

REVIEW INTERIM REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and the Company balance sheet as at July 31, 2006, the related consolidated and the Company statements of income for the three-month and the nine-month periods ended on July 31, 2006 and 2005, changes in shareholders' equity and cash flows for the nine-month periods ended on July 31, 2006 and 2005 of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also the financial statements of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my review.

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

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

I have ever audited the consolidated and the Company financial statements for the year ended on October 31, 2005 of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED and its subsidiary companies and also the financial statements of KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED only in accordance with generally accepted auditing standards and gave an unqualified opinion as reported thereon dated December 23, 2005. The comparative consolidated and the Company balance sheet as at October 31, 2005, presented herein for comparison are an integral part of the financial statements which I have audited and reported thereon. I have not used any other auditing procedure subsequent to the date in the report.

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

(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand) Registration No. 4664

Bangkok,

September 8, 2006

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

AS AT JULY 31, 2006 AND OCTOBER 31, 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
	Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash at Financial Institutions	298,791	161,609	26,406	15,461
Short-Term Investments	34,239	107,092	-	-
Trade Accounts and Notes Receivable (Note 4)	263,119	123,795	130,274	76,414
Trade Accounts and Notes Receivable - Subsidiary and Related Companies (Notes 3.1 and 5)	951	1,309	32,885	13
Farmer Accounts Receivable -Net (Note 6)	75,796	41,913	-	-
Short-Term Loans due from Subsidiary Companies, Related Party and Related Companies (Note 3.1)	297,042	130,049	17,600	5,521
Short-Term Loans due from Farmers (Note 7)	121,833	452,782	73,940	183,159
Inventories (Note 8)	3,065,656	874,294	1,153,208	564,562
Supplies-Net	220,914	213,484	118,842	126,443
Other Current Assets	92,044	24,111	19,608	6,142
TOTAL CURRENT ASSETS	4,470,385	2,130,438	1,572,763	977,715
NON-CURRENT ASSETS				
Investments under Equity Method (Note 9)	48,973	48,975	2,794,792	2,289,253
Other Long-Term Investments-Net (Note 10)	80,000	78,926	52,869	51,703
Deferred Cane Plantation Cost (Note 11)	57,111	-	41,086	-
Investment Property-Net (Note 12)	76,523	78,676	-	-
Property, Plant and Equipment-Net (Note 13)	6,695,113	5,804,258	2,251,336	2,156,714
Land not used in Operation	337,631	337,631	301,281	301,281
Loans for Cane Plantation Development (Note 14)	156,578	109,182	-	-
Obligated Fixed Deposits	6,871	5,159	5,185	5,159
Other Non-Current Assets	17,807	26,752	455	2,807
TOTAL NON-CURRENT ASSETS	7,476,607	6,489,559	5,447,004	4,806,917
TOTAL ASSETS	11,946,992	8,619,997	7,019,767	5,784,632

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

AS AT JULY 31, 2006 AND OCTOBER 31, 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY		
	2006	2005	2006	2005	
	Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited	
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank Overdrafts and Short-Term Loans due to					
Financial Institutions	(Note 15)	2,284,540	342,193	972,000	125,000
Trade Accounts and Notes Payable	(Note 16)	570,445	284,133	212,902	213,727
Trade Accounts and Notes Payable-Subsidiary and Related Companies	(Note 3.1)	-	-	192,319	13,225
Current Portion	(Note 17)	45,100	148,600	35,000	120,000
Loans due to Subsidiary Companies	(Note 3.1)	-	-	200,000	185,000
Accrued Corporate Income Tax		60,232	69,449	-	36,242
Advance Received from Customers for Goods		144,333	57,150	2,739	33,905
Accrued Stabilization Function Payment		60,752	41,882	30,565	21,965
Accrued Manufacturing Cost		250,268	-	103,620	-
Accrued Other Expenses		29,639	63,738	9,698	21,734
Other Accounts Payable		171,227	152,344	24,768	57,931
Other Current Liabilities		58,479	35,856	7,688	6,903
TOTAL CURRENT LIABILITIES		<u>3,675,015</u>	<u>1,195,345</u>	<u>1,791,299</u>	<u>835,632</u>
NON-CURRENT LIABILITIES					
Long-Term Loans	(Note 17)	762,354	159,796	-	35,000
Other Non-Current Liabilities		26,909	25,093	9,935	10,300
TOTAL NON-CURRENT LIABILITIES		<u>789,263</u>	<u>184,889</u>	<u>9,935</u>	<u>45,300</u>
TOTAL LIABILITIES		<u>4,464,278</u>	<u>1,380,234</u>	<u>1,801,234</u>	<u>880,932</u>

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

AS AT JULY 31, 2006 AND OCTOBER 31, 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
	Unaudited Limited Review Only	Audited	Unaudited Limited Review Only	Audited
SHAREHOLDERS' EQUITY				
Share Capital				
Authorized Share Capital				
1,600,000,000 Ordinary Shares @ Baht 1.00 Par Value	1,600,000	1,600,000	1,600,000	1,600,000
Issued and Paid-Up Shares Capital				
1,550,000,000 Ordinary Shares @ Baht 1.00 Par Value	1,550,000	1,550,000	1,550,000	1,550,000
Premium on Share Capital	1,554,617	1,554,617	1,554,617	1,554,617
Revaluation Surplus on Assets-Parent Company	979,097	1,022,372	979,097	1,022,372
Revaluation Surplus on Assets-Subsidiary Companies	145,974	149,242	145,974	149,242
Surplus from Internal Restructure of Entities under Common Control (Note 18)	1,152,026	1,239,145	-	-
Surplus from change in shareholding Ratio in Subsidiary Companies	14,784	-	-	-
Unrealized Gain on Available for Sale Securities	1,597	2,417	1,597	2,417
Translation Adjustment	1,277	-	1,277	-
Retained Earnings				
Appropriated				
Legal Reserve	90,920	90,920	90,920	90,920
Unappropriated	895,051	534,132	895,051	534,132
TOTAL SHAREHOLDERS' EQUITY OF PARENT COMPANY	6,385,343	6,142,845	5,218,533	4,903,700
Minority Shareholders' Equity	1,097,371	1,096,918	-	-
TOTAL SHAREHOLDERS' EQUITY	7,482,714	7,239,763	5,218,533	4,903,700
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,946,992	8,619,997	7,019,767	5,784,632

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED ON JULY 31, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
REVENUES FROM OPERATION				
Sales and Services	1,749,867	1,575,898	1,042,254	1,017,638
Rental Income	9,350	8,418	8,559	7,704
Revenue from Sales of Electricity	162	7,289	4,238	7,289
Revenue from Sales of Fuel Oil and Cane Harvest	3,623	3,275	-	237
Participating Profit from Investments in Subsidiary and Associated Companies	45	110	90,485	9,639
Other Income	31,271	32,346	31,267	16,700
TOTAL REVENUES	1,794,318	1,627,336	1,176,803	1,059,207
EXPENSES FROM OPERATION				
Cost of Sales and Services	1,476,751	1,318,659	978,980	849,947
Other Cost of Sales	24,527	22,769	13,083	16,039
Selling and Administrative Expenses	132,624	139,529	62,554	79,270
Directors' Remuneration	6,583	7,394	1,395	1,395
TOTAL EXPENSES	1,640,485	1,488,351	1,056,012	946,651
PROFIT BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX	153,833	138,985	120,791	112,556
INTEREST EXPENSES	(41,558)	(13,706)	(19,579)	(10,097)
CORPORATE INCOME TAX	(5,476)	(38,966)	(466)	(28,467)
PROFIT AFTER INTEREST EXPENSES AND CORPORATE INCOME TAX	106,799	86,313	100,746	73,992
<u>LESS</u> NET PROFIT OF THE PARENT COMPANY BEFORE SHARE ACQUISITION	(1,598)	-	-	-
<u>LESS</u> MINORITY SHAREHOLDERS' NET PROFIT	(4,455)	(12,321)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	100,746	73,992	100,746	73,992
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.06	0.05	0.06	0.05
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARES)	1,550,000	1,550,000	1,550,000	1,550,000

