

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED**

We have audited 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 October 31, 2011, and the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits. We have not audited the financial statements of 3 foreign subsidiaries and 6 local subsidiaries which are included in these consolidated financial statements for the year ended October 31, 2011. The financial statements of those subsidiaries presented total assets as at October 31, 2011 of Baht 7,077.21 million or equivalent to 26.95% of consolidated total assets, and total revenues for the year ended October 31, 2011 of Baht 2,985.73 million or equivalent to 18.16% of consolidated total revenues, and total net profit for the year ended October 31, 2011 of Baht 14.31 million or equivalent to 0.70% of consolidated net profit. Those subsidiaries' financial statements have been audited 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 year ended October 31, 2010, presented herein for comparison, were audited by other auditors whose audit report thereon dated December 24, 2010, expressed an unqualified opinion on those statements with reference to the reports of the other auditors who audited the subsidiaries included in the consolidated financial statements and included an emphasis of a matter paragraph relating to the change in the accounting policy for inventory calculation method for molasses.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits together with the reports of other auditors referred to in the first paragraph provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and of Khon Kaen Sugar Industry Public Company Limited as at October 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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

BANGKOK
December 27, 2011

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT OCTOBER 31, 2011 AND 2010

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		October 31, 2011	October 31, 2010	October 31, 2011	October 31, 2010
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.2	280,925,967	203,223,776	42,731,615	13,513,698
Temporary investments - net	6	21,045	5,729,257	-	5,708,477
Trade accounts receivable - net	5.1 and 7	767,147,704	548,766,118	242,720,693	144,158,852
Farmer accounts receivable - net	8	154,562,250	170,074,464	133,922,792	134,570,736
Current portion of loans for cane plantation development	14	107,612,061	45,646,870	26,383,852	7,216,600
Current portion of other accounts receivable - compensation for sugar production and distribution	15	88,871,264	50,246,489	60,951,548	21,972,578
Short-term loans to related parties	5.1	-	-	1,357,000,000	1,375,000,000
Short-term loans to farmers and others	9	728,283,967	454,336,000	213,256,284	134,331,501
Inventories - net	10	2,932,255,892	1,595,760,605	948,950,607	480,260,294
Other current assets					
Real estate development costs		59,376,489	57,451,094	-	-
Machine maintenance supplies		334,953,430	247,083,569	123,713,259	88,305,601
Accrued dividend receivable from subsidiary	5.1	-	-	216,514,972	108,257,486
Others	5.1	214,479,457	160,901,262	118,499,269	73,101,522
Total Current Assets		<u>5,668,489,526</u>	<u>3,539,219,504</u>	<u>3,484,644,891</u>	<u>2,586,397,345</u>
NON-CURRENT ASSETS					
Investments in an associate	11	45,819,241	55,149,827	73,800,000	73,800,000
Investments in subsidiaries - net	11	-	-	5,232,839,666	5,028,423,945
Other long-term investments - net	12	17,099,096	24,491,020	6,592,377	9,880,065
Deferred cane plantation costs - net	13	724,488,699	831,654,408	40,790,482	73,369,351
Loans for cane plantation development - net	14	360,392,027	196,003,380	22,953,600	14,434,200
Other accounts receivable - compensation for sugar production and distribution - net	15	-	88,853,724	-	60,905,448
Property, plant and equipment - net	16	18,511,175,766	17,870,444,657	2,654,884,684	2,753,048,138
Assets not used in operations - net	17	689,973,782	361,921,751	98,281,732	125,867,151
Other non-current assets		239,882,222	184,990,275	17,171,704	147,623
Total Non-Current Assets		<u>20,588,830,833</u>	<u>19,613,509,042</u>	<u>8,147,314,245</u>	<u>8,139,875,921</u>
TOTAL ASSETS		<u><u>26,257,320,359</u></u>	<u><u>23,152,728,546</u></u>	<u><u>11,631,959,136</u></u>	<u><u>10,726,273,266</u></u>

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT OCTOBER 31, 2011 AND 2010

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		October 31,	October 31,	October 31,	October 31,
		2011	2010	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	18	3,184,081,340	1,902,245,953	-	-
Trade accounts payable	5.1 and 19	905,088,270	403,692,417	414,766,698	138,367,838
Current portion of long-term debentures	20	1,779,559,701	999,932,895	1,779,559,701	999,932,895
Current portion of long-term loans	21	1,124,349,600	552,855,000	164,000,000	168,000,000
Short-term loans from related parties	5.1	-	-	982,500,000	450,000,000
Short-term loans from others		-	5,000,000	-	-
Other current liabilities					
Accrued income tax expenses		474,083,363	47,062,202	265,691,795	-
Advances received for sales of goods		45,649,807	98,621,651	37,476,473	87,632,152
Accrued fees payable to the Office of the Cane and Sugar Fund		53,845,594	35,749,577	22,808,958	11,513,728
Accrued stabilization function payment to the Office of the Cane and Sugar Fund		50,016,300	50,246,489	24,378,980	21,972,578
Other accrued expenses	5.1	162,532,780	132,028,263	72,905,834	82,892,950
Accounts payable on purchases of assets	5.1	374,598,669	606,495,010	59,391,360	28,494,322
Other accounts payable	5.1	252,817,407	114,382,685	126,502,453	41,005,681
Others	5.1	188,735,241	139,667,014	22,876,265	20,235,685
Total Current Liabilities		<u>8,595,358,072</u>	<u>5,087,979,156</u>	<u>3,972,858,517</u>	<u>2,050,047,829</u>
NON-CURRENT LIABILITIES					
Long-term debentures - net	20	1,998,418,248	3,775,647,034	1,998,418,248	3,775,647,034
Long-term loans - net	21	3,999,054,900	4,341,985,000	-	164,000,000
Other non-current liabilities	5.1	13,021,426	12,997,272	10,495,579	10,079,484
Total Non-Current Liabilities		<u>6,010,494,574</u>	<u>8,130,629,306</u>	<u>2,008,913,827</u>	<u>3,949,726,518</u>
TOTAL LIABILITIES		<u>14,605,852,646</u>	<u>13,218,608,462</u>	<u>5,981,772,344</u>	<u>5,999,774,347</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (CONTINUED)

AS AT OCTOBER 31, 2011 AND 2010

UNIT : BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		October 31, 2011	October 31, 2010	October 31, 2011	October 31, 2010
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	22				
Authorized share capital					
1,870,000,000 ordinary shares of Baht 1.00 each		1,870,000,000	1,870,000,000	1,870,000,000	1,870,000,000
Issued and paid-up share capital					
1,551,065,175 ordinary shares of Baht 1.00 each, fully paid		1,551,065,175		1,551,065,175	
1,550,000,000 ordinary shares of Baht 1.00 each, fully paid			1,550,000,000		1,550,000,000
PREMIUM ON ORDINARY SHARES		1,564,203,818	1,554,617,243	1,564,203,818	1,554,617,243
UNREALIZED GAIN (LOSS)					
Surplus on revaluation of assets		2,747,184,126	3,024,329,981	1,006,488,842	1,115,913,153
Deficit on internal restructure of entities under common control		(264,043,132)	(264,043,132)	-	-
Deficit on change in shareholding ratio in subsidiaries		(25,205,318)	(25,205,318)	-	-
Change in fair values of available-for-sale securities		(503,160)	1,844,391	-	2,270,539
DIFFERENCES ON TRANSLATION OF FINANCIAL STATEMENTS		(66,329,286)	(82,038,949)	-	-
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	187,000,000	167,420,000	187,000,000	167,420,000
Unappropriated		4,069,295,677	2,284,104,512	1,341,428,957	336,277,984
TOTAL EQUITY HOLDERS OF THE PARENT		9,762,667,900	8,211,028,728	5,650,186,792	4,726,498,919
MINORITY INTEREST		1,888,799,813	1,723,091,356	-	-
TOTAL SHAREHOLDERS' EQUITY		11,651,467,713	9,934,120,084	5,650,186,792	4,726,498,919
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		26,257,320,359	23,152,728,546	11,631,959,136	10,726,273,266

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : BAHT

	Notes	Consolidated		Separate		
		Financial Statements		Financial Statements		
		2011	2010	2011	2010	
REVENUES						
Revenues from sales		16,282,815,764	11,949,658,783	6,976,818,445	5,699,174,409	
Revenues from services		176,984,828	121,658,576	-	-	
Total Revenues	5.2	<u>16,459,800,592</u>	<u>12,071,317,359</u>	<u>6,976,818,445</u>	<u>5,699,174,409</u>	
COSTS						
Cost of sales		(11,503,373,932)	(9,120,501,549)	(4,995,310,410)	(4,705,608,264)	
Cost of services		(93,014,533)	(70,161,108)	-	-	
Total Costs	5.2	<u>(11,596,388,465)</u>	<u>(9,190,662,657)</u>	<u>(4,995,310,410)</u>	<u>(4,705,608,264)</u>	
Gross profit		4,863,412,127	2,880,654,702	1,981,508,035	993,566,145	
Other incomes	5.2	312,635,265	309,138,316	386,118,371	275,763,782	
Profit before expenses		<u>5,176,047,392</u>	<u>3,189,793,018</u>	<u>2,367,626,406</u>	<u>1,269,329,927</u>	
Selling expenses	5.2	(340,980,984)	(268,983,626)	(135,842,207)	(111,820,675)	
Fees paid to the Office of the Cane and Sugar Fund		(812,829,235)	(781,848,623)	(378,004,786)	(308,331,081)	
Administrative expenses	5.2	(604,955,485)	(489,588,594)	(91,866,888)	(81,096,784)	
Management benefit expenses	24	(143,200,816)	(124,750,447)	(32,027,804)	(28,587,600)	
Other expenses						
Penalty from sugar future contracts	25	-	(111,963,930)	-	(19,236,704)	
Loss from investments in derivative instruments		(16,767,475)	(881,960,043)	(51,320,410)	(391,123,258)	
Total expenses		<u>(1,918,733,995)</u>	<u>(2,659,095,263)</u>	<u>(689,062,095)</u>	<u>(940,196,102)</u>	
Profit before finance costs and income tax expenses		3,257,313,397	530,697,755	1,678,564,311	329,133,825	
Finance costs	5.2	(465,251,570)	(342,533,466)	(212,799,754)	(233,294,063)	
Share of profit (loss) of investments in an associate (net of income tax)		(9,168,086)	6,350,493	-	-	
Profit before income tax expenses		<u>2,782,893,741</u>	<u>194,514,782</u>	<u>1,465,764,557</u>	<u>95,839,762</u>	
Income tax expenses	26	(750,693,650)	(117,703,693)	(340,958,795)	-	
NET PROFIT		<u><u>2,032,200,091</u></u>	<u><u>76,811,089</u></u>	<u><u>1,124,805,762</u></u>	<u><u>95,839,762</u></u>	
PROFIT (LOSS) ATTRIBUTABLE TO:						
Equity holders of the parent		1,889,891,674	158,698,947	1,124,805,762	95,839,762	
Minority interest		142,308,417	(81,887,858)	-	-	
		<u>2,032,200,091</u>	<u>76,811,089</u>	<u>1,124,805,762</u>	<u>95,839,762</u>	
EARNINGS PER SHARE FOR						
THE EQUITY HOLDERS OF THE PARENT						
Basic earnings per share	29	BAHT	1.219	0.102	0.726	0.062
Diluted earnings per share	29	BAHT	1.200	0.101	0.714	0.061
Weighted average number of ordinary shares	29	SHARES	1,550,324,675	1,550,000,000	1,550,324,675	1,550,000,000
Dilutive number of ordinary shares	29	SHARES	1,574,392,256	1,565,594,506	1,574,392,256	1,565,594,506

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : BAHT

Notes	Issued and paid-up share capital	Premium on ordinary shares	Unrealized gain (loss)			Change in fair values of available-for-sale securities	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			Appropriated	Unappropriated			
Beginning balance as at November 1, 2009	1,550,000,000	1,554,617,243	3,241,937,460	(264,043,132)	69,284,262	2,347,501	13,469,377	162,620,000	2,362,704,703	8,692,937,414	2,106,605,376	10,799,542,790
Surplus on revaluation of assets												
- Depreciation on surplus on revaluation of assets	-	-	(217,607,479)	-	-	-	-	-	-	(217,607,479)	(27,341,312)	(244,948,791)
- Surplus on revaluation of assets net decrease	-	-	-	-	-	-	-	-	-	-	(399,004)	(399,004)
Deficit on change in shareholding ratio in subsidiaries	-	-	-	-	(94,489,580)	-	-	-	-	(94,489,580)	42,549,807	(51,939,773)
Change in fair values of available-for-sale securities	-	-	-	-	-	(503,110)	-	-	-	(503,110)	276,640	(226,470)
Differences on translation of financial statements	-	-	-	-	-	-	(95,508,326)	-	-	(95,508,326)	(36,511,248)	(132,019,574)
Total expense recognized in shareholders' equity	-	-	(217,607,479)	-	(94,489,580)	(503,110)	(95,508,326)	-	-	(408,108,495)	(21,425,117)	(429,533,612)
Net profit (loss)	-	-	-	-	-	-	-	-	158,698,947	158,698,947	(81,887,858)	76,811,089
Total income (expense) recognized for the year	-	-	(217,607,479)	-	(94,489,580)	(503,110)	(95,508,326)	-	158,698,947	(249,409,548)	(103,312,975)	(352,722,523)
Decrease in minority interest	-	-	-	-	-	-	-	-	-	-	(267,427,431)	(267,427,431)
Dividends paid	23	-	-	-	-	-	-	-	(232,499,138)	(232,499,138)	(12,773,614)	(245,272,752)
Legal reserve	23	-	-	-	-	-	-	4,800,000	(4,800,000)	-	-	-
Ending balance as at October 31, 2010	1,550,000,000	1,554,617,243	3,024,329,981	(264,043,132)	(25,205,318)	1,844,391	(82,038,949)	167,420,000	2,284,104,512	8,211,028,728	1,723,091,356	9,934,120,084

