2007, buildings and factory buildings in construction of four subsidiary companies at the book value of Baht 123.65 million and Baht 97.55 million respectively were located on the land leased from another subsidiary company for the rent tenor of 1 year and can be extended for the period of 1 year until the total rental tenor reached 30 years.

As at April 30, 2008 and October 31, 2007, in the consolidated financial statements, assets at the book value of Baht 401.80 million and Baht 47.32 million respectively located on the concession land as mentioned in the notes to financial statements Nos. 28.1 and 28.2.

As at April 30, 2008 and October 31, 2007, in the consolidated financial statements, assets in cost value of Baht 3,387.97 million and Baht 3,376.07 million respectively and in the separate financial statements, of Baht 956.97 million and Baht 951.94 million respectively, were fully depreciated but still in use.

On October 15, 2007, the Company and its subsidiary companies set up the appraisal for the land together with the construction and machinery by an independent appraiser who has been approved by the Securities and Exchange Commission. The said appraisal has the following details: -

1. The land and condominium units used the Market Value Method which implied the value of the assets which expected to be sold in an appropriate time period from the appraised date with the seller's consent and the buyer fully aware of the detail of the said asset.
2. Construction and machinery used the Depreciated Replacement Cost which implied the replacement cost of the assets less the depreciation value according to the useful life and working condition. Furthermore, it could included the goodwill or the market demand for the said assets.

From the said appraisal resulted in the consolidated and the separate financial statements for the year ended on October 31, 2007 has the surplus from asset revaluation increased by Baht 1,990.90 million and Baht 760.19 million respectively, the surplus from asset revaluation decreased by Baht 186.52 million and Baht 105.08 million respectively. Furthermore, it also resulted in the allowance for the impairment of asset increased by Baht 32.42 million and Baht 22.90 million respectively and the reversal of the loss from impairment of asset at Baht 23.81 million and Baht 23.27 million respectively from the increase and/or decrease of the market price of the asset in the current situation. In the first quarter of the year 2008, the Company and its subsidiary companies have changed the approximate useful life of assets as follows: -

	<u>New Rate</u>	<u>Previous Rate</u>
- Land Improvement	5-61 years	5-20 years
- Building and Construction	20-58 years	20-42 years
- Machine and Equipment	5-32 years	5-30 years

This was to better suite the current situation by referring to the above appraisal report of the independent professional appraiser. The Company and its subsidiary companies recognized the effect of the change immediately in the consolidated and separate statement of income for the current and the following periods thus the consolidated and separate statement of income for the three-month period ended on April 30, 2008 overstated the net profit by Baht 11.70 million and Baht 8.23 million respectively and for the six-month period ended on April 30, 2008 the net profit shown increased in the amounts of Baht 23.40 million and Baht 16.46 million

respectively comparing with the previous estimate. In every following periods, the effect would be comparable to the above. The said change applied from November 1, 2007 onward.

As the Company and its subsidiary companies choose to account by cost method and when there is an increase in asset revaluation, only net value of increase book value will be recorded to related asset account along side with revaluation surplus on assets for six-month periods ended on April 30, 2008 and 2007, in the consolidated financial statements, there appeared depreciation of capital surplus being charged to revaluation surplus on assets account under the shareholders' equity for the amounts of Baht 157.92 million and Baht 106.24 million respectively and in the separate financial statements, there appeared depreciation of capital surplus being charged to revaluation surplus on assets account under the shareholders' equity for the amounts of Baht 46.81 million and Baht 28.33 million respectively.

If the Company and subsidiary companies choose to account for depreciation for capital surplus through the statement of income the net profit for six-month periods ended on April 30, 2008 and 2007, in the consolidated financial statements will be shown at less amount of Baht 157.92 million and Baht 106.24 million respectively, and earning per share lowered by Baht 0.10 per share and Baht 0.07 per share respectively and in the separate financial statements the net profit for six-month periods ended on April 30, 2008 and 2007, will be shown at less amount of Baht 46.81 million and Baht 28.33 million respectively, and earnings per share lowered by Baht 0.03 per share and Baht 0.02 per share respectively.

16. Loans for Cane Plantation Development-Net

Consisted of : -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	
	<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Loans for Cane Plantation Development	124,093	135,405
<u>Less</u> Allowance for Doubtful Debts	(5,915)	(5,915)
Net	118,178	129,490

As at April 30, 2008 and October 31, 2007, 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 2-10 years onward and bearing the interest rates of 6.00-10.00% per annum for both periods. Most of farmers pledged land and vehicle as collaterals.

17. Bank Overdrafts and Short-Term Loans due to Financial Institutions

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Bank Overdrafts	712	3,640	-	-
Loans due to Financial Institutions	731,000	548,000	165,000	300,000
Packing Credit	567,531	95,581	-	-
Trust Receipt	327,201	-	-	-
Total	1,626,444	647,221	165,000	300,000

In the consolidated financial statements as at April 30, 2008 and October 31, 2007, bank overdrafts at the credit line of Baht 537.00 and Baht 562.00 million respectively and in the separate financial statements at the credit line of Baht 148.00 million for both periods, carrying the same interest rate at MOR per annum for both periods.

