

REVIEW REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO THE BOARD OF DIRECTORS
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate statement of financial position of Khon Kaen Sugar Industry Public Company Limited as at April 30, 2012, and the related consolidated and separate statements of income and statements of comprehensive income for the quarters and six-month periods ended April 30, 2012 and 2011, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month periods ended April 30, 2012 and 2011. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our reviews. We have not reviewed the interim financial statements of three foreign subsidiaries and six local subsidiaries which are included in these consolidated interim financial statements for the quarters and six-month periods ended April 30, 2012 and 2011. The financial statements of those subsidiaries presented total assets as at April 30, 2012 of Baht 7,231.80 million or equivalent to 22.33% of consolidated total assets, and total revenues for the quarter and six-month period ended April 30, 2012 of Baht 802.02 million and Baht 1,490.94 million or equivalent to 12.89% and 13.36% of consolidated total revenues, respectively (2011: Baht 1,215.16 million and Baht 1,841.81 million or equivalent to 29.4% and 27.3% of consolidated total revenues, respectively), and total net loss for the quarter and six-month period ended April 30, 2012 of Baht 248.36 million and Baht 283.50 million, respectively (2011: total net profit of Baht 122.42 million and Baht 115.48 million, respectively). Those subsidiaries' financial statements have been reviewed by other auditors and we have obtained their reports. Our report where related to the amounts of various items of those subsidiaries which were included in the consolidated financial statements were based on the reports of those other auditors.

We conducted our reviews in accordance with the Standard on Auditing applicable to review engagements. The Standard requires that we 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, we do not express an opinion.

Based on our reviews and the reports of other auditors, nothing has come to our attention that causes us to believe that such consolidated and separate financial statements referred to in the first paragraph are not presented fairly, in all material respects, in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited for the year ended October 31, 2011, and expressed an unqualified opinion in our report dated December 27, 2011 based on our audit and the reports of other auditors. The consolidated and the separate statements of financial position as at October 31, 2011, presented herein for comparison, have been derived from such consolidated and separate financial statements which we have audited and reported on. We have not performed any other audit procedures subsequent to such report date.

As discussed in Note 3 to the interim financial statements, since November 1, 2011, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in the preparation and presentation of these interim financial statements. The consolidated and separate financial statements for the quarter and six-month period ended April 30, 2011 and the consolidated and separate statements of financial position as at October 31, 2011, presented herein for comparison, are presented in the new format to conform to the consolidated and separate financial statements for the quarter and six-month period ended April 30, 2012.

Wimolporn Boonyusthian
Certified Public Accountant (Thailand)
Registration No. 4067

BANGKOK
June 12, 2012

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT APRIL 30, 2012 AND OCTOBER 31, 2011

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		April 30,	October 31,	April 30,	October 31,
		2012	2011	2012	2011
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.2	288,871	280,926	16,298	42,732
Temporary investments		277	21	-	-
Trade and other receivables	6.1 and 7	1,266,936	1,153,410	368,857	760,227
Short-term loans	6.1 and 8	1,111,260	835,896	1,725,819	1,596,640
Inventories		8,816,626	2,932,256	3,329,599	948,951
Other current assets	6.1 and 9	588,717	465,980	130,560	136,095
Total Current Assets		<u>12,072,687</u>	<u>5,668,489</u>	<u>5,571,133</u>	<u>3,484,645</u>
NON-CURRENT ASSETS					
Investments in an associate	10	41,921	45,819	73,800	73,800
Investments in subsidiaries	10	-	-	5,232,840	5,232,840
Other long-term investments		17,067	17,099	6,583	6,592
Long-term loans		316,517	360,392	25,474	22,954
Deferred cane plantation costs		460,210	724,489	29,474	40,790
Investment property	11	276,376	277,824	141,734	143,477
Property, plant and equipment	12	18,304,588	17,792,882	2,857,782	2,334,816
Assets not yet used in operation	13	733,864	689,974	98,282	98,282
Other non-current assets		<u>158,954</u>	<u>239,882</u>	<u>17,319</u>	<u>17,172</u>
Total Non-Current Assets		<u>20,309,497</u>	<u>20,148,361</u>	<u>8,483,288</u>	<u>7,970,723</u>
TOTAL ASSETS		<u><u>32,382,184</u></u>	<u><u>25,816,850</u></u>	<u><u>14,054,421</u></u>	<u><u>11,455,368</u></u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT APRIL 30, 2012 AND OCTOBER 31, 2011

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		April 30,	October 31,	April 30,	October 31,
		2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions		8,484,212	3,184,081	2,312,374	-
Trade and other payables	6.1 and 14	1,678,042	1,844,549	907,649	758,231
Current portion of long-term debentures	16	1,999,443	1,779,560	1,999,443	1,779,560
Current portion of long-term borrowings	17	514,138	1,124,350	1,500	164,000
Short-term borrowings	6.1	-	-	463,500	982,500
Current income tax payable		347,497	474,083	106,845	265,692
Provision for production costs	15	2,082,262	-	759,585	-
Other current liabilities	6.1	146,949	188,735	11,766	22,876
Total Current Liabilities		<u>15,252,543</u>	<u>8,595,358</u>	<u>6,562,662</u>	<u>3,972,859</u>
NON-CURRENT LIABILITIES					
Long-term debentures	16	2,497,016	1,998,418	2,497,016	1,998,418
Long-term borrowings	17	3,120,585	3,999,055	15,800	-
Employee benefit obligations		189,531	-	73,461	-
Other non-current liabilities	6.1	39,721	13,021	37,312	10,496
Total Non-Current Liabilities		<u>5,846,853</u>	<u>6,010,494</u>	<u>2,623,589</u>	<u>2,008,914</u>
TOTAL LIABILITIES		<u>21,099,396</u>	<u>14,605,852</u>	<u>9,186,251</u>	<u>5,981,773</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT APRIL 30, 2012 AND OCTOBER 31, 2011

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at April 30, 2012	As at October 31, 2011	As at April 30, 2012	As at October 31, 2011
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	18				
Authorized share capital					
1,870,000,000 ordinary shares of Baht 1.00 each		<u>1,870,000</u>	<u>1,870,000</u>	<u>1,870,000</u>	<u>1,870,000</u>
Issued and paid-up share capital					
1,573,608,889 ordinary shares of Baht 1.00 each, fully paid		1,573,609		1,573,609	
1,551,065,175 ordinary shares of Baht 1.00 each, fully paid			1,551,065		1,551,065
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		1,767,097	1,564,204	1,767,097	1,564,204
RETAINED EARNINGS					
Appropriated					
Legal reserve		187,000	187,000	187,000	187,000
Unappropriated		4,215,877	4,069,296	627,764	1,341,429
OTHER COMPONENTS OF EQUITY		<u>1,870,623</u>	<u>2,151,656</u>	<u>712,700</u>	<u>829,897</u>
TOTAL OWNERS OF THE PARENT		<u>9,614,206</u>	<u>9,523,221</u>	<u>4,868,170</u>	<u>5,473,595</u>
NON-CONTROLLING INTERESTS		<u>1,668,582</u>	<u>1,687,777</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>11,282,788</u>	<u>11,210,998</u>	<u>4,868,170</u>	<u>5,473,595</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>32,382,184</u>	<u>25,816,850</u>	<u>14,054,421</u>	<u>11,455,368</u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE QUARTERS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

Unit : Thousand Baht

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2012	2011	2012	2011
REVENUES FROM SALES AND SERVICES	6.2				
Revenues from sales		6,121,973	4,090,204	1,521,595	1,644,899
Revenues from services		97,768	41,437	-	-
Total Revenues		<u>6,219,741</u>	<u>4,131,641</u>	<u>1,521,595</u>	<u>1,644,899</u>
COSTS OF THE SALES OF GOODS AND THE RENDERING OF SERVICES	6.2				
Cost of the sales of goods		(4,821,788)	(2,792,909)	(1,200,972)	(1,236,497)
Cost of the rendering of services		(36,799)	(17,099)	-	-
Total Costs		<u>(4,858,587)</u>	<u>(2,810,008)</u>	<u>(1,200,972)</u>	<u>(1,236,497)</u>
Gross profit		1,361,154	1,321,633	320,623	408,402
Other incomes	6.2	236,201	81,751	101,519	44,192
Selling expenses	6.2	(404,667)	(304,715)	(167,319)	(119,762)
Administrative expenses	6.2	(129,203)	(216,982)	(37,126)	(61,447)
Management benefit expenses	20	(32,164)	(27,083)	(6,428)	(5,594)
Financial costs	6.2	(145,161)	(128,784)	(60,717)	(52,988)
Share of profit of investments in an associate		1,276	2,775	-	-
Profit before income tax expense		887,436	728,595	150,552	212,803
Income tax expense		(200,869)	(128,737)	(68,450)	(44,157)
PROFIT FOR THE PERIOD		<u>686,567</u>	<u>599,858</u>	<u>82,102</u>	<u>168,646</u>
PROFIT ATTRIBUTABLE TO:					
Owners of the parent		666,662	551,050	82,102	168,646
Non-controlling interest		19,905	48,808	-	-
		<u>686,567</u>	<u>599,858</u>	<u>82,102</u>	<u>168,646</u>
EARNINGS PER SHARE	22				
Basic earnings per share		BAHT 0.424	0.355	0.052	0.109
Diluted earnings per share		BAHT 0.414	0.351	0.051	0.107
Basic number of ordinary shares		THOUSAND SHARES 1,573,347	1,550,185	1,573,347	1,550,185
Dilutive number of ordinary shares		THOUSAND SHARES 1,611,553	1,569,871	1,611,553	1,569,871

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE QUARTERS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
Profit for the period	686,567	599,858	82,102	168,646
Other comprehensive income (expense):				
Exchange differences on translation financial statements	(9,454)	(36,683)	-	-
Gains on remeasuring available-for-sale investments	47	58	-	-
Losses on asset revaluation	<u>(155,427)</u>	<u>(144,458)</u>	<u>(63,539)</u>	<u>(51,630)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>521,733</u>	<u>418,775</u>	<u>18,563</u>	<u>117,016</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	515,866	388,806	18,563	117,016
Non-controlling interests	<u>5,867</u>	<u>29,969</u>	<u>-</u>	<u>-</u>
	<u>521,733</u>	<u>418,775</u>	<u>18,563</u>	<u>117,016</u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