Unaudited
Limited Review Only

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

INCOME STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED ON JULY 31, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
REVENUES FROM OPERATION				
Sales and Services	4,552,080	3,990,243	2,824,512	2,292,272
Rental Income	26,986	25,055	24,734	21,585
Revenue from Sales of Electricity	24,843	33,629	15,569	19,559
Revenue from Sales of Fuel Oil and Cane Harvest	174,437	106,005	52,970	37,541
Participating Profit from Investments in Subsidiary and Associated Companies	-	238	368,492	192,624
Other Income	132,233	106,835	107,049	63,028
TOTAL REVENUES	4,910,579	4,262,005	3,393,326	2,626,609
EXPENSES FROM OPERATION				
Cost of Sales and Services	3,384,039	2,951,193	2,376,331	1,713,600
Other Cost of Sales	169,261	108,386	78,146	60,911
Selling and Administrative Expenses	419,183	429,264	214,357	232,959
Directors' Remuneration	20,406	22,328	4,185	4,185
Participating loss from Investment in Associated Company	2	-	-	-
TOTAL EXPENSES	3,992,891	3,511,171	2,673,019	2,011,655
PROFIT BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX	917,688	750,834	720,307	614,954
INTEREST EXPENSES	(79,232)	(35,689)	(39,842)	(26,427)
CORPORATE INCOME TAX	(196,930)	(189,802)	(71,563)	(111,342)
PROFIT AFTER INTEREST EXPENSES AND CORPORATE INCOME TAX	641,526	525,343	608,902	477,185
<u>LESS</u> NET PROFIT OF THE PARENT COMPANY BEFORE SHARE ACQUISITION	(2,586)	-	-	-
<u>LESS</u> MINORITY SHAREHOLDERS' NET PROFIT	(30,038)	(48,158)	-	-
NET PROFIT OF KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED	608,902	477,185	608,902	477,185
EARNINGS PER SHARE OF KHON KAEN SUGAR INDUSTRY				
PUBLIC COMPANY LIMITED (UNIT : BAHT)	0.39	0.33	0.39	0.33
WEIGHTED AVERAGE NUMBER OF				
ORDINARY SHARES (UNIT : THOUSAND SHARES)	1,550,000	1,427,126	1,550,000	1,427,126

Unaudited
Limited Review Only

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED ON JULY 31, 2006 AND 2005

CONSOLIDATED

(Unit : Thousand Baht)

	Issued and Paid-up Shares Capital	Premium on Share Capital	Revaluation Surplus on Assets- Parent Company	Revaluation Surplus on Assets- Subsidiary Companies	Surplus from Internal Restructure of Entities under Common Control	Surplus from change in shareholding Ratio in Subsidiary Companies	Unrealized Gain (Loss) on Available for Sale Securities	Translation Adjustment	Retained Earnings		Minority Shareholders' Equity	TOTAL
									Appropriated Legal Reserve	Unappropriated		
Beginning Balance as at October 31, 2005	1,550,000	1,554,617	1,022,372	149,242	1,239,145	-	2,417	-	90,920	534,132	1,096,918	7,239,763
Translation Adjustment	-	-	-	-	-	-	-	1,277	-	-	319	1,596
Unrealized Loss on Available for Sale Securities	-	-	-	-	-	-	(820)	-	-	-	-	(820)
Depreciation-Revaluation Surplus on Assets	-	-	(43,275)	(3,268)	-	-	-	-	-	-	-	(46,543)
Decrease in Surplus from Internal Restructure of Entities under Common Control (Note 18)	-	-	-	-	(87,119)	-	-	-	-	-	-	(87,119)
Surplus from change in shareholding Ratio in Subsidiary Companies	-	-	-	-	-	14,784	-	-	-	-	-	14,784
Unrealized Transaction in Income Statements	1,550,000	1,554,617	979,097	145,974	1,152,026	14,784	1,597	1,277	90,920	534,132	1,097,237	7,121,661
Dividend Paid (Note 19)	-	-	-	-	-	-	-	-	-	(247,983)	-	(247,983)
Net Profit for the Period	-	-	-	-	-	-	-	-	-	608,902	-	608,902
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	-	-	134	134
Ending Balance as at July 31, 2006	1,550,000	1,554,617	979,097	145,974	1,152,026	14,784	1,597	1,277	90,920	895,051	1,097,371	7,482,714
Beginning Balance as at October 31, 2004	1,270,462	670,462	1,080,481	153,612	1,368,336	-	2,445	-	38,100	727,070	1,081,180	6,392,148
Unrealized Gain on Available for Sale Securities	-	-	-	-	-	-	185	-	-	-	-	185
Depreciation-Revaluation Surplus on Assets	-	-	(44,612)	(3,268)	-	-	-	-	-	-	-	(47,880)
Decrease in Surplus from Internal Restructure of Entities under Common Control	-	-	-	-	(98,180)	-	-	-	-	-	-	(98,180)
Unrealized Transaction in Income Statements	1,270,462	670,462	1,035,869	150,344	1,270,156	-	2,630	-	38,100	727,070	1,081,180	6,246,273
Capital increase	279,538	884,155	-	-	-	-	-	-	-	-	-	1,163,693
Dividend Paid	-	-	-	-	-	-	-	-	-	(635,231)	-	(635,231)
Legal Reserve	-	-	-	-	-	-	-	-	36,400	(36,400)	-	-
Net Profit for the Period	-	-	-	-	-	-	-	-	-	477,185	-	477,185
Increase in Minority Shareholders' Equity	-	-	-	-	-	-	-	-	-	-	16,143	16,143
Ending Balance as at July 31, 2005	1,550,000	1,554,617	1,035,869	150,344	1,270,156	-	2,630	-	74,500	532,624	1,097,323	7,268,063

Unaudited

Limited Review Only

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED ON JULY 31, 2006 AND 2005

THE COMPANY ONLY

(Unit : Thousand Baht)

	Issued and Paid-up Shares Capital	Premium on Share Capital	Revaluation Surplus on Assets- Parent Company	Revaluation Surplus on Assets- Subsidiary Companies	Unrealized Gain (Loss) on Available for Sale Securities	Translation Adjustment	Retained Earnings		TOTAL
							Appropriated Legal Reserve	Unappropriated	
Beginning Balance as at October 31, 2005	1,550,000	1,554,617	1,022,372	149,242	2,417	-	90,920	534,132	4,903,700
Translation Adjustment	-	-	-	-	-	1,277	-	-	1,277
Unrealized Loss on Available for Sale Securities	-	-	-	-	(820)	-	-	-	(820)
Depreciation-Revaluation Surplus on Assets	-	-	(43,275)	(3,268)	-	-	-	-	(46,543)
Unrealized Transaction in Income Statements	1,550,000	1,554,617	979,097	145,974	1,597	1,277	90,920	534,132	4,857,614
Dividend Paid (Note 19)	-	-	-	-	-	-	-	(247,983)	(247,983)
Net Profit for the Period	-	-	-	-	-	-	-	608,902	608,902
Ending Balance as at July 31, 2006	1,550,000	1,554,617	979,097	145,974	1,597	1,277	90,920	895,051	5,218,533
Beginning Balance as at October 31, 2004	1,270,462	670,462	1,080,481	153,612	2,445	-	38,100	727,070	3,942,632
Unrealized Gain on Available for Sale Securities	-	-	-	-	185	-	-	-	185
Depreciation-Revaluation Surplus on Assets	-	-	(44,612)	(3,268)	-	-	-	-	(47,880)
Unrealized Transaction in Income Statements	1,270,462	670,462	1,035,869	150,344	2,630	-	38,100	727,070	3,894,937
Capital increase	279,538	884,155	-	-	-	-	-	-	1,163,693
Dividend Paid	-	-	-	-	-	-	-	(635,231)	(635,231)
Legal Reserve	-	-	-	-	-	-	36,400	(36,400)	-
Net Profit for the Period	-	-	-	-	-	-	-	477,185	477,185
Ending Balance as at July 31, 2005	1,550,000	1,554,617	1,035,869	150,344	2,630	-	74,500	532,624	4,900,584