In the consolidated financial statements as at April 30, 2008 and October 31, 2007, loans due to financial institutions are loans in the form of promissory notes at the credit line of Baht 11,095.00 million and Baht 3,835.00 million respectively and in the separate financial statements at the credit line of Baht 4,760.00 million and Baht 2,210.00 million respectively with the maturity period ranged from 3-6 months, carrying interest rates of 3.28-3.50% and 3.625-4.58% per annum respectively.

In the consolidated financial statements as at April 30, 2008, trust receipts payable carrying interest rates of 4.20-4.89 % per annum.

Bank overdrafts, short-term loans due to financial institutions and trust receipt were pledged with fixed deposits, land together with constructions, part of machinery and leasehold right of construction as collaterals, there are inter-guarantees offered and the subsidiary companies' directors also participated in guarantee against the credit facilities. Nevertheless, when some of the credit lines have been drawn, the Company and its subsidiary companies must additionally pledge parts of their inventories as collaterals.

Packing credits payable is a loan agreement of a subsidiary company with the total of three commercial banks for the benefit of the Company and 5 subsidiary and related companies with the total credit limit of Baht 1,640.00 million. As at April 30, 2008, a related company issued promissory note to pay the amount equivalent to that of the packing credit loan for keeping as a collateral (as specified in the notes to the financial statements No. 5.1). This remaining loan has the following details:-

- The remaining principal balance is in the consolidated financial statements as at April 30, 2008 and October 31, 2007 at amounts of Baht 66.50 million for both periods, is required to be repaid within the year 2015. Those who give credit facilities reserve right to alter the repayment period of the principal annually. Land together with construction, machines and bank deposit of the related company were pledged as collaterals, and also the subsidiary company's directors and related persons took part in pledging guarantees.
- The remaining principal balance in the consolidated financial statements as at April 30, 2008 and October 31, 2007 at amounts of Baht 501.03 million and Baht 29.08 million respectively was charged interest rate at MLR-1% per annum for the period of 1-3 months and guaranteed by the related company's goods.

18. Other Short-Term Loans- Net

As at April 30, 2008, the Company issued unsecured short-term bills of exchange with discount rates approximately 3.28-3.46% per annum with the details as follows:-

(Unit : Thousand Baht)

<u>Consolidated financial statements /Separate financial statements</u>						
<u>Bill of</u>	<u>Code</u>	<u>Term</u>	<u>Maturity date</u>	<u>Par Value</u>	<u>Prepaid Interest</u>	<u>Net</u>
<u>Exchange No.</u>		<u>(Days)</u>				
3/2551	KSL08514A	99	May 14, 2008	300,000	394	299,606
4/2551	KSL08520A	90	May 20, 2008	500,000	918	499,082
5/2551	KSL08603A	89	June 3, 2008	200,000	634	199,366
6/2551	KSL08617A	89	June 17, 2008	250,000	1,070	248,930
7/2551	KSL08702A	89	July 2, 2008	400,000	2,260	397,740
8/2551	KSL08716A	89	July 16, 2008	600,000	4,144	595,856
Total				2,250,000	9,420	2,240,580

19. Trade Accounts and Notes Payable

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Trade Accounts Payable-Cane purchase	274,193	-	169,819	-
Trade Accounts Payable	212,317	220,573	93,185	136,671
Notes Payable	43,075	16,134	28,212	13,646
Total	<u>529,585</u>	<u>236,707</u>	<u>291,216</u>	<u>150,317</u>

As at April 30, 2008, the Company and three subsidiary companies purchased canes for production season 2007/2008 using announced initial cane price for production season 2007/2008 in the Royal Gazette dated March 5, 2008. This price is Baht 600 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 36.00 per cane ton. Until the date the Company's audit committee approved the issuance of these financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2007/2008. The management of the Company and its subsidiary companies therefore record the trade account payable-cane purchase and calculate the cost of goods sold and inventories for the six-month period ended on April 30, 2008 from estimation by the management of the Company and its subsidiary companies at cane price of Baht 734.97-767.45 per cane ton with average sweetness level at 10.97-12.43 c.c.s.

As at October 31, 2007, the Company and three subsidiary companies purchased canes for production season 2006/2007 using announced initial cane price for production season 2006/2007 as published in the Royal Gazette dated January 19, 2007. This price is Baht 800 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 48.00 per cane ton. Until the date the Company's board of directors approved the issuance of the financial statements for the year ended on October 31, 2007, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2006/2007, which the management of the Company and its subsidiary companies expect that the final cane price will be lower than the initial price and therefore calculate the cost of goods sold and inventories for the year ended October 31, 2007 from estimation by the management of the Company and its subsidiary companies at cane price of Baht 780.66-831.25 per cane ton with average sweetness level at 10.50-12.49 c.c.s. The difference of these two prices was booked as other accounts receivable-cane value as specified in the notes to financial statements No. 11. In the first quarter of 2008, the Office of the Cane and Sugar Board announced the final cane price for the production season 2006/2007 in the Royal Gazette dated March 5, 2008 without any different between the announced final cane price and the estimates made by the management of the Company and its subsidiary companies.

20. Accrued Stabilization Function Payment

As at April 30, 2008 and October 31, 2007, the whole amount was the amount that the Company and its subsidiary companies had to pay to the Office of the Cane and Sugar Fund to stabilize the cane and sugar industry basing on the production of cane and sugar.

