

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 balance sheet of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate balance sheet of Khon Kaen Sugar Industry Public Company Limited as at July 31, 2011, and the related consolidated and separate statements of income for the quarter and nine-month period ended July 31, 2011, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended July 31, 2011. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to report on these financial statements based on our review. We have not reviewed the interim financial statements of 3 foreign subsidiaries and 6 local subsidiaries which are included in these consolidated interim financial statements for the quarter and nine-month period ended July 31, 2011. The financial statements of those subsidiaries presented total assets as at July 31, 2011 of Baht 6,670.72 million or equivalent to 24.88% of consolidated total assets, and total revenues for the quarter and nine-month period ended July 31, 2011 of Baht 517.17 million and Baht 2,358.98 million or equivalent to 8.96% and 18.86% of consolidated total revenues, respectively, and total net loss for the quarter and total net profit for the nine-month period ended July 31, 2011 of Baht 87.37 million and Baht 28.11 million, respectively. Those subsidiaries' financial statements have been reviewed by other auditors and we have obtained their reports. Our report where related to the amounts of various items of those subsidiaries which were included in the consolidated financial statements were based on the reports of those other auditors. In addition, the consolidated and separate financial statements for the quarter and nine-month period ended July 31, 2010 (before retrospective restatement), presented herein for comparison, were reviewed by other auditors whose review report thereon dated September 10, 2010 stated that nothing had come to her attention that caused her to believe that such consolidated and separate financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

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

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

The consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited for the year ended October 31, 2010, were audited by other auditors, whose audit report thereon dated December 24, 2010 expressed an unqualified opinion on those statements and included an emphasis of a matter paragraph that described the change in the accounting policy for inventory calculation method for molasses. The consolidated and separate balance sheets as at October 31, 2010, presented herein for comparison, have been derived from such financial statements which were audited and reported on by such auditors. We have not performed any other audit procedures subsequent to such other auditor's report date.

As discussed in Note 4 to interim financial statements, the Company changed the accounting policy for the molasses in the fourth quarter of fiscal year 2010. As such accounting policy has not been applied in the financial statements for the quarter and nine-month period ended July 31, 2010, which have been previously reviewed and reported on by such other auditors, the comparative consolidated and separate statements of income, changes in shareholders' equity and cash flows, for the quarter and nine-month period ended July 31, 2010, thus have been restated to be in accordance with such new accounting policy. We have reviewed the adjusting entries which have been appropriate and properly applied to such statements of income, changes in shareholders' equity and cash flows.

BANGKOK
September 9, 2011

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

BALANCE SHEETS

AS AT JULY 31, 2011 AND OCTOBER 31, 2010

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.2	222,732	203,224	31,275	13,514
Temporary investments - net		21	5,729	-	5,708
Trade accounts receivable - net	6.1, 7	645,427	548,766	148,135	144,159
Farmer accounts receivable - net	8	173,305	170,075	133,798	134,571
Current portion of loans for cane plantation development	13	17,935	45,647	10,217	7,217
Current portion of other accounts receivable - compensation for sugar production and distribution	14	88,871	50,246	60,952	21,973
Short-term loans to related parties	6.1	-	-	360,000	1,375,000
Short-term loans to farmers	9	527,018	454,336	87,466	134,331
Inventories - net	10	4,813,497	1,595,761	2,050,213	480,260
Real estate development costs		62,584	57,451	-	-
Machine maintenance supplies		313,705	247,084	49,490	88,306
Accrued dividend receivable from subsidiary	6.1	-	-	-	108,257
Other current assets	6.1	158,626	160,900	54,614	73,102
Total Current Assets		<u>7,023,721</u>	<u>3,539,219</u>	<u>2,986,160</u>	<u>2,586,398</u>
NON-CURRENT ASSETS					
Investments in an associate	11	63,284	55,150	73,800	73,800
Investments in subsidiaries - net	11	-	-	5,181,411	5,028,424
Other long-term investments - net		16,944	24,491	6,598	9,880
Deferred cane plantation costs - net	12	647,804	831,654	31,553	73,369
Loans for cane plantation development - net	13	371,666	196,003	23,434	14,434
Other accounts receivable - compensation for sugar production and distribution - net	14	-	88,854	-	60,905
Property, plant and equipment - net	15	18,233,014	18,009,793	2,474,645	2,753,048
Assets not used in operation - net	16	421,801	361,922	180,880	125,867
Other non-current assets		38,183	45,642	1,821	148
Total Non-Current Assets		<u>19,792,696</u>	<u>19,613,509</u>	<u>7,974,142</u>	<u>8,139,875</u>
TOTAL ASSETS		<u><u>26,816,417</u></u>	<u><u>23,152,728</u></u>	<u><u>10,960,302</u></u>	<u><u>10,726,273</u></u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT JULY 31, 2011 AND OCTOBER 31, 2010

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		July 31,	October 31,	July 31,	October 31,
		2011	2010	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions		4,077,571	1,902,246	564,478	-
Trade accounts payable	6.1, 17	153,020	403,692	68,881	138,368
Current portion of long-term debentures	19	1,779,242	999,933	1,779,242	999,933
Current portion of long-term loans	20	752,030	552,855	164,000	168,000
Short-term loans from related parties	6.1	-	-	376,500	450,000
Short-term loans from others		-	5,000	-	-
Accrued income tax expenses		272,090	47,062	119,015	-
Advances received for sales of goods		142,043	98,622	68,794	87,632
Estimated accrued production expenses	18	1,155,660	-	516,652	-
Accrued fees payable to the Office of the Cane and Sugar Fund		71,705	35,750	33,078	11,514
Accrued stabilization function payment to the Office of the Cane and Sugar Fund		54,926	50,246	26,582	21,973
Other accrued expenses	6.1	119,164	132,028	70,703	82,893
Accounts payable on purchases of assets	6.1	143,929	606,495	21,466	28,494
Other accounts payable	6.1	214,287	114,383	81,184	41,006
Other current liabilities		296,405	139,667	27,140	20,235
Total Current Liabilities		<u>9,232,072</u>	<u>5,087,979</u>	<u>3,917,715</u>	<u>2,050,048</u>
NON-CURRENT LIABILITIES					
Long-term debentures - net	19	1,998,149	3,775,647	1,998,149	3,775,647
Long-term loans - net	20	4,466,606	4,341,985	-	164,000
Other non-current liabilities	6.1	13,167	12,998	10,357	10,079
Total Non-Current Liabilities		<u>6,477,922</u>	<u>8,130,630</u>	<u>2,008,506</u>	<u>3,949,726</u>
TOTAL LIABILITIES		<u>15,709,994</u>	<u>13,218,609</u>	<u>5,926,221</u>	<u>5,999,774</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT JULY 31, 2011 AND OCTOBER 31, 2010

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		"Unaudited"		"Unaudited"	
		As at	As at	As at	As at
		July 31,	October 31,	July 31,	October 31,
		2011	2010	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	21				
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					
1,550,387,225 ordinary shares of Baht 1.00 each, fully paid		1,550,387		1,550,387	
1,550,000,000 ordinary shares of Baht 1.00 each, fully paid			1,550,000		1,550,000
PREMIUM ON ORDINARY SHARES		1,558,102	1,554,617	1,558,102	1,554,617
UNREALIZED GAIN (LOSS)					
Surplus on revaluation of assets		2,770,327	3,024,329	1,011,266	1,115,913
Deficit on internal restructure of entities under common control		(264,043)	(264,043)	-	-
Deficit on change in shareholding ratio in subsidiaries		(25,205)	(25,205)	-	-
Change in fair values of available-for-sale securities		(544)	1,844	-	2,271
DIFFERENCES ON TRANSLATION OF FINANCIAL STATEMENTS		(89,817)	(82,039)	-	-
RETAINED EARNINGS					
Appropriated					
Legal reserve		167,420	167,420	167,420	167,420
Unappropriated		3,668,004	2,284,105	746,906	336,278
TOTAL EQUITY HOLDERS OF THE PARENT		9,334,631	8,211,028	5,034,081	4,726,499
MINORITY INTEREST		1,771,792	1,723,091	-	-
TOTAL SHAREHOLDERS' EQUITY		11,106,423	9,934,119	5,034,081	4,726,499
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		26,816,417	23,152,728	10,960,302	10,726,273

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE QUARTERS ENDED JULY 31, 2011 AND 2010
"UNAUDITED"

Unit : Thousand Baht

	Notes	Consolidated		Separate		
		Financial Statements	Financial Statements	Financial Statements	Financial Statements	
		2011	2010	2011	2010	
			"Restated"		"Restated"	
REVENUES						
Revenues from sales		5,705,111	3,256,844	2,123,115	1,670,640	
Revenues from services		63,784	31,945	-	-	
Total Revenues		<u>5,768,895</u>	<u>3,288,789</u>	<u>2,123,115</u>	<u>1,670,640</u>	
COSTS						
Cost of sales		(4,053,270)	(2,566,961)	(1,519,950)	(1,436,341)	
Cost of services		(28,397)	(17,538)	-	-	
Total Costs		<u>(4,081,667)</u>	<u>(2,584,499)</u>	<u>(1,519,950)</u>	<u>(1,436,341)</u>	
Gross profit		1,687,228	704,290	603,165	234,299	
Other incomes		73,925	48,444	41,912	33,368	
Profit before expenses		<u>1,761,153</u>	<u>752,734</u>	<u>645,077</u>	<u>267,667</u>	
Selling expenses		(100,784)	(76,664)	(48,001)	(24,337)	
Administrative expenses		(139,271)	(119,496)	(32,842)	(37,520)	
Management benefit expenses	23	(37,380)	(26,836)	(7,584)	(5,701)	
Fees paid to the Office of the Cane and Sugar Fund		(195,626)	(218,769)	(94,463)	(98,707)	
Penalty from sugar future contracts		-	(111,363)	-	(18,635)	
Loss from investments in derivative instruments		-	-	(9,216)	-	
Total expenses		<u>(473,061)</u>	<u>(553,128)</u>	<u>(192,106)</u>	<u>(184,900)</u>	
Profit before financial costs and income tax expenses		1,288,092	199,606	452,971	82,767	
Financial costs		(128,194)	(102,884)	(55,912)	(63,679)	
Share of profit of investments in an associate (net of income tax)		2,379	5,992	-	-	
Profit before income tax expenses		<u>1,162,277</u>	<u>102,714</u>	<u>397,059</u>	<u>19,088</u>	
Income tax expenses		(320,407)	(26,251)	(119,833)	-	
NET PROFIT		<u><u>841,870</u></u>	<u><u>76,463</u></u>	<u><u>277,226</u></u>	<u><u>19,088</u></u>	
PROFIT (LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		788,620	93,150	277,226	19,088	
Minority interest		53,250	(16,687)	-	-	
		<u><u>841,870</u></u>	<u><u>76,463</u></u>	<u><u>277,226</u></u>	<u><u>19,088</u></u>	
EARNINGS PER SHARE FOR						
THE EQUITY HOLDERS OF THE PARENT						
Basic earnings per share	26	BAHT	0.509	0.060	0.179	0.012
Diluted earnings per share	26	BAHT	0.494	0.060	0.174	0.012
Weighted average number of ordinary shares	26	THOUSAND SHARES	1,550,353	1,550,000	1,550,353	1,550,000
Dilutive number of ordinary shares	26	THOUSAND SHARES	1,595,827	1,550,000	1,595,827	1,550,000

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010

"UNAUDITED"