Unit : Thousand Baht

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2012	2011	2012	2011
REVENUES FROM SALES AND SERVICES	6.2				
Revenues from sales		11,012,188	6,687,881	3,085,175	2,960,074
Revenues from services		143,856	53,736	-	-
Total Revenues		<u>11,156,044</u>	<u>6,741,617</u>	<u>3,085,175</u>	<u>2,960,074</u>
COSTS OF THE SALES OF GOODS AND THE RENDERING OF SERVICES	6.2				
Cost of the sales of goods		(8,321,073)	(4,722,883)	(2,395,196)	(2,255,205)
Cost of the rendering of services		(75,785)	(29,398)	-	-
Total Costs		<u>(8,396,858)</u>	<u>(4,752,281)</u>	<u>(2,395,196)</u>	<u>(2,255,205)</u>
Gross profit	6.2	2,759,186	1,989,336	689,979	704,869
Other incomes	6.2	321,178	170,365	157,220	85,622
Selling expenses	6.2	(835,496)	(590,650)	(373,266)	(259,731)
Administrative expenses	20	(421,979)	(338,653)	(83,647)	(99,941)
Management benefit expenses	6.2	(91,545)	(75,494)	(21,077)	(18,556)
Financial costs		(279,232)	(217,755)	(117,648)	(105,082)
Share of (loss) profit of investments in an associate		(3,670)	5,755	-	-
Profit before income tax expense		1,448,442	942,904	251,561	307,181
Income tax expense		(338,460)	(191,380)	(108,642)	(73,576)
PROFIT FOR THE PERIOD		<u>1,109,982</u>	<u>751,524</u>	<u>142,919</u>	<u>233,605</u>
PROFIT ATTRIBUTABLE TO:					
Owners of the parent		1,082,563	695,482	142,919	233,605
Non-controlling interest		27,419	56,042	-	-
		<u>1,109,982</u>	<u>751,524</u>	<u>142,919</u>	<u>233,605</u>
EARNINGS PER SHARE	22				
Basic earnings per share		BAHT 0.690	0.449	0.091	0.151
Diluted earnings per share		BAHT 0.675	0.446	0.089	0.150
Basic number of ordinary shares		THOUSAND SHARES 1,568,123	1,550,091	1,568,123	1,550,091
Dilutive number of ordinary shares		THOUSAND SHARES 1,603,491	1,559,584	1,603,491	1,559,584

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
Profit for the period	1,109,982	751,524	142,919	233,605
Other comprehensive income (expense):				
Exchange differences on translation financial statements	(30)	(1,762)	-	-
Gains (losses) on remeasuring available-for-sale investments	248	(2,535)	-	(2,271)
Losses on asset revaluation	<u>(297,533)</u>	<u>(242,407)</u>	<u>(119,567)</u>	<u>(84,902)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>812,667</u>	<u>504,820</u>	<u>23,352</u>	<u>146,432</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the parent	806,337	471,597	23,352	146,432
Non-controlling interests	<u>6,330</u>	<u>33,223</u>	<u>-</u>	<u>-</u>
	<u>812,667</u>	<u>504,820</u>	<u>23,352</u>	<u>146,432</u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011
"UNAUDITED"

UNIT : THOUSAND BAHT

Notes	Owners of the parent										Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity					Total owners of the parent			
			Appropriated Legal reserve	Unappropriated	Other comprehensive income (expense)			Losses on restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries				Total other components of equity
					Exchange differences on translating financial statements	Gain (loss) on remeasuring Available-for-sale investments	Gain (loss) on revaluation of assets						
For the six-month period ended April 30, 2011													
	1,550,000	1,554,617	167,420	2,284,105	(82,039)	1,844	3,024,329	(264,043)	(25,205)	2,654,886	8,211,028	1,723,091	9,934,119
Effects of change in accounting policy	3	-	-	-	-	-	(246,863)	-	-	(246,863)	(246,863)	(213,285)	(460,148)
- Investment property		-	-	-	-	-	(246,863)	-	-	(246,863)	(246,863)	(213,285)	(460,148)
Beginning balance as at November 1, 2011 after adjusted	1,550,000	1,554,617	167,420	2,284,105	(82,039)	1,844	2,777,466	(264,043)	(25,205)	2,408,023	7,964,165	1,509,806	9,473,971
Changes in shareholders' equity during the period													
- Increase in ordinary shares	18	313	2,815	-	-	-	-	-	-	-	3,128	-	3,128
- Dividends paid	19	-	-	(108,500)	-	-	-	-	-	-	(108,500)	-	(108,500)
- Total comprehensive income (expense) for the period		-	-	703,779	(1,617)	(2,333)	(228,232)	-	-	(232,182)	471,597	33,223	504,820
Ending balance as at April 30, 2011	1,550,313	1,557,432	167,420	2,879,384	(83,656)	(489)	2,549,234	(264,043)	(25,205)	2,175,841	8,330,390	1,543,029	9,873,419
For six-month period ended April 30, 2012													
Beginning balance as at November 1, 2011	1,551,065	1,564,204	187,000	4,069,296	(66,330)	(503)	2,747,184	(264,043)	(25,205)	2,391,103	9,762,668	1,888,800	11,651,468
Effects of the changes in accounting policies	3	-	-	-	-	-	(239,447)	-	-	(239,447)	(239,447)	(201,023)	(440,470)
- Investment property		-	-	-	-	-	(239,447)	-	-	(239,447)	(239,447)	(201,023)	(440,470)
- Employee benefit obligations		-	-	(154,267)	-	-	-	-	-	-	(154,267)	(24,899)	(179,166)
Beginning balance as at November 1, 2011 after adjusted	1,551,065	1,564,204	187,000	3,915,029	(66,330)	(503)	2,507,737	(264,043)	(25,205)	2,151,656	9,368,954	1,662,878	11,031,832
Changes in shareholders' equity during the period													
- Increase in ordinary shares	18	22,544	202,893	-	-	-	-	-	-	-	225,437	-	225,437
- Dividends paid	19	-	-	(786,522)	-	-	-	-	-	-	(786,522)	(626)	(787,148)
- Total comprehensive income (expense) for the period		-	-	1,087,370	(12)	59	(281,080)	-	-	(281,033)	806,337	6,330	812,667
Ending balance as at April 30, 2012	1,573,609	1,767,097	187,000	4,215,877	(66,342)	(444)	2,226,657	(264,043)	(25,205)	1,870,623	9,614,206	1,668,582	11,282,788

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity			Total Shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive		Total other components of equity	
						income (expense)			
						Gain (loss) on remeasuring Available-for-sale investments	Gain (loss) on revaluation of assets		
For the six-month period ended April 30, 2011									
Beginning balance as at November 1, 2010	3	1,550,000	1,554,617	167,420	336,278	2,271	1,115,913	1,118,184	4,726,499
Effects of change in accounting policy									
- Investment property		-	-	-	-	-	(180,173)	(180,173)	(180,173)
Beginning balance as at November 1, 2010 after adjusted		1,550,000	1,554,617	167,420	336,278	2,271	935,740	938,011	4,546,326
Changes in shareholders' equity during the period									
- Increase in ordinary shares	18	313	2,815	-	-	-	-	-	3,128
- Dividends paid	19	-	-	-	(108,500)	-	-	-	(108,500)
- Total comprehensive income (expense) for the period		-	-	-	241,902	(2,271)	(93,199)	(95,470)	146,432
Ending balance as at April 30, 2011		1,550,313	1,557,432	167,420	469,680	-	842,541	842,541	4,587,386
For the six-month period ended April 30, 2012									
Beginning balance as at November 1, 2011		1,551,065	1,564,204	187,000	1,344,429	-	1,006,489	1,006,489	5,653,187
Effects of the changes in accounting policies	3								
- Investment property		-	-	-	-	-	(176,572)	(176,572)	(176,572)
- Employee benefit		-	-	-	(70,712)	-	-	-	(70,712)
Beginning balance as at November 1, 2011 after adjusted		1,551,065	1,564,204	187,000	1,273,717	-	829,917	829,917	5,405,903
Changes in shareholders' equity during the period									
- Increase in ordinary shares	18	22,544	202,893	-	-	-	-	-	225,437
- Dividends paid	19	-	-	-	(786,522)	-	-	-	(786,522)
- Total comprehensive income (expense) for the period		-	-	-	140,569	-	(117,217)	(117,217)	23,352
Ending balance as at April 30, 2012		1,573,609	1,767,097	187,000	627,764	-	712,700	712,700	4,868,170

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	1,448,442	942,904	251,561	307,181
Adjustments for:				
Dividend income	-	(163)	(1,447)	(163)
Doubtful accounts - trade and farmer receivables and loans for cane plantation development (reversal)	(4,224)	(13,942)	-	-
Share of loss (profit) of investments in an associate	3,671	(5,755)	-	-
Amortization of premium on bonds	24	289	9	9
Employee benefit expenses	10,365	-	2,739	-
Loss on damaged cane and adjustment to decrease (increase) the cane plantation costs	89,977	23,551	-	(22,786)
Loss from diminution in value of inventories	375,616	4,720	129,003	-
Depreciation and amortization	554,166	428,153	187,169	152,272
(Gain) loss from disposal and written-off of assets	(10,012)	1,117	(19,809)	(8,480)
Loss on damaged assets	103,714	-	-	-
Gain on sales of other long-term investments	-	(2,425)	-	(2,425)
Unrealized (gain) loss on exchange rate	(125)	1,322	-	291
Interest expenses	278,056	216,432	116,404	103,759
Financial costs	1,176	1,223	1,176	1,223
	<u>2,850,846</u>	<u>1,597,426</u>	<u>666,805</u>	<u>530,881</u>
Operating assets (increase) decrease				
Trade and other receivables	(111,505)	(381,576)	174,855	(128,493)
Inventories	(6,124,454)	(6,163,013)	(2,509,651)	(2,446,233)
Other current assets	(122,356)	(62,951)	5,535	(13,488)
Deferred cane plantation costs	223,827	249,469	13,059	33,192
Other non-current assets	(14,156)	9,353	(147)	(1,200)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Operating liabilities increase (decrease)				
Trade and other payables	(55,392)	882,187	66,854	507,585
Provision for production costs	2,082,262	1,443,551	759,585	724,123
Other current liabilities	(41,786)	151,218	(11,109)	8,396
Other non-current liabilities	26,700	(599)	26,815	41
Cash used in operating activities	(1,286,014)	(2,274,935)	(807,399)	(785,196)
Interest expenses paid	(283,216)	(297,821)	(113,222)	(127,083)
Income tax expenses paid	(465,427)	(44,040)	(267,489)	(1,578)
Net cash used in operating activities	<u>(2,034,657)</u>	<u>(2,616,796)</u>	<u>(1,188,110)</u>	<u>(913,857)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from sales of temporary investments	-	5,708	-	5,708
(Increase) decrease in short-term loans	(229,406)	140,296	(131,699)	889,050
Cash payments for investments in subsidiaries	-	-	-	(152,987)
Cash payments for purchase of other long-term investments	-	(263)	-	-
Cash received from redemption and sale of other long-term investments	-	7,925	-	3,425
Cash received from dividends of subsidiaries and other companies	227	163	217,962	108,420
Cash payments for purchases of property, plant and equipment	(1,350,864)	(760,803)	(699,288)	(61,725)
Cash received from sales of property, plant and equipment	20,152	28,483	22,126	136,479
Cash payments for purchase of assets not yet used in operation	(17,708)	(51,560)	-	(46,690)
Cash received from sales of assets not yet used in operation	3,326	-	-	-
Net cash provided by (used in) investing activities	<u>(1,574,273)</u>	<u>(630,051)</u>	<u>(590,899)</u>	<u>881,680</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short-term borrowings from financial institutions	5,300,373	4,147,205	-	1,456,473
Increase in bills of exchange	-	200,000	-	200,000
Increase (decrease) from short-term borrowings	-	(5,000)	1,793,374	(356,000)
Cash payment for payables on purchases of assets	(345,212)	(572,908)	(50,319)	(28,301)
Cash received from long-term debentures	1,497,305	-	1,497,305	-
Cash payment for long-term debentures	(780,000)	(1,000,000)	(780,000)	(1,000,000)
Cash received from long-term borrowings	28,600	957,000	17,300	-
Cash payment for long-term borrowings	(1,519,420)	(231,442)	(164,000)	(84,000)
Cash received from issuance of shares	225,437	3,128	225,437	3,128
Cash payment of dividends for the parent	(786,522)	(108,500)	(786,522)	(108,500)
Cash paid to non-controlling interests	(626)	-	-	-
Net cash provided by financing activities	<u>3,619,935</u>	<u>3,389,483</u>	<u>1,752,575</u>	<u>82,800</u>
Exchange differences on translation of cash of foreign subsidiaries	<u>(3,060)</u>	<u>(899)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	7,945	141,737	(26,434)	50,623
Cash and cash equivalents at the beginning of the period	<u>280,926</u>	<u>203,224</u>	<u>42,732</u>	<u>13,514</u>
Cash and cash equivalents at the end of the period	<u><u>288,871</u></u>	<u><u>344,961</u></u>	<u><u>16,298</u></u>	<u><u>64,137</u></u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND SIX-MONTH PERIODS ENDED APRIL 30, 2012 AND 2011
“UNAUDITED”