21. Debentures-Net

On November 19, 2007, the Company issued 2 sets of Thai Baht currency Debenture which are holder specified, unsubordinated and unsecured bonds at the par value of Baht 1,000 per unit, which have been approved by the resolution of the annual general shareholders' meeting no. 1/2550 held on February 27, 2007, with the following details: -

(Unit : Thousand Baht)

<u>Consolidated financial statements /Separate financial statements</u>									
<u>As at April 30, 2008</u>									
<u>Bond No.</u>	<u>Symbol</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Per Annum</u>	<u>Number of Units</u>	<u>Total Value</u>	<u>Amortized Bond Issuance Expense</u>	<u>Net</u>	<u>Fair Value</u>
<u>(Thousand Unit)</u>									
1	KSL10NA	3 Years	Nov. 20, 2010	4.94	1,000	1,000,000	2,855	997,145	1,010,316
2	KSL12NA	5 Years	Nov. 20, 2012	5.44	500	500,000	1,534	498,466	508,489
<u>Total</u>					<u>1,500</u>	<u>1,500,000</u>	<u>4,389</u>	<u>1,495,611</u>	<u>1,518,805</u>

Other significant compliance to the covenants of the debenture issuances.

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

22. Long-Term Loans

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Loans due to Commercial Banks	908,054	1,319,054	60,000	116,000
<u>Less</u> Current Portion of Long-Term Loans	<u>(140,000)</u>	<u>(203,500)</u>	<u>(60,000)</u>	<u>(116,000)</u>
<u>Net</u>	<u>768,054</u>	<u>1,115,554</u>	<u>-</u>	<u>-</u>

Movement of long-term loans for the six-months period ended on April 30, 2008 and for the year ended on October 31, 2007 is as follows: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Beginning book value balance	1,319,054	908,454	116,000	35,000
Increase in the period	15,000	884,700	-	200,000
Repayment in the period	(426,000)	(474,100)	(56,000)	(119,000)
Ending book value balance	908,054	1,319,054	60,000	116,000

In the consolidated and the separate financial statements as at April 30, 2008 and October 31, 2007, the Company and its subsidiary companies obtained loans from four commercial banks with interest rates at FIX 12 M+2.25 to MLR-1.00% per annum for both periods. The credit facilities obtained can be classified in to 7 credit lines with the important covenants as follows:-

- The first credit line: the parent company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principal as at April 30, 2008 and October 31, 2007 of Baht 60.00 million and Baht 116.00 million respectively, which has to be repaid by August 31, 2008, repayable every three months commencing from March 2007 until June 2008 in total of 6 installments at Baht 28.00 million each and the final installment with Baht 32.00 million repayment made in August 2008. Interest has to be paid at the end of each month and no securities were required but the following conditions have to be followed:-
 - The Company shall not alter any significant matters to affect of change the status of the Company being a limited public company.
 - The Company must maintain the proportion of shareholding of the major shareholders group, both directly and indirectly not less than 50% of the total shares of the Company.
 - The Company must maintain the ratio of total liabilities to shareholders' equity lower than 1 : 1
- The second credit line: a subsidiary company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principal as at April 30, 2008 and October 31, 2007 of Baht 180.00 million and Baht 200.00 million respectively. The principal has a grace period of 2 years 6 months from the date of the first withdrawal (July 19, 2005). Afterwards, the repayment has to be made six-monthly, totaling 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 interest is monthly repayable. The subsidiary company pledged all land together with construction and all machinery of the project as collaterals and transfer the right of insurance claim to the lender 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 maintain 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 agreement.
 - Except loans from shareholders or companies within the group, the subsidiary company must not enter into additional long-term loan agreements unless it has obtained prior approval from the lending bank.
- The third credit line: a subsidiary company's principal limit of the credit line is Baht 500.00 million with the remaining balance of the principal as at April 30, 2008 and October 31, 2007 of Baht 258.05 million and Baht 358.05 million respectively. The principal has a grace period of 3 years 6 months from the date of the first withdrawal (December 30, 2005). Afterwards, the repayments are to be made at six-monthly totaling 9 installments. The repayment for 1st to 8th installment is at Baht 57.50 million. The remaining principal must be repaid on the 9th installment. The interest is monthly repayable. 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 which the company will have in the future and machinery of the project with the principal of pledge at Baht 1,000 million to be completed within 2 years from the date of the first withdrawal.
 - The parent company has to fully guaranteed against any form of credit facility.
 - The subsidiary company, with the lending bank as its beneficiary, has to insure the constructions and machinery. The highest insured value must be equal to the value acceptable by the insurance company.
- On April 29, 2008, the subsidiary company requested to decrease the credit limit from former credit limit of Baht 500.00 million to Baht 258.05 million to redeem the entire above collateral; therefore, only the parent company remains as the guarantor for the full credit limit.
- The fourth credit line: a subsidiary company's principal limit of the credit line is Baht 300.00 million with the remaining balance of the principal as at October 31, 2007 of Baht 240.00 million. The principal period is repayable every 6 months from the first installment on September 2006 to March 2012 total of 12 installments the interest is monthly repayable. The company has guaranteed for the full amount. The principal is repayable full installment is to be made on January 2008.
 - The fifth credit line: a subsidiary company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principal as at April 30, 2008 and October 31, 2007 of Baht 140.00 million and Baht 125.00 million respectively. Interest is payable every three months and repayment of the principal loan to be made

twice every year for the total of 12 installments within May 31 and November 30 of each year. Installments of principal repayment are uneven ranging from Baht 5.00-30.00 million commencing from the first installment on May 31, 2009 and the last one within November 30, 2014. The company has guaranteed for the full amount.

