

**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, 2013 and the related consolidated and the separate statements of income and statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and the separate statements of changes in shareholders' equity and statements of cash flows for the six-month period then ended, and the condensed notes to financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information has not been prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

**BANGKOK**  
June 10, 2013

Wimolporn Boonyusthian  
Certified Public Accountant (Thailand)  
Registration No. 4067  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

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

**STATEMENTS OF FINANCIAL POSITION**

**AS AT APRIL 30, 2013**

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,
		2013	2012	2013	2012
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.2	274,823	289,455	31,485	21,506
Temporary investments		522	274	-	-
Trade and other receivables	6	1,801,062	1,197,959	484,944	736,340
Short-term loans	7	863,222	909,373	3,961,655	1,485,604
Inventories		9,819,564	3,492,966	3,030,904	807,855
Other current assets		167,866	144,167	17,279	24,463
Total Current Assets		<u>12,927,059</u>	<u>6,034,194</u>	<u>7,526,267</u>	<u>3,075,768</u>
<b>NON-CURRENT ASSETS</b>					
Investments in an associate	8	42,015	37,299	73,800	73,800
Investments in subsidiaries	8	-	-	6,136,311	5,695,234
Other long-term investments		21,802	16,825	6,565	6,574
Long-term loans		347,907	398,950	14,840	14,736
Deferred cane plantation costs		355,315	569,984	18,898	59,431
Investment property	9	2,461,701	625,710	283,243	285,163
Property, plant and equipment	10	23,162,889	21,424,187	5,630,139	4,277,150
Intangible assets		24,507	17,405	7,608	4,291
Other non-current assets		599,593	492,536	78,435	42,684
Total Non-Current Assets		<u>27,015,729</u>	<u>23,582,896</u>	<u>12,249,839</u>	<u>10,459,063</u>
<b>TOTAL ASSETS</b>		<u><u>39,942,788</u></u>	<u><u>29,617,090</u></u>	<u><u>19,776,106</u></u>	<u><u>13,534,831</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, 2013**

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,
		2013	2012	2013	2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowings from financial institutions		12,604,108	5,896,935	6,135,845	595,172
Trade and other payables	11	1,777,967	2,798,532	665,095	953,618
Current portion of long-term debentures	13	999,842	1,999,491	999,842	1,999,491
Current portion of long-term borrowings	14	1,158,203	1,125,418	520,633	201,800
Short-term borrowings		-	-	139,000	1,441,500
Current income tax payable		229,090	349,066	28,355	199,548
Provision for production costs	12	1,385,628	-	454,654	-
Other current liabilities		147,109	153,415	17,488	12,564
Total Current Liabilities		<u>18,301,947</u>	<u>12,322,857</u>	<u>8,960,912</u>	<u>5,403,693</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term debentures	13	2,496,867	1,498,093	2,496,867	1,498,093
Long-term borrowings	14	5,254,367	3,502,481	2,062,167	909,000
Employee benefit obligations		180,187	175,547	72,264	69,674
Other non-current liabilities		170,486	85,980	108,143	75,050
Total Non-Current Liabilities		<u>8,101,907</u>	<u>5,262,101</u>	<u>4,739,441</u>	<u>2,551,817</u>
<b>TOTAL LIABILITIES</b>		<u>26,403,854</u>	<u>17,584,958</u>	<u>13,700,353</u>	<u>7,955,510</u>

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

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT APRIL 30, 2013**

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,
		2013	2012	2013	2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
SHARE CAPITAL	15				
Authorized share capital					
1,870,000,000 ordinary shares of Baht 1.00 each		1,870,000	1,870,000	1,870,000	1,870,000
Issued and paid-up share capital					
1,704,646,884 ordinary shares of Baht 1.00 each,					
fully paid		1,704,647		1,704,647	
1,575,768,083 ordinary shares of Baht 1.00 each,					
fully paid			1,575,768		1,575,768
SHARE PREMIUM ACCOUNT - ORDINARY SHARES		2,946,439	1,786,530	2,946,439	1,786,530
RETAINED EARNINGS					
Appropriated					
Legal reserve		187,000	187,000	187,000	187,000
Reserve for treasury stocks	16	40,648	-	40,648	-
Unappropriated		5,570,004	5,492,937	704,880	1,500,645
OTHER COMPONENTS OF EQUITY		1,221,039	1,236,808	532,787	529,378
		11,669,777	10,279,043	6,116,401	5,579,321
<u>Less</u> Treasury stocks (3,200,000 shares)	16	(40,648)	-	(40,648)	-
<b>TOTAL OWNERS OF THE PARENT</b>		11,629,129	10,279,043	6,075,753	5,579,321
NON-CONTROLLING INTERESTS		1,909,805	1,753,089	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		13,538,934	12,032,132	6,075,753	5,579,321
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		39,942,788	29,617,090	19,776,106	13,534,831

See notes to the interim financial statements

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

**STATEMENTS OF INCOME**

**FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2013**

**"UNAUDITED"**

**UNIT : THOUSAND BAHT**

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2013	2012	2013	2012
Revenues from sales and revenues from services					
Revenues from sales		4,675,341	6,121,973	1,510,171	1,521,595
Revenues from services		106,093	99,499	2,034	2,149
		<u>4,781,434</u>	<u>6,221,472</u>	<u>1,512,205</u>	<u>1,523,744</u>
Costs of the sales of goods and the rendering of services					
Costs of the sales of goods		(3,741,994)	(4,820,429)	(1,334,528)	(1,199,320)
Costs of the rendering of services		(48,731)	(38,158)	(922)	(1,652)
		<u>(3,790,725)</u>	<u>(4,858,587)</u>	<u>(1,335,450)</u>	<u>(1,200,972)</u>
Gross profit		990,709	1,362,885	176,755	322,772
Other incomes		382,876	234,470	144,428	99,370
Selling expenses		(407,518)	(404,667)	(166,134)	(167,319)
Administrative expenses		(134,585)	(129,203)	(50,572)	(37,126)
Management benefit expenses	18	(36,785)	(32,164)	(7,919)	(6,428)
Finance costs		(172,997)	(145,161)	(89,178)	(60,717)
Share of profit of an associate		2,597	1,276	-	-
Profit before income tax expense		624,297	887,436	7,380	150,552
Income tax expense/reversal		(36,529)	(200,869)	616	(68,450)
<b>NET PROFIT FOR THE PERIOD</b>		<u>587,768</u>	<u>686,567</u>	<u>7,996</u>	<u>82,102</u>
<b>PROFIT ATTRIBUTABLE TO:</b>					
Owners of the parent		554,836	666,662	7,996	82,102
Non-controlling interests		32,932	19,905	-	-
		<u>587,768</u>	<u>686,567</u>	<u>7,996</u>	<u>82,102</u>
<b>EARNINGS PER SHARE</b>	20				
Basic earnings per share	<b>BAHT</b>	0.333	0.424	0.005	0.052
Diluted earnings per share	<b>BAHT</b>	0.333	0.414	0.005	0.051
Basic number of ordinary shares	<b>THOUSAND SHARES</b>	1,668,566	1,573,347	1,668,566	1,573,347
Diluted number of ordinary shares	<b>THOUSAND SHARES</b>	1,668,566	1,611,553	1,668,566	1,611,553

See notes to the interim financial statements

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

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE THREE-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Net profit for the period</b>	587,768	686,567	7,996	82,102
<b>Other comprehensive income (expense) :</b>				
Exchange differences on translation financial statements	(13,292)	(9,454)	-	-
Gain on remeasuring available-for-sale investments	514	47	-	-
Gain on asset revaluation	3,363	-	3,409	-
Loss on change in shareholding ratio in subsidiaries	(7,180)	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIODS</b>	<u>571,173</u>	<u>677,160</u>	<u>11,405</u>	<u>82,102</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of the parent	538,944	664,859	11,405	82,102
Non-controlling interests	32,229	12,301	-	-
	<u>571,173</u>	<u>677,160</u>	<u>11,405</u>	<u>82,102</u>

See notes to the interim financial statements

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

**STATEMENTS OF INCOME**

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2013	2012	2013	2012
Revenues from sales and revenues from services					
Revenues from sales		9,070,289	11,012,188	2,941,326	3,085,175
Revenues from services		128,289	150,426	5,157	9,035
		<u>9,198,578</u>	<u>11,162,614</u>	<u>2,946,483</u>	<u>3,094,210</u>
Costs of the sales of goods and the rendering of services					
Costs of the sales of goods		(7,156,018)	(8,316,512)	(2,488,904)	(2,389,112)
Costs of the rendering of services		(72,123)	(80,346)	(3,077)	(6,084)
		<u>(7,228,141)</u>	<u>(8,396,858)</u>	<u>(2,491,981)</u>	<u>(2,395,196)</u>
Gross profit		1,970,437	2,765,756	454,502	699,014
Other incomes		536,708	314,608	235,144	148,185
Selling expenses		(824,151)	(835,496)	(315,359)	(373,266)
Administrative expenses		(305,003)	(421,979)	(114,030)	(83,647)
Management benefit expenses	18	(100,168)	(91,545)	(23,282)	(21,077)
Finance costs		(309,458)	(279,232)	(158,367)	(117,648)
Share of profit (loss) of an associate		5,041	(3,670)	-	-
Profit before income tax expense		973,406	1,448,442	78,608	251,561
Income tax expense		(81,126)	(338,460)	(22,027)	(108,642)
<b>NET PROFIT FOR THE PERIOD</b>		<u>892,280</u>	<u>1,109,982</u>	<u>56,581</u>	<u>142,919</u>
<b>PROFIT ATTRIBUTABLE TO:</b>					
Owners of the parent		929,413	1,082,563	56,581	142,919
Non-controlling interests		(37,133)	27,419	-	-
		<u>892,280</u>	<u>1,109,982</u>	<u>56,581</u>	<u>142,919</u>
<b>EARNINGS PER SHARE</b>	20				
Basic earnings per share	<b>BAHT</b>	0.569	0.690	0.035	0.091
Diluted earnings per share	<b>BAHT</b>	0.569	0.675	0.035	0.089
Basic number of ordinary shares	<b>THOUSAND SHARES</b>	1,634,292	1,568,123	1,634,292	1,568,123
Diluted number of ordinary shares	<b>THOUSAND SHARES</b>	1,634,292	1,603,491	1,634,292	1,603,491