1. GENERAL INFORMATION AND THE COMPANY’S OPERATIONS

Khon Kaen Sugar Industry Public Company Limited (the “Company”) was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was listed with the Stock Exchange of Thailand on March 7, 2005 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 0107547000214. Its registered headquarter is located at No. 503 K.S.L. Tower, 9th Floor, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at No. 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province. The Company’s main businesses are to manufacture and distribute sugar and molasses, and the subsidiaries’ main business operations are listed in Note 2.4.

The Company’s major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 32.26% of issued and paid-up shares capital.

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

2.1 The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2009) “Interim Financial Statements”. The Company presents the condensed notes to interim financial statements. Certain financial information which is normally included in the annual financial statements prepared in accordance with generally accepted accounting principles, but is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements should be read in conjunction with the audited financial statements for the year ended October 31, 2011.

The brief particulars in the financial statements are presented in accordance with the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statements B.E. 2554”. In addition, the interim consolidated and separate financial statements have been prepared in accordance with the regulations of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544.

- 2.2 The unaudited results of operations for the six-month period ended April 30, 2012 are not necessarily indicative of the operating results anticipated for the full year.
- 2.3 The consolidated and separate statements of financial position as at October 31, 2011, presented herein for comparison, have been derived from the financial statements for the year then ended which have been audited.
- 2.4 These interim consolidated financial statements have been prepared by including the financial statements of the Company and its subsidiaries and have been prepared under the same basis as the consolidated financial statements for the year ended October 31, 2011. The structure of the Group is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at April 30, 2012	As at October 31, 2011		
	%	%		
Subsidiaries in which the Company holds shares directly and indirectly				
Thai Sugar Terminal Public Company Limited *	23.82	23.82	Thailand	Transfer and transportation services for certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of building on land for sales and rental
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Real Estate Company Limited	80.31	80.31	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center
K.S.L. Export Trading Co., Ltd.	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Chemicals Company Limited	100.00	100.00	Thailand	Importer and distributor of chemicals
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Company Limited	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	70.00	70.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services

Company Name	Percentage of Shareholding		Percentage of Shareholding		Country of Incorporation	Type of Business
	Indirect		Direct and indirect			
	As at	As at	As at	As at		
	April 30,	October 31,	April 30,	October 31,		
	2012	2011	2012	2011		
	%	%	%	%		
Subsidiaries (The Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited)						
T S G Asset Co., Ltd.*	19.00	19.00	23.11	23.11	Thailand	Property rental
T S Oil Industry Co., Ltd.*	22.46	22.46	23.08	23.08	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	23.54	23.54	23.63	23.63	Thailand	Produce and distribute wheat flour and property rental
T S Warehouse Co., Ltd.*	15.28	15.28	19.30	19.30	Thailand	Warehousing and loading of goods
T S Transport and Logistic Co., Ltd.*	20.46	20.46	30.58	30.58	Thailand	Manufacture and distribute polypropylene bag, and plastic fiber, trade in plastic resin and transportation and security services
Subsidiary (The Company holds the shares indirectly through Wynn In Trading Co., Ltd.)						
Koh Kong Plantation Company Limited	70.00	70.00	70.00	70.00	Cambodia	Agricultural operation

* The Company participates in controlling power, thus they are considered subsidiaries under the definition specified in the accounting standard.

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

- Tamaka Sugar Industry Company Limited
- New Krung Thai Sugar Factory Company Limited
- New Kwang Soon Lee Sugar Factory Company Limited
- KSL. Agro & Trading Company Limited
- Thai Sugar Terminal Public Company Limited
- T S G Asset Co., Ltd.
- T S Oil Industry Co., Ltd.
- T S Flour Mill Co., Ltd.
- T S Warehouse Co., Ltd.
- T S Transport and Logistics Co., Ltd.

On December 21, 2011, the extraordinary shareholders' meetings of Tamaka Sugar Industry Company Limited, New Krung Thai Sugar Factory Company Limited, New Kwang Soon Lee Sugar Factory Company Limited and KSL. Agro & Trading Company Limited had a resolution to change the last day of the accounting period from the year ending on October 31, to the year ending on December 31, beginning from the accounting period from November 1, 2011 to December 31, 2011, as the first accounting period of the change. Those 4 subsidiaries received the approval for such accounting period changes from the Revenue Department.

The consolidated financial statements are prepared based on the same accounting policies for the same accounting items or similar accounting events.

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

- 2.5 The Federation of Accounting Professions issued the Notifications regarding the Thai Financial Reporting Standards which are effective for the financial statements of periods beginning on or after January 1, 2013 as follows:

Thai Accounting Standards (TAS)

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

Thai Standard Interpretations (TSI)

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

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

- 2.6 The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since November 1, 2011, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in preparation and presentation of these interim financial statements. Such TFRS have no significant impact on the Company and its subsidiaries' financial statements except for the following TFRS.

3.1 TAS 1 (Revised 2009) "Presentation of Financial Statements"

TAS 1 (Revised 2009) "Presentation of Financial Statements" changed requirements about the presentation in the financial statements. Therefore, it affected the reclassification in the consolidated and separate financial statements for the quarter and six-month period ended April 30, 2011, and the consolidated and separate statements of financial position as at October 31, 2011, presented for comparison.

3.2 TAS 19 “Employee Benefits”

Since November 1, 2011, the Company and its subsidiaries have adopted TAS 19 “Employee Benefits” for the first time by calculating the post-employment benefit obligations under the Thai Labor Protection Act and the Company and its subsidiaries’ retirement regulations based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of services and other factors. Discount rate used in calculation of the provision is referred from the yield curve of government bond. The Company and its subsidiaries recognized past service costs by adjusting the retained earnings as at November 1, 2011, which is in compliance with the transitional provision of such standard.

3.3 TAS 40 (Revised 2009) “Investment Property”

Since November 1, 2011, the Company and its subsidiaries have adopted TAS 40 (Revised 2009) “Investment Property” for the first time. The Company and its subsidiaries elected to apply the cost model for measurement subsequent to initial recognition of investment property which are presented at cost less accumulated depreciation (if any).

Effects of the change in accounting policies as mentioned in Notes 3.2 and 3.3 to the statement of financial position as at October 31, 2011 are summarized as follows:

	Effect	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Assets			
Investment property	Increase	277,824	143,477
Property, plant and equipment	Decrease	718,294	320,069
Liabilities			
Employee benefit obligations	Increase	179,166	70,717
Shareholders’ equity			
Gain on revaluation of assets	Decrease	440,470	176,592
Unappropriated retained earnings	Decrease	154,267	70,717
Non-controlling interests	Decrease	24,899	-

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and calculation method as those used in the financial statements for the year ended October 31, 2011, except the adoption of new and revised Thai Financial Reporting Standards as mentioned in Note 3.

5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

5.1 Significant non-cash items in the consolidated and separate financial statements for the six-month periods ended April 30, 2012 and 2011, are as follows:

Type of transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2012	2011	2012	2011
Unrealized gain (loss) from available-for-sale securities	248	(2,535)	-	(2,271)
Set-off other accounts receivable - compensation for sugar production and distribution and accrued stabilization function payment to the Office of the Cane and Sugar Fund	-	50,229	-	21,926
Depreciation of gain on revaluation of assets	295,186	246,495	114,041	84,903
Decrease in net gain on revaluation of assets	(1,946)	(3,100)	(3,156)	(8,297)
Transfer of depreciation to deferred cane plantation costs	48,518	51,022	1,743	793
Purchases of fixed assets which have not yet been paid	233,139	44,473	129,597	2,766
Interest expenses capitalized as asset costs	6,121	60,564	104	-
Transfer other current assets to trade receivables	-	837	-	-
Transfer other non-current assets to other current assets	-	85	-	-
Transfer property, plant and equipment to assets not yet used in operation	33,623	-	-	-
Transfer assets not yet used in operation to property, plant and equipment	4,406	-	-	-
Transfer property, plant and equipment to inventories	135,532	-	-	-
Transfer other non-current assets to property, plant and equipment	95,084	-	-	-
Reclassification other long-term investments to temporary investments	256	-	-	-

5.2 Cash and cash equivalents as at April 30, 2012 and 2011, are as follows:

Type of transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2012	2011	2012	2011
Cash	3,295	22,119	1,647	13,469
Savings account deposits	250,179	255,062	7,502	19,282
Current account deposits	35,397	67,780	7,149	31,386
Total	<u>288,871</u>	<u>344,961</u>	<u>16,298</u>	<u>64,137</u>

6. TRANSACTIONS WITH RELATED PARTIES

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

6.1 Significant balances with the related parties are as follows:

Type of balances	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at April 30, 2012	As at October 31, 2011	As at April 30, 2012	As at October 31, 2011
Trade and other receivables				
Subsidiaries	-	-	35.42	31.45
Related companies	16.67	0.53	-	0.17
Total	<u>16.67</u>	<u>0.53</u>	<u>35.42</u>	<u>31.62</u>
Short-term loans				
Subsidiaries	-	-	1,557.26	1,357.00
Related companies	588.46	-	-	-
Total	<u>588.46</u>	<u>-</u>	<u>1,557.26</u>	<u>1,357.00</u>
Other current assets				
Subsidiaries	-	-	1.39	233.10
Trade and other payables				
Subsidiaries	-	-	125.13	54.63
Related companies	9.05	14.71	8.81	9.40
Total	<u>9.05</u>	<u>14.71</u>	<u>133.94</u>	<u>64.03</u>
Short-term borrowings				
Subsidiaries	-	-	463.50	982.50
Other current liabilities				
Subsidiaries	-	-	7.12	-
Related companies	3.50	-	-	-
Total	<u>3.50</u>	<u>-</u>	<u>7.12</u>	<u>-</u>
Other non-current liabilities				
Subsidiaries	-	-	0.67	0.53
Related companies	0.84	0.77	0.84	0.77
Total	<u>0.84</u>	<u>0.77</u>	<u>1.51</u>	<u>1.30</u>

As at April 30, 2012 and October 31, 2011, short-term loans to subsidiaries and related parties represented promissory notes receivable on demand, carrying interest rates at 3.17% - 5.12% per annum and 3.20% - 3.75% per annum, respectively.