- The sixth credit line: a subsidiary company's principal limit of the credit line is Baht 200.00 million with the remaining balance of the principle as at April 30, 2008 and October 31, 2007 of Baht 200.00 million for both periods. The principal must be repaid on six-monthly installments in total of 10 installments at Baht 20.00 million per installment. The first installment must be made in December 2008. The interest is payable at the end of each month.
- The seventh credit line: a subsidiary company's principal limit of the credit line is Baht 80.00 million with the remaining balance of the principle as at April 30, 2008 and October 31, 2007 of Baht 70.00 million and Baht 80.00 million respectively. The principal must be repaid on six-monthly installments in total of 8 installments at Baht 10.00 million per installment. The first installment must be made in January 2008. The interest is payable at the end of each month.

Principal limit of the sixth and seventh credit line are guaranteed by the mortgage registration of land together with the warehouse building, factory plant building, machines, the leasehold right of the land where the factory is located of the subsidiary companies at the total book value of Baht 451.77 million. The guarantee included the fire insurance for the constructions and machines with the equipments at the maximum limit accepted by the insurance company. The Company forfeits the benefit from the insurance to the bank as the beneficiary. The other material terms of the credit facility agreements are: -

- The subsidiary company must maintain the debt to equity to not exceeding 1 : 1
- The subsidiary company must maintain the debt service coverage ratio at not less than 1.2 : 1

23. 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-months period ended April 30, 2008 is as follows: -

	<u>Revaluation Surplus on</u>	<u>Discount from Internal Restructure</u>	<u>Net</u>
	<u>Assets-Subsidiary Companies</u>	<u>of Entities under Common Control</u>	
Beginning balance	2,312,816	(263,643)	2,049,173
Decrease in the period	(93,806)	-	(93,806)
Ending balance	2,219,010	(263,643)	1,955,367

(Unit : Thousand Baht)

24. Dividend Paid and Legal Reserve

In accordance with the minutes of the annual general shareholders' meeting No. 1/2551 held on February 28, 2008, it was unanimously resolved to appropriate Baht 23.00 million from net profit in 2007 to legal reserve and to pay dividends from operating result of the Company from November 1, 2006 to October 31, 2007 at the rate of Baht 0.22 per share totaling Baht 341.00 million. The dividend had been paid to shareholders on March 27, 2008.

In accordance with the minutes of the annual general shareholders' meeting No. 1/2007 held on February 27, 2007, it was unanimously resolved to appropriate Baht 30.20 million from net profit in 2006 to legal reserve and to pay dividends from operating result of the Company from November 1, 2005 to October 31, 2006 at the rate of Baht 0.22 per share totaling Baht 341.00 million. The dividend had been paid to shareholders on March 27, 2007.

25. Cash and Cash Equivalent Items

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at April 30,</u>		<u>As at April 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash and Deposits at Financial Institutions	561,762	316,830	52,506	53,532
Short-Term Investments				
- Promissory Notes	-	17,000	-	-
- Investment in marketable securities	4,992	5,734	-	-
<u>Less</u> Adjustment of investments to fair value	<u>(2,483)</u>	<u>(2,790)</u>	-	-
Total Short-Term Investments	2,509	19,944	-	-
Total	564,271	336,744	52,506	53,532
<u>Less</u> Investment in marketable securities-Net	<u>(2,509)</u>	<u>(2,944)</u>	-	-
Net Cash and Cash Equivalent Items	561,762	333,830	52,506	53,532

In the consolidated financial statements as at April 30, 2008, short-term investments were deposits in the form of promissory notes with maturity period not exceeding 3 months bearing the interest rates of 3.50-4.50% per annum.

26. Disclosure of Sectoral Business Operations

The Company's business operation relates to manufacture and distribution of sugar and molasses and also to offer leasing of space for office use and conduct its business in one geographical area namely Thailand.

Details of the sectoral business operation are as follows:-

Consolidated financial statements

For the six-month periods ended on April 30, 2008 and 2007

	(Unit : Million Baht)																			
	Manufacture and Distribution of Sugar And Molasses						Manufacture and Distribution of Alcohol		Manufacture and Sale of Electricity		Real Estate Rental		Wheat Flour		Others		Inter-Transaction		Total	
	2008			2007			2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	Thai	Laos	Cambodia	Thai	Laos	Cambodia														
Net Sales and Service-Domestic	2,800	3	5	2,542	-	-	191	181	298	216	110	119	383	-	33	39	(1,134)	(879)	2,689	2,218
Net Sales and Service-Foreign	2,594	-	-	2,398	-	-	178	-	-	-	-	-	-	-	2	-	-	-	2,774	2,398
Total	5,394	3	5	4,940	-	-	369	181	298	216	110	119	383	-	35	39	(1,134)	(879)	5,463	4,616
Profit (loss) from Operation	739	(7)	(11)	721	(11)	(4)	2	68	116	121	41	54	47	-	(9)	(30)	(6)	(14)	912	905
Interest Expenses																			(96)	(83)
Corporate Income Tax																			(214)	(210)
Profit after Interest Expenses and Corporate Income Tax																			602	612
<u>(Less)</u> Net Profit of Minority Shareholders																			(53)	(37)
Net Profit of Khon Kaen Sugar Industry Public Company Limited																			549	575
Property, Plant and Equipment-Net as at April 30	6,324	236	643	4,399	51	37	326	457	891	832	1,019	1,392	439	-	319	232	(24)	(5)	10,173	7,395
Central Assets	7,226	126	500	7,045	81	158	123	236	117	115	137	309	437	-	762	999	(1,067)	(1,389)	8,361	7,554
Total Assets as at April 30	13,550	362	1,143	11,444	132	195	449	693	1,008	947	1,156	1,701	876	-	1,081	1,231	(1,091)	(1,394)	18,534	14,949