Unaudited

Limited Review Only

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED ON JULY 31, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit	608,902	477,185	608,902	477,185
Reconciliation of Net Profit with Cash Received (Payment) from Operating Activities				
Doubful Accounts (Reversal) - Farmer Accounts Receivable	(3,126)	4,544	-	-
Doubful Accounts -Other Accounts Recievable and Advance Payments	408	250	-	-
Loss for Non Refundable Withholding Tax	526	-	-	-
Depreciation	169,574	121,072	89,470	70,204
Amortization of Leasehold Right	-	848	-	848
Amortization of Premium on Bond	59	56	46	44
Unrealized (Gain) loss on Exchange Rate	(2,817)	12	18	-
Gain on Received Land as Repayment from Farmer Account Receivable	-	(844)	-	-
Gain on Sales of Assets	(130)	(400)	(505)	-
Gain on Sales of Short-Term Investments	(28)	(86)	-	-
Loss on Sales of Long-Term Investments	35	-	35	-
Participating (Profit)Loss from Investments in Subsidiary and Associated Companies	2	(238)	(368,492)	(192,624)
Net Profit of Subsidiary Companies belonging to Parent Company before				
Share Acquisition	2,586	-	-	-
Net Profit of Minority Shareholders	30,038	48,158	-	-
Profit from Operation before Changes in Operating Assets and Liabilities	806,029	650,557	329,474	355,657
(Increase)Decrease in Trade Accounts and Notes Receivable	(139,404)	1,301	(53,862)	6,742
(Increase)Decrease in Trade Accounts and Notes Receivable-Subsidiary and Related Companies	358	(12,721)	(32,872)	(22,668)
(Increase)Decrease in Farmer Accounts Receivable	(30,757)	(14,894)	-	-
(Increase)Decrease in Inventories	(2,191,362)	(1,202,778)	(588,646)	(763,964)
(Increase)Decrease in Supplies	(7,430)	(9,280)	7,601	(11,745)
(Increase)Decrease in Other Current Assets	(63,590)	25,131	(13,466)	27,111
(Increase)Decrease in Deferred Cane Plantation Cost	(21,961)	-	(5,936)	-
(Increase)Decrease in Other Non-Current Assets	5,767	(14,178)	(300)	(1,736)
Increase(Decrease) in Trade Accounts and Notes Payable	286,312	(61,776)	(825)	20,558
Increase(Decrease) in Trade Accounts and Notes Payable - Subsidiary and Related Companies	-	-	179,094	35,628
Increase(Decrease) in Accrued Corporate Income Tax	(9,217)	6,724	(36,242)	(29,531)
Increase(Decrease) in Advance Received from Customers for Goods	87,167	34,635	(31,182)	42,179
Increase(Decrease) in Accrued Stabilization Function Payment	18,870	19,127	8,600	10,383
Increase(Decrease) in Accrued Manufacturing Expenses	250,268	62,416	103,620	(22,968)
Increase(Decrease) in Accrued Other Expenses	(34,099)	(10,781)	(12,036)	1,642
Increase(Decrease) in Other Accounts Payable	21,155	(63,860)	(34,702)	(5,722)
Increase(Decrease) in Other Current Liabilities	(72,439)	9,841	785	1,849
Increase(Decrease) in Other Non-Current Liabilities	814	9,698	(365)	2,540
Net Cash Used from Operating Activities	(1,093,519)	(570,838)	(181,260)	(354,045)

Unaudited

Limited Review Only

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED ON JULY 31, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)Decrease in Short-Term Investments	(28,335)	47,010	-	-
(Increase)Decrease in Short-Term Loans due from Subsidiary Companies, Related Party and Related Companies	(166,993)	(40,639)	(12,079)	20,161
(Increase)Decrease in Short-Term Loans due from Other Company	-	2,796	-	2,796
(Increase)Decrease in Short-Term Loans due from Farmers	295,799	(3,964)	74,069	(77,267)
(Increase)Decrease in Loans for Cane Plantation Development	(47,396)	(48,681)	-	-
Purchase of Investments-Subsidiary and Associated Companies	-	-	(253,945)	(418,468)
Dividend Received from Investment in Subsidiary and Associated Companies	-	128	114,240	70,336
Purchase of Long-Term Investments	(57)	(385)	(57)	-
Sale of Long-Term Investment	196	-	196	-
Purchase of Investment Property	(149)	(80,355)	-	-
Purchase of Property, Plant and Equipment	(1,128,473)	(540,409)	(239,460)	(177,060)
Sale of Property, Plant and Equipment	14,970	904	15,250	-
Purchase of Land not used in Operation	-	(16,093)	-	(2,800)
(Increase)Decrease in Obligated Fixed Deposits	(1,712)	29,974	(26)	29,974
Additional Investment from Minority's Shareholders	12,758	-	-	-
Net Cash Used from Investing Activities	<u>(1,049,392)</u>	<u>(649,714)</u>	<u>(301,812)</u>	<u>(552,328)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Increase(Decrease) in Bank Overdrafts and Short-Term Loans due to Financial Institutions	1,943,306	149,167	847,000	31,871
Increase (Decrease) in Short-Term Loans due to Related Companies	-	-	15,000	5,000
Increase (Decrease) in Short-Term Debenture	-	500,000	-	500,000
Cash Received from Long-Term Loans	655,558	83,268	-	-
Repayment of Long-Term Loans	(156,500)	(138,600)	(120,000)	(120,000)
Cash Received from Capital Increase	-	1,163,693	-	1,163,693
Dividend Paid to Parent Company's Shareholders	(247,983)	(635,231)	(247,983)	(635,231)
Dividend Paid to Minority's Shareholders	(14,384)	(9,653)	-	-
Net Cash Received from Financing Activities	<u>2,179,997</u>	<u>1,112,644</u>	<u>494,017</u>	<u>945,333</u>
Increase (Decrease) from Translation Adjustment	<u>1,596</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents Increase(Decrease) - Net	38,682	(107,908)	10,945	38,960
Cash and Cash Equivalents at the Beginning of the Period	263,609	446,367	15,461	51,027
Cash and Cash Equivalents at the Ending of the Period	<u>302,291</u>	<u>338,459</u>	<u>26,406</u>	<u>89,987</u>

Unaudited

Limited Review Only

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

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED ON JULY 31, 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Additional Disclosure :				
1. Cash payment during the period				
- Interest Expenses	78,861	33,589	39,734	23,586
- Corporate Income Tax	206,289	183,745	107,866	140,873

2. For the nine-month period ended on July 31, 2006, the Company and its subsidiary companies have material items not affecting cash flow as follows:-

- In the consolidated financial statements, the Company amortize the surplus from internal restructure of entities under common control at amount of Baht 87.12 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies amortize the depreciations of the revaluation surplus on assets at amount of Baht 46.54 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies recognized unrealized loss on available for sale securities amounting to Baht 0.82 million.
- In the consolidated and the Company's financial statements, the Company additionally invested in long-term investment remained at amount of Baht 1.54 million.
- In the consolidated and the Company's financial statements, the Company transferred in advanced for land to land at Baht 2.65 million.
- In the consolidated financial statements, the subsidiary companies recorded interest expenses as cost of fixed assets at Baht 9.38 million.
- In the consolidated financial statements, there is a recognition of surplus from change in shareholding ratio in subsidiary companies at amount of Baht 14.78 million.
- In the consolidated financial statements, the subsidiary company has imported machinery remained at Baht 94.63 million.
- In the consolidated financial statements, the subsidiary company has purchased assets by entered into a long-term lease at Baht 1.44 million.
- In the consolidated and the Company's financial statements, the Company entered into cane ownership transfer agreements by transfer short-term loans due from farmers for the deferred cane plantation cost at Baht 35.15 million.
- In the consolidated financial statements, the subsidiary company received investment from Minority's Shareholders remained at amount of Baht 6.61 million.

For the nine-month period ended on July 31, 2005, the Company and its subsidiary companies have material items not affecting cash flow as follows:-

- In the consolidated financial statements, the Company amortize the surplus from internal restructure of entities under common control at amount of Baht 98.18 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies amortize the depreciations of the revaluation surplus on assets at amount of Baht 47.88 million.
- In the consolidated and the Company's financial statements, the Company and its subsidiary companies recognized unrealized gain on revaluation of available for sale securities amounting to Baht 0.19 million.
- In the Company's financial statements, the Company set off the inter sales-purchase of goods with 3 subsidiary companies at Baht 56.24 million.
- In the consolidated financial statements, a subsidiary company received land transferred from farmer account receivable as a repayment for debt at amount of Baht 2.04 million and reflected as gain on repayment from said debt at amount of Baht 0.84 million.