Unit : Thousand Baht

	Notes	Consolidated		Separate		
		Financial Statements		Financial Statements		
		2011	2010	2011	2010	
		"Restated"		"Restated"		
REVENUES						
Revenue from sales	6.2	12,392,992	9,661,821	5,083,189	4,762,087	
Revenue from services	6.2	117,520	100,445	-	-	
Total Revenues		<u>12,510,512</u>	<u>9,762,266</u>	<u>5,083,189</u>	<u>4,762,087</u>	
COSTS						
Cost of sales	6.2	(8,776,153)	(7,220,975)	(3,775,155)	(3,907,088)	
Cost of services	6.2	(57,795)	(52,050)	-	-	
Total Costs		<u>(8,833,948)</u>	<u>(7,273,025)</u>	<u>(3,775,155)</u>	<u>(3,907,088)</u>	
Gross profit		<u>3,676,564</u>	<u>2,489,241</u>	<u>1,308,034</u>	<u>854,999</u>	
Other incomes	6.2	244,290	201,281	127,534	118,440	
Profit before expenses		<u>3,920,854</u>	<u>2,690,522</u>	<u>1,435,568</u>	<u>973,439</u>	
Selling expenses	6.2	(274,868)	(231,320)	(105,411)	(93,789)	
Administrative expenses	6.2	(461,156)	(358,096)	(100,604)	(102,165)	
Management benefit expenses	23	(112,874)	(97,498)	(26,140)	(22,974)	
Fees paid to the Office of the Cane and Sugar Fund		(612,192)	(645,611)	(296,784)	(270,879)	
Penalty from sugar future contracts		-	(111,363)	-	(18,635)	
Loss from investments in derivative instruments		(16,768)	(881,960)	(41,395)	(391,123)	
Total expenses		<u>(1,477,858)</u>	<u>(2,325,848)</u>	<u>(570,334)</u>	<u>(899,565)</u>	
Profit before financial costs and income tax expenses		<u>2,442,996</u>	<u>364,674</u>	<u>865,234</u>	<u>73,874</u>	
Financial costs	6.2	(345,949)	(247,128)	(160,994)	(173,921)	
Share of profit of investments in an associate (net of income tax)		8,134	10,970	-	-	
Profit (loss) before income tax expenses		<u>2,105,181</u>	<u>128,516</u>	<u>704,240</u>	<u>(100,047)</u>	
Income tax expenses		(511,787)	(91,253)	(193,409)	-	
NET PROFIT (LOSS)		<u><u>1,593,394</u></u>	<u><u>37,263</u></u>	<u><u>510,831</u></u>	<u><u>(100,047)</u></u>	
PROFIT (LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		1,484,102	107,483	510,831	(100,047)	
Minority interest		109,292	(70,220)	-	-	
		<u><u>1,593,394</u></u>	<u><u>37,263</u></u>	<u><u>510,831</u></u>	<u><u>(100,047)</u></u>	
EARNINGS (LOSS) PER SHARE FOR THE EQUITY HOLDERS OF THE PARENT						
Basic earnings (loss) per share	26	BAHT	0.957	0.069	0.330	(0.065)
Diluted earnings (loss) per share	26	BAHT	0.945	0.069	0.325	(0.065)
Weighted average number of ordinary shares	26	THOUSAND SHARES	1,550,179	1,550,000	1,550,179	1,550,000
Dilutive number of ordinary shares	26	THOUSAND SHARES	1,570,489	1,550,000	1,570,489	1,550,000

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010

"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Issued and Paid-up share capital	Premium on ordinary shares	Unrealized gain (loss)			Differences on translation of financial statements	Retained Earnings		Total equity holders of the parent	Minority Interest	Total shareholders' equity	
				Surplus on revaluation of assets	Deficit on internal restructure of entities under common control	Deficit on change in shareholding ratio in subsidiaries		Change in fair values of available-for-sale securities	Appropriated Legal reserve				Unappropriated
Beginning balance as at November 1, 2010		1,550,000	1,554,617	3,024,329	(264,043)	(25,205)	1,844	(82,039)	167,420	2,284,105	8,211,028	1,723,091	9,934,119
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
- Increase in ordinary share	21	387	3,485	-	-	-	-	-	-	-	3,872	-	3,872
Total contributions by and distributions to owners of the Company		387	3,485	-	-	-	-	-	-	-	3,872	-	3,872
Surplus on revaluation of assets													
- Depreciation on surplus on revaluation of assets		-	-	(245,705)	-	-	-	-	-	-	(245,705)	(33,981)	(279,686)
- Transfer to profit or loss from sales of assets		-	-	(8,297)	-	-	-	-	-	8,297	-	-	-
Change in fair values of available-for-sale securities		-	-	-	-	-	(2,388)	-	-	-	(2,388)	(378)	(2,766)
Differences on translation of financial statements		-	-	-	-	-	-	(7,778)	-	-	(7,778)	(2,098)	(9,876)
Total income (expense) recognized in shareholders' equity		-	-	(254,002)	-	-	(2,388)	(7,778)	-	8,297	(255,871)	(36,457)	(292,328)
Net profit		-	-	-	-	-	-	-	-	1,484,102	1,484,102	109,292	1,593,394
Total income (expense) recognized for the period		-	-	(254,002)	-	-	(2,388)	(7,778)	-	1,492,399	1,228,231	72,835	1,301,066
Dividends paid	22	-	-	-	-	-	-	-	-	(108,500)	(108,500)	(24,134)	(132,634)
Ending balance as at July 31, 2011		1,550,387	1,558,102	2,770,327	(264,043)	(25,205)	(544)	(89,817)	167,420	3,668,004	9,334,631	1,771,792	11,106,423

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010
"UNAUDITED"

UNIT : THOUSAND BAHT

Notes	Issued and Paid-up share capital	Premium on ordinary shares	Unrealized gain (loss)				Differences on translation of financial statements	Retained Earnings		Total equity holders of the parent	Minority Interest	Total shareholders' equity
			Surplus on revaluation of assets	Deficit on internal restructure of entities under common control	Deficit on change in shareholding ratio in subsidiaries	Change in fair values of available-for-sale securities		Appropriated Legal reserve	Unappropriated			
Beginning balance as at November 1, 2009	1,550,000	1,554,617	3,241,936	(264,043)	69,285	2,348	13,469	162,620	2,362,705	8,692,937	2,106,605	10,799,542
Surplus on revaluation of assets												
- Depreciation on surplus on revaluation of assets	-	-	(200,443)	-	-	-	-	-	-	(200,443)	(22,101)	(222,544)
- Surplus on revaluation of assets net increase (decrease)	-	-	(1,824)	-	-	-	-	-	-	(1,824)	(3)	(1,827)
Deficit on change in shareholding ratio in subsidiaries	-	-	-	-	(94,490)	-	-	-	-	(94,490)	38,539	(55,951)
Change in fair values of available-for-sale securities	-	-	-	-	-	222	-	-	-	222	(112)	110
Differences on translation of financial statements	-	-	-	-	-	-	(48,632)	-	-	(48,632)	(17,526)	(66,158)
Total income (expense) recognized in shareholders' equity	-	-	(202,267)	-	(94,490)	222	(48,632)	-	-	(345,167)	(1,203)	(346,370)
Net profit (loss)	-	-	-	-	-	-	-	-	107,483	107,483	(70,220)	37,263
Total income (expense) recognized for the period	-	-	(202,267)	-	(94,490)	222	(48,632)	-	107,483	(237,684)	(71,423)	(309,107)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	(266,821)	(266,821)
Dividends paid	22	-	-	-	-	-	-	-	(232,499)	(232,499)	-	(232,499)
Ending balance as at July 31, 2010	1,550,000	1,554,617	3,039,669	(264,043)	(25,205)	2,570	(35,163)	162,620	2,237,689	8,222,754	1,768,361	9,991,115

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010

"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Unrealized gain (loss)		Retained Earnings		Total Shareholders' equity
				Surplus on revaluation of assets	Change in fair value of available-for-sale securities	Appropriated Legal reserve	Unappropriated	
Beginning balance as at November 1, 2010		1,550,000	1,554,617	1,115,913	2,271	167,420	336,278	4,726,499
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
- Increase in ordinary shares	21	387	3,485	-	-	-	-	3,872
Total contributions by and distributions to owners of the Company		387	3,485	-	-	-	-	3,872
Surplus on revaluation of assets								
- Depreciation on surplus on revaluation of assets		-	-	(96,350)	-	-	-	(96,350)
- Transfer to profit or loss from sales of assets		-	-	(8,297)	-	-	8,297	-
Change in fair values of available-for-sale securities		-	-	-	(2,271)	-	-	(2,271)
Total income (expense) recognized in shareholders' equity		-	-	(104,647)	(2,271)	-	8,297	(98,621)
Net profit		-	-	-	-	-	510,831	510,831
Total income (expense) recognized for the period		-	-	(104,647)	(2,271)	-	519,128	412,210
Dividends paid	22	-	-	-	-	-	(108,500)	(108,500)
Ending balance as at July 31, 2011		1,550,387	1,558,102	1,011,266	-	167,420	746,906	5,034,081

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010
"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Unrealized gain (loss)		Retained Earnings		Total Shareholders' equity
				Surplus on revaluation of assets	Change in fair value of available-for-sale securities	Appropriated Legal reserve	Unappropriated	
Beginning balance as at November 1, 2009		1,550,000	1,554,617	1,192,501	2,746	162,620	477,737	4,940,221
Surplus on revaluation of assets								
- Depreciation on surplus on revaluation of assets		-	-	(71,873)	-	-	-	(71,873)
- Surplus on revaluation of assets net increase (decrease)		-	-	(1,635)	-	-	-	(1,635)
Change in fair values of available-for-sale securities		-	-	-	372	-	-	372
Total income (expense) recognized in shareholders' equity		-	-	(73,508)	372	-	-	(73,136)
Net loss		-	-	-	-	-	(100,047)	(100,047)
Total income (expense) recognized for the period		-	-	(73,508)	372	-	(100,047)	(173,183)
Dividends paid	22	-	-	-	-	-	(232,499)	(232,499)
Ending balance as at July 31, 2010		1,550,000	1,554,617	1,118,993	3,118	162,620	145,191	4,534,539

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
	"Restated"		"Restated"	
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax expenses	2,105,181	128,516	704,240	(100,047)
Adjustments for:				
Dividend income	(163)	(233)	(7,708)	(207)
Doubtful accounts - trade and farmer accounts receivable and loans for cane plantation development (reversal)	(15,586)	(2,467)	-	-
Share of profit of investments in an associate (net of income tax)	(8,134)	(10,970)	-	-
Amortization of premium on bonds	297	69	12	36
Loss on damaged cane and adjustment to (increase) decrease the cane plantation costs	77,598	143,382	(4,175)	(20,172)
Loss from diminution in value of inventories	29,681	9,532	-	4,496
Loss from obligation created under agreements	-	5,630	-	5,630
Depreciation	539,068	316,225	170,216	123,807
Gain from disposal and written-off of assets	(1,264)	(8,207)	(10,407)	(5,365)
Loss on impairment of investments in subsidiaries (reversal)	-	-	-	2,536
Gain on sales of temporary investments	(2,425)	(220)	(2,425)	-
Unrealized (gain) loss on exchange rate	588	(815)	242	3
Interest expenses	344,138	244,464	159,183	171,257
Financial costs	1,811	2,292	1,811	2,292
	<u>3,070,790</u>	<u>827,198</u>	<u>1,010,989</u>	<u>184,266</u>
Operating assets (increase) decrease				
Trade accounts receivable	(96,228)	35,231	(4,218)	(68,975)
Farmer accounts receivable	11,313	(69,123)	773	(47,635)
Inventories	(3,247,417)	(1,003,354)	(1,569,953)	(378,495)
Real estate development costs	(5,133)	2,079	-	-
Machine maintenance supplies	(66,621)	(189,519)	38,816	5,270
Other current assets	2,551	43,412	18,509	(18,147)
Deferred cane plantation costs	178,162	(178,498)	47,241	15,268
Other non-current assets	4,851	5,276	(1,673)	-