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : 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	1,550,000,000	1,554,617,243	3,024,329,981	(264,043,132)	(25,205,318)	1,844,391	(82,038,949)	167,420,000	2,284,104,512	8,211,028,728	1,723,091,356	9,934,120,084
Surplus on revaluation of assets												
- Depreciation on surplus on revaluation of assets	-	-	(253,766,462)	-	-	-	-	-	-	(253,766,462)	(43,773,767)	(297,540,229)
- Surplus on revaluation of assets net (decrease) increase	-	-	(23,379,393)	-	-	-	-	-	23,379,393	-	-	-
Change in fair values of available-for-sale securities	-	-	-	-	-	(2,347,551)	-	-	-	(2,347,551)	(246,294)	(2,593,845)
Differences on translation of financial statements	-	-	-	-	-	-	15,709,663	-	-	15,709,663	7,889,539	23,599,202
Total income (expense) recognized in												
shareholders' equity	-	-	(277,145,855)	-	-	(2,347,551)	15,709,663	-	23,379,393	(240,404,350)	(36,130,522)	(276,534,872)
Net profit	-	-	-	-	-	-	-	-	1,889,891,674	1,889,891,674	142,308,417	2,032,200,091
Total income (expense) recognized for the year	-	-	(277,145,855)	-	-	(2,347,551)	15,709,663	-	1,913,271,067	1,649,487,324	106,177,895	1,755,665,219
Increase in ordinary share	22	1,065,175	9,586,575	-	-	-	-	-	-	10,651,750	-	10,651,750
Increase in minority interest	-	-	-	-	-	-	-	-	-	-	107,150,040	107,150,040
Dividends paid	23	-	-	-	-	-	-	-	(108,499,902)	(108,499,902)	(47,619,478)	(156,119,380)
Legal reserve	23	-	-	-	-	-	-	19,580,000	(19,580,000)	-	-	-
Ending balance as at October 31, 2011	1,551,065,175	1,564,203,818	2,747,184,126	(264,043,132)	(25,205,318)	(503,160)	(66,329,286)	187,000,000	4,069,295,677	9,762,667,900	1,888,799,813	11,651,467,713

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : 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		1,550,000,000	1,554,617,243	1,192,500,992	2,745,885	162,620,000	477,737,360	4,940,221,480
Surplus on revaluation of assets		-	-	(74,952,218)	-	-	-	(74,952,218)
- Depreciation on surplus on revaluation of assets		-	-	(1,635,621)	-	-	-	(1,635,621)
- Surplus on revaluation of assets net decrease		-	-	-	(475,346)	-	-	(475,346)
Change in fair values of available-for-sale securities		-	-	-	(475,346)	-	-	(475,346)
Total expense recognized in shareholders' equity		-	-	(76,587,839)	(475,346)	-	-	(77,063,185)
Net profit		-	-	-	-	-	95,839,762	95,839,762
Total income (expense) recognized for the year		-	-	(76,587,839)	(475,346)	-	95,839,762	18,776,577
Dividends paid	23	-	-	-	-	-	(232,499,138)	(232,499,138)
Legal reserve	23	-	-	-	-	4,800,000	(4,800,000)	-
Ending balance as at October 31, 2010		<u>1,550,000,000</u>	<u>1,554,617,243</u>	<u>1,115,913,153</u>	<u>2,270,539</u>	<u>167,420,000</u>	<u>336,277,984</u>	<u>4,726,498,919</u>

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : 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		1,550,000,000	1,554,617,243	1,115,913,153	2,270,539	167,420,000	336,277,984	4,726,498,919
Surplus on revaluation of assets								
- Depreciation on surplus on revaluation of assets		-	-	(100,999,198)	-	-	-	(100,999,198)
- Surplus on revaluation of assets net (decrease) increase		-	-	(8,425,113)	-	-	8,425,113	-
Change in fair values of available-for-sale securities		-	-	-	(2,270,539)	-	-	(2,270,539)
Total income (expense) recognized in shareholders' equity		-	-	(109,424,311)	(2,270,539)	-	8,425,113	(103,269,737)
Net profit		-	-	-	-	-	1,124,805,762	1,124,805,762
Total income (expense) recognized for the year		-	-	(109,424,311)	(2,270,539)	-	1,133,230,875	1,021,536,025
Increase in ordinary shares	22	1,065,175	9,586,575	-	-	-	-	10,651,750
Dividends paid	23	-	-	-	-	-	(108,499,902)	(108,499,902)
Legal reserve	23	-	-	-	-	19,580,000	(19,580,000)	-
Ending balance as at October 31, 2011		1,551,065,175	1,564,203,818	1,006,488,842	-	187,000,000	1,341,428,957	5,650,186,792

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expenses	2,782,893,741	194,514,782	1,465,764,557	95,839,762
Adjustments for:				
Dividend income	(162,500)	(296,825)	(216,514,972)	(108,464,956)
Doubtful accounts - trade and farmer accounts receivable and loans for cane plantation development (reversal)	(8,542,530)	(4,583,639)	5,161,892	-
Share of profit (loss) of investments in an associate (net of income tax)	9,330,586	(6,350,494)	-	-
Amortization of premium on bonds	62,963	82,805	17,619	40,596
Loss on damaged cane and adjustment to decrease the cane plantation costs	96,579,670	162,023,228	18,016,722	-
Loss from diminution in value of inventories	70,732,478	4,403,394	8,386,995	-
Depreciation	645,253,477	392,547,551	179,891,264	134,903,432
Gain on disposal and written-off of assets	(14,358,716)	(32,078,797)	(9,309,315)	(15,613,320)
Reversal of loss on impairment of investments in subsidiaries	-	-	(51,429,043)	(38,357,579)
Gain on sales of other long-term investments	(2,425,144)	(1,312,029)	(2,425,144)	(1,090,396)
Unrealized loss (gain) on exchange rate	595,416	(11,898,806)	621,674	-
Interest expenses	462,853,550	338,420,954	210,401,734	229,762,039
Finance costs	2,398,020	3,160,409	2,398,020	3,160,408
	4,045,211,011	1,038,632,533	1,610,982,003	300,179,986
Operating assets (increase) decrease				
Trade accounts receivable	(216,649,136)	51,349,482	(99,183,515)	(8,187,044)
Farmer accounts receivable	26,634,300	(79,214,714)	(4,513,948)	(60,156,282)
Inventories	(1,403,731,317)	79,104,500	(477,077,308)	36,251,484
Real estate development costs	(1,925,395)	2,078,483	-	-
Machine maintenance supplies	(91,366,309)	53,217,550	(35,407,658)	6,639,325
Other current assets - others	(54,244,423)	33,441,612	(45,397,747)	(21,042,142)
Deferred cane plantation costs	125,909,319	(253,290,289)	16,281,445	(25,673,426)
Other non-current assets	(194,325,146)	11,168,813	(17,024,081)	-

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Operating liabilities increase (decrease)				
Trade accounts payable	501,422,111	(120,059,018)	276,398,860	(43,304,401)
Advances received from sales of goods	(52,971,844)	10,781,598	(50,155,679)	14,903,679
Accrued fees payable to the Office of the Cane and Sugar Fund	18,096,017	(33,295,959)	11,295,230	(18,486,732)
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	49,998,760	50,187,868	24,332,880	21,843,267
Other accrued expenses	50,206,678	(46,589,601)	12,299,737	(13,857,433)
Other accounts payable	138,434,722	(55,959,038)	85,496,772	(25,888,241)
Liabilities from derivative instruments	-	(6,205,769)	-	(2,790,716)
Other current liabilities	49,068,227	14,912,212	2,640,580	5,638,951
Other non-current liabilities	24,154	(2,089,743)	416,095	319,818
Cash received from operating activities	2,989,791,729	748,170,520	1,311,383,666	166,390,093
Interest paid	(628,221,108)	(385,587,654)	(232,688,587)	(222,644,990)
Income tax expense paid	(323,672,489)	(201,211,740)	(75,267,000)	(12,456,302)
Net cash provided by (used in) operating activities	2,037,898,132	161,371,126	1,003,428,079	(68,711,199)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payments for temporary investments	-	(59,020,779)	-	-
Cash received from sales of temporary investments	5,708,212	225,220,305	5,708,477	-
Decrease (increase) in short-term loans to related parties	-	130,355,542	18,000,000	(285,500,000)
Increase in short-term loans to farmers and others	(273,947,967)	(191,730,500)	(78,924,783)	(45,405,000)
Cash payments for investments in subsidiaries	-	-	(152,986,678)	(790,743,431)
Cash received from repayment of investment in subsidiaries	-	-	-	195,250
Cash payments for purchase of other long-term investments	(263,256)	(6,295,950)	-	(6,295,950)
Cash received from redemption and sales of other long-term investments	8,174,675	8,396,073	3,424,675	7,770,073
Cash received from dividends of subsidiaries and other companies	162,500	296,825	108,257,486	135,529,327
Increase in loans for cane plantation development	(231,287,518)	(148,716,076)	(27,686,652)	(10,759,200)
Cash received from long-term loan to related parties	-	160,484,160	-	-
Cash payments for purchases of property, plant and equipment	(1,386,857,741)	(3,324,547,875)	(237,021,364)	(78,796,996)
Cash received from sales of property, plant and equipment	98,653,448	32,365,725	140,514,807	17,370,983
Cash payments for purchases of land not used in operation	(6,873,500)	(56,967,013)	-	(27,585,419)
Cash received from sale of assets not used in operation	-	32,755,821	-	-
Net cash used in investing activities	(1,786,531,147)	(3,197,403,742)	(220,714,032)	(1,084,220,363)

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

UNIT : BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in short-term loans from financial institutions	1,281,835,387	642,035,235	-	-
Decrease in bills of exchange	-	(100,000,000)	-	(100,000,000)
Increase in short-term loans from related parties	-	-	532,500,000	153,000,000
Decrease in short-term loans from others	(5,000,000)	(63,000,000)	-	-
Cash payment for accounts payable on purchases of assets	(603,503,644)	(707,598,233)	(20,147,977)	(13,413,289)
Cash received from long-term debentures	-	1,497,566,154	-	1,497,566,154
Cash payment to long-term debentures	(1,000,000,000)	-	#####	-
Cash received from long-term loans	957,000,000	2,563,316,510	-	-
Cash payment for long-term loans	(756,343,500)	(368,000,000)	(168,000,000)	(168,000,000)
Cash received from issuance of ordinary shares	10,651,750	-	10,651,750	-
Cash received from minority interest	107,150,040	-	-	-
Cash payment of dividends for the parent company's shareholders	(108,499,903)	(232,499,138)	(108,499,903)	(232,499,138)
Cash payment of dividends for the minority interest	(47,619,478)	(12,773,613)	-	-
Cash paid to minority interest	-	(267,427,431)	-	-
Net cash (used in) provided by financing activities	<u>(164,329,348)</u>	<u>2,951,619,484</u>	<u>(753,496,130)</u>	<u>1,136,653,727</u>
Exchange differences on translation of cash of foreign subsidiaries	(9,335,446)	20,621,826	-	-
Net increase (decrease) in cash and cash equivalents	77,702,191	(63,791,306)	29,217,917	(16,277,835)
Cash and cash equivalents at the beginning of the year	203,223,776	267,015,082	13,513,698	29,791,533
Cash and cash equivalents at the end of the year	<u><u>280,925,967</u></u>	<u><u>203,223,776</u></u>	<u><u>42,731,615</u></u>	<u><u>13,513,698</u></u>

Notes to the financial statements form an integral part of these statements

KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED OCTOBER 31, 2011 AND 2010

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 and was listed with the Stock Exchange of Thailand on March 7, 2005. Its registered headquarter is located at No. 503 K.S.L. Tower, Floor 9th, Sriyudahaya 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 2.2.

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

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

The Company and its subsidiaries in Thailand maintain their accounting records in Thai Baht and prepare their statutory financial statements in the Thai language in conformity with financial accounting standards and practices generally accepted in Thailand.

The financial statements of the overseas subsidiaries are translated in to Thai Baht to prepare the consolidated financial statements (see Note 3.21).

2.1 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 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.

The financial statements have been prepared under the historical cost basis except disclosed the accounting policies.

2.2 These consolidated financial statements included the accounts of the Company and its subsidiaries. Significant transactions and balances between the Company and its subsidiaries have been eliminated. The structure of the group companies is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	As at	As at		
	October 31,	October 31,		
	2011	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		Percentage of Shareholding		Country of Incorporation	Type of Business
	Indirect		Direct and indirect			
	As at	As at	As at	As at		
	October 31, 2011	October 31, 2010	October 31, 2011	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.

