

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month period ended 31 March 2013

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Lam Soon (Thailand) Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Lam Soon (Thailand) Public Company Limited and its subsidiaries as at 31 March 2013, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Lam Soon (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My conclusion is not qualified in respect of this matter.

Other matter

The consolidated statement of financial position of Lam Soon (Thailand) Public Company Limited and its subsidiaries, and the separate statement of financial position of Lam Soon (Thailand) Public Company Limited as at 31 December 2012, presented as comparative information, were audited by another auditor of our firm who expressed an unqualified opinion on those statements, under his report dated 22 February 2013. The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2012 of Lam Soon (Thailand) Public Company Limited and its subsidiaries, and the separate financial statements of Lam Soon (Thailand) Public Company Limited for the same period, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 11 May 2012, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377

Ernst & Young Office Limited
Bangkok: 10 May 2013

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Assets							
Current assets							
Cash and cash equivalents	5	476,288	259,266	508,343	78,920	54,862	220,122
Trade and other receivables	4,6	825,338	901,753	1,070,064	733,809	822,071	987,829
Short-term loans to related parties	4	-	-	-	-	-	-
Inventories	7	1,547,729	1,566,558	1,599,361	788,142	775,711	1,031,793
Other current assets		46,319	57,582	57,091	20,618	18,048	20,963
Total current assets		2,895,674	2,785,159	3,234,859	1,621,489	1,670,692	2,260,707
Non-current assets							
Investments in subsidiaries	8	-	-	-	1,312,491	1,312,491	1,312,479
Investment in associated company	9	-	-	-	-	-	-
Other long-term investments		1,027	1,011	809	1,027	1,011	809
Investment properties	10	52,301	52,487	53,238	11,239	11,658	13,357
Property, plant and equipment	11	1,845,805	1,865,231	1,875,950	626,796	639,101	698,074
Cost of forest land rights and cost of palm plantation	12	260,668	264,913	291,054	257	260	272
Goodwill		196,376	196,376	196,376	-	-	-
Intangible assets	13	13,559	14,353	16,112	2,387	2,693	3,093
Deferred tax assets	3	37,776	36,198	41,116	12,645	11,454	18,739
Other non-current assets		3,191	2,028	2,619	1,582	517	454
Total non-current assets		2,410,703	2,432,597	2,477,274	1,968,424	1,979,185	2,047,277
Total assets		5,306,377	5,217,756	5,712,133	3,589,913	3,649,877	4,307,984

The accompanying notes are an integral part of the financial statements.

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	14	1,586,198	1,688,974	2,200,011	495,000	600,000	1,415,000
Trade and other payables	4,15	340,546	317,492	438,561	355,662	393,875	460,208
Short-term loan from related party	4	50,000	50,000	50,000	-	-	-
Current portion of liabilities under							
finance lease agreements		68	135	1,037	-	-	567
Current portion of long-term loans	17	63,000	67,880	68,080	40,000	40,000	40,000
Income tax payable		92,208	51,113	65,941	26,108	10,913	-
Other current liabilities	16	136,727	182,955	176,594	81,402	112,536	116,046
Total current liabilities		2,268,747	2,358,549	3,000,224	998,172	1,157,324	2,031,821
Non-current liabilities							
Liabilities under finance lease agreements							
- net of current portion		-	-	135	-	-	-
Long-term loans - net of							
current portion	17	5,000	17,140	85,020	5,000	15,000	55,000
Provision for land rental charge		20,468	20,468	20,468	-	-	-
Provision for long-term							
employee benefits	18	81,716	71,788	56,984	49,860	43,887	43,358
Total non-current liabilities		107,184	109,396	162,607	54,860	58,887	98,358
Total liabilities		2,375,931	2,467,945	3,162,831	1,053,032	1,216,211	2,130,179

The accompanying notes are an integral part of the financial statements.