As at April 30, 2012 and October 31, 2011, short-term borrowings from subsidiaries represented promissory notes payable on demand, carrying the interest rate at 3.17% - 3.75% per annum and 3.20% - 3.75% per annum, respectively.

6.2 Significant transactions with related parties for the quarters and six-month periods ended April 30, 2012 and 2011, are as follows:

Type of transactions	Consolidated Financial Statements for the quarters ended April 30,		Unit : Million Baht Separate Financial Statements for the quarters ended April 30,	
	2012	2011	2012	2011
Revenues from sales and services				
Subsidiaries	-	-	496.04	482.91
Related companies	30.34	25.58	-	24.41
Total	<u>30.34</u>	<u>25.58</u>	<u>496.04</u>	<u>507.32</u>
Cost of sales and services				
Subsidiaries	-	-	207.74	316.02
Related companies	0.15	1.13	1.21	0.17
Total	<u>0.15</u>	<u>1.13</u>	<u>208.95</u>	<u>316.19</u>
Other income				
Subsidiaries	-	-	114.81	17.15
Related companies	1.57	0.21	0.98	0.21
Total	<u>1.57</u>	<u>0.21</u>	<u>115.79</u>	<u>17.36</u>
Selling expenses				
Subsidiaries	-	-	12.20	5.02
Related companies	7.23	-	1.31	-
Total	<u>7.23</u>	<u>-</u>	<u>13.51</u>	<u>5.02</u>
Administrative expenses				
Subsidiaries	-	-	11.22	0.01
Related companies	1.80	2.42	2.09	0.82
Total	<u>1.80</u>	<u>2.42</u>	<u>13.31</u>	<u>0.83</u>
Financial costs				
Subsidiaries	-	-	4.12	1.03

Type of transactions	Consolidated Financial Statements for the six-month periods ended April 30,		Unit : Million Baht Separate Financial Statements for the six-month periods ended April 30,	
	2012	2011	2012	2011
Revenues from sales and services				
Subsidiaries	-	-	1,199.80	787.37
Related companies	39.19	34.52	-	24.41
Total	<u>39.19</u>	<u>34.52</u>	<u>1,199.80</u>	<u>811.78</u>
Cost of sales and services				
Subsidiaries	-	-	330.36	515.05
Related companies	1.96	2.77	1.88	1.06
Total	<u>1.96</u>	<u>2.77</u>	<u>332.24</u>	<u>516.11</u>
Other income				
Subsidiaries	-	-	145.26	25.48
Related companies	2.28	0.88	1.68	0.87
Total	<u>2.28</u>	<u>0.88</u>	<u>146.94</u>	<u>26.35</u>
Selling expenses				
Subsidiaries	-	-	14.28	6.48
Related companies	7.25	-	1.31	-
Total	<u>7.25</u>	<u>-</u>	<u>15.59</u>	<u>6.48</u>
Administrative expenses				
Subsidiaries	-	-	11.42	0.02
Related companies	6.42	6.76	4.45	3.40
Total	<u>6.42</u>	<u>6.76</u>	<u>15.87</u>	<u>3.42</u>
Financial costs				
Subsidiaries	-	-	12.94	3.10

POLICY OF INTER-PRICE SETTING

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

- The prices for other inter-purchases/sales of goods (except for sugar products) are in accordance with the prices stipulated in the mutually agreed contracts, which are higher than cost.
- The prices for the inter-purchases/sales of assets are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenues from sales of supplies are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenue from land leased out to a subsidiary is charged according to the lease agreement which term is 30 years, commencing from January 25, 2005 until January 24, 2035 at annual rent of Baht 0.11 million, and will be increased by 10% for every 3 years. Once the lease is expired, ownership rights on all constructions built on the leased land will be vested to the lessor.
- Rental income from land and structure which lease terms range from 1 to 3 years are in accordance with the mutually agreed prices.
- Inter-service income, other incomes and expenses are charged according to the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody period at general market rates.
- Expenses paid on behalf of each other are charged at actual.
- No fee is charged for the inter-credit facility guarantee.

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

Company Name	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Raja Ceramics Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Sahamit Machinery Public Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
K.K. Wood Industry Co., Ltd.	Related Company	Same group of shareholders
Amarco Co., Ltd.	Related Company	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related Company	Same group of shareholders
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in Subsidiary
Mitr Kaset Sugar Industry Co., Ltd.	Related Company	Mutual directors in Subsidiary
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of condominium building

All of the aforementioned related entities are incorporated in Thailand.

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

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at April 30, 2012 and October 31, 2011 consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2012	2011	2012	2011
Trade receivables	877,800	767,148	163,258	242,721
Farmer receivables	166,139	154,562	92,161	133,923
Other receivables - compensation for sugar production and distribution	88,871	88,871	60,951	60,951
Other receivables	27,058	20,366	20,730	9,194
Prepaid expenses	25,862	19,863	5,296	5,392
Advance payment	40,184	77,803	16,688	86,580
Accrued dividend receivable from subsidiary	-	-	-	216,514
Accrued income	41,022	24,797	9,773	4,952
Trade and other receivables	1,266,936	1,153,410	368,857	760,227

7.1 Trade receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2012	2011	2012	2011
Related parties	19,601	6,744	27,061	31,459
Others	864,578	767,609	136,197	211,262
Total trade receivables	884,179	774,353	163,258	242,721
Less Allowance for doubtful accounts	(6,379)	(7,205)	-	-
Trade receivables	877,800	767,148	163,258	242,721

Aging analyzes for trade receivables were as follows:

7.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2012	2011	2012	2011
Domestic trade receivables				
Not yet due	12,820	4,673	27,061	31,459
Overdue not over 3 months	716	2,071	-	-
Total	13,536	6,744	27,061	31,459
Foreign trade receivables				
Overdue not over 3 months	6,065	-	-	-
Total	6,065	-	-	-
Total trade receivables - related parties	19,601	6,744	27,061	31,459

The normal credit terms granted to the related parties of the Company and subsidiaries range from 7 days to 360 days.

7.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2012	As at October 31, 2011	As at April 30, 2012	As at October 31, 2011
Domestic trade receivables				
Not yet due	728,762	554,765	127,985	88,842
Overdue not over 3 months	74,736	76,486	-	385
Overdue over 3 months but not over 6 months	273	2,189	-	-
Overdue over 6 months but not over 12 months	998	-	-	-
Over 12 months	5,672	8,095	-	-
Total	<u>810,441</u>	<u>641,535</u>	<u>127,985</u>	<u>89,227</u>
Foreign trade receivables				
Not yet due	54,137	126,074	8,212	122,035
Total	<u>54,137</u>	<u>126,074</u>	<u>8,212</u>	<u>122,035</u>
Total trade receivables - others	864,578	767,609	136,197	211,262
<u>Less</u> Allowance for doubtful accounts	<u>(6,379)</u>	<u>(7,205)</u>	<u>-</u>	<u>-</u>
Trade receivables - others	<u>858,199</u>	<u>760,404</u>	<u>136,197</u>	<u>211,262</u>

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

7.2 Farmer receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2012	As at October 31, 2011	As at April 30, 2012	As at October 31, 2011
Cane receivables				
Before Season 2008/2009	44,627	46,794	-	-
Season 2008/2009	524	525	77	77
Season 2009/2010	4,296	4,670	3,149	3,162
Season 2010/2011	14,167	19,895	2,664	3,621
Season 2011/2012	71,455	-	13,249	-
Total cane receivables	<u>135,069</u>	<u>71,884</u>	<u>19,139</u>	<u>6,860</u>
Advance payment for purchases of cane				
Season 2011/2012	-	132,225	-	132,225
Season 2012/2013	73,682	-	71,758	-
Total advance payment for purchases of cane	<u>73,682</u>	<u>132,225</u>	<u>71,758</u>	<u>132,225</u>
Receivables from fuel oil, fertilizer and other services	8,174	3,406	6,426	-
Total	216,925	207,515	97,323	139,085
<u>Less</u> Allowance for doubtful accounts	<u>(50,786)</u>	<u>(52,953)</u>	<u>(5,162)</u>	<u>(5,162)</u>
Total farmer receivables	<u>166,139</u>	<u>154,562</u>	<u>92,161</u>	<u>133,923</u>

8. SHORT-TERM LOANS

Short-term loans as at April 30, 2012 and October 31, 2011 consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2012	2011	2012	2011
Short-term loans to related parties	588,460	-	1,557,263	1,357,000
Short-term loans to farmers	414,624	716,284	144,835	201,256
Short-term loans to others	-	12,000	-	12,000
Current portion of loans for cane plantation development	108,176	107,612	23,721	26,384
Total short-term loans	<u>1,111,260</u>	<u>835,896</u>	<u>1,725,819</u>	<u>1,596,640</u>

As at April 30, 2012 and October 31, 2011, short-term loans to farmers included in the consolidated and separate financial statements are post-dated checks, where the farmers discounted with the Company and its subsidiaries with the interest rates based on the lending rates of commercial banks.