See notes to the interim financial statements

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

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Net profit for the period</b>	892,280	1,109,982	56,581	142,919
<b>Other comprehensive income (expense) :</b>				
Exchange differences on translation financial statements	(45,902)	(30)	-	-
Gain on remeasuring available-for-sale investments	598	248	-	-
Gain on asset revaluation	8,182	-	3,409	-
Gain on change in shareholding ratio in subsidiaries	14,598	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIODS</b>	<u>869,756</u>	<u>1,110,200</u>	<u>59,990</u>	<u>142,919</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of the parent	913,644	1,087,417	59,990	142,919
Non-controlling interests	(43,888)	22,783	-	-
	<u>869,756</u>	<u>1,110,200</u>	<u>59,990</u>	<u>142,919</u>

See notes to the interim financial statements



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

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

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

Notes	Owners of the parent										Total owners of the parent	Treasury stocks	Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings			Other components of equity									
			Appropriated		Unappropriated	Other comprehensive income (expense)			Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries					Total other components of equity
			Legal reserve	Reserve for treasury stocks		Exchange differences on translating financial statements	Gain (loss) on remeasuring Available-for-sale investments	Gain (loss) on asset revaluation							
<b>For six-month period ended April 30, 2012</b>															
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 and adoption of new Thai Accounting Standards	3														
- Employee benefit obligations	-	-	-	-	(154,267)	-	-	-	-	-	-	(154,267)	-	(24,899)	(179,166)
- Investment property	-	-	-	-	-	-	-	(239,447)	-	-	(239,447)	(239,447)	-	(201,023)	(440,470)
- Gain on asset revaluation	-	-	-	-	-	-	-	(1,830,645)	-	-	(1,830,645)	(1,830,645)	-	(159,811)	(1,990,456)
Beginning balance as at November 1, 2011 after adjusted	1,551,065	1,564,204	187,000	-	3,915,029	(66,330)	(503)	677,092	(264,043)	(25,205)	321,011	7,538,309	-	1,503,067	9,041,376
Changes in shareholders' equity during the period															
- Increase in ordinary shares	15	22,544	202,893	-	-	-	-	-	-	-	-	225,437	-	-	225,437
- Dividends paid	17	-	-	-	(786,522)	-	-	-	-	-	-	(786,522)	-	(626)	(787,148)
- Total comprehensive income for the period		-	-	-	1,087,370	(12)	59	-	-	-	47	1,087,417	-	22,783	1,110,200
<b>Ending balance as at April 30, 2012</b>	<b>1,573,609</b>	<b>1,767,097</b>	<b>187,000</b>	<b>-</b>	<b>4,215,877</b>	<b>(66,342)</b>	<b>(444)</b>	<b>677,092</b>	<b>(264,043)</b>	<b>(25,205)</b>	<b>321,058</b>	<b>8,064,641</b>	<b>-</b>	<b>1,525,224</b>	<b>9,589,865</b>

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

Notes	Owners of the parent											Treasury stocks	Non- controlling interests	Total shareholders' equity		
	Issued and paid-up share capital shares	Share premium account Ordinary shares	Retained Earnings			Other components of equity									Total owners of the parent	
			Appropriated		Unappropriated	Other comprehensive income (expense)			Losses on internal restructure of entities under common control	Losses on change in shareholding ratio in subsidiaries	Total other components of equity					
			Legal reserve	Reserve for treasury stocks		Exchange differences on translating financial statements	Gain (loss) on remeasuring Available-for-sale investments	Gain (loss) on asset revaluation								
<b>For six-month period ended April 30, 2013</b>																
Beginning balance as at November 1, 2012	1,575,768	1,786,530	187,000	-	5,492,937	(62,844)	(383)	1,589,283	(264,043)	(25,205)	1,236,808	10,279,043	-	1,753,089	12,032,132	
Changes in shareholders' equity during the period																
- Increase in ordinary shares	15	128,879	1,159,909	-	-	-	-	-	-	-	-	1,288,788	-	-	1,288,788	
- Treasury stocks	16	-	-	-	-	-	-	-	-	-	-	-	(40,648)	-	(40,648)	
- Reserve for treasury stocks	16	-	-	-	40,648	(40,648)	-	-	-	-	-	-	-	-	-	
- Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	238,858	238,858	
- Dividends paid	17	-	-	-	-	(811,698)	-	-	-	-	-	(811,698)	-	(38,254)	(849,952)	
- Total comprehensive income (expense) for the period		-	-	-	-	929,413	(35,071)	143	4,561	-	14,598	(15,769)	913,644	-	(43,888)	869,756
<b>Ending balance as at April 30, 2013</b>		<b>1,704,647</b>	<b>2,946,439</b>	<b>187,000</b>	<b>40,648</b>	<b>5,570,004</b>	<b>(97,915)</b>	<b>(240)</b>	<b>1,593,844</b>	<b>(264,043)</b>	<b>(10,607)</b>	<b>1,221,039</b>	<b>11,669,777</b>	<b>(40,648)</b>	<b>13,538,934</b>	

See notes to the interim financial statements

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

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

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

	Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Treasury stocks	Total Shareholders' equity	
				Appropriated Legal reserve	Unappropriated Reserve for treasury stocks	Other comprehensive income (expense) Gain (loss) on asset revaluation	Total other components of equity			
<b>For six-month period ended April 30, 2012</b>										
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 and adoption of new Thai Accounting Standards	3									
- Employee benefit obligations		-	-	-	-	(70,712)	-	-	-	(70,712)
- Investment property		-	-	-	-	-	(176,572)	(176,572)	-	(176,572)
- Gain on asset revaluation		-	-	-	-	-	(513,483)	(513,483)	-	(513,483)
Beginning balance as at November 1, 2011 after adjusted		1,551,065	1,564,204	187,000	-	1,273,717	316,434	316,434	-	4,892,420
Changes in shareholders' equity during the period										
- Increase in ordinary shares	15	22,544	202,893	-	-	-	-	-	-	225,437
- Dividends paid	17	-	-	-	-	(786,522)	-	-	-	(786,522)
- Total comprehensive income for the period		-	-	-	-	140,569	-	-	-	140,569
<b>Ending balance as at April 30, 2012</b>		<b>1,573,609</b>	<b>1,767,097</b>	<b>187,000</b>	<b>-</b>	<b>627,764</b>	<b>316,434</b>	<b>316,434</b>	<b>-</b>	<b>4,471,904</b>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013

“UNAUDITED”

UNIT : THOUSAND BAHT

	Note	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity		Treasury stocks	Total Shareholders' equity	
				Appropriated Legal reserve	Unappropriated Reserve for treasury stocks	Other comprehensive income (expense) Gain (loss) on asset revaluation	Total other components of equity			
<b>For six-month period ended April 30, 2013</b>										
Beginning balance as at November 1, 2012		1,575,768	1,786,530	187,000	-	1,500,645	529,378	529,378	-	5,579,321
Changes in shareholders' equity during the period										
- Increase in ordinary shares	15	128,879	1,159,909	-	-	-	-	-	-	1,288,788
- Treasury stocks	16	-	-	-	-	-	-	-	(40,648)	(40,648)
- Reserve for treasury stocks	16	-	-	-	40,648	(40,648)	-	-	-	-
- Dividends paid	17	-	-	-	-	(811,698)	-	-	-	(811,698)
- Total comprehensive income for the period		-	-	-	-	56,581	3,409	3,409	-	59,990
<b>Ending balance as at April 30, 2013</b>		<b>1,704,647</b>	<b>2,946,439</b>	<b>187,000</b>	<b>40,648</b>	<b>704,880</b>	<b>532,787</b>	<b>532,787</b>	<b>(40,648)</b>	<b>6,075,753</b>

See notes to the interim financial statements

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

**STATEMENTS OF CASH FLOWS**

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	973,406	1,448,442	78,608	251,561
Adjustments for:				
Dividend income	-	-	(2,357)	(1,447)
Reversal of doubtful accounts - trade and other receivables	(1,862)	(4,224)	(263)	-
Share of (profit) loss of investment in an associate	(5,041)	3,671	-	-
Amortization (increase) of premium on bonds	(11)	24	9	9
Employee benefit expenses	4,864	10,365	2,785	2,739
Loss on damaged cane and adjustment to decrease the cane plantation costs	17,120	89,977	-	-
Loss from diminution in value of inventories (reversal)	74,267	375,616	(21,597)	129,003
Depreciation and amortization	624,342	554,166	207,173	187,169
Gain on sales of assets	(2,796)	(10,012)	(372)	(19,809)
Loss on damaged assets	-	103,714	-	-
Gain on sales of investments in subsidiaries	(21,138)	-	(21,138)	-
Gain on sales of other long-term investments	(291)	-	-	-
Unrealized gain on exchange rates	(13,062)	(125)	(1,697)	-
Finance costs	303,615	279,232	158,299	117,580
	<u>1,953,413</u>	<u>2,850,846</u>	<u>399,450</u>	<u>666,805</u>
Operating assets (increase) decrease				
Trade and other receivables	(601,538)	(111,505)	(141,125)	174,855
Inventories	(6,400,190)	(6,124,454)	(2,201,453)	(2,509,651)
Other current assets	20,542	(122,356)	7,185	5,535
Deferred cane plantation costs	204,812	223,827	41,638	13,059
Other non-current assets	(81,628)	(14,156)	(35,751)	(147)