27. Obligations and Contingent Liabilities

As at April 30, 2008 and October 31, 2007, apart from liabilities reflected in the balance sheets, the Company and its subsidiary companies have obligations and contingent liabilities as follows: -

27.1 The Company and its subsidiary companies have obligations relating to agreements to sell goods but not yet delivered as in the consolidated financial statements for the amounts of Baht 4,562.54 million and Baht 2,230.94 million respectively and as in the separate financial statements for Baht 3,144.58 million and Baht 1,731.46 million respectively.

27.2 The Company and three subsidiary companies had issued post-dated cheques to farmers to purchase cane. The Company and the subsidiary companies have not recorded the said liabilities as the cheques are not yet due and the cane of the said production season has not been received from farmers as follows:-

(Unit : Million Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
For the production season 2007/2008	103.71	452.21	103.71	47.18
For the production season 2008/2009	144.05	-	-	-

27.3 The Company and its subsidiary companies had unutilized credit lines of bank overdrafts, short term and long term loans from commercial banks with the limits as in the consolidated financial statements as at April 30, 2008 of Baht 11,837.29 million and USD 3.00 million and as at October 31, 2007, with the limits of Baht 6,452.31 million respectively and in the separate financial statements as at April 30, 2008, of Baht 4,743.00 million and USD 3.00 million and as at October 31, 2007 of Baht 2,058.00 million respectively. These credit lines were pledged with fixed deposits, land together with constructions, part of machinery and leasehold right of construction as collaterals. The Company and its subsidiary companies offered their cross-guarantee and the subsidiary companies' directors also participated in guarantee against the credit facilities. Furthermore when the particular credit lines have been drawn, the Company and its subsidiary companies must additionally pledge parts of their inventories as collaterals.

- 27.4 The Company and the three subsidiary companies had issued cheques as guarantee for abiding by the regulations to the Office of the Cane and Sugar Fund as follows:-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
For the production season 2004/2005	-	79.56	-	42.98

- 27.5 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 agrees to buy electricity not less than 80% of electricity supply generated under the contract (20 megawatts per month). The subsidiary company had commenced to sell electricity to EGAT since December 26, 2006.

27.6

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>April 30, 2008</u>	<u>October 31, 2007</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Letters of Credits used	559.04	100.00	-	-
Letters of Guarantees used	58.56	58.58	1.73	1.73

- 27.7 In the consolidated and the separate financial statements, the Company and its subsidiary companies have obligation with bank in credit facility agreement for unutilized credit facilities, which the Company and its subsidiary companies pledged land together with constructions, machinery, electricity generating equipment, and goods as collateral. Such items pledged as collateral are as follows:-

	<u>Consolidated financial statements</u>			
	<u>As at</u>			
	<u>April 30, 2008</u>		<u>October 31, 2007</u>	
	<u>Million USD</u>	<u>Million Baht</u>	<u>Million USD</u>	<u>Million Baht</u>
Letter of Credit	1.00	141.46	-	292.00
Forward Contracts	76.08	533.00	29.00	200.00
Letters of Guarantees	-	45.47	-	46.89
Packing Credit	-	1,238.97	-	1,720.92
Aval	-	30.00	-	30.00

Separate financial statementsAs at

	<u>April 30, 2008</u>		<u>October 31, 2007</u>
	<u>Million USD</u>	<u>Million Baht</u>	<u>Million Baht</u>
Letter of Credit	1.00	30.00	30.00
Forward Contracts	10.00	333.00	-
Letters of Guarantees	-	25.00	25.00

Apart from these, the Company entered into an agreement to guarantee for the debt payment of the subsidiary companies for every type of debt that may occur in the future with a commercial bank at the total limit of Baht 4,369.05 million and USD 43 million as at April 30, 2008 and Baht 2,945.00 million and USD 9 million as at October 31, 2007.