Unaudited
Limited Review Only

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS
July 31, 2006 and 2005 (Unaudited/Limited Review Only)
and October 31, 2005 (Audited)

1. Basis of Financial Statements Preparation and Accounting Policies

- 1.1 The interim consolidated and the Company financial statements were prepared in accordance with the generally accepted accounting principle in Thailand and shown in the condensed format as determined in the accounting standard No. 41 on the subject of “The Interim Financial Statements” and included additional transactions in the primary financial statements; for instance, balance sheet, income statement, statement of changes in shareholders’ equity and cash flow statement in compliance with the format defined in the announcement of the Department of Commercial Registration (B.E. 2544) on the subject of “Determination of Condensed Transactions” which need to be presented in the financial statements so as to comply with the pronouncement of the office of the Securities and Exchange of Commission, Thailand and regulations of the Stock Exchange of Thailand.
- 1.2 The financial statements for the year ended on October 31, 2005 have been reclassified in order to facilitate comparative analysis with those for the nine-month period ended on July 31, 2006.
- 1.3 Significant accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended October 31, 2005, so that these interim financial statements should be read in conjunction with the 2005 annual financial statements. For the nine-month period ended on July 31, 2006, apart from the significant accounting policies mentioned above, another significant accounting policy is about deferred cane plantation cost which is accumulated cost from the plantation consisted of cane plants purchasing cost, fertilizer cost, labour cost and other directly related cost. This is valued by the cost value less accumulated depreciation and allowance for accumulated impairment (if any).

2. Basis of the consolidated financial statements preparation

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

Company Name	Percentage of		Country of	Kind of Business
	Holding			
	2006	2005		
Thai Sugar Terminal Public Co., Ltd. and its subsidiary companies	23.82	23.82	Thailand	Locating, silo warehouse and property rental and during investment process in wheat flour business
New Krung Thai Sugar Industry Co., Ltd.	91.06	91.06	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Co., Ltd.	90.21	88.82	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Industry Co., Ltd.	96.85	96.85	Thailand	Manufacture and distribution of sugar and molasses
KSL Real Estate Co., Ltd.	80.31	80.31	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center
K.S.L. Export Trading Co., Ltd.	78.32	78.32	Thailand	Export sugar as exporting agent
KSL Chemical Co., Ltd. (Former Name KS Laxmi Co., Ltd.)	100.00	51.00	Thailand	Agency of chemical
Khon Kaen Sugar Power Plant Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of electricity
Khon Kaen Alcohol Co., Ltd.	100.00	100.00	Thailand	Manufacture and distribution of alcohol, fertilizer and chemical
KSL Agro Co., Ltd.	100.00	-	Thailand	Agricultural Operation
Savannakhet Sugar Corporation	80.00	-	Laos	Agricultural Operation, Manufacture and distribution of sugar and molasses which is during investment process

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

2.2 As at July 31, 2006 and October 31, 2005, investments in subsidiary companies were recorded under equity method. The accounting periods of subsidiary companies end on the same date as the parent company (Accounting period ended on October 31) except the THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and SAVANNAKHET SUGAR CORPORATION which their accounting period ended on December 31.

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

3. Inter-Transaction between the Related Companies

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

3.1 Inter-Assets and Liabilities

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		As at		As at	
		July 31, 2006	October 31, 2005	July 31, 2006	October 31, 2005
- Trade Accounts and Notes Receivable					
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	4,018	-
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	3,440	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	3,581	13
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	21,802	-
Prachaup Industry Co., Ltd.	Related	59	863	-	-
Thai Fermentation Industry Co., Ltd.	Related	670	331	44	-
Other Related Companies		222	115	-	-
Total		951	1,309	32,885	13
- Other Accounts Receivable					
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	26	-
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	9	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	6,395	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	90	-
Total		-	-	6,520	-
- Advanced Payment for Sugar					
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	1,842	1,059
Total		-	-	1,842	1,059
- Advance payment for the Company	Subsidiary's Director	2,828	-	-	-
Total		2,828	-	-	-
- Other Accounts Payable					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	-	861
K.S.L. IT Center Co., Ltd.	Related	2	-	-	-
Total		2	-	-	861
- Share Subscription Payable					
Thai Sugar Assets Co., Ltd.	Subsidiary	-	-	1,539	-
Total		-	-	1,539	-
- Advance Received from Customers for Goods					
Thai Fermentation Industry Co., Ltd.	Related	139,003	11,482	-	11,455
Total		139,003	11,482	-	11,455
- Trade Accounts and Notes Payable					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	106,162	13,163
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	39,279	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	45,978	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	900	-
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	-	62
Total		-	-	192,319	13,225

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		As at		As at	
		July 31, 2006	October 31, 2005	July 31, 2006	October 31, 2005
- Short-Term Loans due to					
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	20,000
Increase in the period		-	-	-	-
Decrease in the period		-	-	-	(20,000)
Ending balance		-	-	-	-
KSL Real Estate Co., Ltd.	Subsidiary				
Beginning balance		-	-	5,400	5,400
Increase in the period		-	-	4,600	-
Decrease in the period		-	-	(400)	-
Ending balance		-	-	9,600	5,400
KSL. Agro Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	-
Increase in the period		-	-	61,500	-
Decrease in the period		-	-	(53,500)	-
Ending balance		-	-	8,000	-
Prachaup Industry Co., Ltd.	Related				
Beginning balance		129,928	121,983	-	-
Increase in the period		408,506	178,977	-	-
Decrease in the period		(241,823)	(171,032)	-	-
Ending balance		296,611	129,928	-	-
- Loan due from Related Party	Company's Advisor				
Beginning balance		121	338	121	338
Increase in the period		-	-	-	-
Decrease in the period		(121)	(217)	(121)	(217)
Ending balance		-	121	-	121
- Loan due from Employee in Subsidiary					
Beginning balance		-	-	-	-
Increase in the period		510	-	-	-
Decrease in the period		(79)	-	-	-
Ending balance		431	-	-	-
Total		297,042	130,049	17,600	5,521

As at July 31, 2006 and October 31, 2005, loans due to subsidiary and related companies were loans in the form of promissory notes and payable on demand bearing interest rates at 6.50-6.75% and 2.75-4.00% per annum respectively.

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

Loan due from Employee of Subsidiary is without interest charged between them.

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		As at		As at	
		July 31, 2006	October 31, 2005	July 31, 2006	October 31, 2005
- Loans due to					
Tamaka Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	55,000
Increase in the period		-	-	107,000	250,000
Decrease in the period		-	-	-	(305,000)
Ending balance		-	-	107,000	-
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary				
Beginning balance		-	-	-	80,000
Increase in the period		-	-	-	-
Decrease in the period		-	-	-	(80,000)
Ending balance		-	-	-	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary				
Beginning balance		-	-	185,000	-
Increase in the period		-	-	115,000	240,000
Decrease in the period		-	-	(207,000)	(55,000)
Ending balance		-	-	93,000	185,000
Total		-	-	200,000	185,000

As at July 31, 2006 and October 31, 2005, loans due to subsidiary companies are loans repayable at call and carry interest rates at 6.50-6.75% per annum and 3.05% per annum respectively.

3.2 Inter-Revenue and Expense

(Unit : Thousand Baht)

Type of Transaction/Company Name	Relationship	Consolidated		The Company Only	
		For the nine-month period ended on July 31,			
		2006	2005	2006	2005
- Sales					
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	3,811	15,604
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	3,272	35,587
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	3,378	12,736
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	4	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	293,958	-
Thai Fermentation Industry Co., Ltd.	Related	148,687	61,454	44,002	42,305
Prachaup Industry Co., Ltd.	Related	2,467	-	-	-
Other Related Companies		3	-	3	-
Total		151,157	61,454	348,428	106,232
- Purchases					
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	141,157	91,388
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	283,010	159,679
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	111,573	63,041
Thai Fermentation Industry Co., Ltd.	Related	1,866	1,401	485	499
Total		1,866	1,401	536,225	314,607

Policy of Inter-Price Setting for Goods

- The inter-swapping goods for export, the Company uses the world market price that the sales-purchase is made for the first time of that year to be the price of sales-purchase of sugar between the Company's group.
- The inter-sales-purchase goods for local sales, the Company has the policy to use the market price to determine the price of goods transacted between each other.