9. OTHER CURRENT ASSETS

Other current assets as at April 30, 2012 and October 31, 2011 consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2012	2011	2012	2011
Real estate development costs	49,060	59,377	-	-
Machine maintenance supplies	438,255	334,953	115,326	123,713
Others	101,402	71,650	15,234	12,382
Total other current assets	<u>588,717</u>	<u>465,980</u>	<u>130,560</u>	<u>136,095</u>

10. INVESTMENTS IN AN ASSOCIATE AND SUBSIDIARIES

Investments in an associate and subsidiaries consisted of:

Consolidated Financial Statements

Company Name	Paid-Up		Percentage of		As at April 30, 2012			As at October 31, 2011		
	Share Capital		Shareholding		Investment			Investment		
			%	%	Cost	Equity	Dividend	Cost	Equity	Dividend
	2012	2011	2012	2011						
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	41,921	227	73,800	45,819	163
Total investment in an associate					<u>73,800</u>	<u>41,921</u>	<u>227</u>	<u>73,800</u>	<u>45,819</u>	<u>163</u>

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Unit : Thousand Baht	
	share Capital		Shareholding		As at	As at	For the six-month	For the year
			%	%	April 30,	October 31,	periods ended	ended
	2012	2011	2012	2011	2012	2011	April 30,	October 31
<u>Associate</u>								
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	227	163
Total investment in an associate					<u>73,800</u>	<u>73,800</u>	<u>227</u>	<u>163</u>
<u>Subsidiaries</u>								
Thai Sugar Terminal Public Company Limited **	132,000	132,000	23.82	23.82	81,967	81,967	-	7,545
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	-	216,515
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-
K.S.L. Real Estate Company Limited	140,000	140,000	80.31	80.31	89,134	89,134	-	-
K.S.L. Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	1,220	-
KSL Chemical Company Limited	10,000	10,000	100.00	100.00	9,119	9,119	-	-
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	-
Khon Kaen Alcohol Company Limited	610,000	610,000	100.00	100.00	609,986	609,986	-	-
KSL. Agro & Trading Company Limited	280,000	280,000	100.00	100.00	280,000	280,000	-	-
Savannakhet Sugar Corporation*	684,757	684,757	98.49	98.49	674,178	674,178	-	-
Koh Kong Sugar Industry Co., Ltd.*	798,900	798,900	70.00	70.00	563,829	563,829	-	-
Wynn In Trading Co., Ltd.	184,637	184,637	100.00	100.00	184,637	184,637	-	-
T S G Assets Co., Ltd.**	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.**	200,000	200,000	0.62	0.62	1,238	1,238	-	-
T S Flour Mill Public Company Limited**	200,000	200,000	0.10	0.10	196	196	-	-
T S Warehouse Co., Ltd.**	12,500	12,500	4.02	4.02	509	509	-	-
T S Transport and Logistic Co., Ltd.**	80,000	80,000	10.12	10.12	8,108	8,108	-	-
Total					5,238,724	5,238,724	1,220	224,060
<u>Less</u> Allowance for impairment of investments					(5,884)	(5,884)	-	-
Total investment in subsidiaries					<u>5,232,840</u>	<u>5,232,840</u>	<u>1,220</u>	<u>224,060</u>

* These foreign subsidiaries have been reviewed or audited by other auditors including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn In Trading Co., Ltd. at 70%. Furthermore, Koh Kong Plantation Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year.

** These local subsidiaries which have been reviewed or audited by other auditors.

The financial statements of three foreign subsidiaries*, which were also consolidated and have been reviewed or audited by other auditors, are as follows:

Unit : Million Baht

	As at April 30, 2012		As at October 31, 2011	
	Before elimination of related transactions	After elimination of related transactions	Before elimination of related transactions	After elimination of related transactions
Total assets	4,692.19	4,398.50	4,200.42	4,132.41

Unit : Million Baht

	For the quarter and six-month period ended April 30, 2012		For the quarter and six-month period ended April 30, 2011	
	Before elimination of related transactions	After elimination of related transactions	Before elimination of related transactions	After elimination of related transactions
For the quarter				
Total revenues	104.73	5.10	917.96	709.51
Total net profit	(255.95)	(296.89)	95.15	90.95
For six-month period				
Total revenues	259.65	11.62	1,095.97	760.18
Total net profit	(314.68)	(308.63)	69.59	65.39

The financial statements of six local subsidiaries**, which were also consolidated and have been reviewed or audited by other auditors, are as follows:

Unit : Million Baht

	As at April 30, 2012		As at October 31, 2011	
	Before elimination of related transactions	After elimination of related transactions	Before elimination of related transactions	After elimination of related transactions
Total assets	2,842.44	2,833.30	2,946.13	2,944.80

Unit : Million Baht

	For the quarter and six-month period ended April 30, 2012		For the quarter and six-month period ended April 30, 2011	
	Before elimination of related transactions	After elimination of related transactions	Before elimination of related transactions	After elimination of related transactions
For the quarter				
Total revenues	840.34	796.92	517.67	505.65
Total net profit	88.36	48.53	41.62	31.47
For the six-month period				
Total revenues	1,553.46	1,479.32	1,094.99	1,081.63
Total net profit	94.10	25.13	61.10	50.09

The financial statements of Champion Fermentation Co., Ltd. and its subsidiaries, an associate, which were accounted by equity method, were prepared by such company's management which have not yet reviewed or audited by other auditors. The Company recognized profit or loss sharing of investment in such associate in the consolidated statements of income as follows:

		For the quarters and six-month periods ended April 30,	
		2012	2011
For the quarters			
Recognized profit sharing	Million Baht	1.28	2.78
Percentage of total net profit	%	0.19	0.46
For the six-month periods			
Recognized profit (loss) sharing	Million Baht	(3.67)	5.76
Percentage of total net profit (loss)	%	(0.33)	0.77

11. INVESTMENT PROPERTY

Movement of investment property for the six-month ended April 30, 2012 are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning book value	277,824	143,477
Depreciation for the period	<u>(1,448)</u>	<u>(1,743)</u>
Ending book value	<u>276,376</u>	<u>141,734</u>

The Company and subsidiaries have operating lease agreements related to lease of land, factory building and warehouse with the tenor range from 2 months to 30 years in the consolidated financial statements. As at April 30, 2012, the assets leased under the said operating lease would generate the future minimum rental income in 1 year as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Residential unit lease agreements	49,243	40,490
Warehouse lease agreements	39,719	-
Land lease agreements	1,309	-

As at April 30, 2012 and October 31, 2011, the Company and subsidiaries have the assets for rent with the book value stated in the consolidated financial statements of Baht 122.64 million and Baht 123.37 million, respectively, were pledged as collateral against credit facilities given by two commercial banks.

12. PROPERTY, PLANT AND EQUIPMENT

Movements for the six-month period ended April 30, 2012 are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning book value	17,792,882	2,334,816
Purchases of assets (including construction in progress)	1,583,594	828,885
Capitalized interest expenses as costs of assets	6,121	104
Transfer from others non-current asset	95,084	-
Transfer from assets not yet used in operation	4,406	-
Transfer to inventories	(135,532)	-
Transfer to assets not yet used in operation	(33,623)	-
Cost of disposal/written off of assets	(195,818)	(64,789)
Accumulated depreciation - disposal/written off	81,381	63,132
Surplus on revaluation of disposal/written off of assets	(15,760)	(9,118)
Accumulated depreciation - surplus on revaluation of disposal/written off of assets	13,814	5,962
Reversal of loss on impairment of assets	292	-
Depreciation	(601,236)	(187,169)
Depreciation - surplus on revaluation of assets	(295,186)	(114,041)
Translation of financial statements differences	4,169	-
Ending book value	<u>18,304,588</u>	<u>2,857,782</u>

For the six-month period ended April 30, 2012, assets increased are mainly construction in progress of Baht 686.74 million.

As at April 30, 2012 and October 31, 2011, land together with structure and machinery at the book value of Baht 825.09 million and Baht 834.68 million, respectively, in the consolidated financial statements, were used as collateral for the short-term and long-term credit facilities with commercial banks as stated in Notes 17 and 24.5.

As at April 30, 2012 and October 31, 2011, buildings and structure and building under construction of three foreign subsidiaries at book value of Baht 632.70 million and Baht 652.47 million, respectively, in the consolidated financial statements, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 24.7).

As at April 30, 2012 and October 31, 2011, assets at cost amount of Baht 691.83 million and Baht 670.67 million, respectively, in the consolidated financial statements, and of Baht 298.77 million and Baht 315.55 million, respectively, in the separate financial statements, were fully depreciated but still in use.

The Company and its subsidiaries accounted for assets revaluation by recording an increase in values of assets to surplus on revaluation of assets in the shareholders' equity. If the Company and its subsidiaries recorded the depreciation of such surplus on revaluation of assets in the statements of income, the effect to the statements of income for the quarters and six-month periods ended April 30, 2012 and 2011 are as follows:

	Consolidated		Unit : million Baht	
	Financial Statements for the quarters ended April 30,		Separate Financial Statements for the quarters ended April 30,	
	2012	2011	2012	2011
Depreciation and written off recognized in shareholders' equity increased	151.77	143.35	59.21	51.63
Effect to statements of income from above depreciation and amortization				
Profit for the period decreased	151.77	143.35	59.21	51.63
Earnings per share decreased (Unit : Baht)	0.10	0.09	0.04	0.03

	Consolidated		Unit : million Baht	
	Financial Statements for the six-month periods ended April 30,		Separate Financial Statements for the six-month periods ended April 30,	
	2012	2011	2012	2011
Depreciation and written off recognized in shareholders' equity increased	297.13	249.60	117.20	93.20
Effect to statements of income from above depreciation and amortization				
Profit for the period decreased	297.13	249.60	117.20	93.20
Earnings per share decreased (Unit : Baht)	0.19	0.16	0.07	0.06

13. ASSETS NOT YET USED IN OPERATION

Movements for the six-month period ended April 30, 2012 are as follows:

	Consolidated	Unit : Thousand Baht
	Financial statements	Separate Financial statements
Beginning book value	689,974	98,282
Purchases	17,721	-
Disposal	(3,035)	-
Transfer in	33,623	-
Transfer out	(4,419)	-
Ending book value	<u>733,864</u>	<u>98,282</u>

As at April 30, 2012 and October 31, 2011, assets not yet used in operation at book value of Baht 295.26 million and Baht 292.82 million, respectively, in the consolidated financial statements, and of Baht 98.28 million in the separate financial statements are land held for business expansion in the future.

14. TRADE AND OTHER PAYABLES

Trade and other payables as at April 30, 2012 and October 31, 2011 consisted of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at April 30, 2012	As at October 31, 2011	As at April 30, 2012	As at October 31, 2011
Trade payables - related parties	58	66	123,065	22,305
Trade payable - others				
- Payables for cane purchase	412,405	775,166	264,904	379,791
- Other trade payables	288,993	129,856	97,437	12,671
Advances received for sales of goods	58,357	45,650	51,298	37,476
Accrued fees payable to the Office of the Cane and Sugar Fund	61,693	53,846	32,633	22,809
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	81,819	50,016	36,641	24,379
Other accrued expenses	228,314	162,533	87,415	72,906
Payables on purchases of assets	262,393	374,599	138,669	59,391
Other payables	284,010	252,817	75,587	126,503
Total	<u>1,678,042</u>	<u>1,844,549</u>	<u>907,649</u>	<u>758,231</u>

As at April 30, 2012, the Company and its three subsidiaries purchased canes for the production season 2011/2012 using the initial cane price for production season 2011/2012 announced by the Cane and Sugar Board's in the Royal Gazette dated March 2, 2012. The price is Baht 1,000.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 60.00 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 2011/2012. Therefore, the Company and its subsidiaries recorded the provision for production expenses as mentioned in Note 15 and calculated cost of goods sold and inventories for the quarter and six-month period ended April 30, 2012 from estimation made by the management of the Company and its subsidiaries at cane price of Baht 1,165.69 - 1,309.40 per cane ton with average sweetness level at 11.27 - 12.26 c.c.s.

15. PROVISION FOR PRODUCTION COSTS

The Company and its three subsidiaries recorded provision for production costs based on average rate of production costs for the entire production season to determine the cost of production per unit, which was calculated from the estimated cost of cane, direct labor and production costs expected to occur divided by the estimated volume of production expected to produce in each production season. The cost of cane is estimated as described in Note 14. The quantities of cane to be crushed in each production season, direct labor and production costs are estimated by the management of the Company and its subsidiaries by considering from past information relating to the nature of each recurring expense and capacity in each production season. The differences between the estimated production cost of the produced units and the actual production costs are shown under the "Provision for Production Costs", which will reduce over time according to the increase in actual production costs and will be completely depleted at the end of the production season.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances at that time.