- 27.8 As at April 30, 2008, the Company and six subsidiary companies have remaining obligations under the various contracts as follows: -

(Unit : Million)

Consolidated financial statementsAs at

	<u>Currency</u>	<u>April 30, 2008</u>		<u>October 31, 2007</u>	
		<u>Contractual</u>	<u>Outstanding</u>	<u>Contractual</u>	<u>Outstanding</u>
		<u>Amount</u>	<u>Contractual Obligation</u>	<u>Amount</u>	<u>Contractual Obligation</u>
Construction and Subcontract Agreements	Baht	502.13	86.78	437.29	35.02
	USD	4.38	3.44	-	-
	LAK	170.00	170.00	-	-
	KHR	78.80	50.70	-	-
Machine and Equipment Purchase Agreements	Baht	31.66	25.28	-	-
	USD	5.59	4.19	-	-
Machine Uninstallation Agreement	Baht	29.00	9.00	-	-

- 27.9 As at April 30, 2008 and October 31, 2007, a subsidiary company entered into an agreement to purchase forward organic cane with an organic farmers group to rehabilitate natural environment at Bo Look Rung Village. Under the agreement, the subsidiary company agreed to purchase 3,500 metric ton of fresh cane or fresh cane in the area of 198 rais at the price not less than the initial price as announced the Cane and Sugar Board and to deliver the cane in season 2007/2008. As at April 30, 2008, there is remaining obligations under the contracts at 2,564.65 metric ton.

28. Other Significant Information

- 28.1 On February 16, 2006, Savannkhet Sugar Corporation, which is a subsidiary company, entered into a contract to develop area in the Lao People's Democratic Republic with the government of that country to be used as the subsidiary company's office, factory unit, road and area for cane plantation for the total area of 10,000 hectares covering the period of 30 years which can be extended for another 20 years if approved by the counter party. Presently further step is undertaking to fix the area for the purpose of calculating the rental price which amounts to USD 6 per hectare per annum.
- 28.2 In accordance to minutes of the Company's meeting of the executive board no. 8/2549 held on July 28, 2006, it resolved for the Company to invest in ordinary shares of Koh Kong Plantation Co., Ltd. and Koh Kong Sugar Industry Co., Ltd. at the rate of 50% in each company for the total US\$ 5.00 million. This investment was a joint investment with foreigners and the said two companies have entered into the memorandum of understanding with the government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill and to apply for a concession of area to plant canes in Koh Kong Province, Kingdom of Cambodia in total of 20,000 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1-4 per hectare per annum. At present, it is in the process of fixing the area so that the rental price can be calculated.
- 28.3 In accordance with the minutes of the annual general shareholders' meeting No.1/2551 held on February 28, 2008, authority is given for issuance and proposal for sale of debt instruments (including but not limited to the debenture, short-term debenture and short-term promissory note) in various forms at one time for full amount and/or several times and/or as a project depending on judgment and necessity for use of fund of the Company. The limitary total amount for this issuance is not more than Baht 10,000 million with the following conditions:-
- Category of debts instruments : with or without securities, subordinated or non-subordinated, convertible or non-convertible, specified names of debt-holders with or without representatives (in case of debenture).
 - Currency : Thai Baht currency or equivalent foreign currency using exchange rate at each time of issuance.
 - Proposed sale value : Principal amount of issued debt instruments must not be more than Baht 10,000 million at any time. The calculation of the maximum principal of the debt instrument which the Company can issue and place for sale at any time shall include the principal of the Company's debt instrument which has not been redeemed but shall not include the principal of the Company's debt instrument which has already been redeemed.
 - The maturity period : Should not be more than 20 years.

- Sales method : Placement to the general investors, major investors or corporate investors in Thailand and/or international according to the announcement of the Securities and Exchange Commission and/or the announcement of the Board of the Securities and Exchange Commission and/or other related regulations which are in effect at the time of the debt instrument's issuance and offer for sales.

In the second quarter of 2008, the Company has partially issued the debt instruments as mentioned in the notes to financial statements Nos. 18 and 21.

29. 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 using appropriate financial instruments when it considers necessary to manage such risks. However, the Company and its subsidiary companies do not have 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 subsidiary companies operating results and cash flows. However, the group companies manage the risk from the interest rate by applying various methods including the appropriate allocation of the loan with the fixed and floating interest rates and consistent with the activities of the group companies.

Risk on Exchange Rate

Risks on exchange rates for the Company and its subsidiary companies mainly involve with sales of goods and import of machine made in foreign currencies. As at April 30, 2008 and October 31, 2007, 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>Consolidated financial statements</u>			
<u>As at</u>			
	<u>Foreign Currency</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Assets	Million US Dollar	29.51	6.01
Liabilities	Million US Dollar	1.51	4.27
	Million Japanese yen	14.69	14.69

Separate financial statements

		<u>As at</u>	
	<u>Foreign Currency</u>	<u>April 30, 2008</u>	<u>October 31, 2007</u>
Assets	Million US Dollar	0.58	1.29
Liabilities	Million US Dollar	0.82	0.53

As at April 30, 2008, two subsidiary companies conducted a forward purchase and sale contract with a commercial bank to hedge against exchange rate risk from debt receive and repayment denominated in foreign currency. The subsidiary companies has not recorded such financial liability in the financial statements. The due date for payment of the forward contract already committed has outstanding period of not greater than 6 months with the following details :-

Consolidated financial statements

<u>Amount fixed in contract</u>	<u>Amount earned in contract</u>	<u>Fair value at the period end</u>
<u>'000 USD</u>	<u>'000 BAHT</u>	<u>'000 BAHT</u>
43,157	1,394,139	1,375,018

As at October 31, 2007, a subsidiary company conducted a forward purchase and sale contract with a commercial bank to hedge against exchange rate risk from debt receive and repayment denominated in foreign currency. The subsidiary company has not recorded such financial liability in the financial statements. The due date for payment of the forward contract already committed has outstanding period of not greater than 6 months with the following details :-

Consolidated financial statements

<u>Amount fixed in contract</u>	<u>Amount earned in contract</u>	<u>Fair value at the period end</u>
<u>'000 USD</u>	<u>'000 BAHT</u>	<u>'000 BAHT</u>
2,261	76,524	76,623

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 related persons and related companies and other accounts receivable. However, since the Company and its subsidiary companies pursue conservative lending policy and the numbers 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. The fair value of debentures is shown in the notes to financial statement No. 21.