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

2.3 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:

2.3.1 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
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TFRI

TFRI 15	Agreements for the Construction of Real Estate
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2.3.2 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 (Revised 2009) "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.

2.4 In addition, the Federation of Accounting Professions issued the Notification of Federation of Accounting Professions No. 49/2553 dated November 24, 2010 that have been announced in the Royal Gazette on December 15, 2010, regarding the renumbering of certain TAS. The numbers of TAS as referred to in these financial statements have already complied with such Notification.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment.

3.2 Trade accounts receivable, farmer accounts receivable, and other accounts receivable

Trade accounts receivable, farmer accounts receivable, and other accounts receivable are stated at the net realizable value. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value, and adjusted by slow-moving or out-of-date goods. Cost is calculated as follows:

- Raw materials, factory supplies and purchased for resale finished goods are calculated using the first-in, first-out method.
- Goods in process and finished goods of sugar and molasses are calculated by the average production cost in each production year using the first-in, first-out method.
- Organic fertilizer-finished goods are calculated by actual cost using the first-in, first-out method.
- Organic fertilizer-goods in process are calculated by actual cost using the specific method.
- Goods in process and finished goods of alcohol, wheat flour and polypropylene bags are calculated by actual cost using the first-in, first-out method.
- Goods in process and finished goods of palm oil's are calculated by actual cost using the weighted average method.

The common production costs incurred in the production process are not allocated to bagasse and other by-products from productions of sugar, wheat flour and palm oil; therefore, revenues from sales of such products are presented as deduction to production costs in each production season.

3.4 Real estate development

Real estate development cost is stated at the lower of cost or net realizable value using the specific method which consist of land cost, filling cost, construction cost, utility-system development cost and direct cost to acquire the products and set them to be ready for sale.

3.5 Machine maintenance supplies

Machine maintenance supplies are stated at cost using first in-first out method and adjusted by allowance for slow-moving or out-of-date supplies (if any).

3.6 Investments

3.6.1 Investments in associates in the consolidated financial statements are recorded by the equity method and in the separate financial statements are recorded under the cost method net by the allowance for accumulated impairment and record the recognition of the change in the investment in the statements of income when the investment is disposed or the impairment of the investment incurred.

3.6.2 Investments in subsidiaries in the separate financial statements are recorded under the cost method net by the allowance for accumulated impairment and record the recognition of the change in the investment in the statements of income when the investment is disposed or the impairment of the investment incurred.

- 3.6.3 Investment in marketable debt and equity instruments which are recorded as securities for sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under of non-current assets except the management has intention to hold them less than 12 months from the balance sheet date or the management is to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are stated at fair values which are calculated from the latest quote of purchase price as of the accounting year end date and recognized the change in value as a separate item in the shareholders' equity when these investments are sold or impaired in value, the recognition will be made through the statements of income.
- 3.6.4 Investments in debt instruments which are held until maturity will be classified as short-term or long-term investments according to the remaining maturity period. They are stated at amortized cost and deducted by the allowance for accumulated impairment (if any). Premium/discount over value of debt instruments is amortized by effective interest rates method and the amount amortized will be presented in the statements of income.
- 3.6.5 General investments are being non-marketable equity instruments are stated at cost less allowance for accumulated impairment (if any) and change in value of general investments is recognized in the statements of income when they are sold or impaired.

3.7 Deferred cane plantation costs

Deferred cane plantation costs are the accumulated cost of cane plantation consisting of purchase cost of breed canes, cost of cane harvested for cane breeding, fertiliser cost, wages and other related direct expenses which are measured at cost deducted by accumulated depreciation and the allowance for accumulated impairments. For harvested canes transferred as raw material cost in production and cost of goods sold as at the harvest date, they are valued at fair value deducted by estimated expense at point of sale. The fair value of cane is considered from price which the Group expects to purchase from cane farmers in each region.

3.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and the allowance for accumulated impairment except for land, buildings and machines which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less accumulated depreciation which is calculated from the said fair value and allowance for accumulated impairment.

Revaluations are performed by independent professional appraisers, which the Company has the policy for the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the balance sheet date. Increase from appraisal value will be recorded in the shareholders' equity under "unrealized gain (loss) - difference on revaluation of assets", and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of income. Increase in revaluation of building and machines will be amortized in accordance to the remaining useful life of those assets.

The depreciation of the plant and equipment (except for machinery of the Company and subsidiaries which are in the business relating to the sugar and molasses manufacture and distribution) calculates from the cost or the revaluations of assets using the straight-line basis over their estimated useful life, as follows:

- Land improvement	5 - 61	years
- Building and construction	2 - 58	years
- Machinery and equipment	3 - 43	years
- Motor vehicle and labor saving tools	4 - 20	years
- Furniture and office equipment	3 - 20	years

Machinery of the Company and subsidiaries which are in the business relating to the sugar and molasses manufacture and distribution are depreciated based on the machinery production hours, which is equivalent to approximately 5-50 production seasons. The production capacity of machines is estimated by the engineers of group companies.

The depreciation as calculated above are recorded as follows:

- The depreciation for those calculated from the cost value is included in the calculation of the operating result.
- The depreciation for the revaluation surplus is written off to the unrealized gain (loss) - difference on revaluation of assets in the shareholders' equity.

No depreciation is calculated for the land and assets in construction.

Interest expense incurred from the loan obtained especially for the work in construction project and during installation are included in the cost of the said work in construction until it is ready for its intended usage.

3.9 Assets not used in operation

Assets not used in operation are initially recorded by cost method less by accumulated depreciation and accumulated impairment.

3.10 Impairment of assets

Impairment of assets is assessed at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount will be estimated. When the carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognized in the statements of income (An asset's recoverable amount is the higher of net selling price or value in use of the assets).

3.11 Debentures

Debentures are initially recorded at cost by calculating from the fair value of the money received, which comprised of the fund received net by the direct costs from the issuances of debentures such as the management fee, debenture holder's representatives trustee appointment fee and the fee for financial advisor for debenture issuances. Debentures are amortized as expenses using the straight-line method, which is not significantly differ from the effective rate method. The said expenses would be recorded over various periods throughout the periods of debentures according to each period's outstanding value of debentures. Interest bearing liabilities are presented at cost and expenses related to the occurrence of liabilities are recorded as expenses for the year.

3.12 Provisions

Provisions are recorded when it is highly certain that obligations will occur at present legally or reliable estimate as a result of past events. These obligations are expected to cause an outflow of resources embodying economic benefits resulting to settle such obligations and these amounts to be paid can be estimated reliably. If there is expectation to recover payment toward estimated liabilities certainly by all or part, the returned payment will be recognized as separate asset but its amount must not be more than related estimated liabilities and the expense related to liability estimates is shown in the statements of income at amount net by recognized amount of expense to be recovered.

3.13 Ordinary shares

Ordinary shares are classified as capital and additional costs directly related to issuance of ordinary shares and warrants are recognized as deduction from share capital payment.

3.14 Premium on ordinary shares

Premium on ordinary shares is stated in accordance with Section 51 of the Public Limited Company Act B.E. 2535, in the event the Company offers the ordinary for sale at the price exceeding the registered share price, the Company shall appropriate this surplus as reserve ("Premium on ordinary shares"). This premium on ordinary shares could not be paid as dividend.

3.15 Unrealized gain (loss)

3.15.1 Unrealized gain (loss) - difference from internal restructure of entities under common control is the difference between net book value of investment received and purchase cost of investment occurred from internal restructure of entities under common control. This investment was a merger of identities with the same former shareholders and management and the said difference is shown as a separate item in the balance sheet under shareholders' equity and it is written off when the investment is disposed.

3.15.2 Unrealized gain (loss) - difference from change in shareholding ratio in subsidiaries is the difference between the investment for changed proportion in subsidiaries and book value of the subsidiaries resulted from change in proportion of investment in that subsidiaries. This difference is shown as a separate item in the balance sheet under the shareholders' equity and it is written off when the investment is disposed.

3.16 Minority interest

Minority interest means the book value of the net assets of the subsidiaries in according to the shareholding ratio of the minority shareholders or the participating portion which does not belong to the Group. The minority interest is presented in a separate caption under the shareholders' equity in the consolidated balance sheet and the net profit (loss) of the minority interest is presented in a separate caption of the consolidated statements of income.

3.17 Revenue recognition

Revenue recognized excludes value added taxes and other sales taxes. Revenue presented is net off discounts. The policies are as follows:

- 3.17.1 Revenues from sales are recognized in the statements of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.
- 3.17.2 Revenues from services are recognized when services are rendered.
- 3.17.3 Revenues from rental are recognized over the term of the lease.
- 3.17.4 Revenues from sale of land are recognized when the land ownership has already been transferred to the purchaser.
- 3.17.5 Revenues from sale of houses together with land are recognized in accordance with installments due for payment under gross margin method. If the payment of installments due is more than the percentage of work completed, it would be restrictively recognized only that amount pursuant to the work already completed. Revenue will be ceased to recognize immediately if purchaser becomes overdue by more than three consecutive installments.

The amount of money received by installments which exceeding the percentage of the work completed will be recorded as advance received from purchaser and is presented as other liabilities in the balance sheet.
- 3.17.6 Revenues from sale of electricity and steam are recognized when the products steam are delivered and the customers have accepted the deliveries.
- 3.17.7 Interest income and discount receivable from discounting notes receivable are recognized according to the related period.
- 3.17.8 Dividend income is recognized when entitled to receive such dividend.
- 3.17.9 Other incomes are recognized on an accrual basis.

3.18 Expense recognition

The policies relating expenses are as follows:

- 3.18.1 In case of cost of sales for house together with land, all estimated development costs of properties are allocated based on actual costs to house and land sold according to saleable areas. Cost of sales is recognized in the statements of income according to proportion of revenue recognition.
- 3.18.2 Other expenses are recognized on an accrual basis.

3.19 Leases

Operating lease

Lease in which substantially the risks and ownership of assets remain with the lessor are accounted for as operating lease. Rental applicable to such operating leases are charged to the statement of income over the contract period.

Finance lease

Leases for equipment which substantially transfer all the risks and rewards of ownership to the lessee are classified as finance lease. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased equipment or the present value of the minimum lease payments. The related interest is recognized by effective interest rate method over the term of contracts and charged to the statement of income. The equipment acquired under finance leasing contracts is depreciated over the estimated useful lives of the equipment using the straight-line method.

3.20 Finance costs

Finance costs such as interest expenses and similar costs are charged to the statements of income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.21 Foreign currency transactions

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities in foreign currency outstanding at the balance sheet date are translated into Baht at the exchange rates ruling on that date. Exchange gains or losses are included as incomes or expenses in the statements of income.

The financial statements of overseas subsidiaries are translated to Thai Baht to prepare the consolidated financial statements as follows:

- a. Assets and liabilities are translated to Thai Baht at the foreign exchange rates ruling at balance sheet date.
- b. Shareholder's equity is translated to Thai Baht at the foreign exchange rates on the transaction date.
- c. Revenues and expenses are translated to Thai Baht at average foreign exchange for the year.

Gain (loss) on translation of the financial statements prepared in foreign currencies are presented under shareholders' equity.

3.22 Related parties

Related parties with the Company and its subsidiaries represent individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the common control with the Company and its subsidiaries. Furthermore, the related parties also represent the associates and the parties who hold the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or employees of the Company and its subsidiaries who have power to plan and control the operations of the Company and its subsidiaries, including the close family members who can persuade or power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

3.23 Provident fund

The Company and its subsidiaries have a provident fund for those employees who have indicated their willingness to join. The contributions from the employees are deducted from their monthly salaries, with the Company matching the individuals' contributions. The provident fund is managed by a financial institution which is authorized by the Government in accordance with the Provident Fund Act B.E. 2530 (1987).

The contribution for employee provident fund is recorded as expenses when incurred.

3.24 Income tax expenses

Income tax expenses are based on tax paid and accrued for the year.

3.25 Earnings per share

The calculations of basic earnings per share for the year were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.26 Sectorial business operations

Sectorial business operations are disclosed under the separate business sectors of the Company and its subsidiaries. By the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

3.27 Financial assets and liabilities

Financial assets and liabilities carried on the balance sheets include cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, investments and loan receivables and payables. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

Derivatives are invested by the Company and subsidiaries for hedging the risk from the fluctuation of exchange rates or prices of goods by determining the future exchange rates or prices of goods relating to assets or liabilities will be derived or paid. Gain or loss from the investment in derivatives is recorded in the statements of income when the contracts are settled or contractual terms are expired.