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
	"Restated"		"Restated"	
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Operating liabilities increase (decrease)				
Trade accounts payable	(250,625)	(369,367)	(69,487)	176,920
Advances received from sales of goods	43,421	98,060	(18,838)	(31,022)
Estimated accrued production expenses	1,155,660	421,429	516,652	143,484
Accrued fees payable to the Office of the Cane and Sugar Fund	35,955	(15,193)	21,564	(3,096)
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	54,909	36,433	26,535	15,794
Other accrued expenses	25,005	(40,369)	30,327	22,204
Other accounts payable	99,904	(55,747)	40,178	(26,670)
Liabilities from derivative instruments	-	(6,206)	-	(2,791)
Other current liabilities	156,738	13,691	6,905	978
Other non-current liabilities	169	(1,733)	278	399
Cash received from (used in) operating activities	1,173,404	(446,300)	94,598	(12,248)
Interest paid	(454,950)	(301,684)	(202,222)	(197,113)
Income tax expense paid	(287,754)	(180,592)	(74,415)	(11,491)
Net cash provided by (used in) operating activities	430,700	(928,576)	(182,039)	(220,852)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for temporary investments	-	(59,021)	-	-
Cash received from sales of temporary investments	5,708	225,220	5,708	-
(Increase) decrease in short-term loans to related parties	-	130,356	1,015,000	(160,500)
(Increase) decrease in short-term loans to farmers	(72,682)	(96,636)	46,865	4,505
Cash payments for investments in subsidiaries	-	-	(152,987)	(790,743)
Cash received from repayment of investment in subsidiaries	-	-	-	196
Cash payments for purchase of other long-term investments	(263)	(6,296)	-	(6,296)
Cash received from redemption and sales of other long-term investments	7,925	7,126	3,424	6,500
Cash received from dividends of subsidiaries and other companies	163	233	115,965	135,529
Increase in loans for cane plantation development	(147,951)	(118,127)	(12,000)	(9,821)
Cash received from long-term loan to related parties	-	160,484	-	-
Cash payments for purchases of property, plant and equipment	(953,454)	(2,335,363)	(98,239)	(65,225)
Cash received from sales of property, plant and equipment	34,385	11,194	139,295	5,667
Cash payments for purchase of land not used in operation	(55,013)	(25,086)	(55,013)	-
Cash received from sale of assets not used in operation	-	3,501	-	-
Net cash provided by (used in) investing activities	(1,181,182)	(2,102,415)	1,008,018	(880,188)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010

"UNAUDITED"

UNIT : THOUSAND BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
	"Restated"		"Restated"	
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts and short-term loans from financial institutions	2,175,848	1,612,648	365,000	694
Increase in bills of exchange	-	400,000	200,000	400,000
Decrease in short-term loans from related parties	-	-	(73,500)	(297,000)
Decrease from short-term loans from others	(5,000)	(63,000)	-	-
Cash payment for accounts payable on purchases of assets	(604,956)	(708,601)	(27,090)	(14,560)
Cash received from (payment to) long-term debentures	(1,000,000)	1,497,566	(1,000,000)	1,497,566
Cash received from long-term loans	957,000	1,537,638	-	-
Cash payment for long-term loans	(624,516)	(358,000)	(168,000)	(168,000)
Cash received (payment) from issuance of ordinary shares	3,872	-	3,872	(232,499)
Cash payment of dividends for the parent	(108,500)	(232,499)	(108,500)	-
Cash paid to minority interest	(24,134)	(267,428)	-	-
Net cash provided by (used in) financing activities	<u>769,614</u>	<u>3,418,324</u>	<u>(808,218)</u>	<u>1,186,201</u>
Exchange differences on translation of cash of foreign subsidiaries	376	(14,828)	-	-
Net increase in cash and cash equivalents	19,508	372,505	17,761	85,161
Cash and cash equivalents at the beginning of the period	<u>203,224</u>	<u>267,015</u>	<u>13,514</u>	<u>29,791</u>
Cash and cash equivalents at the end of the period	<u><u>222,732</u></u>	<u><u>639,520</u></u>	<u><u>31,275</u></u>	<u><u>114,952</u></u>

See notes to the interim financial statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE QUARTERS AND NINE-MONTH PERIODS ENDED JULY 31, 2011 AND 2010
“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 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, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at No. 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province. The Company’s main businesses are to manufacture and distribute sugar and molasses, and the subsidiaries’ main business operations are listed in Note 2.4.

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

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

2.1 The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2007) “Interim Financial Statements”, with the Company choosing to present condensed interim financial statements. Therefore, 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, 2010.

The brief particulars in the financial statements are presented in accordance with the Notification of the Department of Business Development dated January 30, 2009 regarding “The Brief Particulars in the Financial Statements B.E. 2552”. In addition, the interim consolidated and separate financial statements have been prepared in accordance with the regulations of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the basis, conditions and procedures for the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544.

2.2 The unaudited results of operations for the quarter and nine-month period ended July 31, 2011 are not necessarily indicative of the operating results anticipated for the full year.

2.3 The consolidated and separate balance sheets as at October 31, 2010, presented herein for comparison, have been derived from the financial statements for the year then ended which have been audited.

2.4 These interim consolidated financial statements have been prepared by including the financial statements of the Company and its subsidiaries and have been prepared under the same basis as the consolidated financial statements for the year ended October 31, 2010. The structure of the Group is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at July 31, 2011	As at October 31, 2010		
	%	%		
Subsidiaries in which the Company holds shares directly and indirectly				
Thai Sugar Terminal Public Company Limited *	23.82	23.82	Thailand	Transfer and transportation services for certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of building on land for sales and rental
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Real Estate Company Limited	80.31	80.31	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center
K.S.L. Export Trading Co., Ltd.	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Chemicals Company Limited	100.00	100.00	Thailand	Importer and distributor of chemicals
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Company Limited	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL. Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	70.00	70.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services

Company Name	Percentage of Shareholding Indirect		Percentage of Shareholding Direct and indirect		Country of Incorporation	Type of Business
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010		
	%	%	%	%		
Subsidiaries which the Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited						
T S G Asset Co., Ltd.*	19.00	19.00	23.11	23.11	Thailand	Property rental
T S Oil Industry Co., Ltd.*	22.46	22.46	23.08	23.08	Thailand	Trading, rental and development of real estate and palm oil refinery operation
T S Flour Mill Public Company Limited*	23.54	23.54	23.63	23.63	Thailand	Produce and distribute wheat flour and property rental
T S Warehouse Co., Ltd.*	15.28	15.28	19.30	19.30	Thailand	Warehousing and loading of goods
T S Transport and Logistic Co., Ltd.*	20.46	20.46	30.58	30.58	Thailand	Manufacture and distribute polypropylene bag, and plastic fiber, trade in plastic resin and transportation and security services
Subsidiary which the Company holds shares indirectly through Wynn In Trading Co., Ltd.						
Koh Kong Plantation Company Limited	70.00	70.00	70.00	70.00	Cambodia	Agricultural operation

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

The accounting periods of subsidiaries ended the same date as the Company (accounting period ended on October 31) except for 6 subsidiaries whose accounting periods ended December 31, as follows:

- 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 new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Standard Interpretations (TSI) and Thai Financial Reporting Interpretation (TFRI), which are not yet effective for the current period as follows:

- 2.5.1 TAS, TFRS, TSI and TFRI which are effective for the financial statements of periods beginning on or after January 1, 2011:

TAS

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Venture
TAS 33 (Revised 2009)	Earnings Per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property

TFRS	
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TSI	
TSI 31	Revenue - Barter Transactions Involving Advertising Services
TFRI	
TFRI 15	Agreements for the Construction of Real Estate

2.5.2 TAS and TSI which are effective for the financial statements of periods beginning on or after January 1, 2013:

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

The Company's 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 Company's and the subsidiaries' financial statements when they become effective. The management has assessed the effects of these standards and believes that they will not have any significant impact on the Company's and its subsidiaries' financial statements for the period in which they are initially applied, except for TAS 12 "Income Taxes", TAS 16 "Property, Plant and Equipment", TAS 19 "Employee Benefits" and TAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" 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 generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3. 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, 2010.

4. CHANGE IN ACCOUNTING POLICY

In the fourth quarter of fiscal year 2010, the Company and its subsidiaries, which the main business activities are to manufacture and distribute sugar, changed the accounting policy for the molasses, a by-product from sugar production, from formerly stating it at average net realizable value to the lower of cost or net realizable value, for which the cost was calculated from the average cost of production of each production year under the first-in, first-out method, which was consistent with the policy of the main products. The information provided in the financial statements would; therefore, be more relevant to the decision making process because of the increases in selling price of the molasses and customers' demand from the past, resulted in the manufacturing and distributing of molasses becoming significant in the business operation. As a result of such change in the accounting policy, the Company and its subsidiaries retrospectively restated their financial statements as if the new accounting policy has been applied continuously and the effects are as follows:

Balance sheet as at July 31, 2010

	Effect	Consolidated Financial Statements	Unit : Million Baht Separate Financial Statements
Assets			
Inventories	Decrease	265.94	107.96
Other current assets	Increase	0.09	-
Liabilities			
Accrued income tax expense	Decrease	35.50	-
Estimated accrued production expenses	Increase (Decrease)	12.03	(0.08)
Shareholders' equity			
Retained earnings - Unappropriated	Decrease	232.00	107.88
Minority shareholders' equity	Decrease	10.38	-

Statement of income for the nine-month period ended July 31, 2010

	Effect	Consolidated Financial Statements	Unit : Million Baht Separate Financial Statements
Cost of sales	Increase	184.33	63.44
Administrative expenses	Decrease	0.86	-
Income tax expense	Decrease	35.59	-
Net profit	Decrease	147.88	-
Earnings per share (Unit : Baht)	Decrease	0.10	-
Net loss	Increase	-	63.44
Loss per share (Unit : Baht)	Increase	-	0.04

Statement of changes in shareholders' equity for the nine-month period ended July 31, 2010

	Effect	Consolidated Financial Statements	Unit : Million Baht Separate Financial Statements
Retained earnings as at November 1, 2009	Decrease	91.16	44.43
Minority Interest	Decrease	3.34	-

5. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

5.1 Significant non-cash items in the consolidated and separate financial statements for the nine-month periods ended July 31, 2011 and 2010 are as follows:

Type of transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2011	2010	2011	2010
Pledged fixed deposit with maturity not exceeding 12 months (presented in other non-current assets) was redemption during the period	-	5,708	-	5,708
Reclassified short-term loans to farmers to farmer accounts receivable	-	74,414	-	74,414
Unrealized (loss) gain from available-for-sale securities	(2,766)	110	(2,271)	372
Set-off other accounts receivable - compensation for sugar production and distribution and accrued stabilization function payment to the Office of the Cane and Sugar Fund	50,229	55,902	21,926	25,291
Depreciation of differences on revaluation of assets	277,137	277,888	96,350	71,873
Decrease in surplus on revaluation of assets	3,519	1,827	8,297	1,635
Transfer of depreciation to deferred cane plantation costs	75,682	65,236	1,250	673
Sales of land not used in operation which had not yet been received	-	2,700	-	-
Reclassified plant not used in operation to other current assets	-	16,812	-	-
Reclassified other current assets to other non-current assets	85	-	-	-
Purchases of fixed assets which had not yet been paid	137,524	253,042	20,062	10,242
Purchases of land not used in operation which had not yet been paid	4,866	-	-	-
Interest expenses capitalized as asset costs	72,420	30,998	-	-
Changes in minority interest's equity from increase of investments in subsidiaries	-	(38,539)	-	-
Transfer property, plant and equipment to real estate development costs	-	32,570	-	-
Reclassified other long term investment-net to other current assets	-	751	-	-

5.2 Cash and cash equivalents as at July 31, 2011 and 2010 are as follows:

Type of transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2011	2010	2011	2010
Cash	6,208	8,014	2,932	1,997
Savings accounts deposits	154,287	368,972	12,764	99,866
Current accounts deposits	62,237	256,405	15,579	13,089
Fixed deposits with the maturity not exceeding 3 months	-	6,129	-	-
Total	<u>222,732</u>	<u>639,520</u>	<u>31,275</u>	<u>114,952</u>

6. TRANSACTIONS WITH RELATED PARTIES

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

6.1 Significant balances with the related parties are as follows:

Type of balances	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
Trade accounts receivable				
Subsidiaries	-	-	37.47	29.66
Related companies	13.82	3.26	0.02	-
Total	<u>13.82</u>	<u>3.26</u>	<u>37.49</u>	<u>29.66</u>
Short-term loans to related parties				
Subsidiaries	-	-	360.00	1,375.00
Accrued dividend receivable from subsidiary				
Subsidiary	-	-	-	108.26
Other current assets				
Subsidiaries	-	-	5.65	15.37
Related companies	0.20	0.01	-	0.01
Total	<u>0.20</u>	<u>0.01</u>	<u>5.65</u>	<u>15.38</u>
Trade accounts payable				
Subsidiaries	-	-	35.51	27.99
Related companies	0.46	-	-	-
Total	<u>0.46</u>	<u>-</u>	<u>35.51</u>	<u>27.99</u>
Short-term loans from related parties				
Subsidiaries	-	-	376.50	450.00

Type of balances	Unit : Million Baht			
	Consolidated		Separate	
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
Other current liabilities				
Subsidiaries	-	-	16.88	12.57
Related companies	34.17	20.88	0.73	0.02
Total	<u>34.17</u>	<u>20.88</u>	<u>17.61</u>	<u>12.59</u>
Other accrued expenses				
Subsidiaries	-	-	24.16	2.03
Related companies	3.61	1.09	0.85	0.04
Total	<u>3.61</u>	<u>1.09</u>	<u>25.01</u>	<u>2.07</u>
Accounts payable for purchase of assets				
Related companies	-	0.30	-	-
Other accounts payable				
Subsidiaries	-	-	10.17	5.52
Related companies	0.90	0.86	0.17	0.80
Total	<u>0.90</u>	<u>0.86</u>	<u>10.34</u>	<u>6.32</u>
Other non-current liabilities				
Subsidiaries	-	-	0.53	0.62
Related companies	0.74	0.74	0.74	0.74
Total	<u>0.74</u>	<u>0.74</u>	<u>1.27</u>	<u>1.36</u>

As at July 31, 2011 and October 31, 2010, short-term loans to related parties represented promissory notes payable on demand, carrying interest rates at 3.03% - 3.50% per annum and 1.57% - 2.13% per annum, respectively.

As at July 31, 2011 and October 31, 2010, short-term loans from related parties represented promissory notes payable on demand, carrying the interest rate at 2.10% - 3.40% per annum and 1.57% - 2.13% per annum, respectively.

6.2 Significant transactions with related parties for the nine-month periods ended July 31, 2011 and 2010, are as follows:

Type of transactions	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	For the nine-month periods ended July 31,		For the nine-month periods ended July 31,	
	2011	2010	2011	2010
Revenues from sales and services				
Subsidiaries	-	-	1,186.29	271.68
Related companies	109.00	142.42	46.92	45.41
Total	<u>109.00</u>	<u>142.42</u>	<u>1,233.21</u>	<u>317.09</u>
Cost of sales and services				
Subsidiaries	-	-	725.47	1,238.35
Related companies	5.25	3.86	2.72	1.22
Total	<u>5.25</u>	<u>3.86</u>	<u>728.19</u>	<u>1,239.57</u>
Other income				
Subsidiaries	-	-	48.28	57.57
Related companies	1.90	1.97	1.86	1.91
Related persons	-	2.24	-	-
Total	<u>1.90</u>	<u>4.21</u>	<u>50.14</u>	<u>59.48</u>
Selling expenses				
Subsidiaries	-	1.36	13.68	9.18
Related companies	1.21	-	-	-
Total	<u>1.21</u>	<u>1.36</u>	<u>13.68</u>	<u>9.18</u>
Administrative expenses				
Subsidiaries	-	-	0.05	0.30
Related companies	6.68	5.35	1.64	1.16
Related juristic person	7.46	7.23	6.52	6.41
Total	<u>14.14</u>	<u>12.58</u>	<u>8.21</u>	<u>7.87</u>
Financial costs				
Subsidiaries	-	-	3.71	1.96

POLICIES OF INTER-PRICE SETTING

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

- The prices for other inter-purchases/sales of goods (except for sugar products) are in accordance with the prices stipulated in the mutually agreed contracts, which are higher than cost.
- The prices for the inter-purchases/sales of assets are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenues from sales of supplies are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenues from land leased out 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.

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

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

All of the aforementioned related entities are incorporated in Thailand.

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

7. TRADE ACCOUNTS RECEIVABLE - NET

Trade accounts receivable - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
Related parties	13,822	3,256	37,488	29,659
Others	640,121	555,069	110,647	114,500
Total trade accounts receivable	653,943	558,325	148,135	144,159
<u>Less</u> Allowance for doubtful accounts	(8,516)	(9,559)	-	-
Trade accounts receivable - net	<u>645,427</u>	<u>548,766</u>	<u>148,135</u>	<u>144,159</u>

Aging analyzes for trade accounts receivable were as follows:

7.1 Trade accounts receivable - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
Domestic trade accounts receivable				
Not yet due	12,619	3,005	37,488	29,659
Overdue not over 3 months	1,203	251	-	-
Total	<u>13,822</u>	<u>3,256</u>	<u>37,488</u>	<u>29,659</u>

The normal credit terms granted by the related parties of the Group range from 7 days to 360 days.

7.2 Trade accounts receivable - others

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
Domestic accounts receivable				
Not yet due	519,598	465,754	90,983	114,500
Overdue not over 3 months	52,367	63,833	4,796	-
Overdue over 3 months but not over 6 months	8,753	11,269	-	-
Overdue over 6 months but not over 9 months	836	3,699	-	-
Overdue over 9 months but not over 12 months	2,723	10,514	-	-
Over 12 months	19,600	-	-	-
Total	<u>603,877</u>	<u>555,069</u>	<u>95,779</u>	<u>114,500</u>
Foreign accounts receivable				
Not yet due	36,244	-	14,868	-
Overdue not over 3 months	-	-	-	-
Total	<u>36,244</u>	<u>-</u>	<u>14,868</u>	<u>-</u>
Total trade accounts receivable	640,121	555,069	110,647	114,500
<u>Less</u> Allowance for doubtful accounts	(8,516)	(9,559)	-	-
Net	<u>631,605</u>	<u>545,510</u>	<u>110,647</u>	<u>114,500</u>

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

8. FARMER ACCOUNTS RECEIVABLE - NET

Farmer accounts receivable - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	July 31,	October 31,	July 31,	October 31,
	2011	2010	2011	2010
Cane accounts receivable				
Before season 2007/2008	43,927	57,186	-	-
Season 2007/2008	4,608	6,475	-	-
Season 2008/2009	525	1,359	77	77
Season 2009/2010	4,672	5,935	3,164	3,184
Season 2010/2011	34,628	-	5,179	-
Total cane accounts receivable	<u>88,360</u>	<u>70,955</u>	<u>8,420</u>	<u>3,261</u>
Advance payment for purchases of cane				
Season 2010/2011	-	106,772	-	80,229
Season 2011/2012	125,378	28,555	125,378	28,555
Total advance payment for purchases of cane	<u>125,378</u>	<u>135,327</u>	<u>125,378</u>	<u>108,784</u>
Receivables from fuel oil, fertilizer and other services	9,100	27,868	-	22,526
Total	<u>222,838</u>	<u>234,150</u>	<u>133,798</u>	<u>134,571</u>
<u>Less</u> Allowance for doubtful accounts	<u>(49,533)</u>	<u>(64,075)</u>	<u>-</u>	<u>-</u>
Farmer accounts receivable - net	<u>173,305</u>	<u>170,075</u>	<u>133,798</u>	<u>134,571</u>

9. SHORT-TERM LOANS TO FARMERS

As at July 31, 2011 and October 31, 2010, 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.

10. INVENTORIES - NET

Inventories - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	July 31,	October 31,	July 31,	October 31,
	2011	2010	2011	2010
Sugar and molasses	3,736,281	850,222	1,932,696	416,920
Alcohol and bio-fertilizer	97,459	174,683	-	-
Wheat flour	248,755	223,586	-	-
Polypropylene bags	7,141	20,981	-	-
Palm oil	277,482	179,339	-	-
Factory supplies	481,096	151,986	117,517	63,340
	<u>4,848,214</u>	<u>1,600,797</u>	<u>2,050,213</u>	<u>480,260</u>
<u>Less</u> Allowance for obsolete goods and factory supplies	<u>(668)</u>	<u>(668)</u>	<u>-</u>	<u>-</u>
Allowance for diminution in value of inventories	<u>(34,049)</u>	<u>(4,368)</u>	<u>-</u>	<u>-</u>
Inventories - net	<u>4,813,497</u>	<u>1,595,761</u>	<u>2,050,213</u>	<u>480,260</u>

Movement of the allowance for diminution in value of inventories for the nine-month period ended July 31, 2011 as follows:

		Unit : Thousand Baht
		Consolidated
		Financial Statements
Beginning balance as at November 1, 2010		(4,368)
<u>Add</u> Reserve for allowance for diminution in value of inventories		(32,207)
<u>Less</u> Reversal of allowance for diminution in value of inventories		2,526
Ending balance as at July 31, 2011		<u>(34,049)</u>

11. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE - NET

Investments in subsidiaries and an associate - net consisted of:

Unit : Thousand Baht										
Consolidated Financial Statements										
Company Name	Paid-Up Share Capital		Percentage of Shareholding		As at July 31, 2011 Investment			As at October 31, 2010 Investment		
	2011	2010	% 2011	% 2010	Cost	Equity	Dividend	Cost	Equity	Dividend
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	63,284	163	73,800	55,150	-
Total					<u>73,800</u>	<u>63,284</u>	<u>163</u>	<u>73,800</u>	<u>55,150</u>	<u>-</u>
Unit : Thousand Baht										
Separate Financial Statements										
Company Name	Paid-up share Capital		Percentage of Shareholding		Investment Cost		Dividends			
	2011	2010	% 2011	% 2010	As at July 31, 2011	As at October 31, 2010	For the quarter ended July 31, 2011	For the year ended October 31, 2010		
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	163	-		
Total investment in an associate					<u>73,800</u>	<u>73,800</u>	<u>163</u>	<u>-</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	-	108,257		
New Kwang Soon Lee Sugar Factory Company Limited	500,000	500,000	98.61	98.61	569,284	569,284	-	-		
K.S.L. Real Estate Company Limited	140,000	140,000	80.31	80.31	89,134	89,134	-	-		
K.S.L. Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	-	-		
KSL Chemical Company Limited	10,000	7,500	100.00	100.00	9,119	6,619	-	-		
Khon Kaen Sugar Power Plant Company Limited	800,000	800,000	100.00	100.00	799,972	799,972	-	-		
Khon Kaen Alcohol Company Limited	610,000	610,000	100.00	100.00	609,986	609,986	-	-		
KSL. Agro & Trading Company Limited	280,000	280,000	100.00	100.00	280,000	280,000	-	-		
Savannakhet Sugar Corporation*	684,757	684,757	98.49	98.49	674,178	674,178	-	-		
Koh Kong Sugar Industry Co., Ltd.*	798,900	798,900	70.00	70.00	563,829	563,829	-	-		
Wynn In Trading Co., Ltd.	184,637	34,150	100.00	100.00	184,637	34,150	-	-		
T S G Assets Co., Ltd.**	50,000	50,000	4.11	4.11	2,061	2,061	-	-		
T S Oil Industry Co., Ltd.**	200,000	200,000	0.62	0.62	1,238	1,238	-	-		
T S Flour Mill Public Company Limited**	200,000	200,000	0.09	0.09	196	196	-	-	93	
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>5,238,724</u>	<u>5,085,737</u>	<u>7,545</u>	<u>108,350</u>		
<u>Less</u> Allowance for impairment of investments					<u>(57,313)</u>	<u>(57,313)</u>	<u>-</u>	<u>-</u>		
Total investment in subsidiaries - net					<u>5,181,411</u>	<u>5,028,424</u>	<u>7,545</u>	<u>108,350</u>		
Investment in subsidiaries and associate - net					<u>5,255,211</u>	<u>5,102,224</u>	<u>7,708</u>	<u>108,350</u>		

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

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

Movement of investments for the nine-month period ended July 31, 2011 is as follows:

	Unit : Thousand Baht
	Separate Financial Statements
Beginning balance	5,102,224
Additional investment in Wynn In Trading Co., Ltd.	150,487
Additional investment in KSL Chemicals Company Limited	<u>2,500</u>
Ending balance	<u>5,255,211</u>

Additional investment in Wynn In Trading Co., Ltd. was to invest in shares of Koh Kong Plantation Company Limited (the subsidiary which the Company holds shares indirectly through Wynn In Trading Co., Ltd.) according to the Board of Directors' meeting of Koh Kong Plantation Company Limited dated on December 9, 2010 passed a resolution to approve a decrease in the authorized share capital of Koh Kong Plantation Company Limited from USD 16,000,000 to USD 8,000,000 for deducting against the Company's deficit and an increase in the authorized share capital from USD 8,000,000 to USD 20,000,000. The subsidiary has already registered the decrease in share capital on June 14, 2011 and the increase in share capital on August 4, 2011 (See Note 32.2).

The financial statements of three foreign subsidiaries*, which were also consolidated, have been reviewed or audited by other auditors.

	As at July 31, 2011		Unit : million Baht
	Before elimination of related transactions	After elimination of related transactions	As at October 31, 2010
			Before elimination of related transactions
Total Assets	4,115.14	4,004.68	4,315.86

	For the quarter and nine-month period ended July 31, 2011		Unit : million Baht
	Before elimination of related transactions	After elimination of related transactions	For the quarter and nine-month period ended July 31, 2010
			Before elimination of related transactions
For the quarters			
Total revenues	62.64	48.15	26.03
Total net loss	108.48	96.09	87.88
For the nine-month periods			
Total revenues	1,158.61	808.33	277.29
Total net loss	38.89	30.70	345.49

The financial statements of six local subsidiaries**, which were also consolidated, have been reviewed or audited by other auditors.

	As at July 31, 2011		Unit : million Baht
	Before elimination of related transactions	After elimination of related transactions	As at October 31, 2010
			Before elimination of related transactions
Total Assets	2,669.31	2,666.04	2,558.24

	For the quarter and nine-month period ended July 31, 2011		Unit : million Baht
	Before elimination of related transactions	After elimination of related transactions	For the quarter and nine-month period ended July 31, 2010
			Before elimination of related transactions
For the quarters			
Total revenues	509.93	469.02	323.11
Total net profit	38.53	8.72	28.51
For the nine-month periods			
Total revenue	1,604.92	1,550.65	1,124.20
Total net profit	99.63	58.81	144.40

The financial statements of Champion Fermentation Co., Ltd., an associate, which were accounted by equity method, were prepared by such company's management which have not been reviewed and audited by auditors. The Company recognized profit sharing of investment in such associate in the consolidated statement of income.

		For the quarters and nine-month periods ended July 31,	
		2011	2010
For the quarters			
Recognized profit sharing	Million Baht	2.37	5.99
Percentage of total profit (loss)	%	0.28	(8.22)
For the nine-month periods			
Recognized profit sharing	Million Baht	8.13	10.97
Percentage of total profit	%	0.51	5.93

12. DEFERRED CANE PLANTATION COSTS - NET

Movement of deferred cane plantation cost for the nine-month period ended July 31, 2011 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate Financial Statements	
Beginning book value - net	831,654		73,369	
Additional costs during the period				
- Costs of cane plantation	349,719		81,424	
- Transfers of depreciation	75,682		1,250	
Accumulated cost of cane planted	1,257,055		156,043	
- Amortization of cane plantation costs	(527,880)		(106,473)	
Ending book value	729,175		49,570	
Loss from value impairment - Reversal	3,614		-	
Loss from damaged cane	(81,213)		(18,017)	
Currency translation differences	(3,772)		-	
Ending book value - net	<u>647,804</u>		<u>31,553</u>	

The Company and its subsidiaries recorded the deferred cane plantation costs at cost less accumulated amortization and allowance for impairment because the cane plantation period is approximately 10 - 13 months and the fair value of cane fluctuates with the climate of plantation area which has an impact to the quantity and quality of cane products.

As at July 31, 2011 and October 31, 2010, certain deferred cane plantation costs of Baht 605.58 million and Baht 744.38 million, respectively, belong to two subsidiaries which grow cane plantation on lease land as follows:

- For the first subsidiary, amounting to Baht 155.63 million and Baht 223.85 million, respectively, represent costs of cane plantation on the land leased from the Government of the Lao People's Democratic Republic as referred to in Note 29.1.
- For the second subsidiary, amounting to Baht 449.95 million and Baht 520.53 million, respectively, represent costs of cane plantation on the land leased from the Government of the Kingdom of Cambodia as referred to in Note 29.2.

13. LOANS FOR CANE PLANTATION DEVELOPMENT - NET

Loans for cane plantation development - net consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	July 31,	October 31,	July 31,	October 31,
	2011	2010	2011	2010
Loans for cane plantation development	395,388	247,437	33,651	21,651
<u>Less</u> Current portion of loans for cane plantation development	(17,935)	(45,647)	(10,217)	(7,217)
Total	377,453	201,790	23,434	14,434
<u>Less</u> Allowance for doubtful debts	(5,787)	(5,787)	-	-
Loans for cane plantation development - net	<u>371,666</u>	<u>196,003</u>	<u>23,434</u>	<u>14,434</u>

As at July 31, 2011 and October 31, 2010, the consolidated and separate financial statements included loans for cane plantation development of Baht 33.65 million and Baht 21.65 million, respectively, which were loans provided to three and two other companies, respectively for purchases of agricultural machineries for planting for the foreign subsidiary. The loan agreements were entered into for the periods of 3 - 4 years. Loans carrying interest rate at MLR+1.00 per annum are payable with interest annually. The Company has the ownership over the agricultural machineries purchased by the borrowers and, in the event of default of debt payments, the Company is able to sell such machineries back to the sellers.

As at July 31, 2011 and October 31, 2010, the remaining cane plantation development loans were the subsidiaries' loans to farmers for the purpose to buy land for cane plantation, agricultural machineries and equipment. The loan agreements were entered into for the periods of 1 - 10 years or longer. Loans carry interest rates of 5.00% - 10.00% per annum which the farmers mostly use land and vehicles as collateral.

14. OTHER ACCOUNTS RECEIVABLE - COMPENSATION FOR SUGAR PRODUCTION AND DISTRIBUTION - NET

Other accounts receivable - compensation for sugar production and distribution - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
Other accounts receivable - compensation for sugar production and distribution	244,952	244,952	132,770	132,770
<u>Less</u> Stabilization function payments				
Season 2007 / 2008	(49,950)	(49,950)	(24,601)	(24,601)
Season 2008 / 2009	(55,902)	(55,902)	(25,291)	(25,291)
Season 2009 / 2010	(50,229)	-	(21,926)	-
Other accounts receivable - net	88,871	139,100	60,952	82,878
<u>Less</u> Current portion	(88,871)	(50,246)	(60,952)	(21,973)
Other accounts receivable - compensation for sugar production and distribution - net	-	88,854	-	60,905

On February 4, 2011, the Office of the Cane and Sugar Board issued the letter No. Or Gor 0609/484 informing the resolution of the Cane and Sugar Board's meeting No. 1/2554 held on January 12, 2011, approving the offsetting of the stabilization function payment for the production seasons 2007/2008, 2008/2009 and 2009/2010 with the excess of compensation for sugar production and distribution where the remaining liability would be calculated by the Cane and Sugar Fund from the cane prices of the production season 2010/2011. As such, as at July 31, 2011, other accounts receivable - compensation for sugar production and distribution of Baht 88.87 million and Baht 60.95 million were presented as current portion in the consolidated and separate financial statements, respectively.

15. PROPERTY, PLANT AND EQUIPMENT - NET

Movements for the nine-month period ended July 31, 2011 are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
Beginning book value - net	18,009,793	2,753,048
Purchases of assets (including construction in progress)	1,090,978	118,301
Capitalized interest expenses as costs of assets	72,420	-
Transfer in - cost	4,072,286	62,492
Transfer out - cost	(4,072,286)	(62,492)
Cost of disposal/written off of assets	(78,814)	(191,137)
Accumulated depreciation - disposal/written off	49,211	64,258
Allowance for Impairment on assets - disposal/written off	-	6,288
Surplus on revaluation of disposal/written off of assets	(6,750)	(12,377)
Accumulated depreciation - surplus on revaluation of disposal/written off of assets	3,231	4,080
Depreciation	(614,750)	(171,466)
Depreciation - surplus on revaluation of assets	(277,137)	(96,350)
Translation of financial statements differences	(15,168)	-
Ending book value - net	<u>18,233,014</u>	<u>2,474,645</u>

For the nine-month period ended July 31, 2011, assets increased are mainly due to construction in progress of Baht 739.12 million.

As at July 31, 2011 and October 31, 2010, land together with structure and machinery at the book value of Baht 958.68 million and Baht 956.05 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 20 and 28.5.