(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Company Only</u>	
		<u>For the nine-month period ended on July 31,</u>			
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
- Rental Income and Service					
On Nuj Construction Co., Ltd.	Related	365	365	365	365
Chengteh Chinaware (Thailand) Co., Ltd.	Related	1,080	1,080	1,080	1,080
K. K. Wood Industry Co., Ltd.	Related	622	622	622	622
K.S.L. IT Center Co., Ltd.	Related	271	270	271	270
Amarco Co., Ltd.	Related	14	14	14	14
Total		2,352	2,351	2,352	2,351
- Land sold value					
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	15,244	-
- Other Income					
KSL Chemical Co., Ltd.	Subsidiary	-	-	16	-
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	10	203
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	145	630
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	2	229
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	38,521	-
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	671	-
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	80	-
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	43	-
Thai Fermentation Industry Co., Ltd.	Related	277	222	54	68
K.S.L. IT Center Co., Ltd.	Related	60	-	60	-
Total		337	222	39,602	1,130
- Interest Income					
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	-	239
KSL Real Estate Co., Ltd.	Subsidiary	-	-	273	152
KSL. Agro Co., Ltd.	Subsidiary	-	-	611	-
Total		-	-	884	391
- Goods Custody and Exporting Fees					
Thai Sugar Terminal Public Co., Ltd.	Subsidiary	-	-	1,302	2,541
K.S.L. Export Trading Co., Ltd.	Subsidiary	-	-	579	1,350
TS Warehouse Co., Ltd.	Subsidiary	-	-	112	611
Kerry Siam Seaport Co., Ltd.	Related	49	125	49	125
Total		49	125	2,042	4,627

(Unit : Thousand Baht)

<u>Type of Transaction/Company Name</u>	<u>Relationship</u>	<u>Consolidated</u>		<u>The Company Only</u>	
		<u>For the nine-month period ended on July 31,</u>			
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
- Other Expenses					
New Kwang Soon Lee Sugar Industry Co., Ltd.	Subsidiary	-	-	9	-
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	-	394
KSL Real Estate Co., Ltd.	Subsidiary	-	-	11	-
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	114	1,949
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	243	-
Khon Kaen Alcohol Co., Ltd.	Subsidiary	-	-	9,264	-
Thai Fermentation Industry Co., Ltd.	Related	57	33	18	10
K.S.L. IT Center Co., Ltd.	Related	3,833	3,336	1,113	1,205
K.S.L. Tower Juristic Person Office	Related	6,146	-	-	-
Total		<u>10,036</u>	<u>3,369</u>	<u>10,772</u>	<u>3,558</u>
- Interest Expenses					
Tamaka Sugar Industry Co., Ltd.	Subsidiary	-	-	1,112	400
New Krung Thai Sugar Industry Co., Ltd.	Subsidiary	-	-	-	90
Khon Kaen Sugar Power Plant Co., Ltd.	Subsidiary	-	-	4,557	801
Total		<u>-</u>	<u>-</u>	<u>5,669</u>	<u>1,291</u>

Policy of Price Setting

- Rental income, service income and sale of land are charged according to the mutually agreed agreements.
- Revenue from selling of supplies are charged according to the cost.
- Revenue from sale on raw material are charged according to the market price.
- Fees for goods custody are charged according to the volume of the goods and the custody time, which are general rates in the market.
- The expenses paid on behalf of each other are charges according to the actual expenses.

3.3 Relationship of Related Companies

Consisted of: -

<u>Company Name</u>	<u>Relationship</u>	<u>Connection</u>
K.S.L. IT Center Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Chengteh Chinaware (Thailand) Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
Raja Porcelain Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
On Nuj Construction Co., Ltd.	Related Company	Same group of shareholder/Mutual directors
K.K. Wood Industry Co., Ltd.	Related Company	Same group of shareholder
Amarco Co., Ltd.	Related Company	Same group of shareholder
Thai Fermentation Industry Co., Ltd.	Related Company	Same group of shareholder
Rajburi Sugar Co., Ltd.	Related Company	Mutual directors in subsidiary company
Mitr Kaset Sugar Industry Co., Ltd.	Related Company	Mutual directors in subsidiary company
Eastern Sugar and Sugar Cane Co., Ltd.	Related Company	Mutual directors in subsidiary company
Kerry Siam Seaport Co., Ltd.	Related Company	Mutual directors
KSL Tower Juristic Person Office	Related Company	Shared Owner of Condominium Building

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

4. Trade Accounts and Notes Receivable

Consisted of :

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
Trade Accounts Receivable - Local				
Not yet due	201,778	98,656	101,765	76,281
Not over 30 days	7,464	11,860	518	-
Over 30 days but not over 90 days	12	123	-	-
Over 90 days	140	-	-	-
Total	209,394	110,639	102,283	76,281
Trade Accounts Receivable – Foreign	41,126	9,023	22,622	-
Notes Receivable	12,599	4,133	5,369	133
Total	263,119	123,795	130,274	76,414

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

Consisted of :

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
Trade Accounts Receivable				
Not yet due	837	505	32,885	-
Not over 30 days	55	3	-	-
Over 30 days but not over 60 days	59	110	-	-
Total	951	618	32,885	-
Notes Receivable	-	691	-	13
Total	951	1,309	32,885	13

6. Farmer Accounts Receivable - Net

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
Cane Accounts Receivable				
Before Season 2001 / 2002	27,591	31,225	398	398
Season 2001 / 2002	5,636	6,363	-	-
Season 2002 / 2003	18,033	18,991	-	-
Season 2003 / 2004	8,172	10,533	-	-
Season 2004 / 2005	9,904	16,097	-	-
Season 2005 / 2006	45,541	-	-	-
Total	114,877	83,209	398	398
Fuel Oil Accounts Receivable	4,507	5,884	-	-
Fertilizer Accounts Receivable	570	104	-	-
Total	119,954	89,197	398	398
<u>Less</u> Allowance for Doubtful Accounts	(44,158)	(47,284)	(398)	(398)
Net	75,796	41,913	-	-

7. Short-Term Loans due from Farmers

As at July 31, 2006 and October 31, 2005, these loans consisted of portion that was charged interest at 5.00-8.00% per annum and 5.00-6.00 % per annum respectively and another portion in the form of post-dated cheques where farmers discounted with the Company and its subsidiary companies with interest rate based on lending rate of Bank for Agriculture and Agricultural Cooperatives.

8. Inventories

As at July 31, 2006, in the consolidated and the Company's financial statements, the Company pledged a part of inventory in amount of Baht 215.02 million as collaterals against short-term loans due to a commercial bank.

9. Investments under Equity Method

Consisted of:

(Unit : Thousand Baht)

Company Name	Paid-Up Share Capital	Percentage of Shareholding		Consolidated					
				As at July 31, 2006			As at October 31, 2005		
				Cost	Equity	Dividend	Cost	Equity	Dividend
Associated Company (Direct Holding)		2006	2005						
Champion Fermentation Co., Ltd.	150,000	32.00	32.00	56,80	48,973	-	56,80	48,975	128
Total				56,80	48,973	-	56,80	48,975	128

(Unit : Thousand Baht)

Company Name	Paid-Up Share Capital		Percentage of Shareholding		The Company Only					
					As at July 31, 2006			As at October 31, 2005		
					Cost	Equity	Dividend	Cost	Equity	Dividend
Subsidiary and Associated Companies (Direct and Indirect Holding)	2006	2005	2006	2005						
Thai Sugar Terminal Public Co., Ltd.	120,000	120,000	23.82	23.82	79,109	234,784	-	79,109	235,459	2,646
New Krung Thai Sugar Industry Co., Ltd.	472,500	540,000	91.06	91.06	306,894	447,490	-	306,894	371,722	-
Tamaka Sugar Industry Co., Ltd.	600,000	525,000	90.21	88.82	523,337	735,123	114,240	448,337	635,608	69,943
New Kwang Soon Lee Sugar Industry Co., Ltd.	220,000	880,000	96.85	96.85	289,284	434,443	-	289,284	383,940	-
KSL Real Estate Co., Ltd.	140,000	140,000	80.31	80.31	89,134	64,018	-	89,134	66,232	-
K.S.L. Export Trading Co., Ltd.	10,000	10,000	78.32	78.32	3,387	(1,592)	-	3,387	1,425	-
KSL Chemical Co., Ltd.	7,500	2,500	100.00	51.00	6,618	3,870	-	1,275	27	-
Khon Kaen Sugar Power Plant Co., Ltd.	400,000	400,000	100.00	100.00	399,972	403,517	-	399,972	400,523	-
Khon Kaen Alcohol Co., Ltd.	160,000	160,000	100.00	100.00	159,986	256,443	-	159,986	145,342	-
KSL. Agro Co., Ltd	100,000	-	100.00	-	100,000	96,736	-	-	-	-
Savannakhet Sugar Corporation	92,002	-	80.00	-	73,602	70,987	-	-	-	-
Champion Fermentation Co., Ltd.	150,000	150,000	32.00	32.00	56,800	48,973	-	56,800	48,975	128
Total					2,088,123	2,794,792	114,240	1,834,178	2,289,253	72,717

As at July 31, 2006 and October 31, 2005, the Company used the financial statements for the nine-month period ended on June 30, 2006 and the year ended on September 30, 2005 of Champion Fermentation Co., Ltd. in the recognition of equity in such investment. The said associated company's financial statements were not yet reviewed and audited by any certified auditor. The recognized participating profit(loss) in the income statements for the nine-month period ended on July 31, 2006 and the year ended on October 31, 2005 is Baht (0.002) million and Baht 0.36 million respectively.