3.28 Accounting estimates

The preparation of consolidated and separate financial statements in conformity with generally accepted accounting principles also requires the Company's and its subsidiaries' 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 revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

4.1 Significant non-cash items in the consolidated and separate financial statements for the years ended October 31, 2011 and 2010 are as follows:

Type of transactions	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements 2011	Financial Statements 2010	Financial Statements 2011	Financial Statements 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	-	3,261	-	3,261
Unrealized loss from available-for-sale securities	(2,593)	(226)	(2,270)	(475)
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	294,898	293,141	100,999	74,952
Decrease in surplus on revaluation of assets	(23,379)	(4,146)	(8,425)	(1,636)
Transferred depreciation to deferred cane plantation costs	103,206	99,038	1,719	901
Reclassified property, plant and equipment to asset not used in operations	348,210	-	-	-
Reclassified land not used in operations to property, plant and equipment	28,111	-	27,585	-
Purchases of property, plant and equipment which had not yet been paid	370,528	589,019	55,506	26,630
Purchases of assets not used in operations which had not yet been paid	1,079	-	-	-
Interest expenses capitalized as asset costs	145,665	58,325	-	-
Changes in minority interest's equity from increase of investments in subsidiaries	-	(42,550)	-	-
Transferred property, plant and equipment to real estate development costs	-	32,570	-	-
Reclassified other long-term investment to other current assets	-	751	-	-
Reclassified land awaiting for transfer from property, plant and equipment to non-current assets	-	100	-	-
Appropriated for legal reserve from retained earnings	19,580	4,800	19,580	4,800

4.2 Cash and cash equivalents as at October 31, 2011 and 2010 are as follows:

Type of transactions	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
Cash	4,068	8,740	2,192	977
Savings accounts deposits	248,891	144,729	36,072	7,501
Current accounts deposits	27,967	49,755	4,468	5,036
Total	<u>280,926</u>	<u>203,224</u>	<u>42,732</u>	<u>13,514</u>

5. TRANSACTIONS WITH RELATED PARTIES

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

5.1 Significant balances with related parties are as follows:

Type of balances	Consolidated		Unit : Million Baht Separate	
	Financial Statements		Financial Statements	
	As at October 31, 2011	2010	As at October 31, 2011	2010
Trade accounts receivable				
Subsidiaries	-	-	31.45	29.66
Related companies	0.10	3.26	-	-
Total	<u>0.10</u>	<u>3.26</u>	<u>31.45</u>	<u>29.66</u>
Short-term loans to related parties				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,357.00</u>	<u>1,375.00</u>
Accrued dividend receivable from subsidiary				
Subsidiary	<u>-</u>	<u>-</u>	<u>216.51</u>	<u>108.26</u>
Other current assets				
Subsidiaries	-	-	16.59	15.37
Related companies	0.43	0.01	0.17	0.01
Total	<u>0.43</u>	<u>0.01</u>	<u>16.76</u>	<u>15.38</u>
Trade accounts payable				
Subsidiaries	-	-	22.31	27.99
Related companies	0.07	-	-	-
Total	<u>0.07</u>	<u>-</u>	<u>22.31</u>	<u>27.99</u>
Short-term loans from related parties				
Subsidiaries	<u>-</u>	<u>-</u>	<u>982.50</u>	<u>450.00</u>

Type of balances	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at October 31,		As at October 31,	
	2011	2010	2011	2010
Other accrued expenses				
Subsidiaries	-	-	3.12	2.03
Related companies	0.08	1.09	0.04	0.04
Total	0.08	1.09	3.16	2.07
Accounts payable for purchases of assets				
Related companies	10.81	0.30	7.66	-
Other accounts payable				
Subsidiaries	-	-	19.14	5.52
Related companies	2.73	0.86	0.70	0.80
Total	2.73	0.86	19.84	6.32
Other current liabilities				
Subsidiaries	-	-	10.06	12.57
Related companies	1.02	20.88	1.00	0.02
Total	1.02	20.88	11.06	12.59
Other non-current liabilities - others				
Subsidiaries	-	-	0.53	0.62
Related companies	0.77	0.74	0.77	0.74
Total	0.77	0.74	1.30	1.36

As at October 31, 2011 and 2010, short-term loans to related parties represented promissory notes payable on demand, carrying interest rates at 3.20% - 3.75% per annum and 1.57% - 2.13% per annum, respectively.

As at October 31, 2011 and 2010, short-term loans from related parties represented promissory notes payable on demand, carrying the interest rate at 3.20% - 3.75% per annum and 1.57% - 2.13% per annum, respectively.

5.2 Significant transactions with related parties for the years ended October 31, 2011 and 2010, are as follows:

Type of transactions	Unit : Million Baht			
	Consolidated Financial Statements For the years ended October 31,		Separate Financial Statements For the years ended October 31,	
	2011	2010	2011	2010
Revenues from sales and services				
Subsidiaries	-	-	1,525.12	275.78
Related companies	149.97	325.23	46.92	45.44
Total	<u>149.97</u>	<u>325.23</u>	<u>1,572.04</u>	<u>321.22</u>
Cost of sales and services				
Subsidiaries	-	-	909.47	1,428.29
Related companies	17.53	3.77	9.88	1.23
Total	<u>17.53</u>	<u>3.77</u>	<u>919.35</u>	<u>1,429.52</u>
Other income				
Subsidiaries	-	-	284.09	175.70
Related companies	2.85	5.24	2.64	2.53
Total	<u>2.85</u>	<u>5.24</u>	<u>286.73</u>	<u>178.23</u>
Selling expenses				
Subsidiaries	-	-	20.22	9.32
Related companies	1.21	1.29	-	-
Total	<u>1.21</u>	<u>1.29</u>	<u>20.22</u>	<u>9.32</u>
Administrative expenses				
Subsidiaries	-	-	0.16	0.74
Related companies	10.45	8.21	2.02	1.94
Related juristic person	10.57	9.73	9.41	8.55
Total	<u>21.02</u>	<u>17.94</u>	<u>11.59</u>	<u>11.23</u>
Financial costs				
Subsidiaries	-	-	9.36	2.88

POLICIES OF INTER-PRICE SETTING

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

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

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

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.

6. TEMPORARY INVESTMENTS - NET

Temporary investments - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		Financial Statements	
	2011		As at October 31,	
	2011	2010	2011	2010
Fixed deposits with maturity not over 12 months	21	5,729	-	5,708
Total	21	5,729	-	5,708

7. TRADE ACCOUNTS RECEIVABLE - NET

Trade accounts receivable - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		Financial Statements	
	2011		As at October 31,	
	2011	2010	2011	2010
Related parties	6,744	3,256	31,459	29,659
Others	767,609	555,069	211,262	114,500
Total trade accounts receivable	774,353	558,325	242,721	144,159
<u>Less</u> Allowance for doubtful accounts	(7,205)	(9,559)	-	-
Trade accounts receivable - net	767,148	548,766	242,721	144,159

Aging analysis for trade accounts receivable are as follows:

7.1 Trade accounts receivable - related parties

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		Financial Statements	
	2011		As at October 31,	
	2011	2010	2011	2010
Domestic trade accounts receivable				
Not yet due	4,673	3,005	31,459	29,659
Overdue not over 3 months	2,071	251	-	-
Total	6,744	3,256	31,459	29,659

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

7.2 Trade accounts receivable - others

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at October 31,		As at October 31,	
	2011	2010	2011	2010
Domestic accounts receivable				
Not yet due	554,765	465,754	88,842	114,500
Overdue not over 3 months	76,486	63,833	385	-
Overdue over 3 months but not over 6 months	2,189	11,269	-	-
Overdue over 6 months but not over 9 months	-	3,699	-	-
Overdue over 9 months but not over 12 months	-	10,514	-	-
Over 12 months	8,095	-	-	-
Total	<u>641,535</u>	<u>555,069</u>	<u>89,227</u>	<u>114,500</u>
Foreign accounts receivable				
Not yet due	126,074	-	122,035	-
Total	<u>126,074</u>	<u>-</u>	<u>122,035</u>	<u>-</u>
Total trade accounts receivable	767,609	555,069	211,262	114,500
<u>Less</u> Allowance for doubtful accounts	<u>(7,205)</u>	<u>(9,559)</u>	<u>-</u>	<u>-</u>
Net	<u>760,404</u>	<u>545,510</u>	<u>211,262</u>	<u>114,500</u>

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

8. FARMER ACCOUNTS RECEIVABLE - NET

Farmer accounts receivable - net consisted of:

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at October 31,		As at October 31,	
	2011	2010	2011	2010
Cane accounts receivable				
Before season 2007/2008	42,286	57,186	-	-
Season 2007/2008	4,508	6,475	-	-
Season 2008/2009	525	1,358	77	77
Season 2009/2010	4,670	5,935	3,162	3,184
Season 2010/2011	19,895	-	3,621	-
Total cane accounts receivable	<u>71,884</u>	<u>70,954</u>	<u>6,860</u>	<u>3,261</u>
Advance payment for purchases of cane				
Season 2010/2011	-	106,772	-	80,229
Season 2011/2012	132,225	28,555	132,225	28,555
Total advance payment for purchases of cane	<u>132,225</u>	<u>135,327</u>	<u>132,225</u>	<u>108,784</u>
Receivables from fuel oil, fertilizer and other services	3,406	27,868	-	22,526
Total	207,515	234,149	139,085	134,571
<u>Less</u> Allowance for doubtful accounts	<u>(52,953)</u>	<u>(64,075)</u>	<u>(5,162)</u>	<u>-</u>
Farmer accounts receivable - net	<u>154,562</u>	<u>170,074</u>	<u>133,923</u>	<u>134,571</u>

9. SHORT-TERM LOANS TO FARMERS AND OTHERS

Short-term loans to farmers and others consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		Financial Statements	
	2011	2010	As at October 31,	2010
Short-term loans to farmers	716,284	454,336	201,256	134,332
Short-term loans to others	12,000	-	12,000	-
	<u>728,284</u>	<u>454,336</u>	<u>213,256</u>	<u>134,332</u>

As at October 31, 2011 and 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 October 31,		Financial Statements	
	2011	2010	As at October 31,	2010
Sugar and molasses	1,692,849	850,222	908,852	416,920
Alcohol and bio-fertilizer	201,056	174,683	-	-
Wheat flour	462,826	223,586	-	-
Polypropylene bags	11,404	20,981	-	-
Palm oil	253,644	179,339	-	-
Factory supplies	382,749	151,986	48,486	63,340
	<u>3,004,528</u>	<u>1,600,797</u>	<u>957,338</u>	<u>480,260</u>
<u>Less</u> Allowance for obsolete goods and factory supplies	(3,179)	(668)	(2,490)	-
Allowance for diminution in value of inventories	(69,093)	(4,368)	(5,897)	-
Inventories - net	<u>2,932,256</u>	<u>1,595,761</u>	<u>948,951</u>	<u>480,260</u>

Movements of the allowance for diminution in value of inventories for the years ended October 31, 2011 and 2010 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		As at October 31,	
	2011	2010	2011	2010
Beginning balance	(4,368)	-	-	-
<u>Add</u> Reserve for allowance for diminution in value of inventories	(69,093)	(4,368)	(5,897)	-
<u>Less</u> Reversal of allowance for diminution in value of inventories	4,368	-	-	-
Ending balance	<u>(69,093)</u>	<u>(4,368)</u>	<u>(5,897)</u>	<u>-</u>

Cost of inventories were recognized as expenses in consolidated financial statements for the years ended October 31, 2011 and 2010 of Baht 11,416.43 million and Baht 9,116.13 million, respectively.

Cost of inventories were recognized as expenses in separate financial statements for the years ended October 31, 2011 and 2010 of Baht 4,989.41 million and Baht 4,705.61 million, respectively.

11. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE - NET

Investments in subsidiaries and an associate - net consisted of:

Consolidated Financial Statements					Unit : Thousand Baht					
Company Name	Paid-Up		Percentage of		As at October 31, 2011			As at October 31, 2010		
	Share Capital		Shareholding		Investment			Investment		
	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	45,819	163	73,800	55,150	-
Total					<u>73,800</u>	<u>45,819</u>	<u>163</u>	<u>73,800</u>	<u>55,150</u>	<u>-</u>

Unit : Thousand Baht

Separate Financial Statements

Company Name	Paid-up		Percentage of		Investment Cost		Dividends	
					As at	As at	For the year ended	For the year ended
	share Capital		Shareholding	%	October 31,	October 31,	October 31,	October 31,
	2011	2010	%	%	2011	2010	2011	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					73,800	73,800	163	-
<u>Subsidiaries</u>								
Thai Sugar Terminal Public Company Limited **	132,000	132,000	23.82	23.82	81,967	81,967	7,545	-
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-
Tamaka Sugar Industry Company Limited	600,000	600,000	90.21	90.21	523,337	523,337	216,515	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	0.10	0.10	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					5,238,724	5,085,737	224,060	108,350
<u>Less</u> Allowance for impairment of investments					(5,884)	(57,313)	-	-
Total investments in subsidiaries - net					5,232,840	5,028,424	224,060	108,350
Investments in subsidiaries and associate - net					5,306,640	5,102,224	224,223	108,350

* These foreign subsidiaries have been 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 audited by other auditors.

Movements of investments for the years ended October 31, 2011 and 2010 are as follows:

	Unit : Thousand Baht	
	Separate Financial Statements	
	For the years ended October 31,	
	2011	2010
Beginning book value	5,102,224	4,273,319
Additional investment		
Wynn In Trading Co., Ltd.	150,487	-
KSL Chemicals Company Limited	2,500	-
New Krung Thai Sugar Factory Company Limited	-	395,625
Khon Kaen Alcohol Company Limited	-	58,500
KSL. Agro & Trading Company Limited	-	10,000
Savannakhet Sugar Corporation	-	162,239
Koh Kong Sugar Industry Co., Ltd.	-	164,379
Capital payback		
T S Flour Mill Public Company Limited	-	(196)
<u>Add</u> Reversal of allowance for impairment of investment	51,429	38,358
Ending book value	<u>5,306,640</u>	<u>5,102,224</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 million to USD 8 million for reduction in the Company's deficit and an increase in the authorized share capital from USD 8 million to USD 20 million. Such subsidiary registered the decrease in share capital on June 14, 2011 and the increase in share capital on August 4, 2011.