As at July 31, 2011 and October 31, 2010, buildings and structure and building under construction of three foreign subsidiaries at book value of Baht 639.69 million and Baht 663.57 million, respectively, in the consolidated financial statements, are located on the concession land which the ownership will be transferred to the lesser when the agreements are expired (see Note 29)

As at July 31, 2011 and October 31, 2010, assets at cost amount of Baht 655.48 million and Baht 579.29 million, respectively, in the consolidated financial statements, and of Baht 315.55 million and Baht 276.75 million, respectively, in the separate financial statements, were fully depreciated but still in use.

The Company and its subsidiaries accounted for assets revaluation by recording an increase in values of assets to surplus on revaluation of assets in the shareholders' equity. If the Company and its subsidiaries recorded the depreciation of such surplus on revaluation of assets in the statements of income, the effect to the statements of income for the quarters and nine-month periods ended July 31, 2011 and 2010 are as follows:

	Unit : million Baht			
	Consolidated Financial statements		Separate Financial statements	
	For the quarters ended July 31,		For the quarters ended July 31,	
	2011	2010	2011	2010
Depreciation and written off recognized in shareholders' equity	30.09	27.93	3.15	7.81
Effect to statements of income from above depreciation and written off recognized in shareholders' equity				
Profit for the quarters decrease (loss for the period increase)	30.09	(27.93)	3.15	(7.81)
Earnings per share decrease (loss per share increase) (Unit : Baht)	0.02	(0.02)	0.00	(0.01)

	Unit : million Baht			
	Consolidated		Separate	
	Financial statements		Financial statements	
	For the nine-months		For the nine-months	
	period ended		period ended	
	July 31,		July 31,	
	2011	2010	2011	2010
Depreciation and written off recognized in shareholders' equity	279.69	279.72	96.35	73.51
Effect to statements of income from above depreciation and written off recognized in shareholders' equity				
Profit for the periods decrease (loss for the period increase)	279.69	279.72	96.35	(73.51)
Earnings per share decrease (loss per share increase) (Unit : Baht)	0.18	0.18	0.06	(0.05)

16. ASSETS NOT YET USED IN OPERATION - NET

Movements of assets not yet used in operation for the nine-month period July 31, 2011 are as follows:

	Unit : Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
Beginning book value - net	361,922	125,867
Additional purchases	59,879	55,013
Ending book value - net	<u>421,801</u>	<u>180,880</u>

As at July 31, 2011 and October 31, 2010, assets not yet used in operation - net at book value of Baht 357.07 million and Baht 297.19 million, respectively, in the consolidated financial statements, and of Baht 180.88 million and Baht 125.87 million, respectively, in the separate financial statements are land held for business expansion in the future.

As at July 31, 2011 and October 31, 2010, a subsidiary owned assets not yet used in operation of Baht 15.79 million. Such assets are spare parts of machineries bidding from a non-related company which are outstanding from usage and sales. They are currently considered to be held for business expansion in the future.

17. TRADE ACCOUNTS PAYABLE

Trade accounts payable consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	July 31,	October 31,	July 31,	October 31,
	2011	2010	2011	2010
Related parties	777	-	35,506	27,994
Others				
- Accounts payable - cane purchases	6,916	238,036	6,916	57,116
- Other trade accounts payable	145,327	165,656	26,459	53,258
Total	<u>153,020</u>	<u>403,692</u>	<u>68,881</u>	<u>138,368</u>

As at July 31, 2011, the Company and its three subsidiaries purchased canes for the production season 2010/2011 using the initial cane price for production season 2010/2011 announced by the Cane and Sugar Board in the Royal Gazette dated January 18, 2011. The price is Baht 945.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 56.70 per cane ton. Until the date the Company's audit committee approved the issuance of these interim financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2010/2011. Therefore, the Company and its subsidiaries recorded the estimated accrued production expenses as mentioned in Note 18 and calculated cost of goods sold and inventories for the quarter and nine-month period ended July 31, 2011 from estimate made by the management of the Company and its subsidiaries at cane price of Baht 1,127.21 - 1,241.73 per cane ton with average sweetness level at 10.78 - 12.22 c.c.s.

As at October 31, 2010, the Company and its three subsidiaries purchased canes for production season 2009/2010 by using the announced initial cane price for production season 2009/2010 in accordance with the minute of the Cane and Sugar Board's meeting No. 10/2552 dated December 1, 2009. The price was Baht 965.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. was fixed at Baht 57.90 per cane ton. Until the date the Company's board of directors approved the issuance of the financial statements for the year ended October 31, 2010, the Office of Cane and Sugar Board had not yet announced a final cane price for the production season 2009/2010. Therefore, the Company and its subsidiaries recorded accounts payable for cane purchases and calculated cost of goods sold and inventories for the year ended October 31, 2010 in accordance with the cabinet resolution dated December 7, 2010 at Baht 1,143.56 - 1,251.03 per cane ton with average sweetness level at 10.63 - 11.77 c.c.s. During the first quarter of 2011, the Cane and Sugar Board announced the final cane price for production season 2009/2010 in accordance with the Royal Gazette dated January 18, 2011, which showed no change in the final cane price.

18. ESTIMATED ACCRUED PRODUCTION EXPENSES

The Company and its three subsidiaries recorded estimate of accrued production costs based on average rate of production costs for the entire production season to determine the cost of production per unit, which was calculated from the estimated cost of cane, direct labor and production costs expected to occur divided by the estimated volume of production expected to produce in each production season. The cost of cane is estimated as mentioned in Note 17 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 "Estimated Accrued Production Expenses", 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.

19. LONG-TERM DEBENTURES - NET

Long-term debentures - net are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	As at July 31, 2011	As at October 31, 2010
Unsecured senior debt debentures		
- Maturity over 1 year	1,998,149	3,775,647
- Current portion	<u>1,779,242</u>	<u>999,933</u>
Total	<u><u>3,777,391</u></u>	<u><u>4,775,580</u></u>

Movements of long-term debentures in Consolidated Financial Statements and Separate Financial Statements for the nine-month period ended July 31, 2011 are as follows:

	Unit : Thousand Baht
Beginning book value	4,775,580
Redemptions during the period	(1,000,000)
Amortized debenture issuance expenses during the quarter	<u>1,811</u>
Ending book value	<u><u>3,777,391</u></u>

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

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

20. LONG-TERM LOANS - NET

Long-term loans - net consisted of long-term loans from financial institutions as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at July 31, 2011	As at October 31, 2010	As at July 31, 2011	As at October 31, 2010
1. Limit 500 million Baht	164,000	332,000	164,000	332,000
2. Limit 2,000 million Baht	1,800,000	1,043,000	-	-
3. Limit 1,000 million Baht	1,000,000	1,000,000	-	-
4. Limit 600 million Baht	310,000	310,000	-	-
5. Limit 140 million Baht	80,000	120,000	-	-
6. Limit 80 million Baht	10,000	20,000	-	-
7. Limit 200 million Baht	146,000	146,000	-	-
8. Limit 800 million Baht	637,500	725,000	-	-
9. Limit 5 million USD	133,892	149,855	-	-
10. Limit 5 million USD	133,892	149,855	-	-
11. Limit 30 million USD	803,352	899,130	-	-
Total	<u>5,218,636</u>	<u>4,894,840</u>	<u>164,000</u>	<u>332,000</u>
Less Current portion of long-term loans	<u>(752,030)</u>	<u>(552,855)</u>	<u>(164,000)</u>	<u>(168,000)</u>
Long-term loans - net	<u><u>4,466,606</u></u>	<u><u>4,341,985</u></u>	<u><u>-</u></u>	<u><u>164,000</u></u>

Movements of long-term loans for the nine-month period ended July 31, 2011 are as follows:

	Unit : Thousand Baht	
	Consolidated	Separate
	Financial Statements	Financial Statements
Beginning balance at book value	4,894,840	332,000
Increase in the period	957,000	-
Repayment in the period	(624,516)	(168,000)
Translation of financial statements differences	<u>(8,688)</u>	<u>-</u>
Ending balance at book value	<u><u>5,218,636</u></u>	<u><u>164,000</u></u>

In the consolidated and separate financial statements as at July 31, 2011 and October 31, 2010, the Company and its subsidiaries obtained loans from the commercial banks, which the first to eighth credit lines had due payment of interest at the end of every month and carried interest rates at MLR-2.00% to MLR-0.75% per annum. The ninth to eleventh credit lines had due payment of interest every three months and carried the interest rate at LIBOR+2% per annum. There are important covenants as follows:

No.	Limit	Term of payment	Collateral
1	Baht 500 million	Repayment of principal at every six-month period for the total of 6 installments, the first installment to be paid in January 2010. The payment for the 1 st -5 th installment at Baht 84.00 million each and the 6 th installment repayment of Baht 80.00 million.	None
2	Baht 2,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 200.00 million each, and the grace period of two years, commencing the first installment in December 2011.	<ul style="list-style-type: none"> - Secured by Khon Kean Sugar Industry Public Company Limited - Insurance coverage for structure and machineries at higher sum insured by insurance company transferring beneficial right of the said insurance coverage to the lender, commercial bank
3	Baht 1,000 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 100.00 million each, and the grace period of two years, commencing the first installment in March 2012.	
4	Baht 600 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 60.00 million each, and the grace period of two years, commencing the first installment in July 2012.	
5	Baht 140 million	Repayment of principal at every six-month period for the total of 7 installments at Baht 20.00 million each, commencing the first installment in June 2010.	<ul style="list-style-type: none"> - Secured by four subsidiaries - Mortgaged land with warehouse, plant, machineries including plant under construction and machineries under installation when construction and installation completed and leasehold right of leased land with plant of subsidiary
6	Baht 80 million	Repayment of principal at every six-month period for the total of 8 installments at Baht 10.00 million each, commencing the first installment in January 2008.	
7	Baht 200 million	Repayment of principal at every three-month period for the total of 20 installments at Baht 10.00 million each, and the grace period of two years, commencing the first installment in January 2012.	<ul style="list-style-type: none"> - 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
8	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"> - Secured by Khon Kean Sugar Industry Public Company Limited
9	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million and the grace period of two years, commencing the first installment in March 2011.	<ul style="list-style-type: none"> - Secured by Khon Kean Sugar Industry Public Company Limited based on percentage of share holding - Secured by two subsidiaries - Share certificate of a related company holding by shareholders of subsidiary
10	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million and the grace period of two years, commencing the first installment in March 2011.	
11	USD 30 million	Repayment of principal at every six-month period for the total of 10 installments at USD 3.00 million and the grace period of two years, commencing the first installment in June 2011.	

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

21. SHARE CAPITAL AND WARRANTS

In accordance with of the 2010 Annual General Shareholders' meeting No. 1/2554 held on February 28, 2011, the resolutions were made to approve the allocation of capital increased to sales of the Company's ordinary share and support the warrants in accordance with the resolution of the annual general shareholders' meeting for 2009 no. 1/2553 held on February 26, 2010.

The Company issued 0.38 million new ordinary shares with a par value of Baht 1 each, totaling Baht 0.38 million to support the conversion of warrants at the exercise price of Baht 10.00 per ordinary share.