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
Operating liabilities increase (decrease)				
Trade and other payables	(751,004)	(55,392)	(116,292)	66,854
Provision for production costs	1,385,628	2,082,262	454,654	759,585
Other current liabilities	(6,973)	(41,786)	4,925	(11,109)
Employee benefit obligations	(224)	-	(195)	-
Other non-current liabilities	47,961	26,700	33,093	26,815
Cash paid from operating activities	(4,229,201)	(1,286,014)	(1,553,871)	(807,399)
Interest paid	(310,514)	(283,216)	(161,672)	(113,222)
Income tax expense paid	(201,700)	(465,427)	(193,220)	(267,489)
Net cash used in operating activities	<u>(4,741,415)</u>	<u>(2,034,657)</u>	<u>(1,908,763)</u>	<u>(1,188,110)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Short-term and long-term loans	97,194	(229,406)	(2,476,155)	(131,699)
Cash payments for investments in subsidiaries	(18,718)	-	(459,795)	-
Cash received from sales of investment in subsidiaries	39,856	-	39,856	-
Cash received from sales of other long-term investments	2,454	-	-	-
Cash payments for purchases of other long-term investments	(6,780)	-	-	-
Cash received from dividends of subsidiaries and other companies	325	227	2,357	217,962
Cash payments for purchases of property, plant and equipment	(2,160,707)	(1,350,864)	(1,398,326)	(699,288)
Cash received from sales of property, plant and equipment	3,893	20,152	374	22,126
Cash received from sales of investment properties	714	-	-	-
Cash payments for purchase of investment properties	(1,841,632)	-	-	-
Cash received from sales of assets not yet used in operation	1,468	3,326	-	-
Cash payments for purchase of assets not yet used in operation	(3,684)	(17,708)	-	-
Cash payments for purchase of intangible assets	(8,340)	-	(3,386)	-
Net cash used in investing activities	<u>(3,893,957)</u>	<u>(1,574,273)</u>	<u>(4,295,075)</u>	<u>(590,899)</u>

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

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE SIX-MONTH PERIOD ENDED APRIL 30, 2013**

**“UNAUDITED”**

**UNIT : THOUSAND BAHT**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements</b>		<b>Financial Statements</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in short-term borrowings from financial institutions	6,714,736	5,300,373	5,541,334	-
(Decrease) increase in short-term borrowings from related parties	-	-	(910,228)	1,793,374
Cash payment for accounts payable on purchases of assets	(625,896)	(345,212)	(323,820)	(50,319)
Cash received from long-term debentures	998,089	1,497,305	998,089	1,497,305
Cash payment for long-term debentures	(1,000,000)	(780,000)	(1,000,000)	(780,000)
Cash received from long-term borrowings	2,367,000	28,600	1,572,000	17,300
Cash payment for long-term borrowings	(545,175)	(1,519,420)	(100,000)	(164,000)
Cash received from issuance of ordinary shares	1,288,788	225,437	1,288,788	225,437
Cash payment for treasury stocks	(40,648)	-	(40,648)	-
Cash payment of dividends for the parent	(811,698)	(786,522)	(811,698)	(786,522)
Cash payment of non-controlling interests	(1,042)	(626)	-	-
Cash received from increase in capital of subsidiary of non-controlling interests	253,457	-	-	-
Net cash provided by financing activities	<u>8,597,611</u>	<u>3,619,935</u>	<u>6,213,817</u>	<u>1,752,575</u>
Exchange differences on translation of cash of foreign subsidiaries	23,129	(3,060)	-	-
Net (decrease) increase in cash and cash equivalents	(14,632)	7,945	9,979	(26,434)
Cash and cash equivalents at the beginning of the period	<u>289,455</u>	<u>280,926</u>	<u>21,506</u>	<u>42,732</u>
Cash and cash equivalents at the end of the period	<u><u>274,823</u></u>	<u><u>288,871</u></u>	<u><u>31,485</u></u>	<u><u>16,298</u></u>

See notes to the interim financial statements

**KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED APRIL 30, 2013**  
**“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, Floor 9th, Sriayudahya Road, Ratchathewi, Bangkok and the locations of its 2 factories (branches) are as follows:

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

Branch II at No. 255 Moo 4, Tambon Nongyaplong, Amphur Wangsaphung, Loei 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 shares.

**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” and in accordance with accounting practices generally accepted in Thailand and the additional disclosures in accordance with the Notification of the Office of the Securities and Exchange commission.

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, 2012.

2.2 The unaudited results of operations for the six-month period ended April 30, 2013 are not necessarily indicative of the operating results anticipated for the full year.

2.3 The figures presented in the consolidated and separate statements of financial position as at October 31, 2012, presented herein are corresponding figures, which 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, 2012. The structure of the Group is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at	As at		
	April 30,	October 31,		
	2013	2012		
	%	%		
Subsidiaries in which the Company holds shares directly and indirectly				
Thai Sugar Terminal Public Company Limited *	23.82	23.82	Thailand	Transfer and transportation services for certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of building on land for sales and rental
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Real Estate Company Limited	91.02	80.31	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center
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,		
	2013	2012	2013	2012		
	%	%	%	%		
Subsidiaries (The Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited)						
T S G Asset Co., Ltd.*	19.00	19.00	23.11	23.11	Thailand	Property rental
T S Oil Industry Co., Ltd.*	27.86	34.83	28.48	35.44	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	16.52	23.54	16.59	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 Thai Financial Reporting Standards.

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

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

The consolidated 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 Financial Reporting Standards (TFRS)**

TFRS 8	Operating Segments
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**Thai Standard Interpretations (TSI)**

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

TSI and TFRI which are effective for the financial statements for the periods beginning on or after January 1, 2014:

**Thai Accounting Standard Interpretation (TSI)**

TSI 29	Disclosure - Service Concession Arrangements
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**Thai Financial Reporting Interpretations (TFRI)**

TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes

The Company's and its subsidiaries' management will adopt the above TAS, TFRS, TSI and TFRI relevant to the Company and its subsidiaries in the preparation of the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company when they become effective. In addition, the Company's and its subsidiaries' management have assessed the effects of these standards and believes that they will not have any significant impact on the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the period in which they are initially applied, except for TAS 12 "Income Taxes", which the Company's and its subsidiaries' 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 Thai Financial Reporting Standards also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

### **3. 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, 2012.

In the first quarter of fiscal year 2012, the Company and its subsidiaries initially adopted TAS 19 "Employee Benefits" and TAS 40 (Revised 2009) "Investment Property". Therefore, the consolidated and separate financial statements for the six-month period ended April 30, 2012 had been adjusted for the effect of such changes.

In the fourth quarter of fiscal year 2012, the Company and its subsidiaries changed their accounting policy for buildings and construction, machineries and equipment, and motor vehicles and labor saving tools from revaluation method to cost method because the Company's management believe that the new policy is more practical for current situation and operations of the Company and its subsidiaries. Therefore, the consolidated and separate financial statements for the year ended October 31, 2012 had been retrospectively adjusted for the effect of the change to be in accordance with the new accounting policy. As a result, the statement of change in shareholders' equity for the six-month period ended April 30, 2012, and the financial information for the year ended April 30, 2012, for the business with definite seasonal fluctuation (see Note 24), which are presented herein as corresponding figures, have been retrospectively adjusted for the effect of such change accordingly.

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

4.1 Significant non-cash items in the consolidated and separate financial statements for the six-month periods ended April 30, 2013 and 2012, are as follows:

Type of transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2013	2012	2013	2012
Unrealized gain on available-for-sale securities	597	248	-	-
Transfer of depreciation to deferred cane plantation costs	22,031	48,518	1,105	1,743
Purchases of fixed assets and investment property which has not been paid	348,093	233,139	153,136	129,597
Interest expenses capitalized as asset costs	21,298	6,121	4,409	104
Dividend income deduction to short-term borrowing in subsidiary	-	-	392,272	-
Transfer other long-term investments to temporary investments	248	256	-	-
Transfer other current assets to other non-current assets	22,357	-	-	-
Transfer other current liabilities to other non-current liabilities	36,545	-	-	-
Transfer investment property to property, plant and equipment	31	-	-	-
Transfer investment property to other current assets	66,000	-	-	-
Transfer property, plant and equipment to assets not yet used in operation	-	33,623	-	-
Transfer property, plant and equipment to inventories	-	135,532	-	-
Transfer other non-current assets to property, plant and equipment	-	99,490	-	-
Transfer unappropriated retained earnings to reserve for treasury stocks	40,648	-	40,648	-
Dividend payable to non-controlling interests	37,212	-	-	-