30. Comparative Data of Balance Sheet as at April 30, 2008 and 2007

To facilitate the users of these financial statements in comparing the information for the business with definite seasonal fluctuation, the Company is shown the comparative financial data as at April 30, 2008 and 2007 as follow: -

	(Unit : Thousand Baht)			
	<u>Consolidated Financial Statements</u>		<u>Separate financial statements</u>	
	<u>As at April 30,</u>		<u>As at April 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash Equivalent Items	561,762	316,830	52,506	53,532
Short-Term Investments	2,509	19,944	-	-
Trade Accounts and Notes Receivable-Net	535,419	661,053	125,527	200,421
Trade Accounts and Notes Receivable-Subsidiary and Related Companies	3,005	6,066	38,396	-
Farmer Accounts Receivable-Net	50,272	54,104	-	-
Short-Term Loans due from Subsidiary Person and Related Companies	567,531	361,081	454,600	515,600
Short-Term Loans due from Farmers	238,444	192,749	140,864	52,669
Inventories-Net	4,435,011	4,868,859	2,317,055	2,510,280
Real Estate Development Cost	47,283	39,713	-	-
Machine Maintenance Supplies	271,596	189,294	96,412	82,964
Other Accounts Receivable-Cane Value and Compensation for Production and Distribution of Sugar	761,535	215,705	426,438	127,407
Share Subscriptions Receivable-Related Parties	109,497	18,205	-	-
Other Current Assets	124,820	130,207	48,133	49,610
TOTAL CURRENT ASSETS	7,708,684	7,073,810	3,699,931	3,592,483

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(Unit : Thousand Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate financial statements</u>	
	<u>As at April 30,</u>		<u>As at April 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
ASSETS				
NON CURRENT ASSETS				
Investments in Subsidiary and Associated Companies-Net	56,500	34,192	3,115,587	2,215,067
Other Long-Term Investments-Net	95,911	81,548	59,385	49,554
Deferred Cane Plantation Cost-Net	233,313	75,016	12,135	11,755
Property, Plant and Equipment-Net	10,172,689	7,394,956	2,959,815	2,341,140
Land not used in Operation-Net	134,544	138,948	98,282	98,930
Loans for Cane Plantation Development-Net	118,178	130,243	-	-
Obligated Fixed Deposits	7,977	5,339	5,577	5,339
Other Non-Current Assts	5,744	14,805	151	151
TOTAL NON-CURRENT ASSETS	10,824,856	7,875,047	6,250,932	4,721,936
TOTAL ASSETS	18,533,540	14,948,857	9,950,863	8,314,419
LIABILITIES AND SHAREHOLDERS'EQUITY				
CURRENT LIABILITIES				
Bank Overdrafts and Short-Term Loans due to Financial Institution	1,626,444	1,780,700	165,000	500,157
Other Short-Term Loans-Net	2,240,580	2,495,233	2,240,580	2,495,233
Trade Accounts and Notes Payable	529,585	326,149	291,216	180,901
Trade Accounts and Notes Payable-Subsidiary and Related Companies	816	467	122,910	107,711
Current Portion of Long-Term Loans	140,000	202,000	60,000	112,000
Short-Term Loans due to Subsidiary Companies	-	-	-	160,000
Accrued Corporate Income Tax	213,566	205,820	46,390	64,457
Advance Received from Customers for Goods	108,005	191,202	54,160	45,473
Accrued Stabilization Function Payment	15,082	81,844	7,480	40,347
Accrued Manufacturing Expenses	750,593	502,618	460,007	201,299
Other Accrued Expense	159,547	60,117	71,988	22,603
Other Accounts Payable	361,597	222,810	48,242	34,639
Other Current Liabilities	73,276	62,927	13,032	10,692
TOTAL CURRENT LIABILITIES	6,219,091	6,131,887	3,581,005	3,975,512
NON-CURRENT LIABILITIES				
Debentures-Net	1,495,611	-	1,495,611	-
Long-Term Loans-net from Current Portion	768,054	1,197,559	-	60,000
Other Non-Current Liabilities	24,979	26,646	11,107	10,818
TOTAL NON-CURRENT LIABILITIES	2,288,644	1,224,205	1,506,718	70,818
TOTAL LIABILITIES	8,507,735	7,356,092	5,087,723	4,046,330