	Par Value Per Share Baht	2011		2010	
		Number Million Shares	Amount Million Baht	Number Million Shares	Amount Million Baht
Issued and paid-up share capital					
As at November 1	1	1,550.00	1,550.00	1,550.00	1,550.00
Issue of new shares	1	0.38	0.38	-	-
As at July 31	1	<u>1,550.38</u>	<u>1,550.38</u>	<u>1,550.00</u>	<u>1,550.00</u>

22. DIVIDENDS PAID AND LEGAL RESERVE

Dividends Paid and Legal Reserve	Approved by	Number of shares Million shares	Dividends Paid Per share	Dividends Paid Million Baht	Dividends Paid Date
- Dividends paid from the Company's result of operations from November 1, 2009 to October 31, 2010	Annual general meeting of shareholders No. 1/2554 held on February 28, 2011	1.55	0.07	108.50	March 28, 2011
- Dividends paid from the Company's result of operations from November 1, 2008 to October 31, 2009	Annual general meeting of shareholders No. 1/2553 held on February 26, 2010	1.55	0.15	232.50	March 25, 2010

23. 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:

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
For the quarters ended July 31,	6.53	3.39	1.64	1.67
For the nine-month periods ended July 31,	18.63	11.53	7.03	6.50

24. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt to equity ratio not exceeding the covenants of the loan agreement (see Notes 19 and 20).

As at July 31, 2011 and October 31, 2010, debt-to-equity ratio presenting in the consolidated financial statements are at 1.41 : 1.00 and 1.33 : 1.00, respectively, and in the separate financial statements are at 1.18 : 1.00 and 1.27 : 1.00, respectively.

25. EXPENSES BY NATURE

The significant expenses by nature are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	For the quarters ended		Financial Statements	
	For the quarters ended		For the quarters ended	
	July 31,		July 31,	
	2011	2010	2011	2010
Salaries, wages and other employee benefits	102,670	109,417	34,882	25,897
Depreciation	74,232	37,336	7,757	6,709
Fuel costs	26,640	83,286	9,143	75,016
Fees paid to the Office of the Cane and Sugar Fund	195,627	218,769	94,463	98,707
Maintenance expenses	48,091	32,385	29,367	10,322
Transportation expenses	107,048	84,171	48,154	24,322
Raw material and supplies used	624,432	642,042	188,559	85,932
Purchased finished goods	4,278	61,729	300,646	562,590
Changes in finished goods and work in process	3,093,212	1,635,266	921,616	669,843
Management benefit expenses	37,380	26,836	7,584	5,701
Loss from investment in derivative instruments	-	-	9,216	-
Penalty from sugar future contracts	-	111,363	-	18,635
Interest expenses	127,310	102,408	55,325	62,809
Other financial expenses	884	476	588	870
Other operating expenses	241,119	95,027	60,670	37,568
Total	<u>4,682,923</u>	<u>3,240,511</u>	<u>1,767,970</u>	<u>1,684,921</u>

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	For the nine-month periods		Financial Statements	
	For the nine-month periods		For the nine-month periods	
	ended July 31,		ended July 31,	
	2011	2010	2011	2010
Salaries, wages and other employee benefits	772,230	628,609	228,377	208,285
Depreciation	579,454	342,549	180,278	132,121
Fuel costs	196,254	188,588	76,007	116,322
Fees paid to the Office of the Cane and Sugar Fund	612,193	645,611	296,784	270,879
Maintenance expenses	307,719	272,692	127,854	141,310
Transportation expenses	332,681	252,418	111,095	109,805
Raw material and supplies used	9,354,643	6,623,071	3,732,594	2,481,738
Purchased finished goods	39,896	75,916	844,519	1,168,149
Changes in finished goods and work in process	(2,727,946)	(1,069,842)	(1,515,776)	(391,322)
Management benefit expenses	112,874	97,498	26,140	22,974
Loss from investment in derivative instruments	16,768	881,960	41,395	391,123
Penalty from sugar future contracts	-	111,363	-	18,635
Interest expenses	342,925	244,464	159,084	171,257
Other financial expenses	3,024	2,664	1,911	2,664
Other operating expenses	715,041	548,440	196,223	136,635
Total	<u>10,657,756</u>	<u>9,846,001</u>	<u>4,506,485</u>	<u>4,980,575</u>

26. EARNINGS PER SHARE

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

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the periods 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 quarter and nine-month period ended July 31, 2011, the Company's dilutive potential ordinary shares are the stock options provided to the existing shareholders. The details are as follows:

	Consolidated Financial Statements			Separate Financial Statements		
	For the quarter ended July 31, 2011			For the quarter ended July 31, 2011		
	Net Profit for the period Thousand Baht	Number of shares Thousand Shares	Earning per share Baht	Net Profit for the period Thousand Baht	Number of shares Thousand Shares	Earning per share Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	788,620	1,550,353	0.509	277,226	1,550,353	0.179
<u>Effect of diluted equivalent ordinary shares</u>						
Warrants	-	45,474		-	45,474	
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	788,620	1,595,827	0.494	277,226	1,595,827	0.174
	Consolidated Financial Statements			Separate Financial Statements		
	For the nine-month period ended July 31, 2011			For the nine-month period ended July 31, 2011		
	Net Profit for the period Thousand Baht	Number of shares Thousand Shares	Earning per share Baht	Net Profit for the period Thousand Baht	Number of shares Thousand Shares	Earning per share Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	1,484,102	1,550,179	0.957	510,831	1,550,179	0.330
<u>Effect of diluted equivalent ordinary shares</u>						
Warrants	-	20,310		-	20,310	
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	1,484,102	1,570,489	0.945	510,831	1,570,489	0.325

27. DISCLOSURE OF SECTORAL BUSINESS OPERATIONS

Details of the sectoral business operation are as follows:

Consolidated Financial Statements

For the nine-month periods ended July 31, 2011 and 2010

	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	
	2011			2010			2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Thai	Laos	Cambodia	Thai	Laos	Cambodia	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai
Net revenues from operation - domestic	4,482	-	331	5,622	-	-	551	513	849	485	152	117	685	626	1,162	1,188	(3,086)	(2,818)	5,126	5,733
Net revenues from operation - foreign	7,150	274	514	3,824	31	246	-	-	-	-	-	-	-	-	50	25	(604)	(97)	7,384	4,029
Total	11,632	274	845	9,446	31	246	551	513	849	485	152	117	685	626	1,212	1,213	(3,690)	(2,915)	12,510	9,762
Profit (loss) from operations	2,530	69	66	2,290	(35)	(88)	98	145	337	196	46	115	143	92	30	540	602	(565)	3,921	2,690
Selling expenses and administrative expenses																			(1,478)	(2,326)
Financial costs																			(346)	(247)
Share of profit of investment in an associate (net of income tax)																			8	11
Income tax expense																			(512)	(91)
Profit for the period																			1,593	37
Add (Less) Loss (profit) for the period of minority interest																			(109)	70
Profit for the period of the Company																			1,484	107
As at July 31, 2011 and 2010																				
Trade accounts receivable - net	476	1	-	716	1	-	59	34	112	87	64	32	90	95	99	149	(256)	(549)	645	565
Inventories - net	3,833	24	44	1,789	18	48	144	251	141	-	-	-	288	355	345	212	(5)	-	4,814	2,673
Property, plant and equipment - net	8,919	1,096	2,094	8,876	880	1,273	946	921	3,670	2,734	872	1,097	425	452	855	831	(644)	(114)	18,233	16,950
Central assets	7,971	226	1,259	3,225	280	834	137	40	132	57	127	60	-	49	113	293	(6,841)	(1,368)	3,124	3,470
Total Assets	21,199	1,347	3,397	14,606	1,179	2,155	1,286	1,246	4,055	2,878	1,063	1,189	803	951	1,412	1,485	(7,746)	(2,031)	26,816	23,658

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at July 31, 2011 and October 31, 2010, apart from liabilities reflected in the financial statements, the Company and its subsidiaries have commitments and contingent liabilities as follows:

- 28.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 5,241.54 million and Baht 2,012.00 million, respectively, and in the separate financial statements amounting to Baht 3,421.29 million and Baht 1,428.71 million, respectively.
- 28.2 The Company and three subsidiaries had issued post-dated checks to farmers to purchase cane. The Company and the subsidiaries did not record such liabilities as the checks have not yet due and the cane of the production season has not been received from the farmers as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	July 31,	October 31,	July 31,	October 31,
	2011	2010	2011	2010
For the production season 2009/2010	-	17.61	-	17.61
For the production season 2010/2011	-	599.19	-	140.70
For the production season 2011/2012	693.03	-	92.73	-

- 28.3 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 sell the electricity. Furthermore, on October 20, 2010, the subsidiary entered into additional amendment to the agreement to temporary sell the electricity to EGAT at the volume of 8 Megawatt at the voltage of 22 Kilovolts from November 25, 2010 to September 30, 2011.

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

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

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

28.5 The consolidated and separate financial statements, as at July 31, 2011 and October 31, 2010, have commitments, contingent liabilities and credit facilities as follows:

		Unit : Million						
		Consolidated Financial Statements						
		As at July 31, 2011			As at October 31, 2010			
Currency	Total	Utilized	Remaining	Total	Utilized	Remaining		
Commitments								
	Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	THB	-	7,031.44	-	-	4,441.11	-
	Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	USD	-	91.23	-	-	133.68	-
Contingent Liabilities								
	Letters of guarantees (not specified credit limit)	THB	-	100.14	-	-	86.75	-
	Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
	Letters of credit and trust receipts	THB	2,384.00	1,034.12	1,349.88	2,934.00	1,017.66	1,916.34
	Letters of credit	USD	21.88	12.44	9.44	21.88	11.88	10.00
Credit Facilities								
	Overdraft and short-term loans	THB	13,822.25	2,952.49	10,869.76	11,336.00	632.80	10,703.20
	Short-term loans	USD	20.50	17.34	3.16	23.00	20.00	3.00
	Joint credit line in short-term loans	THB	2,033.75	63.00	1,970.75	1,285.70	123.81	1,161.89
	Long-term loans	THB	4,291.50	4,001.50	290.00	2,800.00	1,508.00	1,292.00
	Long-term loans	USD	36.00	36.00	-	-	-	-
	Joint credit line in the letters of credit and long-term loans	THB	260.00	146.00	114.00	260.00	146.00	114.00

Unit : Million

	Separate Financial Statements						
	Currency	As at July 31, 2011			As at October 31, 2010		
		Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	THB	-	7,031.44	-	-	4,441.11	-
Contract to guarantee of debt repayment of subsidiary for all liabilities to be occurred	USD	-	37.89	-	-	63.68	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	2.86	-	-	2.86	-
Letters of credit and trust receipt	THB	30.00	-	30.00	30.00	-	30.00
Credit Facilities							
Overdraft and short-term loans	THB	4,044.25	302.00	3,742.25	3,858.00	-	3,858.00
Short-term loans	USD	0.50	-	0.50	3.00	-	3.00
Joint credit line in short-term loans	THB	2,033.75	63.00	1,970.75	1,285.70	123.81	1,161.89
Long-term loans	THB	164.00	164.00	-	248.00	248.00	-

As at October 31, 2010, the credit line for short-term loans of USD 5.00 million is credit facility received from a financial institution which the credit facility utilization is jointly granted to 2 foreign subsidiaries and has already been utilized USD 4.10 million, equivalent to Baht 123.81 million.

Overdrafts and short-term loans from financial institutions as at July 31, 2011 and October 31, 2010, carried interest rates at 2.24% - 4.20% per annum and 1.65% - 3.50% per annum, respectively.