16. LONG-TERM DEBENTURES

Long-term debentures as at April 30, 2012 and October 31, 2011 are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements As at April 30, 2012	As at October 31, 2011
Unsecured senior debt debentures		
- Maturity over 1 year	2,497,016	1,998,418
- Current portion	<u>1,999,443</u>	<u>1,779,560</u>
Total	<u>4,496,459</u>	<u>3,777,978</u>

Movements of long-term debentures for the six-month period ended April 30, 2012 are as follows:

	Unit : Thousand Baht
	Consolidated Financial Statements/ Separate Financial Statements
Beginning book value	3,777,978
Increase during the period	1,497,305
Redemptions during the period	(780,000)
Amortized debenture issuance expenses during the period	<u>1,176</u>
Ending book value	<u>4,496,459</u>

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

- The Company shall maintain the debt with interest to shareholders' equity ratio in the consolidated financial statements at not more than 2.5 to 3:1 at any time for the entire debentures terms. However, the debt with interest to shareholders' equity ratio as at October 31 of each year shall be maintained at not more than 1.5 to 2:1 for the entire debentures terms.
- In case the credit rating of the debentures is lower than the current Company's rating at that time, the Company shall pledge assets as collateral for the debenture holders or proceed to correct the credit rating of the debentures to be at the same level or better than the credit rating of the Company.

On December 16, 2011, the Company issued debentures as approved by the Company's Board of Directors Meeting No.12/2554 held on November 25, 2011 in Thai Baht currency, which are specified holder, non-subordinated, unsecured and non-representative holding, of 1,500,000 units at par value of Baht 1,000, totaling of Baht 1,500 million. The term is 3 years and maturity date is December 16, 2014, carrying interest at 4.05% per annum. The Company shall maintain the debt with interest to shareholders' equity ratio in the consolidated financial statements as at October 31 of each year at not more than 2:1 for the entire debentures terms.

Debt with interest-to-equity and debt-to-equity as at April 30, 2012 and October 31, 2011, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at April 30, 2012	As at October 31, 2011	As at April 30, 2012	As at October 31, 2011
Debt with interest-to-equity	1.47 : 1.00	1.08 : 1.00	1.50 : 1.00	0.90 : 1.00
Debt-to-equity	1.87 : 1.00	1.30 : 1.00	1.89 : 1.00	1.09 : 1.00

17. LONG-TERM BORROWINGS

Movements of long-term borrowings for the six-month period ended April 30, 2012 are as follows:

	Consolidated	Unit : Thousand Baht Separate
	Financial Statements	Financial Statements
Beginning balance at book value	5,123,405	164,000
Increase during the period	28,600	17,300
Repayment in the period	(1,519,419)	(164,000)
Currency translation differences	2,137	-
Ending balance at book value	<u>3,634,723</u>	<u>17,300</u>
Less Current portion	<u>(514,138)</u>	<u>(1,500)</u>
Long-term borrowings	<u>3,120,585</u>	<u>15,800</u>

In the consolidated and separate financial statements, as at April 30, 2012 and October 31, 2011, the Company and its subsidiaries obtained borrowings from the commercial banks, which the first to eighth credit lines had due payment of interest at the end of every month and carried interest rates at MLR-2.00% to MLR-0.75% per annum. The ninth to tenth credit lines had due payment of interest every three months and carried the interest rate at LIBOR+2% per annum. There are important covenants as follows:

No.	Limit	Term of payment	Collateral
1	Baht 500 million	Repayment of principal at every six-month period for the total of 6 installments, the first installment to be paid in January 2010. The payment for the 1 st -5 th installment at Baht 84.00 million each and the 6 th installment repayment of Baht 80.00 million.	None
2	Baht 2,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 200.00 million each with the grace period of two years, commencing the first installment in December 2011.	<ul style="list-style-type: none"> - Secured by Khon Kean Sugar Industry Public Company Limited - Insurance coverage for structure and machineries at maximum sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank
3	Baht 1,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 100.00 million each with the grace period of two years, commencing the first installment in March 2012.	
4	Baht 600 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 60.00 million each with the grace period of two years, commencing the first installment in July 2012.	
5	Baht 140 million	Repayment of principal at every six-month period for the total of 7 installments at Baht 20.00 million each, commencing the first installment in June 2010.	
6	Baht 200 million	Repayment of principal at every three-month period for the total of 20 installments at Baht 10.00 million each with the grace period of two years, commencing the first installment in January 2012.	<ul style="list-style-type: none"> - Secured by four subsidiaries - Mortgaged land with warehouse, plant, machineries including plant under construction and machineries under installation when construction and installation completed and leasehold right of leased land with plant of subsidiary - Insurance coverage for structure and machineries at maximum sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank
7	Baht 800 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 37.50 - 92.50 million each, commencing the first installment in April 2010.	
8	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million with the grace period of two years, commencing the first installment in March 2011.	
9	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million with the grace period of two years, commencing the first installment in March 2011.	<ul style="list-style-type: none"> - Secured by Khon Kean Sugar Industry Public Company Limited based on percentage of share holding - Secured by two subsidiaries - Share certificate of a related company holding by shareholders of subsidiary
10	USD 30 million	Repayment of principal at every six-month period for the total of 10 installments at USD 3.00 million with the grace period of two years, commencing the first installment in June 2011.	
11	Baht 2,150 million	Repayment of principal at every six-month period, commencing the first installment in 25 months after the first withdraw and must repayment the total of principal and interest within 84 months.	None
12	Baht 22.60 million	Repayment of principal annually for the total of 6 installments, commencing the first installment in June 2012.	- Secured by the directors of Khon Kean Sugar Industry Public Company Limited

In addition, the Company and its subsidiaries have to abide to certain financial conditions, such as maintaining of debt-to-equity ratio, the shareholding ratio in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital and restriction on dividend payment.

18. SHARE CAPITAL

The Company issued 0.38 million new ordinary shares with a par value of Baht 1.00 each, totaling Baht 0.38 million to support the conversion of warrants at the exercise price of Baht 10.00 per ordinary share.

Movement of share capital for the six-month period ended April 30, 2012 is as follow:

	Par Value Baht	Number Million Shares	Amount Million Baht
Issued and paid-up share capital			
As at November 1, 2011	1.00	1,551.07	1,551.07
Ordinary during the period	1.00	<u>22.54</u>	<u>22.54</u>
As at April 30, 2012	1.00	<u>1,573.61</u>	<u>1,573.61</u>

19. DIVIDENDS PAID

The annual general meeting of shareholders of the Company passed a resolution to pay dividends as follows:

Dividends	Approved by	Number of shares Million shares	Dividends Paid Per share	Dividends Paid Million Baht	Dividends Paid Date
- Dividends paid from the Company's result of operations from November 1, 2010 to October 31, 2011	No. 1/2555 held on February 28, 2012	1.57	0.50	786.53	March 28, 2012
- Dividends paid from the Company's result of operations from November 1, 2009 to October 31, 2010	No. 1/2554 held on February 28, 2011	1.55	0.07	108.50	March 28, 2012

20. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses included the compensation paid to the directors of the Company and its subsidiaries in accordance to Section 90 of Public Company Act which do not include salaries and related benefits paid to the executive directors of the Company and its subsidiaries are as follows:

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	2012	2011	2012	2011
For the quarters ended April 30,	4.12	5.55	1.64	1.65
For the six-month periods ended April 30,	11.94	12.10	5.46	5.39

21. EXPENSES BY NATURE

The significant expenses by nature for the quarters and six-month periods ended April 30, 2012 and 2011 are as follows:

	Consolidated Financial Statements for the quarters ended April 30,		Unit : Thousand Baht	
			Separate Financial Statements for the quarters ended April 30,	
	2012	2011	2012	2011
Salaries, wages and other employee benefits	417,140	347,195	113,905	77,008
Depreciation	384,858	299,422	114,285	104,929
Fuel costs	119,534	99,021	32,155	41,992
Fee payable to the Office of the Cane and Sugar Fund	269,479	186,144	130,907	91,085
Maintenance expenses	203,991	134,059	74,398	41,177
Transportation expenses	134,972	141,864	37,527	33,531
Raw material and supplies used	6,307,652	5,311,060	2,166,058	2,201,649
Purchased finished goods	35,420	368	149,051	342,046
Changes in finished goods and work in process	(2,949,949)	(3,480,223)	(1,512,910)	(1,632,043)
Loss on damaged sugar cane	82,004	8,271	-	-
Loss from diminution in value of inventories	185,678	4,751	19,923	-
Management benefit expenses	32,164	27,083	6,428	5,594
Loss from investment in derivative instruments	-	49,847	-	32,179
Interest expenses	144,121	127,805	60,093	52,319
Other financial expenses	1,457	979	624	669
Other operating expenses	201,261	229,926	80,118	84,153
Total	5,569,782	3,487,572	1,472,562	1,476,288

	Consolidated Financial Statements for the six-month periods ended April 30,		Unit : Thousand Baht	
			Separate Financial Statements for the six-month periods ended April 30,	
	2012	2011	2012	2011
Salaries, wages and other employee benefits	803,278	669,560	219,785	193,495
Depreciation	660,964	505,222	200,170	172,521
Fuel costs	204,757	169,614	56,403	66,864
Fee payable to the Office of the Cane and Sugar Fund	573,409	416,566	310,652	202,321
Maintenance expenses	373,043	259,628	125,846	98,487
Transportation expenses	271,717	225,633	69,053	62,941
Raw material and supplies used	11,638,543	8,805,408	3,824,785	3,544,035
Purchased finished goods	81,688	35,618	262,377	543,873
Changes in finished goods and work in process	(6,015,198)	(5,821,158)	(2,482,823)	(2,437,392)
Loss on damaged sugar cane	92,422	26,380	-	-
Loss from diminution in value of inventories	376,087	4,751	111,258	-
Management benefit expenses	91,545	75,494	21,077	18,556
Loss from investment in derivative instruments	-	16,768	-	32,179
Loss from damaged asset	137,300	-	-	-
Interest expenses	276,585	215,615	116,404	103,759
Other financial expenses	2,150	2,140	1,244	1,323
Other operating expenses	456,820	367,594	154,603	135,553
Total	10,025,110	5,974,833	2,990,834	2,738,515

22. EARNINGS PER SHARE

The calculations of basic earnings per share were based on dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the period by the number of dilutive potential ordinary shares, on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares. For the quarters and six-month periods ended April 30, 2012, the Company's dilutive potential ordinary shares are the stock options provided to the existing shareholders. The details are as follows:

	Consolidated Financial Statements			Separate Financial Statements		
	For the quarter ended April 30, 2012			For the quarter ended April 30, 2012		
	Net profit	Number of shares	Earnings per share	Net profit	Number of shares	Earnings per share
	Thousand Baht	Thousand Shares	Baht	Thousand Baht	Thousand Shares	Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	666,662	1,573,347*	0.424	82,102	1,573,347*	0.052
<u>Effect of diluted equivalent ordinary shares</u>						
Warrants	-	38,206		-	38,206	
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	666,662	1,611,553	0.414	82,102	1,611,553	0.051