4.2 Cash and cash equivalents as at April 30, 2013 and 2012, are as follows:

Type of transaction	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2013	2012	2013	2012
Cash	9,494	3,295	4,602	1,647
Savings accounts deposits	223,055	250,179	19,341	7,502
Current accounts deposits	29,274	35,397	7,542	7,149
Fixed accounts deposits with 3 months or less maturities	13,000	-	-	-
Total	<u>274,823</u>	<u>288,871</u>	<u>31,485</u>	<u>16,298</u>

## 5. 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:

5.1 Significant balances with the related parties are as follows:

Type of balances	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Trade and other receivables				
Subsidiaries	-	-	108.55	57.78
Related companies	15.08	1.23	0.01	0.03
	<u>15.08</u>	<u>1.23</u>	<u>108.56</u>	<u>57.81</u>
Accrued dividend receivable from subsidiary (included in other receivables)				
Subsidiary	-	-	-	392.27
	<u>-</u>	<u>-</u>	<u>-</u>	<u>392.27</u>
Short-term loans				
Subsidiaries	-	-	3,842.89	1,313.50
Related companies	245.00	-	-	-
Total	<u>245.00</u>	<u>-</u>	<u>3,842.89</u>	<u>1,313.50</u>
Other current assets				
Subsidiaries	-	-	5.53	4.93
Related companies	0.06	5.15	-	0.01
Total	<u>0.06</u>	<u>5.15</u>	<u>5.53</u>	<u>4.94</u>
Trade payables and other payables				
Subsidiaries	-	-	79.22	14.38
Related companies	2.15	1.24	1.24	0.01
Total	<u>2.15</u>	<u>1.24</u>	<u>80.46</u>	<u>14.39</u>
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	5.19	1.32
Related companies	0.53	0.01	-	-
Total	<u>0.53</u>	<u>0.01</u>	<u>5.19</u>	<u>1.32</u>
Short-term borrowings				
Subsidiaries	-	-	139.00	1,441.50
Other current liabilities				
Subsidiaries	-	-	0.14	-
Related companies	18.37	4.00	18.37	-
Total	<u>18.37</u>	<u>4.00</u>	<u>18.51</u>	<u>-</u>
Other non-current liabilities				
Subsidiaries	-	-	0.93	0.62
Related companies	0.91	0.84	0.91	0.84
Total	<u>0.91</u>	<u>0.84</u>	<u>1.84</u>	<u>1.46</u>

As at April 30, 2013 and October 31, 2012, short-term loans to subsidiaries and related companies represented unsecured promissory notes payable on demand, carrying interest rates at 1.75% - 4.13% per annum and 3.15% - 3.75% per annum, respectively.

As at April 30, 2013 and October 31, 2012, short-term borrowings from subsidiaries represented unsecured promissory notes payable on demand, carrying the interest rate at 2.96% - 3.34% per annum and 3.18% per annum, respectively.

5.2 Significant transactions with related parties for the three-month and six-month periods ended April 30, 2013 and 2012, are as follows:

Type of transactions	Consolidated		Unit : Million Baht	
	Financial Statements for the three-month periods ended April 30,		Separate Financial Statements for the three-month periods ended April 30,	
	2013	2012	2013	2012
Revenues from sales and services				
Subsidiaries	-	-	474.14	496.04
Related companies	9.77	30.34	-	-
Total	<u>9.77</u>	<u>30.34</u>	<u>474.14</u>	<u>496.04</u>
Cost of sales and services				
Subsidiaries	-	-	374.82	207.74
Related companies	3.92	0.15	1.06	1.21
Total	<u>3.92</u>	<u>0.15</u>	<u>375.88</u>	<u>208.95</u>
Other income				
Subsidiaries	-	-	23.87	114.81
Related companies	-	1.57	-	0.98
Total	<u>-</u>	<u>1.57</u>	<u>23.87</u>	<u>115.79</u>
Selling expenses				
Subsidiaries	-	-	8.20	12.20
Related companies	-	7.23	-	1.31
Total	<u>-</u>	<u>7.23</u>	<u>8.20</u>	<u>13.51</u>
Administrative expenses				
Subsidiaries	-	-	0.59	11.22
Related companies	2.52	0.99	0.91	1.42
Related juristic person	2.46	0.81	2.14	0.67
Total	<u>4.98</u>	<u>1.80</u>	<u>3.64</u>	<u>13.31</u>
Financial costs				
Subsidiaries	<u>-</u>	<u>-</u>	<u>2.71</u>	<u>4.12</u>

Type of transactions	Consolidated		Unit : Million Baht Separate	
	Financial Statements for the six-month periods ended April 30,		Financial Statements for the six-month periods ended April 30,	
	2013	2012	2013	2012
Revenues from sales and services				
Subsidiaries	-	-	979.93	1,199.80
Related companies	10.77	39.19	-	-
Total	<u>10.77</u>	<u>39.19</u>	<u>979.93</u>	<u>1,199.80</u>
Cost of sales and services				
Subsidiaries	-	-	608.58	330.36
Related companies	11.53	1.96	6.20	1.88
Total	<u>11.53</u>	<u>1.96</u>	<u>614.78</u>	<u>332.24</u>
Other income				
Subsidiaries	-	-	45.79	145.26
Related companies	0.70	2.28	0.70	1.68
Total	<u>0.70</u>	<u>2.28</u>	<u>46.49</u>	<u>146.94</u>
Selling expenses				
Subsidiaries	-	-	22.22	14.28
Related companies	-	7.25	-	1.31
Total	<u>-</u>	<u>7.25</u>	<u>22.22</u>	<u>15.59</u>
Administrative expenses				
Subsidiaries	-	-	1.05	11.42
Related companies	6.18	3.85	1.94	2.28
Related juristic person	4.99	2.57	4.36	2.17
Total	<u>11.17</u>	<u>6.42</u>	<u>7.35</u>	<u>15.87</u>
Financial costs				
Subsidiaries	<u>-</u>	<u>-</u>	<u>12.22</u>	<u>12.94</u>

#### POLICIES OF INTER-PRICE SETTING

- The inter-purchases/sales and borrow-return of raw sugar transactions between the group companies are based on the world market prices when the first sales-purchase for the year is made.
- In case of the sugar purchases/sales agreements entered into on behalf of the group companies, which each company has already been allocated the sales volume, if any company within the group companies has no sufficient volume of sugar to sell, the purchases of sugar can be made within the group companies at the same price as stipulated in such sugar purchases/sales agreements.
- The prices for other inter-purchases/sales of goods (except for sugar products) are in accordance with the prices stipulated in the mutually agreed contracts, which are higher than cost.

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

### 5.3 Relationship of related parties other than subsidiaries and associate consisted of:

<u>Company Name</u>	<u>Relationship</u>	<u>Connection</u>
K.S.L. IT Center Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Raja Ceramics Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Sahamit Machinery Public Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Parahitac Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
K.K. Wood Industry Co., Ltd.	Related Company	Same group of shareholders
Amarco Co., Ltd.	Related Company	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related Company	Same group of shareholders
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in Subsidiary
Mitr Kaset 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.

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



## 6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at April 30, 2013 and October 31, 2012 consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Trade receivables	1,415,908	835,629	279,425	122,649
Farmer receivables	246,742	194,554	144,650	134,871
Other receivables - compensation for sugar production and distribution	-	39,041	-	36,607
Other receivables	9,003	33,501	25,403	28,491
Prepaid expenses	48,670	25,833	14,489	7,229
Advance payment	38,223	27,454	10,200	6,396
Accrued dividend receivable from subsidiary	-	-	-	392,272
Accrued income	42,516	41,947	10,770	7,825
Total trade and other receivables	<u>1,801,000</u>	<u>1,197,959</u>	<u>484,947</u>	<u>736,340</u>

### 6.1 Trade receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Related parties	15,000	4,928	85,680	57,810
Others	1,408,896	838,853	193,730	64,839
Total trade receivables	1,423,951	843,781	279,420	122,649
Less Allowance for doubtful accounts	(8,040)	(8,152)	-	-
Total trade receivables	<u>1,415,911</u>	<u>835,629</u>	<u>279,420</u>	<u>122,649</u>

Aging analyzes for trade accounts receivable were as follows:

#### 6.1.1 Trade receivables - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Domestic trade receivables				
Not yet due	15,000	3,666	85,680	57,810
Overdue not over 3 months	-	1,262	-	-
Total trade receivables - related parties	<u>15,000</u>	<u>4,928</u>	<u>85,680</u>	<u>57,810</u>

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

## 6.1.2 Trade receivables - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Domestic trade receivables				
Not yet due	844,409	671,302	107,65	62,974
Overdue not over 3 months	111,570	127,593	2,42	-
Overdue over 3 months but not over 6 months	3,576	1,657	-	-
Overdue over 6 months but not over 12 months	41	127	-	-
Over 12 months	7,44	7,173	-	-
Total	<u>967,41</u>	<u>807,852</u>	<u>110,08</u>	<u>62,974</u>
Foreign trade receivables				
Not yet due	273,803	31,001	37,33	1,865
Overdue not over 3 months	166,537	-	46,32	-
Overdue over 3 months but not over 6 months	1,14	-	-	-
Total	<u>441,48</u>	<u>31,001</u>	<u>83,65</u>	<u>1,865</u>
Total	1,408,89	838,853	193,73	64,839
<u>Less</u> Allowance for doubtful accounts	<u>(8,043)</u>	<u>(8,152)</u>	<u>-</u>	<u>-</u>
Trade receivables - others	<u>1,400,85</u>	<u>830,701</u>	<u>193,73</u>	<u>64,839</u>