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

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

28.6 As at July 31, 2011 and October 31, 2010, the Company and its subsidiaries have remaining commitments under the various contracts as follows:

Unit : Million					
Consolidated Financial Statements					
As at July 31, 2011					
As at October 31, 2010					
	Currency	Contractual	Outstanding	Contractual	Outstanding
		Amount	Contractual Commitments	Amount	Contractual Commitments
Construction and subcontract agreements	THB	262.39	94.45	512.76	108.01
	USD	0.27	0.11	-	-
Machine and equipment purchase agreements	THB	499.42	107.61	607.54	327.19
	USD	1.82	1.34	17.63	2.42
	JPY	3,190.00	1,650.00	3,190.00	1,650.00
	EURO	-	-	1.18	0.89
	CHF	0.16	0.11	-	-
Land development agreements	USD	-	-	11.25	4.86
Rental agreements	THB	13.12	11.23	-	-
Materials purchase agreements	THB	274.51	92.83	-	-
	USD	6.32	6.32	-	-

29. OTHER SIGNIFICANT INFORMATION

29.1 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 July 31, 2011 and October 31, 2010, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of USD 6 per hectare per annum.

29.2 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 July 31, 2011 and October 31, 2010, the subsidiaries have already utilized the area of 10,481 hectares.

30. FINANCIAL INSTRUMENTS

Policy to manage financial risk

As at July 31, 2011, the policy to manage financial risks, credit risks and fair values is the same as that of the financial statements as at October 31, 2010.

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 Group manages 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 Group with the details mainly as follows:

	Unit : Thousand Baht				
	Consolidated Financial Statements				
	As at July 31, 2011				
	Fixed Interest Rate			Floating	Total
	Within 1 year	More than 1 year to 5 years	More than 5 years	Interest Rate	
Financial Assets					
Saving accounts deposits	-	-	-	154,287	154,287
Fixed account deposits	21	-	-	-	21
Loans for cane plantation development	3,689	5,838	3,493	376,581	389,601
Short-term loans to farmers	483,184	-	-	43,834	527,018
Other long-term investments	759	13,358	-	-	14,117
Total	<u>487,653</u>	<u>19,196</u>	<u>3,493</u>	<u>574,702</u>	<u>1,085,044</u>
Financial Liabilities					
Bank overdrafts and short-term loans					
from financial institutions	2,680,477	-	-	1,397,093	4,077,570
Debentures	1,779,242	1,998,149	-	-	3,777,391
Long-term loans	-	-	-	5,218,637	5,218,637
Total	<u>4,459,719</u>	<u>1,998,149</u>	<u>-</u>	<u>6,615,730</u>	<u>13,073,598</u>

Unit : Thousand Baht

Consolidated Financial Statements
As at October 31, 2010

	Fixed Interest Rate		Floating	Total
	Within 1 year	More than 1 year to 5 years	Interest Rate	
Financial Assets				
Saving accounts deposits	-	-	144,728	144,728
Fixed accounts deposits	5,729	-	-	5,729
Loans for cane plantation development	38,430	181,569	21,651	241,650
Short-term loans to farmers	454,336	-	-	454,336
Other long-term investments	751	17,998	-	18,749
Total	<u>499,246</u>	<u>199,567</u>	<u>166,379</u>	<u>865,192</u>
Financial Liabilities				
Overdrafts and short-term loans from financial institutions	-	-	1,902,246	1,902,246
Short-term loans from others	5,000	-	-	5,000
Debentures	999,933	3,775,647	-	4,775,580
Long-term loans	-	-	4,894,840	4,894,840
Total	<u>1,004,933</u>	<u>3,775,647</u>	<u>6,797,086</u>	<u>11,577,666</u>

Risk on exchange rate

Risks on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and import of machine as transactions are made in foreign currencies. As at July 31, 2011 and October 31, 2010, 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		As at		As at		As at	
	July 31, 2011	October 31, 2010	July 31, 2011	October 31, 2010	July 31, 2011	October 31, 2010	July 31, 2011	October 31, 2010
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	4.98	69.80	-	9.49	0.50	-	-	-
YEN	-	-	-	802.09	-	-	-	-
RIEL	365.97	239.82	944.54	161.89	-	-	-	-
EURO	0.03	-	-	-	-	-	-	-
LAK	66.47	432.77	-	-	-	-	-	-

As at July 31, 2011 and October 31, 2010, in the consolidated and separate financial statements, the Company and its subsidiaries made forward contracts with a commercial banks to hedge against exchange rate risk from receipt and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liability in the financial statements. The forward contracts that have repayment due dates not over 12 months are as follows:

Currency	Amount fixed in contract				Currency	Amount earned in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements		Financial Statements			Financial Statements		Financial Statements	
	2011	2010	2011	2010		2011	2010	2011	2010
USD	57.90	10.90	-	1.00	THB	1,807.65	345.28	-	30.08
YEN	-	400.00	-	-	THB	-	139.54	-	-

Net fair values of financial derivatives at the balance sheet dates of the Company and its subsidiaries are as follows:

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	As at	As at	As at	As at
	July 31, 2011	October 31, 2010	July 31, 2011	October 31, 2010
Net fair values of forward contracts	48.79	0.20	-	0.06

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 TCSC have significant effect on the cane price which is the major cost of the sugar production. To manage risk on the fluctuation of the gross profit, the Company has utilized the risk management process by entering into Commodity Swap Contract with the contractual periods not over 2 years. When the contract is settled or the contract is expired, the Company recognizes gain or loss.

For the quarters and nine-month periods ended July 31, 2011 and 2010, the Company has accounted for transactions in the financial statements as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
Loss from investments in derivative instruments				
- For the quarters ended July 31,	-	-	9.22	-
- For the nine-month periods ended July 31,	16.77	881.96	41.40	391.12

Net fair values of financial derivatives as at July 31, 2011 and October 31, 2010, of the Company and its subsidiaries are as follows:

	Currency	Unit : Million	
		Consolidated/Separate	
		Financial Statements	
		As at	As at
		July 31, 2011	October 31, 2010
Net fair values for commodity swap contracts	USD	(4.93)	(0.45)
	Baht	(49.40)	-

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 balance sheet dates as though the Company and its subsidiaries have settled the said contracts on the balance sheet dates.

31. COMPARATIVE DATA OF BALANCE SHEETS AS AT JULY 31, 2011 AND 2010

The nature of the operations of the Company and its subsidiaries with the main business activities in manufacture and distribute sugar depending on seasons, which can be classified as production season, from November to April of each year, and outside production season, from May to October. To facilitate the users of these financial statements in comparing the information for the business with definite seasonal fluctuation, the Company presents the comparative financial data as at July 31, 2011 and 2010 as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
		“Restated”	“Restated”	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalent	222,732	639,520	31,275	114,952
Temporary investments - net	21	-	-	-
Trade accounts receivable - net	645,427	564,507	148,135	204,944
Farmer accounts receivable - net	173,305	161,183	133,798	122,049
Current portion of loans for cane plantation development	17,935	27,595	10,217	10,574
Current portion of other account receivable - compensation for sugar production and distribution	88,871	48,656	60,952	21,231
Short-term loans to related parties	-	-	360,000	1,250,000
Short-term loans to farmers	527,018	356,252	87,466	84,422
Inventories - net	4,813,497	2,673,091	2,050,213	890,511
Machine maintenance supplies	313,705	489,820	49,490	89,675
Others	221,210	232,061	54,614	74,948
Total Current Assets	<u>7,023,721</u>	<u>5,192,685</u>	<u>2,986,160</u>	<u>2,863,306</u>
NON CURRENT ASSETS				
Deferred cane plantation costs - net	647,804	773,834	31,553	52,372
Loans for cane plantation development - net	371,666	183,497	23,434	10,139
Other account receivable - compensation for sugar production and distribution - net	-	90,445	-	61,647
Property, plant and equipment - net	18,233,014	16,950,472	2,474,645	2,738,948
Others	540,212	467,198	5,444,510	5,170,670
Total Non-Current Assets	<u>19,792,696</u>	<u>18,465,446</u>	<u>7,974,142</u>	<u>8,033,776</u>
TOTAL ASSETS	<u>26,816,417</u>	<u>23,658,131</u>	<u>10,960,302</u>	<u>10,897,082</u>

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010 "Restated"	2011	2010 "Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	4,077,571	2,886,156	564,478	694
Trade accounts payable	153,020	154,645	68,881	358,592
Current Portion of long-term loans	1,779,242	999,652	1,779,242	999,652
Accrued income tax expense	272,090	39,647	119,015	-
Advance received for sales of goods	142,043	185,900	68,794	41,707
Estimated accrued production expenses	1,155,660	409,400	516,652	143,484
Others	<u>1,652,446</u>	<u>1,591,036</u>	<u>800,653</u>	<u>869,197</u>
Total Current Liabilities	<u>9,232,072</u>	<u>6,266,436</u>	<u>3,917,715</u>	<u>2,413,326</u>
Total Non-Current Liabilities	<u>6,477,922</u>	<u>7,400,580</u>	<u>2,008,506</u>	<u>3,949,218</u>
Total Liabilities	<u>15,709,994</u>	<u>13,667,016</u>	<u>5,926,221</u>	<u>6,362,544</u>
Total Shareholders' Equity	<u>11,106,423</u>	<u>9,991,115</u>	<u>5,034,081</u>	<u>4,534,538</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>26,816,417</u></u>	<u><u>23,658,131</u></u>	<u><u>10,960,302</u></u>	<u><u>10,897,082</u></u>

32. SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE

32.1 The Company and its subsidiaries have entered into machine and equipment purchase agreements after the balance sheet date but not yet included in the consolidated and separate financial statements as follows:

		Consolidated	Unit : Million
		Financial	Separated
	Currency	Statements	Financial
		Contractual	Statements
		Amount	Contractual
			Amount
Machine and equipment purchase agreements	THB	45.20	22.60
	USD	5.50	5.50
	JPY	70.00	70.00

32.2 On August 4, 2011, Koh Kong Plantation Company Limited (the subsidiary which the Company holds shares indirectly through Wynn In Trading Co., Ltd.) has already registered the increase in share capital from USD 8,000,000 to USD 20,000,000 according to the Board of Directors' Meeting of the Company dated on December 9, 2010.

33. RECLASSIFICATIONS

The consolidated and separate balance sheets as at October 31, 2010 and of the consolidated and separate statements of income for the quarter and nine-month period ended July 31, 2010 have been reclassified to conform to the classifications used in the consolidated and separate financial statements for the quarter and nine-month period ended July 31, 2011 as follows:

Consolidated financial statements

Previously presented as		Reclassified to be presented as	Unit : Million Baht Amount
Balance Sheet			
Temporary investments - net	Decrease	Other long-term investments - net	Increase 2.43
Short-term loans to farmers	Decrease	Farmer accounts receivable - net	Increase 157.85
Deficit on internal restructure of entities under common control	Decrease	Surplus on revaluation of assets	Increase 1,731.47
Surplus on revaluation of assets	Decrease	Deficit on change in shareholding ratio in subsidiaries	Increase 19.03
Statement of Income for the quarter			
Administrative expenses	Increase	Cost of sales	Decrease 1.39
Administrative expenses	Decrease	Management benefit expenses	Increase 1.12
Statement of Income for the nine-month period			
Other income	Decrease	Revenue from sales	Increase 7.64
Other income	Decrease	Cost of sales	Decrease 47.70
Administrative expenses	Decrease	Cost of sales	Increase 44.63
Administrative expenses	Decrease	Management benefit expenses	Increase 1.82

Separate financial statements

Previously presented as		Reclassified to be presented as	Unit : Million Baht Amount
Balance Sheet			
Short-term loans to farmers	Decrease	Farmer accounts receivable - net	Increase 131.31
Statement of Income for the nine-month period			
Other income	Decrease	Cost of sales	Decrease 24.37

34. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuance by the Company's audit committee on September 9, 2011.