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

	Unit : Million Baht		
	As at October 31, 2011		As at October 31, 2010
	Before elimination of related transactions	After elimination of related transactions	Before elimination of related transactions
Total Assets	4,200.42	4,132.41	4,315.86

	For the year ended		Unit : Million Baht
	October 31, 2011		For the year ended
	Before elimination	After elimination	October 31, 2010
	of related	of related	Before elimination
	transactions	transactions	of related
			transactions
Total revenues	1,166.25	815.14	282.56
Total net loss	105.91	83.32	419.43

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

	As at October 31, 2011		Unit : Million Baht
	Before elimination		As at October 31, 2010
	of related	of related	Before elimination
	transactions	transactions	of related
			transactions
Total Assets	2,946.13	2,944.80	2,558.24

	For the year ended		Unit : Million Baht
	October 31, 2011		For the year ended
	Before elimination	After elimination	October 31, 2010
	of related	of related	Before elimination
	transactions	transactions	of related
			transactions
Total revenues	2,224.10	2,170.59	1,489.12
Total net profit	142.97	97.63	50.77

The financial statements of Champion Fermentation Co., Ltd. and its subsidiaries, an associate, which were accounted by equity method, were prepared by such company's management which have audited by other auditors. The Company recognized profit sharing of investment in such associate in the consolidated statement of income.

		For the years ended	
		October 31,	October 31,
		2011	2010
Recognized profit (loss) sharing	Million Baht	(9.17)	6.35
Percentage of total net profit (loss)	%	(0.45)	8.27

12. OTHER LONG-TERM INVESTMENTS - NET

Other long-term investments - net consisted of:

Company Name	Type of Business	Paid-Up Share Capital	Percentage of Holding (%)				Unit : Thousand Baht				
			Consolidated		Separate		Consolidated		Separate		
			Financial Statements		Financial Statements		Financial Statements		Financial Statements		
			As at October 31, 2011		As at October 31, 2010		As at October 31, 2011		As at October 31, 2010		
12.1 Available-for-sale securities											
Investment in debt securities											
-	Subordinated debenture						-	4,000	-	-	
Investment in marketable equity securities											
-	Bangkok Bank Public Co., Ltd.						-	158	-	158	
-	Ratchaburi Egco Holding Public Co., Ltd.						-	792	-	792	
-	Finansa Public Co., Ltd.						-	50	-	50	
-	Land and House Public Co., Ltd.						1,594	1,594	-	-	
-	TPI Polene Public Co., Ltd.						2,722	2,722	-	-	
	<u>Add</u> Unrealized gain on available-for-sale securities						(2,113)	481	-	2,270	
							<u>2,203</u>	<u>9,797</u>	<u>-</u>	<u>3,270</u>	
12.2 General Investments											
-	Thai Cane and Sugar Corp. Ltd.	Export Agent	20,000	3.93	3.93	1.61	1.61	787	787	323	323
-	Thai Sugar Miller Co., Ltd.	Marketing Information Service	109	8.00	8.00	2.00	2.00	8	8	2	2
							<u>795</u>	<u>795</u>	<u>325</u>	<u>325</u>	
12.3 Investment in held-to-maturity debt											
	Bonds						14,237	14,775	6,296	6,296	
	<u>Less</u> Accumulated amortization						(136)	(125)	(29)	(11)	
	<u>Less</u> Current portion						-	(751)	-	-	
							<u>14,101</u>	<u>13,899</u>	<u>6,267</u>	<u>6,285</u>	
	Total other long-term investments - net						<u>17,099</u>	<u>24,491</u>	<u>6,592</u>	<u>9,880</u>	

As at October 31, 2011 and 2010, bonds at book value in the consolidated financial statements amounts of Baht 14.10 million and Baht 14.65 million, respectively, and in the separate financial statements amounts of Baht 6.27 million and Baht 6.29 million, respectively, have been pledged as guarantee for electricity usage with the Provincial Electricity Authority.

13. DEFERRED CANE PLANTATION COSTS - NET

Movements of deferred cane plantation costs for the years ended October 31, 2011 and 2010 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	For the years ended		Financial Statements	
	October 31,		For the years ended	
	2011		October 31,	
	2010		2011	
	2010		2010	
Beginning book value - net	831,654	689,763	73,369	46,795
Additional costs during the year				
- Costs of cane plantation	393,559	400,192	72,176	83,102
- Transfers of depreciation	103,206	99,038	1,719	900
Accumulated cost of cane planted	1,328,419	1,188,993	147,264	130,797
- Amortization of cane plantation costs during the year	(519,468)	(146,319)	(88,457)	(57,428)
- Written off	-	(583)	-	-
Ending book value	808,951	1,042,091	58,807	73,369
Loss from value impairment	(6,279)	(10,708)	-	-
Loss from damaged cane	(90,300)	(151,315)	(18,017)	-
Currency translation differences	12,117	(48,414)	-	-
Ending book value - net	724,489	831,654	40,790	73,369

The Company and its subsidiaries recorded 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 by the climate of plantation area which has an impact to the quantity and quality of cane products.

As at October 31, 2011 and 2010, certain deferred cane plantation costs of Baht 669.87 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 164.23 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 32.1.
- For the second subsidiary, amounting to Baht 505.64 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 32.2.

14. LOANS FOR CANE PLANTATION DEVELOPMENT - NET

Loans for cane plantation development - net consisted of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		As at October 31,	
	2011	2010	2011	2010
Loans for cane plantation development	478,725	247,437	49,338	21,651
<u>Less</u> Current portion of loans for cane plantation development	<u>(107,612)</u>	<u>(45,647)</u>	<u>(26,384)</u>	<u>(7,217)</u>
Total	371,113	201,790	22,954	14,434
<u>Less</u> Allowance for doubtful debts	<u>(10,721)</u>	<u>(5,787)</u>	-	-
Loans for cane plantation development - net	<u>360,392</u>	<u>196,003</u>	<u>22,954</u>	<u>14,434</u>

As at October 31, 2011 and 2010, the consolidated and separate financial statements included loans for cane plantation development of Baht 36.65 million and Baht 21.65 million, respectively, which are loans provided to three and two other companies for purchases of agricultural machineries for planting for a foreign subsidiary for periods of 3 - 4 years, carrying interest rate at MLR+1.00 per annum and 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 October 31, 2011 and 2010, the remaining loans for cane plantation development 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 - 8 years and 1 - 10 years, respectively, or longer. Loans carry interest rates of 5.50% - 8.50% and 5.00% - 10.00% per annum, respectively, which the farmers mostly use land and vehicles as collateral.

15. 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 October 31,		As at October 31,	
	2011	2010	2011	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	<u>(49,950)</u>	<u>(49,950)</u>	<u>(24,601)</u>	<u>(24,601)</u>
Stabilization function payments Season 2008/2009	(55,902)	(55,902)	(25,291)	(25,291)
Stabilization function payments Season 2009/2010	<u>(50,229)</u>	-	<u>(21,926)</u>	-
Other accounts receivable - net	88,871	139,100	60,952	82,878
<u>Less</u> Current portion	<u>(88,871)</u>	<u>(50,246)</u>	<u>(60,952)</u>	<u>(21,973)</u>
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 October 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.

On January 9, 2008, the Office of The Cane and Sugar Board issued the Letter No. Or Gor 0602/Wor 72 informing the Cabinet resolution approving payment for compensation the difference between final and initial of cane price and sugar production and distribution compensation for the production season 2006/2007 to the Company and its subsidiaries which was calculated from the difference of compensation rate of final sugar production and distribution which was lower than initial price multiplied by the volume of cane going into the production process. In accordance to the Minutes of the Cane and Sugar Board's meeting No. 3/2551 held on March 4, 2008, it resolved to make payment for compensation of sugar production and distribution as a factory credit and The Cane and Sugar Fund would gradually repay from the collections from cane and sugar industry. In accordance to the Minutes of the Cane and Sugar Board's meeting No. 4/2551 held on April 3, 2008, it approved the collection of stabilization function payment for the miller compensation for the period of 5 years. On September 7, 2009, 3 sugar millers associations issued the Letter No. Sor Thor. 035/2552 asking the Cane and Sugar Fund to consider making the full payment of the compensation for sugar production and distribution for the production season 2006/2007 to the sugar millers simultaneously. However, the Cane and Sugar Fund announced to net off the stabilization function payment for the production seasons 2007/2008 and 2008/2009 at the amount equivalent to the outstanding amount divided by 5 years. The Company and its subsidiaries net off the stabilization function payment for the said production with other accounts receivable - compensation for sugar production and distribution, as at October 31, 2010, in the consolidated financial statements of Baht 105.85 million, and in the separate financial statements of Baht 49.89 million, and reclassified the current portion of other accounts receivable - compensation for sugar production and distribution according to the outstanding stabilization function payment for the latest production season being paid to the Office of the Cane and Sugar Fund.

16. PROPERTY, PLANT AND EQUIPMENT - NET

Movements of property, plant and equipment for the years ended October 31, 2011 are as follows:

Unit : Thousand Baht

	Consolidated Financial Statements							Total
	Land	Land Improvement	Building and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	
Cost :								
As at October 31, 2010	900,592	732,125	2,858,495	8,652,609	889,646	180,522	6,411,128	20,625,117
Reclassify and adjust	3,589	60,731	(112)	(406,117)	(1,279)	415	70,986	(271,787)
Purchases	82,672	22,329	45,377	102,544	82,914	20,385	1,614,310	1,970,531
Transfer in	314	132,299	2,092,482	3,782,320	14,478	2,160	-	6,024,053
Disposals/written off	(251)	-	(48,609)	(79,239)	(19,060)	(1,758)	(15,972)	(164,889)
Transfer out	-	-	-	-	-	-	(6,024,053)	(6,024,053)
Translation of financial statements differences	-	10,647	10,279	25,877	6,787	281	374	54,245
As at October 31, 2011	986,916	958,131	4,957,912	12,077,994	973,486	202,005	2,056,773	22,213,217
Accumulated depreciation :								
As at October 31, 2010	-	(94,980)	(1,013,065)	(4,660,433)	(587,001)	(122,948)	-	(6,478,427)
Reclassify and adjust	-	(60,731)	112	372,726	2,160	(10)	-	314,257
Depreciation for the year	-	(46,910)	(111,114)	(475,335)	(95,245)	(19,855)	-	(748,459)
Disposals/written off	-	-	6,055	79,046	14,639	1,529	-	101,269
Translation of financial statements differences	-	(1,412)	(607)	(350)	(3,046)	(105)	-	(5,520)
As at October 31, 2011	-	(204,033)	(1,118,619)	(4,684,346)	(668,493)	(141,389)	-	(6,816,880)
Differences on revaluation of assets :								
As at October 31, 2010	1,261,000	-	1,078,125	3,794,797	4,658	-	-	6,138,580
Reclassify and adjust	90	-	-	(450,716)	-	-	-	(450,626)
Disposals	-	-	(462)	(43,668)	-	-	-	(44,130)
As at October 31, 2011	1,261,090	-	1,077,663	3,300,413	4,658	-	-	5,643,824
Accumulated depreciation - differences on revaluation of assets:								
As at October 31, 2010	(47,417)	-	(360,342)	(1,969,291)	(4,658)	-	-	(2,381,708)
Reclassify and adjust	-	-	(26)	160,013	-	-	-	159,987
Depreciation for the year	-	-	(61,586)	(233,312)	-	-	-	(294,898)
Disposals	-	-	30	20,721	-	-	-	20,751
As at October 31, 2011	(47,417)	-	(421,924)	(2,021,869)	(4,658)	-	-	(2,495,868)
Allowance for impairment of assets :								
As at October 31, 2010	(17,581)	-	(9,282)	(6,254)	-	-	-	(33,117)
As at October 31, 2011	(17,581)	-	(9,282)	(6,254)	-	-	-	(33,117)
Net book value :								
As at October 31, 2010	2,096,594	637,145	2,553,931	5,811,428	302,645	57,574	6,411,128	17,870,445
As at October 31, 2011	2,183,008	754,098	4,485,750	8,665,938	304,993	60,616	2,056,773	18,511,176
Depreciation for the years ended October 31,								
2011								645,253
2010								392,548