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

## 6.2 Farmer receivables consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Cane receivables				
Before Season 2009/2010	43,161	44,518	77	77
Season 2009/2010	4,253	4,278	3,11	3,131
Season 2010/2011	11,705	13,04	2,28	2,380
Season 2011/2012	42,440	52,48	4,35	7,16
Season 2012/2013	59,29	-	14,85	-
Total cane receivables	<u>160,854</u>	<u>114,31</u>	<u>24,68</u>	<u>12,75</u>
Advance payment for purchases of cane				
Season 2012/2013	5,72	112,59	-	110,42
Season 2013/2014	112,747	14,77	109,19	14,77
Total advance payment for purchases of cane	<u>118,47</u>	<u>127,37</u>	<u>109,19</u>	<u>125,20</u>
Receivables from fuel oil, fertilizer and other services	20,52	7,72	18,574	4,97
Total	299,855	249,42	152,452	142,93
<u>Less</u> Allowance for doubtful accounts	<u>(53,113)</u>	<u>(54,866)</u>	<u>(7,802)</u>	<u>(8,065)</u>
Total farmer receivables	<u>246,74</u>	<u>194,55</u>	<u>144,65</u>	<u>134,87</u>

## 7. SHORT-TERM LOANS

Short-term loans as at April 30, 2013 and October 31, 2012 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,
	2013	2012	2013	2012
Short-term loans to related parties	244,995	-	3,842,888	1,313,500
Short-term loans to farmers	448,123	747,693	89,468	137,919
Current portion of loans for cane plantation development	170,104	161,680	29,299	34,185
Total short-term loans	<u>863,222</u>	<u>909,373</u>	<u>3,961,655</u>	<u>1,485,604</u>

As at April 30, 2013 and October 31, 2012, 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.

## 8. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

Investments in subsidiaries and an associate consisted of:

### Consolidated Financial Statement

Company Name	Paid-Up		Percentage of		As at April 30, 2013			Unit : Thousand Baht		
	Share Capital		Shareholding		Investment			As at October 31, 2012		
	2013	2012	%	%	Cost	Equity	Dividend	Cost	Equity	Dividend
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	42,015	325	73,800	37,299	228
Total					<u>73,800</u>	<u>42,015</u>	<u>325</u>	<u>73,800</u>	<u>37,299</u>	<u>228</u>

Separate Financial Statement

Company Name	Unit : Thousand Baht							
	Paid-up		Percentage of		Investment Cost		Dividends	
	share Capital		Shareholding		As at	As at	For the six-month	For the year
	2013	2012	%	%	April 30,	October 31,	periods ended	Ended
		2013	2012	2013	2012	April 30,	October 31,	
<u>Associate</u>								
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	325	228
Total investment in an associate					<u>73,800</u>	<u>73,800</u>	<u>325</u>	<u>228</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	-	324,772
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-
KSL Real Estate Company Limited	840,000	140,000	91.02	80.31	319,134	89,134	-	-
KSL Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	2,000	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	-	67,500
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. *	487,497	368,957	100.00	100.00	487,497	368,957	-	-
T S G Assets Co., Ltd.	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.	500,000	400,000	0.62	0.62	3,089	2,472	-	-
T S Flour Mill Public Company Limited	285,000	200,000	0.10	0.10	196	196	-	98
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					<u>5,773,435</u>	<u>5,424,278</u>	<u>2,000</u>	<u>401,135</u>
<u>Add</u> Advance payment for share subscription - Koh Kong Sugar Industry Co., Ltd.					<u>368,760</u>	<u>276,840</u>	<u>-</u>	<u>-</u>
					<u>6,142,195</u>	<u>5,701,118</u>	<u>2,000</u>	<u>401,135</u>
<u>Less</u> Allowance for impairment of investments					<u>(5,884)</u>	<u>(5,884)</u>	<u>-</u>	<u>-</u>
Total investments in subsidiaries					<u>6,136,311</u>	<u>5,695,234</u>	<u>2,000</u>	<u>401,135</u>
Total investments in subsidiaries and an associate					<u>6,210,111</u>	<u>5,769,034</u>	<u>2,300</u>	<u>401,363</u>

\* The Company holds Koh Kong Plantation Company Limited's 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.

The meeting of annual general Shareholders for 2013 No. 1/2556 of KSL Real Estate Company Limited held on February 26, 2013 passed a resolution to increase the authorized share capital of 700 million shares with a par value of Baht 1 each, totaling Baht 700 million. Such subsidiary registered the capital increase with the Department of Business Development on March 11, 2013 and fully received such share subscriptions on March 18, 2013.

On March 14, 2013 of Wynn In Trading Co., Ltd., the overseas subsidiary, increased its share capital to 4 million shares at the per value of USD 1 each totaling USD 4 million.

## 9. INVESTMENT PROPERTY

Movement of investment property for the six-month period ended April 30, 2013 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning book value	625,71	285,163
Reclassify for the period	(66,01	-
Purchases for the period	1,908,71	-
Disposal for the period	(70	-
Depreciation for the period	(5,91	(1,920)
Ending book value	<u>2,461,70</u>	<u>283,21</u>

For the six-month periods ended April 30, 2013 and 2012, the Company and its subsidiaries recognized rental income from property investments of Baht 39.60 million and Baht 31.52 million, respectively, in the consolidated statements of income and of Baht 22.22 million and Baht 20.25 million, respectively, in the separate statements of income.

As at April 30, 2013 and October 31, 2012, the Company and its subsidiaries have the assets for rent with the book value stated in the consolidated financial statements of Baht 172.44 million and Baht 101.74 million, respectively, were pledged as collateral against credit facilities given by two commercial banks.

## 10. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the six-month period ended April 30, 2013 are as follows:

	<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht Separate Financial Statements</b>
Beginning book value	21,424,11	4,277,11
Purchases of assets (including construction in progress)	2,441,60	1,551,10
Capitalized interest expenses as costs of assets	21,20	4,41
Transfer in - cost	427,00	149,11
Transfer out - cost	(427,00	(149,11
Transfer from investment property	31	-
Cost of disposal/written off of assets	(21,20	(1,71
Accumulated depreciation - disposal/written off	19,31	1,71
Gain on asset revaluation	8,21	3,40
Depreciation	(639,11	(205,91
Translation of financial statements differences	(91,40	-
Ending book value	<u>23,162,81</u>	<u>5,630,11</u>

For the six-month period ended April 30, 2013, increased assets are mainly due to construction in progress of Baht 1,949.40 million.

As at April 30, 2013 and October 31, 2012, land together with structure and machinery at the book value of Baht 816.37 million and Baht 934.98 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 14 and 22.5.

As at April 30, 2013 and October 31, 2012, buildings and structure and building under construction of three foreign subsidiaries at book value of Baht 645.00 million and Baht 660.85 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 22.7).

As at April 30, 2013 and October 31, 2012, assets at cost of Baht 3,332.34 million and Baht 2,695.64 million, respectively, in the consolidated financial statements, and of Baht 1,507.95 million and Baht 1,008.73 million, respectively, in the separate financial statements, were fully depreciated but still in use.

## 11. TRADE AND OTHER PAYABLES

Trade and other payables as at April 30, 2013 and October 31, 2012, consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Trade payables - related parties	89	13	78,674	14,394
Trade payable - others				
- Payables for cane purchase	243,880	734,268	40,982	193,151
- Other trade payables	381,606	394,227	113,018	87,144
Advances received for sales of goods	63,827	27,784	29,666	17,388
Accrued fees payable to the Office of the Cane and Sugar Fund	76,471	74,028	32,280	30,041
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	82,221	54,915	36,679	26,292
Other accrued expenses	194,049	235,037	78,470	77,826
Payables on purchases of assets	553,269	837,286	191,576	363,808
Other payables	182,555	440,974	63,750	143,574
Total trade and other payables	<u>1,777,967</u>	<u>2,798,532</u>	<u>665,095</u>	<u>953,618</u>

As at April 30, 2013, the Company and its three subsidiaries purchased canes for the production season 2012/2013 using the initial cane price for production season 2012/2013 announced by the Cane and Sugar Board's in the Royal Gazette dated December 7, 2012. The price is Baht 950.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 57.00 per cane ton. Until the date the Company's Audit Committee approved the issuance of these financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2012/2013. Therefore, the Company and its subsidiaries recorded the provision for production expenses as mentioned in Note 12 and calculated cost of goods sold and inventories for the six-month period ended April 30, 2013, from estimation made by the management of the Company and its subsidiaries at cane price of Baht 1,068.71 - 1,186.74 per ton with average sweetness level at 10.51 - 12.26 c.c.s.

## 12. PROVISION FOR PRODUCTION COSTS

The Company and its three subsidiaries recorded provision for production cost based on average rate of production costs for the entire production season to determine the cost of production per unit, which was calculated from the estimated cost of cane, direct labor and production costs expected to occur divided by the estimated volume of production expected to produce in each production season. The cost of cane is estimated as mentioned in Note 11 and the quantities of cane to be crushed in each production season will be estimated. Direct labor and production costs are estimated by the management of the Company and its subsidiaries by considering from past information relating to the nature of each recurring expense and capacity in each production season. The differences between the estimated production cost of the produced units and the actual production cost is shown under the "Provision for Production Costs", which will reduce over time according to the increase in actual production costs and will be completely depleted at the end of the production season.