	Consolidated Financial Statements			Separate Financial Statements		
	For the six-month ended April 30, 2012			For the six-month ended April 30, 2012		
	Net profit	Number of shares	Earnings per share	Net profit	Number of shares	Earnings per share
	Thousand Baht	Thousand Shares	Baht	Thousand Baht	Thousand Shares	Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	1,082,563	1,568,123*	0.690	142,919	1,568,123*	0.091
<u>Effect of diluted equivalent ordinary shares</u>						
Warrants	-	35,368		-	35,368	
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	1,082,563	1,603,491	0.675	142,919	1,603,491	0.089

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

23. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS

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

Consolidated Financial Statements For the six-month periods ended April 30, 2012 and 2011

Unit : Million Baht

	Manufacture and Distribution of Sugar and Molasses						Manufacture and Distribution of Alcohol		Manufacture and Sale of Electricity		Real Estate Rental		Wheat Flour		Others Business		Inter-Transaction		Total		
	2012			2011			2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	Thai	Laos	Cambodia	Thai	Laos	Cambodia	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	
Net revenues from operation - domestic	4,699	-	242	3,126	9	332	280	330	1,180	626	210	66	578	465	1,248	574	(3,633)	(2,274)	4,804	3,254	
Net revenues from operation - foreign	5,901	-	6	2,746	236	514	665	-	-	-	-	-	-	-	22	25	(242)	(33)	6,352	3,488	
Total	10,600	-	248	5,872	245	846	945	330	1,180	626	210	66	578	465	1,270	599	(3,875)	(2,307)	11,156	6,742	
Profit (loss) from operations	2,229	(9)	(184)	1,463	89	115	241	48	615	261	122	75	98	106	83	86	(115)	(84)	3,080	2,159	
Selling and administrative expenses																			(1,349)	(1,005)	
Finance costs																				(279)	(218)
Share of profit (loss) of investment in an associate																				(4)	6
Income tax expenses																				(338)	(191)
Net profit for the period																				1,110	751
Add (Less) Loss (Profit) for the period of non-controlling interest																				(28)	(56)
Profit for the period																				1,082	695
As at April 30, 2012 and 2011																					
Trade receivables	578	-	218	635	13	223	53	74	228	191	47	47	128	94	177	158	(551)	(577)	878	858	
Inventories	6,792	202	422	6,766	48	68	198	164	308	167	-	-	500	391	382	150	13	-	8,817	7,754	
Property, plant and equipment	8,914	1,082	2,055	8,277	1,094	2,116	892	948	3,973	3,649	460	1,016	420	439	1,041	842	(533)	(265)	18,304	18,116	
Central assets	9,765	229	1,113	2,766	235	568	78	69	90	80	371	62	35	33	764	428	(8,062)	(1,327)	4,383	2,914	
Total Assets	26,049	1,513	3,808	18,444	1,390	2,975	1,221	1,255	4,599	4,087	878	1,125	1,083	957	2,364	1,578	(9,133)	(2,169)	32,382	29,642	

24. COMMITMENTS, CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENTS

As at April 30, 2012 and October 31, 2011, apart from liabilities reflected in the financial statements, the Company and its subsidiaries have commitments and contingent liabilities as follows:

24.1 The Company and its subsidiaries have commitments relating to the agreements to sell sugar but not yet delivered in the consolidated financial statements amounting to Baht 6,789.88 million and Baht 3,066.41 million, respectively, and in the separate financial statements amounting to Baht 4,111.17 million and Baht 1,965.06 million, respectively.

24.2 The Company and three subsidiaries had issued post-dated checks to farmers to purchase cane. The Company and subsidiaries did not record the said liabilities as the checks are not yet due and the cane of the production season has not been received from the farmers. Detail is as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	April 30,	October 31,	April 30,	October 31,
	2012	2011	2012	2011
For the production season 2011/2012	244.39	812.46	23.51	121.07

24.3 A subsidiary entered into two electricity sale-purchase agreements with the Electricity Generating Authority of Thailand (EGAT) as follows:

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khonkaen Province, for the period of 21 years commencing from the first month of electricity selling (December 2006) at the volume of 20 Megawatt at the voltage of 115 Kilovolts. For the second year until the year before last, EGAT agrees to buy electricity at not less than 80% of the electricity volume stipulated in the agreement.
- Agreement dated January 12, 2010, EGAT agrees to buy electricity at the volume of 22 Megawatt at the voltage of 115 Kilovolts at Bo Ploy District, Kanchanaburi Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from October 1, 2012. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sale the electricity. Furthermore, on October 20, 2011, the subsidiary entered into additional amendment to the agreement to temporary sell the electricity to EGAT at the volume of 8 Megawatt at the voltage of 22 Kilovolts from November 25, 2010 to September 30, 2011.

24.4 A subsidiary was granted the electricity generating business concession from the Ministry of Energy (the Concession Granter) on October July 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. The important conditions are as follows:

- Once the concession period expired or is terminated, the Concession Granter has the option to purchase the entire electricity generating business from the subsidiary at the price determined by the Committee approved by the Cabinet and the Concession Granter shall inform the subsidiary in writing at least six months prior to the expiration date of the concession and within three months from the rescind date of the concession.
- Once the concession period is expired, Metropolitan Electricity Authority, Provincial Electricity Authority, municipal government or sanitation district has the intention to operate the subsidiary's electricity generating business, they can purchase the assets of the electricity generating business at the price determined by the Committee approved by the Cabinet. However, if the said government sectors do not wish to purchase the electricity generating business and the subsidiary has the intention to continue the operation, the Concession Granter may consider the appropriateness in extending the concession term.

In case the subsidiary does not agree to the proposal as mentioned above, the subsidiary shall demolish all the constructions constructed or installed in public area and renovate to their original conditions within six months after this concession is expired.

24.5 The consolidated and separate financial statements, as at April 30, 2012 and October 31, 2011, have commitments, contingent liabilities and credit facilities as follows:

		Unit : Million					
		Consolidated Financial Statements					
		As April 30, 2012			As at October 31, 2011		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	THB	-	6,357.96	-	-	6,048.16	-
Contract to guarantee of debt repayment of others for all borrowings	THB	154.20	154.20	-	175.00	175.00	-
Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	USD	-	87.48	-	-	94.06	-
Contingent Liabilities							
Letters of guarantees (not specified credit limit)	THB	-	106.88	-	-	105.94	-
Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
Letters of credit and trust receipts	THB	804.00	803.49	0.51	1,484.00	557.62	926.38
Letters of credit	USD	10.56	0.78	9.78	10.00	-	10.00
Credit Facilities							
Overdraft and short-term borrowings	THB	17,056.30	6,879.30	10,177.00	14,420.15	1,993.90	12,426.25
Short-term borrowings	USD	20.50	20.00	0.50	20.50	20.00	0.50
Joint credit line in short-term borrowings	THB	1,484.20	244.20	1,240.00	2,035.85	57.98	1,977.87
Long-term borrowings	THB	3,677.50	2,533.50	1,144.00	4,194.00	3,904.00	290.00
Long-term borrowings	USD	31.00	31.00	-	35.00	35.00	-
Joint credit line in the letters of credit and long-term borrowings	THB	260.00	146.00	114.00	260.00	146.00	114.00

Unit : Million

		Separate Financial Statements						
		As April 30, 2012			As at October 31, 2011			
Currency		Total	Utilized	Remaining	Total	Utilized	Remaining	
Commitments								
	Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	THB	-	6,357.96	-	-	6,048.16	-
	Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	USD	-	36.48	-	-	39.06	-
Contingent Liabilities								
	Letters of guarantees (unspecified credit limit)	THB	-	2.86	-	-	2.86	-
	Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
Credit Facilities								
	Overdraft and short-term borrowings	THB	5,818.80	3,029.20	2,789.60	4,042.15	-	4,042.15
	Short-term borrowings	USD	0.50	-	0.50	0.50	-	0.50
	Joint credit line in short-term borrowings	THB	1,484.20	244.20	1,240.00	2,035.85	57.98	1,977.87
	Long-term borrowings	THB	-	-	-	164.00	164.00	-

Overdrafts and short-term borrowings from financial institutions as at April 30, 2012 and October 31, 2011 carried interest rates at 2.27% - 4.53% per annum and 2.27% - 4.62% per annum, respectively.

Part of the above credit facilities are secured by land together with structure, machineries, the subsidiary's leasehold right for the land, where the factory is located, and share certificates of a related company held by the shareholders of the subsidiary. The inter-guarantee was also offered between the Company and its subsidiaries, and benefits arisen from insurance policy for structure and machineries were transferred to the lenders, and for some of the credit facilities, if the drawdown is made, the Company and its subsidiaries have to additionally pledge parts of their inventories as collateral.

Furthermore, in relation to commitments for long-term loans, the Company and its subsidiaries have to comply with certain financial conditions such as maintaining the debt-to-equity ratio, maintaining the shareholding ratio in subsidiary, maintaining the debt service coverage ratio, limitation in creating additional long-term debts, increase of the registered share capital and limitation in dividend payment, etc.

24.6 As at April 30, 2012 and October 31, 2011, the Company and its subsidiaries have remaining commitments under the various contracts as follows:

Unit : Million					
Consolidated Financial Statements					
As April 30, 2012					
Currency	Contractual Amount	Outstanding Contractual Commitments	As at October 31, 2011		
			Contractual Amount	Outstanding Contractual Commitments	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	1,859.35	1,421.46	223.32	67.35
Machine and equipment purchase agreements	THB	88.96	30.79	275.39	90.99
	USD	15.90	11.91	35.81	31.57
	JPY	730.00	730.00	730.00	730.00
	CHF	-	-	0.16	0.11
	EURO	740.00	550.00	-	-
Rental agreements	THB	13.12	8.79	11.62	10.42
Materials purchase agreements	THB	127.51	55.15	235.99	39.37
	USD	1.09	1.09	2.68	2.68

Unit : Million					
Separate Financial Statements					
As April 30, 2012					
Currency	Contractual Amount	Outstanding Contractual Commitments	As at October 31, 2011		
			Contractual Amount	Outstanding Contractual Commitments	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	1,511.49	1,190.89	3.92	2.04
Rental agreements	THB	13.12	8.79	11.62	10.42

24.7 Other significant agreements

24.7.1 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary), made a contract to develop area in the Lao People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 30 years which can be extended for another 20 years if approved by the counter party. As at April 30, 2012 and October 31 2011, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.

24.7.2 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 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. As at April 30, 2012 and October 31, 2011, the subsidiaries have already utilized the area of 10,481 hectares.

24.7.3 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with third parties to build port and land awaiting development dated May 21, 2007 and June 1, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at April 30, 2012 and October 31, 2011, the remaining amount of the advance lease fee paid is USD 453,989 and USD 456,638, respectively.