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

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

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

In the first quarter of the year 2006, the Company additionally invested in the whole amount ordinary shares of KSL. Agro Co., Ltd. amount Baht 1.25 million and in the second quarter and third quarter of the year 2006, the Company also additionally invested in the capital increase ordinary shares of the said subsidiary company, at Baht 27.50 million and Baht 71.25 million respectively, which its ratio of shareholding remained the same.

In the second quarter of the year 2006, the Company additionally invested in the ordinary shares of Savannakhet Sugar Corporation to construct the sugar plant and apply for 62,500-Rai 30-year land concession intended for sugar cane plantation in Savannakhet, Lao People's Democratic Republic. The initial investment for the project is expected to be approximately USD 10 million. The Company holds shares at the ratio of 80% equals to Baht 46.91 million and in the third quarter of the year 2006, the Company also additionally invested in the capital increase ordinary share at Baht 26.69 million, which its ratio of Shareholding remained the same.

In the second quarter and third quarter of the year 2006, the Company additionally invested in the capital increase ordinary shares of Tamaka Sugar Industry Co., Ltd., a subsidiary company, at Baht 18.75 million and Baht 56.25 million respectively thus its ratio of shareholding changed to 89.20% and 90.21% respectively.

10. Other Long-Term Investments - Net

Consisted of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
<u>10.1 Available-for-Sale Securities Investments</u>				
Investment in Debt Securities				
- Subordinated Debenture	4,000	4,000	-	-
Investment in Marketable Equity Securities				
- Bangkok Bank Public Co., Ltd.	336	336	336	336
- United Overseas Bank (Thai) Public Co., Ltd.	-	173	-	173
- Ratchaburi Egco Holding Public Co., Ltd.	792	792	792	792
- Finansa Public Co., Ltd.	50	50	50	50
<u>Add Unrealized Gain on Available-for-Sale Securities</u>	<u>1,944</u>	<u>2,177</u>	<u>2,424</u>	<u>2,578</u>
Available-for-Sale Securities Investments-Net	<u>7,122</u>	<u>7,528</u>	<u>3,602</u>	<u>3,929</u>

	<u>Company Name</u>	<u>Kind of Business</u>	<u>Paid-Up</u>	<u>Percentage of</u>	(Unit : Thousand Baht)				
					<u>Share Capital</u>	<u>Consolidated</u>		<u>The Company Only</u>	
						<u>As at</u>		<u>As at</u>	
						<u>Consolidated</u>	<u>The Company Only</u>	<u>Consolidated</u>	<u>The Company Only</u>
				<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>		
<u>10.2 General Investments</u>									
- Thai Sugar Intertrade Co., Ltd.	Warehouse and in-Construction-Process flour mill	57,500	0.68	0.68	393	393	393	393	
- Thai Sugar Transportation Co., Ltd.	Transportation	1,250	16.20	16.20	210	210	210	210	
- Thai Sugar Asset Co., Ltd.	Silo Warehouse and Property rental	12,500	4.10	4.10	2,062	523	2,062	523	
- Thai Cane and Sugar Corp. Ltd.	Export Agent	20,000	2.80	1.61	787	787	323	323	
- Thai Sugar Property Co., Ltd.	Silo Warehouse	30,000	4.11	4.11	1,238	1,238	1,238	1,238	
- TS Warehouse Co., Ltd.	Sugar Depository and Silo Warehouse	12,500	4.03	4.03	508	508	508	508	
- Thai Sugar Miller Co., Ltd.	Marketing Information Service	109	8.00	2.00	9	9	2	2	
- Kerry Siam Seaport Co., Ltd.	Seaport	484,500	11.26	5.95	54,390	54,390	37,787	37,787	
- Krung Thai Investment And Security Co., Ltd.	Closed	-	-	-	45	45	45	45	
- Mahanakorn Bank Public Co., Ltd.	Closed	-	-	-	614	614	-	-	
<u>Less</u> Allowance for Impairment of Investment					<u>(659)</u>	<u>(659)</u>	<u>(45)</u>	<u>(45)</u>	
General Investments – Net					<u>59,597</u>	<u>58,058</u>	<u>42,523</u>	<u>40,984</u>	
<u>10.3 Investment in Held-to-Maturity Debt Securities</u>									
- Bond					13,281	13,340	6,744	6,790	
Total Investment in Held-to-Maturity Debt Securities					<u>13,281</u>	<u>13,340</u>	<u>6,744</u>	<u>6,790</u>	
Total Other Long-term Investments - Net					<u>80,000</u>	<u>78,926</u>	<u>52,869</u>	<u>51,703</u>	

As at July 31, 2006 and October 31, 2005, the Company and its subsidiary companies pledged the bond as guarantee for electricity usage with the Provincial Electricity Authority, which had the book value in the consolidated financial statements of Baht 13.10 million and Baht 13.16 million respectively and in the Company financial statements of Baht 6.56 million and Baht 6.61 million respectively.

11. Deferred Cane Plantation Cost

Movement of deferred cane plantation cost for the nine-month period ended on July 31, 2006 is as follows:-

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>The Company Only</u>
Beginning Book Value-Net	-	-
Cost increase during the period	57,111	41,086
Ending Book Value-Net	<u>57,111</u>	<u>41,086</u>

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

In the third quarter of the year 2006, at Baht 41.09 million portion of the deferred cane plantation cost belongs to the Company which planted on the farmers' lands obtained from the repayment of the short-term loans to the Company by entered into ownership transfer agreements for cane in the plantation process at Baht 35.15 million to continue the plantation. The Baht 9.73 million portion belongs to two subsidiary companies who perform cane plantation on lease land by leasing the land from another subsidiary company (at Baht 0.84 million) and the other by leasing the land from the government of the Lao People's Democratic Republic as mentioned in the note to the financial statements no. 23 (at Baht 8.89 million).

12. Investment Property-Net

Movement of investment property for the nine-month period ended on July 31, 2006 is as follows:-

	(Unit : Thousand Baht)
	<u>Consolidated</u>
Beginning Book Value-Net	78,676
Purchase/Transfer in	149
Depreciation	(2,302)
Ending Book Value-Net	<u>76,523</u>

13. Property, Plant and Equipment - Net

Movement of Property, Plant and Equipment for the nine-month period ended on July 31, 2006 is as follows: -

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>The Company Only</u>
Beginning Book Value-Net	5,804,258	2,156,714
Purchase/Transfer in	1,800,290	372,158
Sale/Transfer out	(592,681)	(144,819)
Depreciation	(167,272)	(89,470)
Depreciation-Revaluation Surplus on Assets	(153,847)	(43,275)
Accumulated Depreciation-Sale/Transfer out	4,365	28
Ending Book Value - Net	<u>6,695,113</u>	<u>2,251,336</u>

In the consolidated and the Company's financial statements as at July 31, 2006 and October 31, 2005, the Company and its subsidiary companies pledged a part of land together with construction and machinery at cost amount of Baht 5,141.68 million as collaterals against short-term and long-term credit facilities with commercial banks (the same amount for both periods).

For the nine-month period ended on July 31, 2006 and for the year ended on October 31, 2005, in the consolidated financial statements, the cost of project during construction included interest expense of Baht 9.38 million and Baht 2.86 million respectively arisen from long - term loans obtained for construction of factory and machine installation.

As at July 31, 2006 and October 31, 2005, the Company's land in the amount of Baht 12.84 million the same amount for the both periods is the land the Company has utilized as cane plantation but has not received the title deeds. At present, it is in the process of applying for the land's title deeds.