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

## 13. LONG-TERM DEBENTURES

Long-term debentures as at April 30, 2013 and October 31, 2012 are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	As at April 30, 2013	As at October 31, 2012
Unsecured senior debt debentures	3,496,70	3,497,584
<u>Less</u> Current portion	<u>(999,842)</u>	<u>(1,999,491)</u>
	<u>2,496,86</u>	<u>1,498,093</u>

Movements of long-term debentures for the six-month period ended April 30, 2013 are as follows:

	Unit : Thousand Baht
	Consolidated Financial Statements/ Separate Financial Statements
Beginning book value	3,497,58
Increase during the period	998,08
Redemptions during the period	(1,000,000)
Amortized debenture issuance expenses during the period	<u>1,03</u>
Ending book value	<u>3,496,70</u>

In the during period the Company has issued Thai Baht currency debentures which are holder specified, non-subordinated and unsecured bonds to a limited number of investors, with the following details:

Symbol	Term	Maturity Date	Consolidated Financial Statements/Separate Financial Statements				Unit : Thousand Baht	
			Interest Rate Per Annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	1,911	998,089	1,002,464

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

- The Company shall maintain the debts with interest-to-equity ratio and the debt-to-equity ratio in the consolidated financial statements are conditions as follows.

	The entire term	As of October 31 Every year
Debts with interest to equity	-	2 : 1
Debt-to-equity	3 : 1	2 : 1

- 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.

In the consolidated and separate financial statements as at April 30, 2013 and October 31, 2012, debt with interest-to-equity and debt-to-equity are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Debt with interest-to-equity	1.66 : 1.00	1.17 : 1.00	2.03 : 1.00	1.19 : 1.00
Debt-to-equity	1.95 : 1.00	1.46 : 1.00	2.25 : 1.00	1.43 : 1.00

#### 14. LONG-TERM BORROWINGS

Movements of long-term borrowings for the six-month period ended April 30, 2013, are as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning balance at book value	4,627,89	1,110,800
Proceeds in the period	2,367,00	1,572,000
Repayment in the period	(545,17)	(100,000)
Currency translation differences	(37,15)	-
Ending balance at book value	6,412,57	2,582,80
<u>Less</u> Current portion of long-term borrowings	(1,158,20)	(520,63)
Long-term borrowings	<u>5,254,36</u>	<u>2,062,16</u>



During the six-month period ended April 30, 2013, the subsidiary repaid long-term borrowings before the maturity. The Company and its subsidiaries, therefore, have long-term borrowings from the commercial banks in the consolidated and separate financial statements as at April 30, 2013, which important covenants are as follows:

No.	Limit	Term of payment	Guarantee/Collateral
1	Baht 1,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 100.00 million each, commencing the first installment in January 2013.	None
2	Baht 500 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 50.00 million each, commencing the first installment in May 2013.	None
	Baht 500 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 50.00 million each, commencing the first installment in September 2013.	None
	Baht 500 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 50.00 million each, commencing the first installment in September 2013.	None
3	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"> <li>- Secured by Khon Kean Sugar Industry Public Company Limited</li> <li>- Insurance coverage for structure and machineries at higher sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank</li> </ul>
4	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.	
5	Baht 190 million	Repayment of principal at every six-month period for the total of 8 installments at Baht 23.75 million each, commencing the first installment in December 2012.	<ul style="list-style-type: none"> <li>- Mortgaged land with structure of subsidiary who obtained and used these credit lines</li> </ul>
6	Baht 50 million	Repayment of principal at every month period for the total of 60 installments, the 1st-59th installments at Baht 0.83 million each and the last installment repayment of the remaining principal, commencing the first installment in November 2012.	
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.	<ul style="list-style-type: none"> <li>- Secured by Khon Kean Sugar Industry Public Company Limited</li> </ul>
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.	<ul style="list-style-type: none"> <li>- Secured by Khon Kean Sugar Industry Public Company Limited based on percentage of share holding</li> </ul>
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"> <li>- Secured by two subsidiaries</li> <li>- Share certificate of a related company holding by shareholders of subsidiary</li> </ul>
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 25th month after the first withdraw and must repayment the total of principal and interest within 84 months from the first draw down date (March 2012).	<ul style="list-style-type: none"> <li>- The Company and a subsidiary shall not pledge their core assets as collateral (Negative Pledge)</li> <li>- 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</li> </ul>
12	Baht 45.20 million	Repayment of principal at annually for the total of 6 installments, commencing the first installment in June 2012.	<ul style="list-style-type: none"> <li>- Secured by the executive directors of Khon Kean Sugar Industry Public Company Limited</li> </ul>
13	Baht 23 million	Repayment of principal at annually for the total of 6 installments at Baht 3.83 million each, commencing the first installment in June 2013.	<ul style="list-style-type: none"> <li>- 6 guaranteed cheques</li> </ul>

The first to seventh and eleventh credit lines are Thai Baht loans carrying interest rates at AMLR-2.875% (AMLR is average MLR of 4 financial institutions) to 4.98% p.a. The eighth to tenth credit lines are USD loans carrying interest rates at LIBOR+2% p.a. and the twelfth and thirteenth credit lines are loans for purchases of agricultural equipment carrying interest rate at 2.00% p.a.

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

## 15. SHARE CAPITAL

The Company issued 128.88 million new ordinary shares with a par value of Baht 1 each, totaling Baht 128.88 million to support the conversion of warrants at the exercise price of Baht 10 per ordinary share.

There were outstanding warrants in 352,510 units on March 15, 2013 which was the last warrant exercised date. Thus, such warrants were expired immediately.

Movement of share capital for the six-month periods ended April 30, 2013 and 2012, are as follow:

	Par Value Baht	2013		2012	
		Number Million Shares	Amount Million Baht	Number Million Shares	Amount Million Baht
Issued and paid-up share capital					
At beginning of the periods	1	1,575.77	1,575.77	1,551.07	1,551.07
Ordinary during the periods	1	128.88	128.88	22.54	22.54
Less treasury shares	12.703	(3.20)	(40.65)	-	-
At the end of the periods		<u>1,701.45</u>	<u>1,664.00</u>	<u>1,573.61</u>	<u>1,573.61</u>

## 16. TREASURY STOCKS AND RESERVE FOR TREASURY STOCKS

On January 25, 2013, the Board of Directors' meeting No. 1/2013 passed a resolution to approve the Company to repurchase treasury stocks in volume of 78,788,404 stocks (or equals to 5% of total paid-up capital) by repurchase in the Stock Exchange of Thailand, the repurchase price shall not be exceeding the average closing stocks price prior to 5 working days on date of purchase plus 15% of such average closing stocks price. The maximum amount for the stock repurchase is not exceeding Baht 1,000 million. The repurchase period started from March 1, 2013 to August 30, 2013. The Board of Directors would reconsider the procedures of stocks resell within 6 months from the date of complete repurchasing the stocks but not more than 3 years. The reselling price would not be less than 85 percent of the average closing stocks price prior to 5 working days on date of sale of treasury stocks.

On April 30, 2013, the Company had an outstanding treasury stocks of 3.20 million shares in the account with an average cost of Baht 12.703 per share. The total cost was Baht 40.65 million. The treasury stocks of 3.20 million treasury shares calculated at a par value of Baht 1 per share, represented 1.88% of the paid-up capital. The Company can hold treasury stocks not longer than three years from the dates of repurchase (during March to April 2016).

## 17. DIVIDENDS PAID

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

<b>Dividends</b>	<b>Approved by</b>	<b>Number of shares Billion shares</b>	<b>Dividends Paid Per share</b>	<b>Dividends Paid Million Baht</b>	<b>Dividends Paid Date</b>
- Dividends paid from the Company's result of operations from November 1, 2011 to October 31, 2012	No. 1/2556 held on February 28, 2013	1.62	0.50	811.70	March 28, 2013
- 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

## 18. 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:

	<b>Consolidated</b>		<b>Unit : Million Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
For the three-month periods ended April 30,	4.17	4.12	1.64	1.64
For the six-month periods ended April 30,	11.32	11.94	5.48	5.46

## 19. EXPENSES BY NATURE

The significant expenses by nature for the three-month and six-month periods ended April 30, 2013 and 2012 are as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	for the three-month		for the three-month	
	periods ended April 30,		periods ended April 30,	
	2013	2012	2013	2012
Salaries, wages and other employee benefits	458,6	417,14	122,805	113,905
Depreciation	381,6	384,858	129,456	114,285
Fuel costs	177,6	119,534	121,126	32,155
Fee payable to the Office of the Cane and Sugar Fund	249,3	269,47	115,575	130,907
Maintenance expenses	239,3	203,991	77,586	74,398
Transportation expenses	159,1	134,972	51,984	37,527
Raw material and supplies used	5,820,0	6,307,652	1,642,230	2,166,058
Purchased finished goods	68,3	35,420	323,199	149,051
Changes in finished goods and work in process	(3,469,58	(2,682,26	(1,104,31	(1,492,98
Management benefit expenses	36,7	32,1	7,9	6,42
Interest expenses	168,7	144,1	88,6	60,05
Other financial expenses	4,2	1,4	5	62
Other operating expenses	248,2	201,2	72,5	80,11
Total	<u>4,542,6</u>	<u>5,569,7</u>	<u>1,649,2</u>	<u>1,472,5</u>