25. FINANCIAL INSTRUMENTS

Policy to manage financial risk

As at April 30, 2012, the policy to manage financial risks, credit risks and fair values is the same as that of the financial statements as at October 31, 2011.

Risk on interest rate

Risk on interest rates is derived from the fluctuation of the market interest rate in the future, which will affect upon the Company and its subsidiaries' operating results and cash flows. However, the Company and subsidiaries manage risk on interest rate by using various methods including the borrowings allocation to gain appropriate balance between fixed interest rate borrowings and floating interest rate borrowings and compatible to different activities of the Company and subsidiaries with the details mainly as follows:

	Unit : Thousand Baht				
	Consolidated Financial Statements				
	As at April 30, 2012				
	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year	More than 5 years	Interest Rate	
		to 5 years			
Financial Assets					
Savings account deposits	-	-	-	248,808	248,808
Fixed account deposits	21	-	-	-	21
Loans for cane plantation development	86,203	13,929	-	324,560	424,692
Short-term loans to farmers	353,788	-	-	62,206	415,994
Other long-term investments	255	13,998	-	-	14,253
Total	<u>440,267</u>	<u>27,927</u>	<u>-</u>	<u>635,574</u>	<u>1,103,768</u>
Financial Liabilities					
Short-term borrowings from financial institutions	5,766,374	-	-	2,717,838	8,484,212
Debentures	1,999,442	2,497,016	-	-	4,496,458
Long-term borrowings	3,300	-	25,300	3,606,124	3,634,724
Total	<u>7,769,116</u>	<u>2,497,016</u>	<u>25,300</u>	<u>6,323,962</u>	<u>16,615,394</u>

Unit : Thousand Baht

Consolidated Financial Statements
As at October 31, 2011

	Fixed Interest Rate			Floating Interest Rate	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years		
Financial Assets					
Saving account deposits	-	-	-	248,891	248,891
Fixed account deposits	21	-	-	-	21
Loans for cane plantation development	58,684	3,762	1,493	404,065	468,004
Short-term loans to farmers	673,334	9,750	-	45,200	728,284
Other long-term investments	758	13,343	-	-	14,101
Total	<u>732,797</u>	<u>26,855</u>	<u>1,493</u>	<u>698,156</u>	<u>1,459,301</u>
Financial Liabilities					
Short-term borrowings from financial institutions	1,356,000	-	-	1,828,081	3,184,081
Debentures	1,779,560	1,998,418	-	-	3,777,978
Long-term borrowings	400,000	-	-	4,723,405	5,123,405
Total	<u>3,535,560</u>	<u>1,998,418</u>	<u>-</u>	<u>6,551,486</u>	<u>12,085,464</u>

Risk on exchange rate

Risks on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import of machine as transactions are made in foreign currencies. As at April 30, 2012 and October 31, 2011, the Company and its subsidiaries possessed assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been made as follows:

Unit : Million

Currencies	Consolidated Financial Statements				Separate Financial Statements			
	As at April 30, 2012		As at October 31, 2011		As at April 30, 2012		As at October 31, 2011	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	13.07	81.33	6.85	60.12	0.27	-	3.99	-
YEN	-	-	-	80.24	-	-	-	-
RIEL	711.58	568.41	519.43	135.48	-	-	-	-
LAK	120.16	600.63	92.99	554.45	-	-	-	-

As at April 30, 2012 and October 31, 2011, in the consolidated and separate financial statements, the Company and its subsidiaries made forward contracts with a commercial banks to hedge against exchange rate risk from receipt and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liability in the financial statements. The forward contracts that have repayment due dates not over 12 months are as follows:

Unit : Million

Currency	Amount fixed in contract				Currency	Amount earned in contract			
	Consolidated Financial Statements		Separate Financial Statements			Consolidated Financial Statements		Separate Financial Statements	
	April 30, 2012		October 31, 2011			April 30, 2012		October 31, 2011	
USD	110.54	192.74	-	-	Baht	3,450.73	5,989.37	-	-

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

	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	April 30, 2012	October 31, 2011	April 30, 2012	October 31, 2011
Net fair values of forward contracts profit (loss)	32.54	(6.17)	-	-

Risk on the fluctuation of sugar and cane prices

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

For the quarters and six-month periods ended April 30, 2012 and 2011, the Company accounted for transactions in the financial statements as follows:

	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
Profit (loss) from investments in derivative instruments				
- for quarters ended April 30,	119.93	(49.85)	34.80	(32.18)
- for six-month periods ended April 30,	120.89	(16.77)	35.15	(32.18)

Net fair values of financial derivatives as at April 30, 2012 and October 31, 2011, of the Company and its subsidiaries are as follows:

	Currency	Unit : Million	
		Consolidated/ Separate	
		Financial Statements	
		As at	As at
		April 30, 2012	October 31, 2011
Net fair values for commodity swap contracts	USD	0.13	0.94
	THB	50.78	9.59

The fair values of the commodity swap are calculated by using the raw sugar price and white sugar price from The Exchange and Bloomberg at the end of the reporting periods as though the Company and its subsidiaries have settled the said contracts at the end of the reporting period dates.

Credit risk

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

26. COMPARATIVE DATA OF FINANCIAL STATEMENTS FOR THE YEARS ENDED APRIL 30, 2012 AND 2011

The nature of the operations of the Company and its subsidiaries with the main business activities in manufacture and distribute sugar depending on seasons, which can be classified as production season, from November to April of each year, and outside production season, from May to October. To facilitate the users of these financial statements in comparing the information for the business with definite seasonal fluctuation, the Company presents the comparative financial data for the years ended April 30, 2012 and 2011 as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30,		Financial Statements	
	2012	2011	As at April 30,	
	2012	2011	2012	2011
ASSETS				
CURRENT ASSETS				
Cash and cash equivalent	288,871	344,961	16,298	64,137
Trade and other receivables	1,266,936	1,287,420	368,857	513,631
Short-term loans	1,111,260	306,584	1,725,819	618,498
Inventories	8,816,626	7,754,054	3,329,599	2,926,493
Others	588,994	446,383	130,560	129,170
Total Current Assets	<u>12,072,687</u>	<u>10,139,402</u>	<u>5,571,133</u>	<u>4,251,929</u>
NON-CURRENT ASSETS				
Deferred cane plantation costs	460,210	609,159	29,474	63,756
Loans for cane plantation development	316,517	249,106	25,474	23,434
Property, plant and equipment	18,304,588	17,379,987	2,857,782	2,127,613
Others	1,228,182	810,578	5,570,558	5,580,836
Total Non-Current Assets	<u>20,309,497</u>	<u>19,048,830</u>	<u>8,483,288</u>	<u>7,795,639</u>
TOTAL ASSETS	<u>32,382,184</u>	<u>29,188,232</u>	<u>14,054,421</u>	<u>12,047,568</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short term borrowings from financial institutions	8,484,212	6,248,658	2,312,374	1,655,679
Trade and other payables	1,678,042	1,725,697	907,649	849,472
Current portion of long-term debentures	1,999,443	779,605	1,999,443	779,605
Current portion of long-term borrowings	514,138	847,539	1,500	168,000
Short-term borrowings	-	-	463,500	94,000
Current income tax payable	347,497	197,566	106,845	72,019
Estimated accrued production costs	2,082,262	1,443,551	759,585	724,123
Others	146,949	290,885	11,766	28,632
Total Current Liabilities	<u>15,252,543</u>	<u>11,533,501</u>	<u>6,562,662</u>	<u>4,371,530</u>
Total Non-Current Liabilities	<u>5,846,853</u>	<u>7,781,312</u>	<u>2,623,589</u>	<u>3,087,318</u>
Total Liabilities	<u>21,099,396</u>	<u>19,314,813</u>	<u>9,186,251</u>	<u>7,458,848</u>
Total Shareholders' Equity	<u>11,282,788</u>	<u>9,873,419</u>	<u>4,868,170</u>	<u>4,588,720</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>32,382,184</u>	<u>29,188,232</u>	<u>14,054,421</u>	<u>12,047,568</u>

	Consolidated Financial Statements For the years ended April 30,		Unit : Thousand Baht	
			Separate Financial Statements For the years ended April 30,	
	2012	2011	2012	2011
Revenues from sales	20,607,054	12,240,270	7,101,920	5,567,801
Revenues from services	267,501	106,499	-	-
Total revenues	<u>20,874,555</u>	<u>12,346,769</u>	<u>7,101,920</u>	<u>5,567,801</u>
Costs of the sales of goods	(15,104,421)	(9,632,219)	(5,135,302)	(4,613,576)
Cost of the rendering of services	(139,401)	(65,048)	-	-
Total costs	<u>(15,243,822)</u>	<u>(9,697,267)</u>	<u>(5,135,302)</u>	<u>(4,613,576)</u>
Gross profit	5,630,733	2,649,502	1,966,618	954,225
Other incomes	465,977	268,803	457,716	290,302
Profit before expenses	6,096,710	2,918,305	2,424,334	1,244,527
Selling expenses	(1,398,655)	(1,059,985)	(627,382)	(438,259)
Administrative expenses	(705,048)	(555,567)	(126,892)	(173,986)
Management benefit expenses	(159,253)	(130,279)	(34,549)	(29,871)
Finance costs	(526,728)	(305,802)	(225,366)	(228,134)
Share of profit (loss) of an associate	(18,594)	7,128	-	-
Profit before income tax expense	3,288,432	873,800	1,410,145	374,277
Income tax expenses	(897,774)	(193,265)	(376,025)	(68,368)
Net profit for the years	<u>2,390,658</u>	<u>680,535</u>	<u>1,034,120</u>	<u>305,909</u>

27. RECLASSIFICATIONS

Certain reclassifications have been made to the consolidated and separate statements of financial position as at October 31, 2011 and the consolidated and separate statements of income for the quarter and six-month period ended April 30, 2011 have been reclassified to conform to the classifications used in the consolidated and separate financial statements for the quarter and six-month period ended April 30, 2012 as follows:

Items	Previously presented as	Reclassified to	Unit : Thousand Baht	
			Consolidated financial statements	Separate financial statements
STATEMENTS OF FINANCIAL POSITION AS AT OCTOBER 31, 2011				
Advance payment	Other current assets	Trade and other receivables	79,803	86,580
Accrued dividend receivable from subsidiary	Other current assets	Trade and other receivables	-	216,514
Other receivables	Other current assets	Trade and other receivables	1,436	1,436
STATEMENTS OF INCOME FOR THE QUARTER ENDED APRIL 30, 2011				
Fees paid to the Office of the Cane and Sugar Fund	Fees paid to the Office of the Cane and Sugar Fund	Selling expenses	186,144	91,085
Loss from investments in derivative instruments	Loss from investments in derivative instruments	Administrative expenses	49,847	32,179
STATEMENTS OF INCOME FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2011				
Fees paid to the Office of the Cane and Sugar Fund	Fees paid to the Office of the Cane and Sugar Fund	Selling expenses	416,566	202,321
Loss from investments in derivative instruments	Loss from investments in derivative instruments	Administrative expenses	16,768	32,179

28. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuance by the Company's audit committee on June 12, 2012.