Unit : Thousand Baht

	Separate Financial Statements							Total
	Land	Land Improvement	Building and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in progress	
Cost :								
As at October 31, 2010	264,772	33,677	838,688	2,536,937	324,289	62,780	60,823	4,121,966
Reclassify and adjust	27,585	-	-	-	-	-	-	27,585
Purchases	62,959	315	865	20,007	13,851	7,714	182,381	288,092
Transfer in	315	-	1,000	65,624	-	-	-	66,939
Disposals/written off	-	-	(93,779)	(93,495)	(11,564)	(552)	-	(199,390)
Transfer out	-	-	-	-	-	-	(66,939)	(66,939)
As at October 31, 2011	355,631	33,992	746,774	2,529,073	326,576	69,942	176,265	4,238,253
Accumulated depreciation :								
As at October 31, 2010	-	(9,483)	(413,505)	(1,688,567)	(297,247)	(53,057)	-	(2,461,859)
Depreciation for the year	-	(1,372)	(11,728)	(152,607)	(12,049)	(3,879)	-	(181,635)
Disposals/written off	-	-	9,460	48,759	11,563	539	-	70,321
As at October 31, 2011	-	(10,855)	(415,773)	(1,792,415)	(297,733)	(56,397)	-	(2,573,173)
Differences on revaluation of assets :								
As at October 31, 2010	316,434	-	451,478	791,504	-	-	-	1,559,416
Disposals/written off	-	-	-	(12,782)	-	-	-	(12,782)
As at October 31, 2011	316,434	-	451,478	778,722	-	-	-	1,546,634
Accumulated depreciation - differences on revaluation of assets:								
As at October 31, 2010	-	-	(76,820)	(366,683)	-	-	-	(443,503)
Depreciation for the year	-	-	(12,152)	(88,847)	-	-	-	(100,999)
Disposals/written off	-	-	-	4,357	-	-	-	4,357
As at October 31, 2011	-	-	(88,972)	(451,173)	-	-	-	(540,145)
Allowance for impairment of assets :								
As at October 31, 2010	(10,450)	-	(8,705)	(3,817)	-	-	-	(22,972)
(Increase) decrease during the year	-	-	6,288	-	-	-	-	6,288
As at October 31, 2011	(10,450)	-	(2,417)	(3,817)	-	-	-	(16,684)
Net book value :								
As at October 31, 2010	570,756	24,194	791,136	1,269,374	27,042	9,723	60,823	2,753,048
As at October 31, 2011	661,615	23,137	691,090	1,060,390	28,843	13,545	176,265	2,654,885

Depreciation for the years ended October 31,

2011	179,917
2010	134,903

During the year 2011 and 2010, the borrowing costs of Baht 145.67 million and 58.33 million, respectively, in the consolidated financial statements, incurred from borrowings for the projects of 5 and 4 local subsidiaries, respectively, and for the projects of 1 and 2 foreign subsidiaries, respectively. Such borrowing costs are recorded as costs of construction in progress which included in purchases of assets.

As at October 31, 2011 and 2010, land together with structure and machinery at the book value of Baht 834.68 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 18, 21 and 31.5.

As at October 31, 2011 and 2010, buildings and structure and building under construction of three foreign subsidiaries at book values of Baht 652.47 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 32).

As at October 31, 2011 and 2010, assets at cost amounts of Baht 670.67 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 years ended October 31, 2011 and 2010 are as follows:

	Unit : million Baht			
	Consolidated Financial statements For the years ended October 31, 2011 2010		Separate Financial statements For the years ended October 31, 2011 2010	
Depreciation and written off recognized in shareholders' equity	318.28	295.36	109.42	76.59
Effect to statements of income from above depreciation and written off recognized in shareholders' equity				
Profit for the years decrease	318.28	295.36	109.42	76.59
Earnings per share decrease (Unit : Baht)	0.21	0.19	0.07	0.05

17. ASSETS NOT YET USED IN OPERATIONS - NET

Movements of assets not yet used in operations for the years ended October 31, 2011 are as follows:

	Consolidated Financial Statements			Separate Financial Statements		
	Land not used in operation	Machinery and spare parts	Total	Land not used in operation	Machinery and spare parts	Total
	Unit : Thousand Baht					
Cost:						
As at October 31, 2010	347,633	15,796	363,429	125,867	-	125,867
Additional purchases	7,952	-	7,952	-	-	-
Transfer in	23,996	406,216	430,212	-	-	-
Transfer out	(27,585)	(525)	(28,110)	(27,585)	-	(27,585)
As at October 31, 2011	351,996	421,487	773,483	98,282	-	98,282
Accumulated depreciation:						
As at October 31, 2010	-	-	-	-	-	-
Increase during the year	-	(372,705)	(372,705)	-	-	-
As at October 31, 2011	-	(372,705)	(372,705)	-	-	-
Differences on revaluation of assets:						
As at October 31, 2010	-	-	-	-	-	-
Increase during the year	-	403,560	403,560	-	-	-
As at October 31, 2011	-	403,560	403,560	-	-	-
Accumulated depreciation - differences on revaluation of assets:						
As at October 31, 2010	-	-	-	-	-	-
Increase during the year	-	(112,857)	(112,857)	-	-	-
As at October 31, 2011	-	(112,857)	(112,857)	-	-	-
Allowance for impairment on assets :						
As at October 31, 2010	(1,507)	-	(1,507)	-	-	-
As at October 31, 2011	(1,507)	-	(1,507)	-	-	-
Net book values:						
As at October 31, 2010	346,126	15,796	361,922	125,867	-	125,867
As at October 31, 2011	350,489	339,485	689,974	98,282	-	98,282

As at October 31, 2011 and 2010, assets not yet used in operations - net at book values of Baht 292.82 million and Baht 297.19 million, respectively, in the consolidated financial statements, and of Baht 98.28 million and Baht 125.87 million, respectively, in the separate financial statements are land held for business expansion in the future.

As at October 31, 2011 and 2010, a subsidiary had assets not yet used in operations of Baht 15.27 million and Baht 15.79 million, respectively. 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.

As at October 31, 2009, land not used in operations belonging to a subsidiary of Baht 10.25 million was being disputed in the court regarding the right to utilize the land. In July 2010, the case was finalized, which the subsidiary agreed to sell the said land and the adjacent area with the cost of Baht 16.81 million at the selling price of Baht 27.01 million. On October 26, 2010, the subsidiary registered the ownership transfer the adjudicated land and received the payment for the land and obtained net gain of Baht 9.09 million from sale of land.

18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consisted of :

	Unit : Thousand Baht Consolidated Financial Statements As at October 31,	
	2011	2010
Promissory notes	2,804,318	1,455,011
Trust receipts	<u>379,763</u>	<u>447,235</u>
Total	<u>3,184,081</u>	<u>1,902,246</u>

As at October 31, 2011 and 2010, loans from financial institutions include loans in the form of promissory notes with the maturity period ranging from 1 - 6 months at Baht 670.42 million and Baht 722.21 million, respectively. Two foreign subsidiaries borrowed the loans from a commercial bank in Thailand in US Dollar currency carrying floating interest rates at LIBOR+2.00% per annum, the same rate for both years. The remaining loans are in Baht currency, carrying interest rates at 3.30% - 4.60% per annum and 1.65% - 3.50% per annum, respectively.

As at October 31, 2011 and 2010, trust receipts represent the borrowings in Baht currency, carrying interest rates at 4.55% - 4.62% per annum and 2.45% - 2.70% per annum, respectively.

Loans from financial institutions and trust receipts are secured by land with structure, machineries, leasehold right of leased land where the plant is located, and guarantees by the Company and subsidiaries. Short-term loan of a foreign subsidiary utilized the joint collaterals with the ninth to eleventh credit lines of long-term loan as mentioned in Note 21.

19. TRADE ACCOUNTS PAYABLE

Trade accounts payable consisted of:

	Consolidated Financial Statements As at October 31,		Unit : Thousand Baht Separate Financial Statements As at October 31,	
	2011	2010	2011	2010
Related parties	66	-	22,305	27,994
Others				
- Accounts payable - cane purchases	775,166	238,036	379,791	57,116
- Other trade accounts payable	<u>129,856</u>	<u>165,656</u>	<u>12,671</u>	<u>53,258</u>
Total	<u>905,088</u>	<u>403,692</u>	<u>414,767</u>	<u>138,368</u>

As at October 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 Board of Directors approved the issuance of these financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2010/2011. Therefore, the Company and its subsidiaries recorded accounts payable - cane purchases and calculated cost of goods sold and inventories for the year ended October 31, 2011 from the estimate made by the management of the Company and its subsidiaries at cane price of Baht 1,136.49 - 1,256.59 per cane ton with average sweetness level at 10.78 - 12.55 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 recorded by the Company and its subsidiaries as at October 31, 2010.

20. LONG-TERM DEBENTURES - NET

Long-term debentures - net are as follows:

	Unit : Thousand Baht	
	Consolidated Financial Statements/ Separate Financial Statements	
	As at October 31, 2011	As at October 31, 2010
Unsecured senior debt debentures	3,777,978	4,775,580
Less Current portion	(1,779,560)	(999,933)
Net	1,998,418	3,775,647

The Company issued Thai Baht currency debentures which are holder specified, non-subordinated and unsecured bonds at par value of Baht 1,000 per unit to a limited number of investors, with the following details :-

Unit : Thousand Baht

Consolidated Financial Statements/Separate Financial Statements									
As at October 31, 2011									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate Per Annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1	KSL12NA	5 years	November 20, 2012	5.44	500,000	500,000	356	499,644	507,993
2	KSL11NA	3 years	November 18, 2011	5.40	780,000	780,000	35	779,965	783,786
3	KSL127A	3 years	July 24, 2012	4.50	1,000,000	1,000,000	405	999,595	1,003,675
4	KSL139A	3 years 6 months	September 3, 2013	3.35	1,000,000	1,000,000	856	999,144	981,415
5	KSL133A	3 years	March 29, 2013	3.25	500,000	500,000	370	499,630	492,443
Total					3,780,000	3,780,000	2,022	3,777,978	3,769,312
Less Current Portion					(1,780,000)	(1,780,000)	(440)	(1,779,560)	(1,787,461)
Debtentures - Net					2,000,000	2,000,000	1,582	1,998,418	1,981,851

Unit : Thousand Baht

Consolidated Financial Statements/Separate Financial Statements									
As at October 31, 2010									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate Per Annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1	KSL10NA	3 years	November 20, 2010	4.94	1,000,000	1,000,000	67	999,933	1,001,352
2	KSL12NA	5 years	November 20, 2012	5.44	500,000	500,000	750	499,250	524,866
3	KSL11NA	3 years	November 18, 2011	5.40	780,000	780,000	692	779,308	803,906
4	KSL127A	3 years	July 24, 2012	4.50	1,000,000	1,000,000	952	999,048	1,029,947
5	KSL139A	3 years 6 months	September 3, 2013	3.35	1,000,000	1,000,000	1,321	998,679	1,009,892
6	KSL133A	3 years	March 29, 2013	3.25	500,000	500,000	638	499,362	503,619
Total					4,780,000	4,780,000	4,420	4,775,580	4,873,582
Less Current Portion					(1,000,000)	(1,000,000)	(67)	(999,933)	(1,001,353)
Debtentures - Net					3,780,000	3,780,000	4,353	3,775,647	3,872,229

Movements of long-term debentures in the consolidated financial statements and separate financial statements for the years ended October 31, 2011 and 2010 are as follows:

Unit : Thousand Baht

	As at October 31, 2011	As at October 31, 2010
Beginning book value	4,775,580	3,274,853
Increase during the year	-	1,497,566
Redemptions during the year	(1,000,000)	-
Amortized debenture issuance cost	2,398	3,161
Ending book value	<u>3,777,978</u>	<u>4,775,580</u>

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

- The Company shall maintain the debt to 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. (1.5 to 3.1 as at October 31, 2010)
- In case the credit rating of the debentures is lower than the current Company's rating at that time, the Company shall pledge assets as collateral for the debenture holders or proceed to correct the credit rating of the debentures to be at the same level or better than the credit rating of the Company.

- In 2011, the holders of Debenture Set No. 1, symbol “KSL12NA”, approved the changes in certain debt covenants from maintaining the debt-to-equity ratio in the consolidated financial statements at not more than 2.5 : 1 at any time for the entire debenture term and the debt-to-equity ratio as at October 31 of each year at not more than 1.5 : 1 for the entire debenture term, to be maintaining the debts with interest to equity ratio in the consolidated financial statements at not more than 2.5 : 1 at any time for the entire debenture term and debt-to-equity ratio as at October 31 of each year at not more than 2 : 1 for the entire debenture term.