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	for the six-month		for the six-month	
	periods ended April 30,		periods ended April 30,	
	2013	2012	2013	2012
Salaries, wages and other employee benefits	895,788	803,2	245,8	219,78
Depreciation	733,661	660,964	225,1	200,17
Fuel costs	307,756	204,757	189,2	56,40
Fee payable to the Office of the Cane and Sugar Fund	545,400	573,409	230,8	310,652
Maintenance expenses	426,648	373,043	149,1	125,84
Transportation expenses	280,853	271,717	87,0	69,02
Raw material and supplies used	10,461,197	11,638,543	3,106,6	3,824,78
Purchased finished goods	199,522	81,688	553,9	262,37
Changes in finished goods and work in process	(5,965,55	(5,546,68	(2,036,94	(2,371,56
Management benefit expenses	100,1	91,5	23,2	21,07
Interest expenses	302,5	276,5	157,2	116,40
Other financial expenses	6,8	2,1	1,105	1,24
Loss from damaged goods and machines	-	137,3	-	-
Other operating expenses	472,0	456,8	170,5	154,60
Total	<u>8,766,9</u>	<u>10,025,1</u>	<u>3,103,0</u>	<u>2,990,8</u>

## 20. 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 three-month and six-month periods ended April 30, 2013, 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 three-month period ended April 30, 2013			For the three-month period ended April 30, 2013		
	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	554,836	1,668,566 *	0.333	7,996	1,668,566 *	0.005
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	554,836	1,668,566	0.333	7,996	1,668,566	0.005

  

	Consolidated Financial Statements			Separate Financial Statements		
	For the six-month period ended April 30, 2013			For the six-month period ended April 30, 2013		
	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	929,413	1,634,292 *	0.569	56,581	1,634,292 *	0.035
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	929,413	1,634,292	0.569	56,581	1,634,292	0.035

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

## 21. DISCLOSURE OF SECTORAL 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, 2013 and 2012

	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			
	2013			2012			2013		2012		2013		2012		2013		2012		2013		2012	
	Thai	Laos	Cambodia	Thai	Laos	Cambodia	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai
Net revenue from operation - domestic	4,443	-	13	4,699	-	24	846	280	1,356	1,180	105	210	509	578	1,06	1,248	(3,86)	(3,63)	4,621	4,80		
Net revenue from operation - foreign	4,307	7	34	5,901	-	6	383	665	-	-	-	-	-	-	9	22	(16)	(24)	4,57	6,35		
Total	8,750	7	16	10,600	-	24	1,229	945	1,356	1,180	105	210	509	578	1,16	1,270	(4,02)	(3,87)	9,15	11,15		
Profit (loss) from operations	1,429	-	(44)	2,229	(9)	(18)	314	241	776	615	68	122	106	98	(36)	83	(11)	(11)	2,50	3,08		
Selling and administrative expenses																			(1,22)	(1,349)		
Finance costs																			(30)	(279)		
Share of profit (loss) of investment in an associate																			5	(4)		
Income tax expenses																			(81)	(338)		
Net profit for the period																			85	1,110		
Add (Less) Loss (Profit) for the period of non-controlling interest																			37	(28)		
Profit for the period																			92	1,082		
<b>As at April 30, 2013 and 2012</b>																						
Trade and other receivables	1,350	22	158	928	16	29	141	54	308	271	57	49	127	130	457	179	(81)	(65)	1,80	1,26		
Inventories	7,451	203	577	7,115	2	47	246	236	223	325	-	-	385	500	747	381	(12)	16	9,82	9,25		
Property, plant and equipment	11,889	1,093	1,919	7,658	1,0	2,00	915	891	5,625	3,966	792	412	401	420	1,133	1,036	(60)	(53)	23,163	16,92		
Central assets	12,229	186	274	8,781	21	98	27	38	230	30	576	369	83	34	2,860	762	(11,30)	(7,95)	5,159	3,24		
Total Assets	32,919	1,504	2,928	24,482	1,51	3,75	1,329	1,219	6,386	4,592	1,425	830	996	1,084	5,197	2,358	(12,74)	(9,13)	39,94	30,689		

## 22. COMMITMENTS, CONTINGENT LIABILITIES AND SIGNIFICANT AGREEMENTS

As at April 30, 2013 and October 31, 2012, apart from liabilities reflected in the financial statements, the Company and its subsidiaries have commitments and contingent liabilities as follows:

22.1 The Company and its subsidiaries have commitments relating to the agreements to sell sugar but not yet delivered in the consolidated financial statements amounting to Baht 7,482.79 million and Baht 2,210.62 million, respectively, and in the separate financial statements amounting to Baht 2,894.54 million and Baht 878.76 million, respectively.

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

	Consolidated		Unit : Million Baht Separate	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
For the production season 2012/2013	-	945.44	-	137.92
For the production season 2013/2014	583.21	-	89.44	-

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

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khonkaen Province, for the period of 21 years commencing from the first month of electricity 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, 2011. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sale the electricity.

- 22.4 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) when the Energy Industry Act B.E. 2550 was effective, for 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions of the license.
- 22.5 The consolidated and separate financial statements, as at April 30, 2013, and October 31, 2012, have commitments, contingent liabilities and credit facilities as follows:

Unit : Million

	Consolidated Financial Statements						
	Currency	As at April 30, 2013			As at October 31, 2012		
		Total	Utilized	Remaining	Total	Utilized	Remaining
<b>Commitments</b>							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	6,495.14	-	-	4,843.40	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	40.96	-	-	71.52	-
<b>Contingent Liabilities</b>							
Letters of guarantees (not specified credit limit)	THB	-	105.14	-	-	95.06	-
Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
Letters of credit and trust receipts	THB	459.91	-	459.91	1,133.17	848.19	284.98
Letters of credit	USD	16.60	4.28	12.32	26.58	12.45	14.13
<b>Credit Facilities</b>							
Overdraft and short-term borrowings	THB	19,115.99	9,827.10	9,288.89	16,700.83	4,594.81	12,106.02
Trust receipts	THB	241.09	241.09	-	-	-	-
Trust receipts	USD	0.74	0.74	-	-	-	-
Short-term borrowings	USD	50.50	31.10	19.40	20.50	11.75	8.75
Joint credit line in short-term borrowings	THB	2,768.00	1,604.00	1,164.00	3,027.77	2,040.31	987.46
Long-term borrowings	THB	5,738.24	5,738.24	-	5,608.14	4,074.14	1,534.00
Long-term borrowings	USD	23.00	23.00	-	27.00	27.00	-



Unit : Million

	Separate Financial Statements						
	Currency	As at April 30, 2013			As at October 31, 2012		
		Total	Utilized	Remaining	Total	Utilized	Remaining
<b>Commitments</b>							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	6,495.14	-	-	4,843.40	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	16.87	-	-	32.77	-
<b>Contingent Liabilities</b>							
Letters of guarantees (unspecified credit limit)	THB	-	4.33	-	-	4.33	-
Letters of credit and trust receipts	THB	30.00	-	30.00	330.00	248.81	81.19
Letters of credit	USD	-	-	-	7.29	6.80	0.49
<b>Credit Facilities</b>							
Overdraft and short-term borrowings	THB	6,779.00	5,243.55	1,535.45	5,303.00	2,356.31	2,946.69
Trust receipts	USD	0.49	0.49	-	-	-	-
Short-term borrowings	USD	30.50	30.00	0.50	0.50	-	0.50
Joint credit line in short-term borrowings	THB	2,768.00	1,604.00	1,164.00	3,027.77	2,040.31	987.46
Long-term borrowings	THB	3,582.80	2,582.80	1,000.00	3,159.80	1,660.80	1,499.00

Overdrafts and short-term borrowings from financial institutions as at April 30, 2013 and October 31, 2012, carried interest rates at 1.83% - 4.80% per annum and 3.15% - 4.75% per annum, respectively.

Part of the above credit facilities are secured by land together with structure 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 borrowings, 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.

22.6 As at April 30, 2013 and October 31, 2012, the Company and its subsidiaries have remaining commitments under the various contracts as follows:

	Unit : Million				
	Consolidated Financial Statements				
	As at April 30, 2013			As at October 31, 2012	
	Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	658.34	220.75	1,081.50	459.28
	USD	5.00	4.00	-	-
Building, machine and equipment purchase agreements	THB	1,452.74	869.61	959.91	456.14
	USD	45.16	21.61	23.60	13.59
	JPY	800.00	80.00	800.00	800.00
	EURO	-	-	0.74	0.56
Rental agreements	THB	26.19	16.11	23.11	16.04
Materials purchase agreements	THB	107.63	105.49	102.48	69.21
	USD	7.90	7.90	0.76	0.76

	Unit : Million				
	Separate Financial Statements				
	As at April 30, 2013			As at October 31, 2012	
	Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	482.39	130.71	834.33	355.51
Building, machine and equipment purchase agreements	THB	1,226.04	784.03	596.93	257.13
	USD	8.40	0.56	8.40	7.85
	JPY	70.00	7.00	70.00	70.00
Rental agreements	THB	26.19	16.11	23.11	16.04

## 22.7 Other significant agreements

22.7.1 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, 2013 and October 31 2012, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.

22.7.2 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 19,100 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1 - 4 per hectare per annum. As at April 30, 2013 and October 31, 2012, the subsidiaries have already utilized the area of 10,481 hectares.

22.7.3 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with third parties to build port and land awaiting development dated May 31, 2007 and June 1, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at April 30, 2013 and October 31, 2012, the remaining amount of the advance lease fee paid is USD 453,989, same the both periods.

## 23. FINANCIAL INSTRUMENTS

### Policy to manage financial risk

As at April 30, 2013, the policy to manage financial risks, credit risks and fair values is the same as that of the financial statements as at October 31, 2012.