As at July 31, 2006 and October 31, 2005, in the consolidated financial statements, assets in cost value of Baht 3,548.76 million and Baht 3,289.32 million respectively and in the Company's financial statements, of Baht 1,177.21 million and Baht 1,164.19 million respectively, were fully depreciated but still in use.

14. Loans for Cane Plantation Development

As at July 31, 2006 and October 31, 2005, three subsidiary companies gave loans to cane farmers for development of cane plantation in order to use such loans to buy land for plantation purpose and agricultural equipment. The loans contracts are for the term of 3-10 years onward and interest rate is 6.00-10.00% per annum and 6.00-8.50 % per annum respectively. Most of farmers used land and vehicle as collaterals.

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

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
Bank Overdrafts	1,823	2,856	-	-
Loans due to Financial Institutions	1,901,000	165,000	972,000	125,000
Packing Credit	296,611	129,928	-	-
Trust Receipt	85,106	4,064	-	-
Letter of Credit	-	40,345	-	-
Total	2,284,540	342,193	972,000	125,000

In the consolidated and the Company's financial statements as at July 31, 2006 and October 31, 2005, loans due to financial institutions are loans in the form of promissory notes with the maturity period ranged from 3-6 months and carrying interest rates of 6.50-6.75% and 2.30-4.75% per annum respectively.

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

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

16. Trade Accounts and Notes Payable

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
Cane Trade Accounts Payable	458,177	170,237	111,565	113,514
Trade Accounts Payable	110,504	111,675	101,337	100,213
Notes Payable	1,764	2,221	-	-
Total	570,445	284,133	212,902	213,727

As at July 31, 2006, the Company and its subsidiary companies recorded the cane price for the production season year 2005/2006 according to the cabinet's resolution dated November 29, 2005 which set the initial price of cane at Baht 800 per metric tonne at the sweetness level of 10 C.C.S. with adjustment of +/- Baht 48 per metric tonne per unit of C.C.S. until the date in the report, the Office of the Cane and Sugar Board has not announced the final price of cane for the production season year 2005/2006 the Company and its subsidiary companies recorded cane trade account payable and average cost of cane used to calculate the cost of inventories for the nine-month period ended on July 31, 2006 were estimated by the Company and its subsidiary companies' managements at Baht 1,039.63-1,124.96 per metric tonne.

As at October 31, 2005, the Office of the Cane and Sugar Board has not announced the final price of cane for the production season year 2004/2005, so the Company and three subsidiary companies recorded the cane trade accounts payable and calculated the cost of goods sold and inventories at the end of the period as at October 31, 2005 by using the final price of cane estimated by the Company and its subsidiary companies' management. In the first quarter of the year 2006, the Office of the Cane and Sugar Board has announced the final price of cane for the production season year 2004/2005 in the letter No. Or Kor 0602/Vor 3655 dated December 26, 2005 and in the Royal Gazette dated December 23, 2005, where there was no difference between the announced final price of cane and the estimate made by the Company and its subsidiary companies' management.

17. Long-Term Loans

Consisted of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
Loans due to Commercial Banks	807,454	308,396	35,000	155,000
<u>Less</u> Current Portion	(45,100)	(148,600)	(35,000)	(120,000)
Net	762,354	159,796	-	35,000

Movement of long-term loans for the nine-month period ended on July 31, 2006 is as follows: -

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>The Company Only</u>
Beginning book value	308,396	155,000
Increase in the Period	655,558	-
Decrease in the Period	(156,500)	(120,000)
Ending book value	<u>807,454</u>	<u>35,000</u>

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

- The parent company's principal remaining of the first credit line is amounting to Baht 490.00 million with the remaining principal of Baht 35.00 million and Baht 155.00 million respectively. The repayment period is 4 years since the date of first withdrawal of the loan, which is repayable every 6 months. The first installment is to be made on June 2004 until June 2007 for the total of 7 installments at amount of Baht 60.00 million each. The final installment is to be made on December 2007 at Baht 70.00 million. The Company pledged a part of machinery and equipment as collateral and this loan has following important conditions:-
 - The Company has to register the pledge of machinery with equipment as collateral within 6 months from the date of first withdrawal of the loan.
 - The Company agreed to pay the fee in early repayment of loan at the rate of 2.00% of the early repaid principal or paid exceeding the terms in the agreement, except when the loan repayment is made from the money received from capital increase and/or profit from the Company's operation.
- A subsidiary company's principal remaining of the second credit line is amounting to Baht 200.00 million with the remaining principal of Baht 0.10 million and Baht 36.60 million respectively. The repayment period is repayable every 6 months. The first installment is to be made on March 2002 until September 2006 for the total of 10 installments at amount of Baht 14.30 million each and the final installment is to be made on March 2007 at amount of Baht 14.00 million. The subsidiary company pledged land together with construction and machinery as collateral against credit facility.

- A subsidiary company's principal remaining of the third credit line is amounting to Baht 200.00 million with the remaining principal of Baht 200.00 million and Baht 116.80 million respectively. The principal have the grace period of 2 years 6 months from the date of the first withdrawal (July 19, 2005). Afterward, the repayments are to be made at six-monthly totalling 10 installments. The repayment for 1st to 9th installment is at Baht 20.00 million per installment. The remaining principal must be repaid on the 10th installment. The subsidiary company pledged all land together with construction that the subsidiary company may have in the future and all machinery of project and this loan has following important conditions :-
 - The subsidiary company must have the registered capital at not less than Baht 100.00 million and the paid-up capital must be not less than 25% prior to or at the date of the first withdrawal of the loan.
 - The parent company must paid the shareholding proportion in the said subsidiary company at the rate not less than 85% of the issued and paid-up share capital though out the period of the loan.
 - The subsidiary company is not able to pay dividend except when it can repay the principal and interest according to the contract.
 - Except loans from shareholders or affiliated companies, the subsidiary company must not enter into any long-term loan contract unless it has obtained prior approval from the lenders.

- A subsidiary company's principal remaining of the fourth credit line is amounting to Baht 800.00 million with the remaining principal of Baht 272.35 million as at July 31, 2006. The principal have the grace period of 3 years 6 months from the date of the first withdrawal (December 30, 2005). Afterward, the repayments are to be made at six-monthly totalling 14 installments. The repayment for 1st to 13th installment is at Baht 57.50 million. The remaining principal must be repaid on the 14th installment and this loan has following important conditions :-
 - The subsidiary company must hand over the leasehold right of the factory land to the bank where the land leasehold period must be not less than 30 years.
 - The subsidiary company has to register the pledge of construction that the subsidiary company may have in the future and machinery of project with the principal of pledge at Baht 1,000.00 million to be completed within 2 years from the date of the first withdrawal.
 - The parents company fully guaranteed against any form of credit facility.
 - The subsidiary company, with the bank as its the beneficiary, insured the constructions and machinery. The highest insured value must be equal to the value acceptable by the insurance company.

- A Subsidiary company's principal remaining of the fifth credit line is amounting to Baht 300.00 million with the remaining principal as at July 31, 2006 of Baht 300.00 million. The repayment period is repayable every 6 months. The first installment is to be made on September 2006 until March 2012 for the total of 12 installments contractual. The subsidiary company pledged land together with construction and machinery as collateral against credit facility.

18. Surplus from Internal Restructure of Entities under Common Control

In the consolidated financial statement, movement of surplus from internal restructure of entities under common control for the nine-month period ended on July 31, 2006 is as follows: -

	(Unit : Thousand Baht)		
	<u>Revaluation Surplus on</u>	<u>Discount from Internal</u>	<u>Net</u>
	<u>Assets-Subsidiary</u>	<u>Restructure of Entities</u>	
	<u>Companies</u>	<u>under Common Control</u>	
Beginning balance	1,502,788	(263,643)	1,239,145
Decrease in the period	(87,119)	-	(87,119)
Ending balance	1,415,669	(263,643)	1,152,026

19. Dividend Paid and Legal Reserve

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

20. Cash and Cash Equivalents

Consisted of: -

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at July 31,</u>		<u>As at July 31,</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash on hand and at banks	298,791	258,159	26,406	89,987
Short-term investments	3,500	80,300	-	-
Investment in marketable equity - available for sales security-net	30,739	4,711	-	-
Total	333,030	343,170	26,406	89,987
<u>Less</u> Investment in marketable equity - available for sales security-net	(30,739)	(4,711)	-	-
Net	302,291	338,459	26,406	89,987

In the consolidated financial statements as at July 31, 2006 and 2005, short-term investments were deposits in the form of promissory notes with interest rates of 3.00-5.125% per annum and 1.50-1.75 % per annum respectively.