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(Unit : Thousand Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate financial statements</u>	
	<u>As at April 30,</u>		<u>As at April 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital				
1,600,000,000 Ordinary Shares @ Baht 1.00 Par	1,600,000	1,600,000	1,600,000	1,600,000
Issued and Paid-Up Share Capital				
1,550,000,000 Ordinary Shares @ Baht 1.00 Par	1,550,000	1,550,000	1,550,000	1,550,000
Premium on Share Capital	1,554,617	1,554,617	1,554,617	1,554,617
Revaluation Surplus on Assets-Parent Company	1,356,977	777,149	1,356,977	777,149
Revaluation Surplus on Assets-Subsidiary Companies	138,151	142,397	-	-
Surplus from Internal Restructure of Entities under Common Control	1,955,367	1,061,062	-	-
Surplus from Change in Shareholding Ration in Subsidiary Companies	19,895	16,401	-	-
Unrealized Gain on Available for Sale Securities	2,991	2,616	3,620	3,357
Accumulated Result of Foreign Currency Translation Adjustment	(7,964)	(565)	-	-
Retained Earnings				
Appropriated				
Legal Reserve	144,120	121,120	144,120	121,120
Unappropriated	1,601,842	1,155,637	253,806	261,846
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY	8,315,996	6,380,434	4,863,140	4,268,089
Minority Shareholders' Equity	1,709,809	1,212,331	-	-
TOTAL SHAREHOLDERS' EQUITY	10,025,805	7,592,765	4,863,140	4,268,089
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,533,540	14,948,857	9,950,863	8,314,419

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31. Subsequent events

In accordance with the minutes of the Company's board of directors' meeting No. 2/2551 held on March 28, 2008 and in accordance with the minutes of the extra-ordinary shareholders' meeting No. 1/2551 held on April 29, 2008, it approved the following issues: -

- Approve the issuance of the warrants to purchase the ordinary shares of Khon Kaen Sugar Industry Public Company no. 1 ("the Warrant") with the following details: -

Name	:	Warrants of Khon Kaen Sugar Industry Public Company Limited No. 1/2551
Type	:	In name certificated form and transferable
Offering and Issuance Amounts	:	Not exceeding 155,000,000 units
Issuance Date	:	Within 6 months after the acceptance of SEC's approval or within the time frame permitted by the SEC which must not exceed 12 months after the SEC's approval.

Term of Warrants	:	2 years from the issuance date.
Offering price per units	:	Baht -0-
Allocation Method	:	Allocate to the existing shareholders of the Company whose names appear in the share register book on the closing date for right to receive the warrants, the date of which the Board of Directors, the authorized directors or the persons who are authorized by the Board of Directors or the authorized directors will determined after acceptance of SEC's approval. The allocation will be at the ratio of 10 shares to 1 unit of warrant.
Exercise Ratio	:	1 unit of warrant for 1 ordinary share (unless the exercise price is adjusted under rights adjustment).
Exercise Price	:	Baht 17 per share (unless the exercise price is adjusted under rights adjustment).
Exercise Period and Condition of Exercise	:	The warrant holders may exercise their right for the first-time exercise after 1 year period from the issuance date (the first-time exercise date). The last-time exercise date is the date which the warrants reach 2 years from the issuance date.
Secondary Market of Warrants and the Exercised Shares	:	The Company will list the warrants and the ordinary shares on the Stock Exchange of Thailand (SET).

- Approve the decrease of the registered share capital and to amend the memorandum of association with the following details: -
 - 1) Decrease the registered share capital from formerly Baht 1,600.00 million to Baht 1,550.00 million by cancellation of 50.00 million of the registered share which have not been offered for sale.
 - 2) Amend the Company's memorandum of association to correspond with the decrease of the registered share capital

The Company has already registered the change with the Ministry of Commerce on May 12, 2008.

- Approve the increase of the registered share capital and to amend the memorandum of association to support the exercise of warrant to purchase the Company's ordinary shares with the following details: -
 - 1) Increase the registered share capital from formerly Baht 1,550.00 million to Baht 1,705.00 million by issuance of 155.00 million new ordinary shares at the par value of Baht 1.00 per share.
 - 2) Amend the Company's memorandum of association to correspond with the increase of the registered share capital

The Company has already registered the change with the Ministry of Commerce on May 13, 2008.

- Approve the allocation of the 155.00 million increased capital ordinary shares at the par value of Baht 1 per share to support the exercise of the Company's warrant
- Approved the allocation of capital-increase ordinary shares in case of ordinary shares remained from the exercise of the Company's warrants offered to the existing shareholders, if there are unexercised warrants, for whatever reasons, resulting from the ordinary shares allocated to support the exercise of the warrants remained, the remaining shares shall be allocated to offer to private placement not exceeding 35 persons and/or the Institutional Investors pursuant to the relevant notifications of the Securities and Exchange Commission. The Shareholders' Meeting shall grant the authority to the Board of Directors, the Authorized Director(s), or other persons delegated by the Board of Directors or the Authorized Director(s) to act as follows:
 - 1) To offer for sale or to sell the remaining ordinary shares, in a whole or in a part, in one or several issue(s) from time to time;
 - 2) To prescribe and/or change the details or conditions concerning to the offering for sale or the sale of shares, such as the price, period, method, other details and conditions concerning to the offering or sale of those ordinary shares;
 - 3) To proceed with all necessary or relevant acts in order to accomplish the allocation, offering or sale of the ordinary shares remained from the exercise of warrants.

32. Approved of Financial Statements

These financial statements have been approved for issuance by the Company's Audit Committee on June 11, 2008.