21. LONG-TERM LOANS - NET

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

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		As at October 31,	
	2011	2010	2011	2010
1. Limit Baht 500 million	164,000	332,000	164,000	332,000
2. Limit Baht 2,000 million	1,800,000	1,043,000	-	-
3. Limit Baht 1,000 million	1,000,000	1,000,000	-	-
4. Limit Baht 600 million	310,000	310,000	-	-
5. Limit Baht 140 million	80,000	120,000	-	-
6. Limit Baht 80 million	-	20,000	-	-
7. Limit Baht 200 million	146,000	146,000	-	-
8. Limit Baht 800 million	550,000	725,000	-	-
9. Limit USD 5 million	122,675	149,855	-	-
10. Limit USD 5 million	122,675	149,855	-	-
11. Limit USD 30 million	828,055	899,130	-	-
Total	5,123,405	4,894,840	164,000	332,000
Less Current portion	(1,124,350)	(552,855)	(164,000)	(168,000)
Long-term loans - net	3,999,055	4,341,985	-	164,000

Movements of long-term loans for the years ended October 31, 2011 and 2010 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at October 31,		As at October 31,	
	2011	2010	2011	2010
Beginning balance at book value	4,894,840	2,835,246	332,000	500,000
Increase during the period	957,000	2,563,316	-	-
Repayment during the period	(756,343)	(368,000)	(168,000)	(168,000)
Translation of financial statements differences	27,908	(135,722)	-	-
Ending balance at book value	5,123,405	4,894,840	164,000	332,000

In the consolidated and separate financial statements as at October 31, 2011 and 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 with the grace period of two years, commencing the first installment in December 2011.	<ul style="list-style-type: none"> - Secured by Khon Kean Sugar Industry Public Company Limited - Insurance coverage for structure and machineries at 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 with the grace period of two years, commencing the first installment in March 2012.	
4	Baht 600 million	Repayment of principal at every six-month period for the total of 10 installments at Baht 60.00 million each with the grace period of two years, commencing the first installment in July 2012.	<ul style="list-style-type: none"> - Insurance coverage for merchandise transferring benefit right to the lender, commercial bank (October 31, 2010)
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 as at October 31, 2011 and the subsidiaries as at October 31, 2010 - 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 with 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 maximum 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 with the grace period of two years, commencing the first installment in March 2011.	<ul style="list-style-type: none"> - Secured by Khon Kean Sugar Industry Public Company Limited based on percentage of share holding - Secured by two subsidiaries - Share certificate of a related company holding by shareholders of subsidiary
10	USD 5 million	Repayment of principal at every six-month period for the total of 10 installments at USD 0.50 million with the grace period of two years, commencing the first installment in March 2011.	
11	USD 30 million	Repayment of principal at every six-month period for the total of 10 installments at USD 3.00 million with the grace period of two years, commencing the first installment in June 2011.	

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.

22. SHARE CAPITAL AND WARRANTS

22.1 The 2010 Annual General Shareholders' meeting No. 1/2554 held on February 28, 2011, had a resolution to confirm the allocation of the offering of ordinary shares 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	2011		2010	
	Per Share	Number	Amount	Number	Amount
	Baht	Million Shares	Million Baht	Million Shares	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 during the year	1	1.07	1.07	-	-
As at October 31	1	<u>1,551.07</u>	<u>1,551.07</u>	<u>1,550.00</u>	<u>1,550.00</u>

22.2 The 2009 Annual General Shareholders' meeting No.1/2553 held on February 26, 2010, had the following resolutions:

- Approved the increase of the registered share capital from formerly Baht 1,550.00 million to Baht 1,870.00 million by issuance of 320 million new ordinary shares at the par value of Baht 1.00 each totaling Baht 320.00 million and amending the Company's memorandum of association to correspond with the increase of the registered share capital. The Company has already registered the resolved increase share capital with the Ministry of Commerce on March 24, 2010.
- Approve the issuance and offering of the 170 million warrant units. The warrant not more than 155 million units are offered to the current shareholders of the Company at the ratio of 10 current ordinary shares to 1 unit of warrant at the offering price of Baht 0.00 per unit and not more than 15 million units are offered to the general investors whom purchased the above increase ordinary shares at the ratio of 10 current ordinary shares to 1 unit of warrant at the offering price of Baht 0.00 per unit. The exercise ratio is 1 unit of warrant per 1 ordinary share at the exercise price of Baht 10.00 per share. The Warrant can first be exercised on March 15, 2011 and the last exercise date is March 15, 2013 with the term of 3 years from the issuing date. During the 2011 fiscal year, there are 1,065,175 units of warrants exercised the rights which were allocated to new ordinary shares of 1,065,175 shares. The Company has already registered such increase in share capital with the Ministry of Commerce on December 31, 2011. As at October 31, 2011, the warrants of 153,934,219 units have not yet been exercised.

- Approve to allocate the said capital increased ordinary shares by allocating 150 million shares to issue and offer for sales to the general investors and 170 million shares to support the conversion of the Company's 170 million units of warrant. The Board of Executives is authorized to determine the selling price of the increased ordinary shares to the general investors after considering the weighted average of the Company's share market price for 7-15 working days prior to the date to sell the said shares to the general investors. In the event the Board of Executives determined the selling price of the increased ordinary shares at lower than the market price, the said selling price can be discounted at not more than 5% of the market price with the consideration of the book building and the trading situation of the Stock Exchange of Thailand at that time.

23. DIVIDENDS PAID AND LEGAL RESERVE

Dividends Paid and Legal Reserve	Approved by	Number of shares	Dividends Paid	Dividends Paid	Dividends Paid
		Million shares	Per share	Million Baht	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

In accordance with the Public Limited Company Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until reserve reaches 10% of the authorized share capital and this reserve is not available for distribution as dividends. This legal reserve cannot be used for paying dividends.

In 2011 and 2010, the Company appropriated Baht 19.58 million and Baht 4.80 million of the profit for the year as legal reserve, respectively. As at October 31, 2011 and 2010, the Company's legal reserve reaches 10% of authorized share capital.

24. 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 For the years ended October 31,		Separate Financial Statements For the years ended October 31,	
	2011	2010	2011	2010
For the years ended October 31,	25.53	15.43	8.74	8.17

25. PENALTY FROM SUGAR FUTURE CONTRACTS

In 2010, the Company and its subsidiaries had settled their sugar future contracts because they could not deliver the goods under the contractual terms. The Company and its subsidiaries agreed to pay the differences between contractual price and the price that the counter-parties could purchase from other sources, in the consolidated and separate financial statements, at the amount of Baht 111.96 million and Baht 19.24 million, respectively.

26. INCOME TAX EXPENSES

Income tax for the years 2011 and 2010 is calculated at the rate of 30% and 25% respectively, of profit before tax added back allowances and non-deductible expenses for tax calculation purpose and deducted by non-taxable income.

Income tax of its subsidiary which is a listed in the Stock Exchange of Thailand for the year 2011 is calculated at the rate of 30% and for the year 2010 was calculated at rates of 25% for profit not exceeding Baht 300 million and 30% for profit exceeding Baht 300 million in accordance with the Royal Decree no. 475 (B.E. 2551) dated August 6, 2008, of profit before tax added back allowances and non-deductible expenses for tax calculation purpose and deducted by non-taxable income.

Income tax of other domestic subsidiaries for the years 2011 and 2010, is calculated at the rate of 30% of profit before tax from non-promoted business under investment promotion privileges added back allowances and non-deductible expenses for tax calculation purpose and deducted by non-taxable income.

Income tax of four foreign subsidiaries for the years 2011 and 2010 is calculated at the rates of 3% - 20% of profit for the years from non-promoted business under investment promotion privileges of each jurisdiction.

27. 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 agreements (see Notes 20 and 21).

As at October 31, 2011 and 2010, debt-to-equity ratios presenting in the consolidated financial statements are at 1.25 : 1.00 and 1.33 : 1.00, respectively, and in the separate financial statements are at 1.06 : 1.00 and 1.27 : 1.00, respectively.

28. EXPENSES BY NATURE

The significant expenses by nature for the years ended October 31, 2011 and 2010 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	For the years ended		Financial Statements	
	October 31,		For the years ended	
	2011	2010	2011	2010
Salaries, wages and other employee benefits	829,192	697,454	237,158	224,432
Depreciation	642,873	392,548	179,532	134,976
Fuel costs	220,585	191,070	92,932	117,052
Fees paid to the Office of the Cane and Sugar Fund	812,829	781,849	378,005	308,331
Maintenance expenses	348,142	296,529	106,074	131,331
Transportation expenses	380,036	290,853	138,300	127,938
Raw material and supply used	10,006,305	7,322,171	3,760,089	2,510,418
Purchase finished goods	59,380	230,148	1,000,421	1,497,716
Changes in finished goods and goods in process	(775,612)	(128,099)	(491,932)	45,989
Management benefit expenses	143,201	124,750	32,028	28,588
Loss from investment in derivative instruments	16,767	881,960	51,320	391,123
Penalty from sugar future contracts	-	111,964	-	19,237
Interest expenses	462,754	338,421	210,302	229,762
Other financial expenses	2,498	4,112	2,498	3,532
Reversal impairment loss from investment	-	-	(51,429)	(38,358)
Other operating expenses	831,424	656,561	251,874	147,031
Total	13,980,374	12,192,291	5,897,172	5,879,098

29. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the years attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the years.

For diluted earnings per share, the weighted average number of ordinary shares held by others during the year is adjusted by the number of diluted equivalent ordinary shares, assuming that all diluted equivalent ordinary shares have been converted to ordinary shares. For the years ended October 31, 2011 and 2010, the Company's diluted equivalent ordinary shares are warrants which have been provided to the existing shareholders. The details are as follows:

	Consolidated Financial Statements			Separate Financial Statements		
	For the year ended October 31, 2011			For the year ended October 31, 2011		
	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earning per share Baht	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earning per share Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	1,889,892	1,550,325	<u>1.219</u>	1,124,806	1,550,325	<u>0.726</u>
<u>Effect of diluted equivalent ordinary shares</u>						
Warrants	-	24,067		-	24,067	
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	<u>1,889,892</u>	<u>1,574,392</u>	<u>1.200</u>	<u>1,124,806</u>	<u>1,574,392</u>	<u>0.714</u>
	Consolidated Financial Statements			Separate Financial Statements		
	For the year ended October 31, 2010			For the year ended October 31, 2010		
	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earning per share Baht	Net profit for the year Thousand Baht	Number of shares Thousand Shares	Earning per share Baht
<u>Basic earnings per share</u>						
Profit available to ordinary equity holders	158,699	1,550,000	<u>0.102</u>	95,840	1,550,000	<u>0.062</u>
<u>Effect of diluted equivalent ordinary shares</u>						
Warrants	-	15,595		-	15,595	
<u>Diluted earnings per share</u>						
Profit available to ordinary equity holders by assuming warrant conversion to ordinary shares	<u>158,699</u>	<u>1,565,595</u>	<u>0.101</u>	<u>95,840</u>	<u>1,565,595</u>	<u>0.061</u>

30. DISCLOSURE OF SECTORAL BUSINESS OPERATIONS

Details of the sectoral business operation are as follows:

**Consolidated Financial Statements
For the years ended October 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		Other Businesses		Inter-Transaction		Total						
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2010	2010					
	Thai	Laos	Cambodia	Thai	Laos	Cambodia	Thai	Laos	Thai	Laos	Thai	Laos	Thai	Laos	Thai	Laos	Thai	Laos			
Net revenues from operation - domestic	6,364	-	332	5,228	-	-	679	663	1,014	566	221	136	922	860	1,548	1,632	(4,336)	(3,034)	6,744	6,351	
Net revenues from operation - foreign	9,399	275	514	5,509	33	248	-	-	-	-	-	-	-	-	66	28	(538)	(98)	9,716	5,720	
Total	15,763	275	846	11,037	33	248	679	663	1,014	566	221	136	922	860	1,614	1,660	(4,874)	(3,132)	16,460	12,071	
Profit (loss) from operations	4,450	74	81	2,687	(36)	(84)	115	152	340	215	196	129	189	143	82	558	(351)	(574)	5,176	3,190	
Selling expenses and administrative expenses																			(1,919)	(2,659)	
Finance costs																			(465)	(342)	
Share of profit of investment in an associate (net of income tax)																			(9)	6	
Income tax expense																			(751)	(118)	
Profit for the year																			2,032	77	
Add (Less) Loss (profit) for the year of minority interest																			(142)	82	
Profit for the year of the Company																			1,890	159	
As at October 31, 2011 and 2010																					
Trade accounts receivable - net	594	-	-	297	-	-	26	50	85	75	32	19	104	105	174	202	(241)	(199)	774	549	
Inventories - net	1,659	27	85	915	27	45	180	140	189	-	-	-	475	244	321	225	(4)	-	2,932	1,596	
Property, plant and equipment - net	8,578	1,087	2,093	9,297	884	1,094	902	940	3,826	3,366	1,214	1,091	429	437	911	874	(529)	(113)	18,511	17,870	
Central assets	10,609	240	1,298	3,769	268	744	108	32	171	54	197	60	-	31	114	282	(8,697)	(2,102)	4,040	3,138	
Total Assets	21,440	1,354	3,476	14,278	1,179	1,883	1,216	1,162	4,271	3,495	1,443	1,170	1,008	817	1,520	1,583	(9,471)	(2,414)	26,257	23,153	

31. COMMITMENTS AND CONTINGENT LIABILITIES

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

31.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 3,066.41 million and Baht 2,012.00 million, respectively, and in the separate financial statements amounting to Baht 1,965.06 million and Baht 1,428.71 million, respectively.

31.2 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:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As at	As at	As at	As at
	October 31,	October 31,	October 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	812.46	-	121.07	-

31.3 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) of 20 megawatt at the voltage of 115 kilovolts. From the second year until the year before last, EGAT agrees to buy electricity not less than 80% of electricity volume stipulated in the agreement.
- Agreement dated January 12, 2010, EGAT agrees to buy electricity 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. The subsidiary shall inform EGAT in written not less than 30 days before expiration date of agreement to renew the agreement for other 5 years. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million for offering electricity selling. On October 20, 2010, the subsidiary entered into an amendment to the agreement to temporary sell the electricity of 8 megawatt at the voltage of 22 kilovolts to EGAT from November 25, 2010 to September 30, 2011.