In the consolidated financial statements as at July 31, 2006, the subsidiary company has unrealized gain on revaluation of investment in marketable equity-available for sale for Baht 1.83 million.

21. Financial Information by Segments

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

Information about business operation by segments as follow: -

Consolidated

For the nine-month periods ended on July 31, 2006 and 2005

(Unit : Million Baht)

	Manufacture and Distribution of Sugar		Real Estate Rental		Land Appropriation for Housing		Manufacture and Distribution of Alcohol		Others		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Net Operation Revenues – Domestic	2,358	1,890	98	147	1	2	406	-	3	1	2,866	2,040
– Foreign	2,044	2,222	-	-	-	-	-	-	-	-	2,044	2,222
Total	4,402	4,112	98	147	1	2	406	-	3	1	4,910	4,262
Profit (loss) from Operation	745	702	40	72	(2)	(2)	162	(7)	(27)	(14)	918	751
Interest Expenses											(79)	(36)
Corporate Income Tax											(197)	(190)
Profit after Interest Expenses and Corporate Income Tax											642	525
<u>Less</u> Net Profit of subsidiary companies belonging to parent company before shares acquisition											(3)	-
<u>Less</u> Minority Shareholders' Net Profit											(30)	(48)
Net Profit of Khon Kaen Sugar Industry Public Company Limited											609	477
Property, Plant and Equipment-Net as at July 31,	4,380	4,442	1,059	1,056	19	18	342	233	895	65	6,695	5,814
Central Assets	4,372	3,119	192	234	54	55	195	15	439	196	5,252	3,619
Total Assets as at July 31,	8,752	7,561	1,251	1,290	73	73	537	248	1,334	261	11,947	9,433

22. Obligations and Contingent Liabilities

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

22.1 The Company and its subsidiary companies have obligations relating to agreements to sell goods but not yet delivered in the consolidated financial statements in amount of Baht 3,027.89 million and Baht 856.08 million respectively and in the Company's financial statement in amount of Baht 1,558.24 million and Baht 654.52 million respectively.

22.2 As at July 31, 2006, the Company and 3 of its subsidiary company have issued post-dated cheques to farmers to purchase cane for the production season 2006/2007 at the total of Baht 373.90 million and as at October 31, 2005, the Company and 3 of its subsidiary companies have issued post-dated cheques to farmers to purchase cane for the production season 2005/2006 at the total of Baht 386.76 million. The Company and the subsidiary companies have not recorded the said liabilities as the cheques are not due and the cane of the said production season has not been received from farmers.

22.3 The Company and its subsidiary companies, there were credit lines of bank overdrafts , short term and long term loans from commercial banks that were pledged fixed deposits, land together with constructions, part of machinery, leaseholdright of construction as collateral and the subsidiary companies' directors participate guarantee against the credit facilities. The credit limits in the consolidated financial statements are Baht 3,614.83 million and Baht 5,226.13 million respectively and in the Company's financial statements are Baht 1,086.00 million and Baht 1,833.00 million respectively. When some of the credit lines have been drawn, the Company and its subsidiary companies must additionally pledge parts of their inventories as collaterals.

22.4 The Company and 3 of its subsidiary companies have issued cheques as guarantees for abiding by the regulations to the Office of Cane and Sugar Fund as follows:-

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at</u>		<u>As at</u>	
	<u>July 31, 2006</u>	<u>October 31, 2005</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
For the production season 2003/2004	-	85.07	-	46.10
For the production season 2004/2005	79.56	79.56	42.98	42.98

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

22.6 A subsidiary company enter into contracts to buy machine including installation for electricity generator factory with 30 megawatts biomass capacity with a company. The subsidiary company has remaining obligations under the contracts as at July 31, 2006, at Baht 62.12 million and as at October 31, 2005 at Baht 143.72 million and Yen 1,208.41 million respectively.

(Unit : Million Baht)

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

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

<u>Currency</u>	<u>Consolidated</u>					<u>Company Only</u>			
	<u>July 31, 2006</u>		<u>October 31, 2005</u>			<u>July 31, 2006</u>		<u>October 31, 2005</u>	
	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>
	<u>CHF</u>	<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>
Letters of Credit	5.12	1.09	525	-	892	-	55	-	55
Forward Contracts	-	20	800	23	800	-	-	-	-
Letters of Guarantees	-	-	109	-	109	-	30	-	30
Packing Credit	-	-	133	-	1,510	-	-	-	-

Apart from these, as at July 31, 2006 and October 31, 2005, the Company entered into an agreement to guarantee for the debt payment of two subsidiary companies for every type of debt that may occur in the future with a commercial bank at the limit of Baht 1,880 million.

22.9 In the consolidated financial statements, a subsidiary company had an obligation with a contractor to pay the construction fee at Baht 11.39 million and Baht 5.92 million respectively pursuant to the contract.

22.10 As at July 31, 2006, in the consolidated and the Company's financial statements, the Company had an obligation with a contractor to pay the construction fee at Baht 15.15 million pursuant to the contract.

22.11 In the consolidated financial statements, on November 21, 2005, a subsidiary company entered into machinery purchasing contract with a foreign company at the value of Swiss Franc 5.98 million equals to approximately Baht 192.00 million. As at December 31, 2005, the subsidiary company paid the deposit (15% of the contractual value) at Swiss Franc 0.90 million, equals to approximately Baht 28.21 million. For the remaining 85%, the subsidiary company used the letter of credit, which is payable when freight is on board. The period taken by the whole process is 9 months.

22.12 As at July 31, 2006, in the consolidated financial statements, a subsidiary company had an obligation from cane purchase-sales agreements entered into. The total contractual value is Baht 12.30 million and the remaining balance is Baht 11.06 million.

23. Important Contract

On February 16, 2006, SAVANNAKHET SUGAR CORPORATION, a subsidiary company, entered into an agreement for land development for the area of 10,000 hectares in the Lao People's Democratic Republic to be used as office building, factory, roads and cane plantation area. The contract period is 30 years and could be extended for another 20 years if the contractual parties agreed. At the time being the area is in the marking process to determine the rental fee is USD 6 per hectare per annum.

24. Financial Instruments

Policy to manage financial risk

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

Risk on Interest Rate

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

Risk on Exchange Rate

Risks on exchange rates mainly involve with sales of goods and import machine made in foreign currencies. As at July 31, 2006 and October 31, 2005, the Company and its subsidiary companies possessed assets and liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows :-

		<u>Consolidated</u>	
		<u>As at</u>	
	<u>Foreign Currency</u>	<u>July 31, 2006</u>	<u>October 31, 2005</u>
Assets	Thousand US Dollar	1,089	222
Liabilities	Thousand US Dollar	48	385
	Thousand Yen	403,342	113,692

As at July 31, 2006, a subsidiary company entered into a forward exchange contract with a commercial bank to hedge against risk of exchange rates incur from debt payment in foreign currency and the subsidiary company has not recorded the said financial liabilities in the financial statements. The maturity date of the forward exchange contract is not exceeding 6 months with the following details: -

<u>Foreign Currency</u>	<u>Contract Value</u>	<u>Consolidated</u>	
		<u>Value Gain</u>	<u>Fair Value at the end of the period</u>
		<u>'000 Baht</u>	<u>'000 Baht</u>
'000 CHF	2,500	76,600	77,288

Credit Risk

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

Fair Value

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

25. Subsequent Event

According to the minutes of the Company's board of directors meeting no. 8/2549 held on July 28, 2006, it was resolved for the Company to co-invest in the ordinary shares of Koh Kong Plantation Co., Ltd. and Koh Kong Sugar Industry Co., Ltd. at the ratio of 50% of the investment in each company for the total value of USD 5.00 million by co-invest with foreigners. On August 2, 2006, the Company has entered into the Memorandum of Understanding (MOU) with the government of the Kingdom of Cambodia to build a sugar factory and obtain a 90-year concession for cane plantation on 20,000 hectares of land in the Koh Kong Province, the Kingdom of Cambodia.

26. Approved of Financial Statements

These financial statements have been approved for issue by the Company's board of audit committee on September 8, 2006.