### Risk on interest rate

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

Unit : Thousand Baht					
Consolidated Financial Statements					
As at April 30, 2013					
	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years	Interest Rate	
<b>Financial Assets</b>					
Saving account deposits	-	-	-	223,055	223,055
Fixed account deposits	13,000	-	-	22	13,022
Loans for cane plantation development	167,361	323,937	22,433	3,976	517,707
Short-term loans to farmers	377,985	10,863	-	59,275	448,123
Other long-term investments	1,164	16,883	-	-	18,047
Total	<u>559,510</u>	<u>351,683</u>	<u>22,433</u>	<u>286,328</u>	<u>1,219,954</u>
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	11,523,925	-	-	1,080,183	12,604,108
Debentures	999,842	2,496,867	-	-	3,496,709
Long-term borrowings	526,193	2,084,947	-	3,801,430	6,412,570
Liabilities from long-term lease agreements	1,655	7,434	-	-	9,089
Total	<u>13,051,615</u>	<u>4,589,248</u>	<u>-</u>	<u>4,881,613</u>	<u>22,522,476</u>

Unit : Thousand Baht

**Consolidated Financial Statements**  
As at October 31, 2012

	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years	Interest Rate	
<b>Financial Assets</b>					
Saving accounts deposits	-	-	-	234,423	234,423
Fixed account deposits	13,000	-	-	22	13,022
Loans for cane plantation development	158,580	350,719	51,027	-	560,326
Short-term loans to farmers	701,720	-	-	45,973	747,693
Other long-term investments	253	13,322	-	-	13,575
Total	873,553	364,041	51,027	280,418	1,569,039
<b>Financial Liabilities</b>					
Short-term borrowings from financial institutions	4,786,874	-	-	1,110,060	5,896,934
Long-term debentures	1,999,491	1,498,092	-	-	3,497,583
Long-term borrowings	207,360	931,780	-	3,488,760	4,627,900
Liabilities from long-term lease agreements	1,667	8,459	-	-	10,126
Total	6,995,392	2,438,331	-	4,598,820	14,032,543

#### 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, 2013 and October 31, 2012, 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, 2013		As at October 31, 2012		As at April 30, 2013		As at October 31, 2012	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	24.81	90.26	9.50	65.27	0.87	1.05	-	2.96
YEN	-	82.27	-	874.55	-	7.00	-	44.40
RIEL	903.78	332.36	415.84	169.72	-	-	-	-
LAK	49.00	192.20	63.30	1,055.93	-	-	-	-

As at April 30, 2013 and October 31, 2012, 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 consolidated and separate 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	
	As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012		As at April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
	USD	76.42	77.10	-		13.60	THB	2,354.06	2,498.58
YEN	(73.00)	737.00	-	7.00	THB	(24.95)	279.25	-	2.65

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 April 30, 2013	As at October 31, 2012	As at April 30, 2013	As at October 31, 2012
Net fair values of forward contracts (loss)	84.12	8.03	-	(11.36)

#### 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 three-month and six-month periods ended April 30, 2013 and 2012, the Company has accounted for transactions in the financial statements as follows:

	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	2013	2012	2013	2012
Profit from investments in derivative instruments				
- for three-month periods ended April 30,	202.48	119.93	73.16	34.80
- for six-month periods ended April 30,	202.48	120.89	73.16	35.15

Net fair values of financial derivatives as at April 30, 2013 and October 31, 2012, of the Company and its subsidiaries are as follows:

	Currency	Unit : Million	
		Consolidated/ Separate Financial Statements	
		As at April 30, 2013	As at October 31, 2012
Net fair values for commodity swap contracts	USD	0.36	1.43
	THB	12.27	121.68

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

#### Credit risk

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

## 24. FINANCIAL INFORMATION FOR THE YEARS ENDED APRIL 30, 2013 AND 2012

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 interim financial statements in comparing the information for the business with definite seasonal fluctuation, the Company presents the financial information for the years ended April 30, 2013 and 2012 as corresponding figures as follows:

	Consolidated Financial Statements April 30,		Unit : Thousand Baht Separate Financial Statements April 30,	
	2013	2012 (Restated)	2013	2012 (Restated)
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalent	274,823	288,871	31,485	16,298
Trade and other receivables	1,801,062	1,267,342	484,944	368,857
Short-term loans	863,222	1,111,260	3,961,655	1,725,819
Inventories	9,819,564	9,254,881	3,030,904	3,444,925
Other current assets	168,388	150,333	17,279	15,234
Total Current Assets	<u>12,927,059</u>	<u>12,072,687</u>	<u>7,526,267</u>	<u>5,571,133</u>
<b>NON-CURRENT ASSETS</b>				
Deferred cane plantation costs	355,315	460,210	18,898	29,474
Long-term loans	347,907	316,517	14,840	25,474
Investment property	2,461,701	276,376	283,243	141,734
Property, plant and equipment	23,162,889	16,921,752	5,630,139	2,461,516
Other non-current assets	687,917	641,719	6,302,719	5,428,824
Total Non-Current Assets	<u>27,015,729</u>	<u>18,616,574</u>	<u>12,249,839</u>	<u>8,087,022</u>
<b>TOTAL ASSETS</b>	<u><b>39,942,788</b></u>	<u><b>30,689,261</b></u>	<u><b>19,776,106</b></u>	<u><b>13,658,155</b></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings from financial institutions	12,604,108	8,484,212	6,135,845	2,312,374
Trade and other payables	1,777,967	1,678,042	665,095	907,649
Current portion of long-term debentures	999,842	1,999,443	999,842	1,999,443
Current portion of long-term borrowings	1,158,203	514,138	520,633	1,500
Short-term borrowings	-	-	139,000	463,500
Current income tax payable	229,090	347,497	28,355	106,845
Provision for production costs	1,385,628	2,082,262	454,654	759,585
Other current liabilities	147,109	146,949	17,488	11,766
Total Current Liabilities	<u>18,301,947</u>	<u>15,252,543</u>	<u>8,960,912</u>	<u>6,562,662</u>
Total Non-Current Liabilities	<u>8,101,907</u>	<u>5,846,853</u>	<u>4,739,441</u>	<u>2,623,589</u>
<b>TOTAL LIABILITIES</b>	<u><b>26,403,854</b></u>	<u><b>21,099,396</b></u>	<u><b>13,700,353</b></u>	<u><b>9,186,251</b></u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u><b>13,538,934</b></u>	<u><b>9,589,865</b></u>	<u><b>6,075,753</b></u>	<u><b>4,471,904</b></u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><b>39,942,788</b></u>	<u><b>30,689,261</b></u>	<u><b>19,776,106</b></u>	<u><b>13,658,155</b></u>

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the years ended		For the years ended	
	April 30,		April 30,	
	2013	2012	2013	2012
Revenue from sales	19,934,405	20,607,054	7,385,624	7,101,920
Revenues from services	321,272	267,501	6,786	-
Total of revenues	<u>20,255,677</u>	<u>20,874,555</u>	<u>7,392,410</u>	<u>7,101,920</u>
Costs of the sales of goods	(15,152,045)	(15,104,421)	(5,744,221)	(5,135,302)
Cost of the rendering of services	(157,962)	(139,401)	(5,107)	-
Total of costs	<u>(15,310,007)</u>	<u>(15,243,822)</u>	<u>(5,749,328)</u>	<u>(5,135,302)</u>
Gross profit	4,945,670	5,630,733	1,643,082	1,966,618
Other incomes	707,335	465,977	706,383	457,716
Profit before expenses	5,653,005	6,096,710	2,349,465	2,424,334
Selling expenses	(1,588,230)	(1,398,655)	(656,708)	(627,382)
Administrative expenses	(584,077)	(705,048)	(219,620)	(126,892)
Management benefit expenses	(171,366)	(159,253)	(39,038)	(34,549)
Finance costs	(586,548)	(526,728)	(286,204)	(225,366)
Share of profit (loss) of an associate	419	(18,594)	-	-
Profit before income tax expense	2,723,203	3,288,432	1,147,895	1,410,145
Income tax expenses	(468,194)	(897,774)	(223,071)	(376,025)
Net profit for the year	<u>2,255,009</u>	<u>2,390,658</u>	<u>924,824</u>	<u>1,034,120</u>

#### EFFECT OF CHANGE IN ACCOUNTING POLICY

Effects of the change in accounting policy (see Note 3) to the consolidated and separate statements of financial position as at April 30, 2012 are as follows:

	Effect	Unit : Thousand Baht	
		Consolidated	Separate
		Financial Statements	Financial Statements
<b>Assets</b>			
Property, plant and equipment	Decrease	1,382,836	396,266
Assets not used in operation	Decrease	310,087	-
<b>Shareholders' equity</b>			
Gain on asset revaluation	Decrease	1,549,565	396,266
Non-controlling interests	Decrease	143,358	-

## RECLASSIFICATION

A reclassification has been made to the consolidated and separate statements of financial position as at April 30, 2012 to conform to the classification used in the consolidated and separate statements of financial position as at April 30, 2013 as follows:

Items	Previously presented as	Reclassified to	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
Machine maintenance supplies	Other current assets	Inventory	438,255	115,326

## 25. APPLICATION FOR LICENSES OF FACTORY OPERATION PERMIT AT LOEI PROVINCE

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

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

Later, the Company received the written order to notify that the Department of Industrial Works rejected to issue the factory operation permit (Ror Ngor 4) to the Company for the sugar factory located in Loei Province. Therefore, the Company filed an appeal regarding the rejected order to the Minister of Industry. On the date that the Audit Committee has approved the interim financial statements, the Company has not received any outcome yet. Regarding the factory operation permit of such subsidiary, it is in the process of the Ministry of Industry.

## 26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuance by the Company's audit committee on June 10, 2013.