31.4 A subsidiary was granted the electricity generating business concession from the Ministry of Energy (the Concession Granter) on October 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 written 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 electricity generating business at the price determined by the Committee approved by the Cabinet. However, if the said government units do not intend to purchase the electricity generating business and the subsidiary has intended to continue the operation, the Concession Granter may consider to extend the concession term.

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

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

		Unit : Million Baht						
		Consolidated Financial Statements						
		As at October 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 contingent liabilities	THB	-	6,048.16	-	-	4,441.11	-
	Contract to guarantee of debt repayment of other companies							
	for liabilities from loan agreements	THB	175.00	175.00	-	-	-	-
	Contract to guarantee of debt repayment of subsidiary							
	for all contingent liabilities	USD	-	94.06	-	-	133.68	-
Contingent Liabilities								
	Letters of guarantees (not specified credit limit)	THB	-	105.94	-	-	86.75	-
	Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
	Letters of credit and trust receipts	THB	1,484	557.62	926.38	2,934.00	1,017.66	1,916.34
	Letters of credit	USD	10.00	0.56	10.00	21.88	11.88	10.00
Credit Facilities								
	Overdraft and short-term loans	THB	14,420.15	1,993.90	12,426.25	11,336.00	632.80	10,703.20
	Short-term loans	USD	20.50	26.38	0.50	23.00	20.00	3.00
	Joint credit line in short-term loans	THB	2,035.85	57.98	1,977.87	1,285.70	123.81	1,161.89
	Long-term loans	THB	4,194.00	3,904.00	290.00	2,800.00	1,508.00	1,292.00
	Long-term loans	USD	35.00	35.00	-	-	-	-
	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 Baht						
		Separate Financial Statements						
		As at October 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 contingent liabilities	THB	-	6,048.16	-	-	4,441.11	-
	Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	39.06	-	-	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	4,042.15	-	4,042.15	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	2,035.85	57.98	1,977.87	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 from a financial institution providing credit facility to 2 foreign subsidiaries which USD 4.10 million, equivalent to Baht 123.81 million has been utilized.

As at October 31, 2011 and 2010, overdrafts and short-term loans from financial institutions carried interest rate at 2.27% - 4.62% per annum and 1.65% - 3.50% per annum, respectively.

The above credit facilities are partially secured by land with structure, machineries, subsidiary's leasehold right for the land where the factory is located, and share certificates of a related company held by the shareholders of 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 Certain credit facilities, if the facility is utilized, Certain inventories of the Company and its subsidiaries will be used as collateral.

In addition, for joint commitments and long-term loans, the Company and its subsidiaries are required to be complied with certain financial conditions including 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, limitation in increase of the registered share capital, limitation in dividend payment, etc.

31.6 As at October 31, 2011 and 2010, the commitments under the various contracts are as follows:

Unit : Million Baht

Consolidated Financial Statements

	Currency	As at October 31, 2011		As at October 31, 2010	
		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	223.32	67.35	512.76	108.01
Machine and equipment purchase agreements	THB	275.39	90.99	607.54	327.19
	USD	35.81	31.57	17.63	2.42
	JPY	730.00	730.00	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	11.62	10.42	-	-
Materials purchase agreements	THB	235.99	39.37	-	-
	USD	2.68	2.68	-	-

Unit : Million Baht

Separate Financial Statements

	Currency	As at October 31, 2011		As at October 31, 2010	
		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	3.92	2.04	11.37	3.16
Rental agreements	THB	11.62	10.42	-	-

As at October 31, 2011 and 2010, the commitments under rental agreements to be paid in the following years are as follows:

Unit : Thousand Baht

Consolidated Financial Statements

	As at October 31, 2011	As at October 31, 2010
Within one year	3.24	-
Over one year but less than 5 year	7.18	-
Total	<u>10.42</u>	<u>-</u>

32. OTHER SIGNIFICANT INFORMATION

- 32.1 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 October 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.
- 32.2 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 October 31, 2011 and 2010, the subsidiaries have already utilized the area of 10,481 hectares.
- 32.3 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with an outside person to build port and land awaiting development dated May 21, 2007 and June 1, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at October 31, 2011 and 2010, the remaining amount of the advance lease fee paid are USD 456,638 and USD 463,466, respectively.

33. FINANCIAL INSTRUMENTS

Risk management policies

The Company and its subsidiaries possess risks regarding to the change of market interest rate, market currency exchange rate, rates of the related goods' price changing and from non-performance of contractual obligations by counter parties. The Company and its subsidiaries will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company and its subsidiaries do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk on interest rate

Risk on interest rates is derived from the 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 companies manage risk on interest rate by using various methods including loans allocation to gain appropriate balance between fixed and floating interest rate loans and compatible to different activities of the group companies with the details mainly as follows:

Unit : Thousand Baht

Consolidated Financial Statements

As at October 31, 2011

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

Unit : Thousand Baht

Consolidated Financial Statements

As at October 31, 2010

	Fixed Interest Rate		Floating Interest Rate	Total
	Within 1 year	More than 1 year		
		to 5 years		
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				
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 rates

Risks on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and imports of machinery which are transactions denominated in foreign currencies. As at October 31, 2011 and 2010, the significant assets and liabilities denominated in foreign currencies of the Company and its subsidiaries which the risk on exchange rates has not been hedged are as follows:

Currencies	Consolidated Financial Statements				Separate Financial Statements			
	As at		As at		As at		As at	
	October 31, 2011		October 31, 2010		October 31, 2011		October 31, 2010	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	6.85	60.12	-	9.49	3.99	-	-	-
YEN	-	80.24	-	802.09	-	-	-	-
RIEL	519.43	135.48	944.54	161.89	-	-	-	-
LAK	92.99	554.45	-	-	-	-	-	-

As at October 31, 2011 and 2010, the Company and its subsidiaries entered into forward contracts with 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 liabilities in the consolidated and separate financial statements. The opened forward contracts, which due are not over 12 months are as follows:

Currencies	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	192.74	10.90	-	1.00	THB	5,989.37	345.28	-	30.08
YEN	-	400.00	-	-	THB	-	139.54	-	-

Net fair values of financial derivatives of the Company and its subsidiaries are as follows:

Net fair values of forward contracts	Consolidated Financial Statements				Separate Financial Statements			
	As at		As at		As at		As at	
	October 31, 2011		October 31, 2010		October 31, 2011		October 31, 2010	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	(6.17)		0.20				0.06	

Risk on fluctuation of sugar and cane prices

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

For the years ended October 31, 2011 and 2010, the Company and its subsidiaries have accounted for transactions in the financial statements as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Loss from investments in derivative instruments	16.77	881.96	51.32	391.12

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

	Currency	Unit : Million Baht	
		Consolidated/Separate	
		As at October 31, 2011	As at October 31, 2010
Net fair values for commodity swap contracts	USD	0.94	(0.45)
	THB	9.59	-

The fair values of the commodity swap contracts calculated using 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 those contracts on the balance sheet dates.

Credit risk

The Company and its subsidiaries have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans to farmers, loans to related parties and others receivable. However, the Company and its subsidiaries have many receivables and have conservative credit policy including allowance for doubtful accounts. It believes that the risk of default by receivables is low.

34. PROVIDENT FUND

The Company and twelve subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The group companies and their employees monthly contribute to the fund at the rate of 2% of basic salary. The fund, which is managed by Ayudhya Fund Management Co., Ltd. and Siam Commercial Fund Management Co., Ltd., will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2011 and 2010, the Company and its subsidiaries contributed in amounts of Baht 7.85 million and Baht 6.72 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 2.59 million and Baht 2.29 million, respectively, in the separate financial statements.

35. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

Three domestic subsidiaries received 6 investment promotion certificates from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520. The benefits includes the exemption from income tax for profit for the year derived from operations of promoted businesses for the period of 8 years commencing from the date of first receiving operation revenue of promoted businesses. The details are as follows :-

<u>Certificate No.</u>	<u>Sections</u>	<u>Date</u>	<u>Promoted activity types</u>	<u>Commenced date of revenues generated</u>	<u>Expire date</u>
1929(2)/2547	25, 26, 28, 31, 34, 35(3), 36(1) and 36(2)	November 2, 2004	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	January 8, 2006	January 7, 2014
			- Production of biological fertilizers or organic fertilizers	March 30, 2006	January 7, 2014
1062(2)/2552	25, 26, 28, 31, 34, 35(3), 36(1) and 36(2)	January 30, 2009	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	Income not yet derived	
			- Production of biological fertilizers or organic fertilizers	Income not yet derived	
1063(2)/2552	25, 26, 28, 31, 34, 35(3), 36(1) and 36(2)	January 30, 2009	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	Income not yet derived	
			- Production of biological fertilizers or organic fertilizers	Income not yet derived	
1258(2)/2548	25, 26, 28, 31(3), 31(4), 34 and 35(3)	March 29, 2005	- Production of electricity power and steams	December 22, 2006	December 21, 2014
1432(2)/2552	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2) and 35(3)	June 24, 2009	- Production of electricity power steams and water for manufacture	November 30, 2010	November 29, 2018
1657(2)/2552	25, 26, 28, 31(1), 31(3), 31(4) and 34	August 25, 2009	- Production of pure vegetable oil and /or semi-pure vegetable oil	June 5, 2010	June 4, 2018

Furthermore, in accordance with the Promotion Certificate No. 1432(2)/2552, the subsidiary receives the privilege in 50% income tax reduction of the regular rate for the period of 5 years commencing from the expiration date of income tax exemption and under the Promotion Certificate No. 1657(2)/2552, the subsidiary is granted privilege for exemption of import duties for approved machinery and exemption from income tax on dividend on profit from promoted businesses during the period in which the Company is granted exemption from corporate income tax.

Three foreign subsidiaries are granted by 1 foreign investment certificate and tax privilege from Lao People's Democratic Republic and 5 investment certificates from Kingdom of Cambodia which the details are as follows: -

- 1) Foreign Investment Certificate No. 017-06/ Khor Lor Tor includes tax privilege for exemption from income tax for 5 years from the date of first receiving revenue from sales of sugar, thereafter, the subsidiary shall pay income tax at the rate of 20%. The revenue is first derived on July 21, 2010 and will expire on July 20, 2015.
- 2) Foreign Investment Certificate No. 4420/06 Ghor. Wor. Ghor. dated December 15, 2006 and No. 4342/07 Ghor. Wor. Ghor. dated November 20, 2007 issued by the Council for the Development of Cambodia, the subsidiary is granted by tax privilege for exemption from import the duties for machinery for manufacturing and construction materials.
- 3) Foreign Investment Certificate No. 1641/09 Ghor. Wor. Ghor. and No. 1642/09 Ghor. Wor. Ghor. dated July 28, 2009 issued by the Council for the Development of Cambodia, the subsidiary is granted tax privilege for exemption from income tax for the period of 8 years, including priority period commencing from the period when subsidiary is operated (year 2006).

- 4) Tax Exemption Certificate for agriculture-industrial (sugar cane) No. 4511 dated July 29, 2009 issued by the Ministry of Economy and Finance, Cambodia, grants the privilege to charge value-added tax at 0% for sales of sugar cane to manufacture sugar for export. This certificate is valid for the period of 1 year from July 29, 2009 to July 28, 2010.

36. EVENTS AFTER THE BALANCE SHEET DATE

On November 18, 2011, the Debenture Set No. 2, symbol “KSL11NA” totaling Baht 780 million was due. The redemption was fully paid on such date.

On December 16, 2011, the Company issued Thai Baht currency debentures, which are specified holder, non-subordinated, unsecured and non-representative holding, of 1,500,000 units at par value of Baht 1,000, totaling of Baht 1,500 million. The term is 3 years and maturity date is December 16, 2014, carrying interest at 4.05% per annum as approved by the Company’s board of directors in the meeting No.12/2554 held on November 25, 2011.

37. RECLASSIFICATIONS

The consolidated and separate financial statements for the year ended October 31, 2010 have been reclassified to conform to the classifications used in the consolidated and separate financial statements for the year ended October 31, 2011 as follows:

Consolidated financial statements

Transaction	Previously presented as		Reclassified to be presented as	Unit : Million Baht	
					Amount
Balance Sheet					
Available-for-sale securities	Temporary investments - net	Decrease	Other long-term investments - net	Increase	2.43
Advance payment to farmers	Short-term loans to farmers	Decrease	Farmer accounts receivable - net	Increase	157.85
Deposits for tools and equipment	Property, plant and equipment - net	Decrease	Other non-current asset	Increase	139.35
Surplus on revaluation of assets	Deficit on internal restructure of entities under common control	Decrease	Surplus on revaluation of assets	Increase	1,731.47
Surplus on revaluation of assets	Deficit on change in shareholding ratio in subsidiaries	Decrease	Surplus on revaluation of assets	Increase	19.03

Separate financial statements

Transaction	Previously presented as		Reclassified to be presented as	Unit : Million Baht	
					Amount
Balance Sheet					
Advance payment to farmers	Short-term loans to farmers	Decrease	Farmer accounts receivable - net	Increase	131.31
Statement of income					
Reversal of loss on impairment of investments in subsidiaries	Other income	Decrease	Administrative expenses	Increase	38.36

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company’s board of directors on December 27, 2011.