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Shareholders' equity						
Share capital						
Registered						
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000	820,000	820,000
Issued and fully paid-up						
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000	820,000	820,000
Paid-in capital						
Share premium	241,970	241,970	241,970	241,970	241,970	241,970
Premium on treasury stock	5,269	5,269	5,269	5,269	5,269	5,269
Retained earnings						
Appropriated - statutory reserve	103,071	103,071	103,071	82,000	82,000	82,000
Unappropriated	1,413,331	1,259,630	1,049,529	1,388,036	1,284,833	1,029,133
Other components of shareholders' equity	591	579	418	(394)	(406)	(567)
Equity attributable to owners of the Company	2,584,232	2,430,519	2,220,257	2,536,881	2,433,666	2,177,805
Non-controlling interests of the subsidiaries	346,214	319,292	329,045	-	-	-
Total shareholders' equity	2,930,446	2,749,811	2,549,302	2,536,881	2,433,666	2,177,805
Total liabilities and shareholders' equity	5,306,377	5,217,756	5,712,133	3,589,913	3,649,877	4,307,984
	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 31 March 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Profit or loss:				
Revenues				
Sales	1,803,765	1,890,437	1,516,877	1,618,047
Other income	<u>33,779</u>	<u>20,095</u>	<u>28,472</u>	<u>29,543</u>
Total revenues	<u>1,837,544</u>	<u>1,910,532</u>	<u>1,545,349</u>	<u>1,647,590</u>
Expenses				
Cost of sales	1,415,256	1,530,709	1,308,689	1,473,517
Selling expenses	135,949	134,433	81,141	83,745
Administrative expenses	<u>50,441</u>	<u>50,691</u>	<u>33,515</u>	<u>31,909</u>
Total expenses	<u>1,601,646</u>	<u>1,715,833</u>	<u>1,423,345</u>	<u>1,589,171</u>
Profit before finance cost and income tax expenses				
	235,898	194,699	122,004	58,419
Finance cost	<u>(14,962)</u>	<u>(20,480)</u>	<u>(4,841)</u>	<u>(11,952)</u>
Profit before income tax expenses	<u>220,936</u>	<u>174,219</u>	<u>117,163</u>	<u>46,467</u>
Income tax expenses	19 <u>(40,353)</u>	<u>(26,103)</u>	<u>(14,000)</u>	<u>922</u>
Profit for the period	<u>180,583</u>	<u>148,116</u>	<u>103,163</u>	<u>47,389</u>
Other comprehensive income:				
Gain on changes in value of				
available-for-sale investments	16	69	16	69
Income tax effect on changes in value of				
available-for-sale investments	19 <u>(4)</u>	<u>(14)</u>	<u>(4)</u>	<u>(14)</u>
Other comprehensive income for the period	<u>12</u>	<u>55</u>	<u>12</u>	<u>55</u>
Total comprehensive income for the period	<u>180,595</u>	<u>148,171</u>	<u>103,175</u>	<u>47,444</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Profit attributable to:				
Profit of equity holders of the Company	153,661	118,644	<u>103,163</u>	<u>47,389</u>
Profit of non-controlling interests of the subsidiaries	<u>26,922</u>	<u>29,472</u>		
	<u>180,583</u>	<u>148,116</u>		
Total comprehensive income attributable to:				
Profit of equity holders of the Company	153,673	118,699	<u>103,175</u>	<u>47,444</u>
Profit of non-controlling interests of the subsidiaries	<u>26,922</u>	<u>29,472</u>		
	<u>180,595</u>	<u>148,171</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company (Baht)	<u>0.19</u>	<u>0.14</u>	<u>0.13</u>	<u>0.06</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of cash flows

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit before tax	220,936	174,219	117,163	46,467
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	64,143	60,745	21,388	21,446
Reversal of allowance for doubtful accounts	(98)	(382)	-	-
Reversal of reduction of inventory to net realisable value	(1,669)	(491)	-	(1,548)
Gain on disposals of property, plant and equipment	(4,030)	(403)	(61)	(80)
Loss on write off of cost of palm plantation	-	1	-	-
Unrealised loss (gain) on exchange	466	174	(72)	(44)
Dividend received from other company	(4)	-	(4)	-
Provision for long-term employee benefits	10,086	10,111	5,973	6,159
Interest expenses	14,323	18,929	4,434	11,147
Profit from operating activities before changes in operating assets and liabilities	304,153	262,903	148,821	83,547
Decrease (increase) in operating assets				
Trade and other receivables	75,128	182,017	88,247	211,454
Inventories	20,857	(4,691)	(12,431)	34,087
Other current assets	12,102	7,493	(1,756)	2,915
Other non-current assets	(1,163)	304	(1,065)	2
Increase (decrease) in operating liabilities				
Trade and other payables	24,452	(41,955)	(37,844)	74,982
Other current liabilities	(47,103)	(34,766)	(31,260)	(22,685)
Cash paid for long-term employee benefits	(158)	-	-	-
Cash from operating activities	388,268	371,305	152,712	384,302
Cash paid for interest expenses	(12,988)	(19,327)	(4,268)	(11,863)
Cash paid for corporate income tax	(1,811)	(1,026)	(814)	(372)
Net cash from operating activities	373,469	350,952	147,630	372,067

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Dividend received from other company	4	-	4	-
Acquisitions of property, plant and equipment	(38,018)	(50,603)	(8,637)	(4,657)
Increase in cost of palm plantation	(3,446)	(2,075)	-	-
Proceeds from disposals of property, plant and equipment	4,374	475	61	110
Increase in intangible assets	-	(597)	-	(434)
Net cash used in investing activities	(37,086)	(52,800)	(8,572)	(4,981)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(102,274)	(259,506)	(105,000)	(355,000)
Repayment of liabilities under finance lease agreements	(67)	(840)	-	(567)
Repayment of long-term loans	(17,020)	(17,020)	(10,000)	(10,000)
Dividend paid	-	(59)	-	(59)
Net cash used in financing activities	(119,361)	(277,425)	(115,000)	(365,626)
Net increase in cash and cash equivalents	217,022	20,727	24,058	1,460
Cash and cash equivalents at beginning of the period	259,266	508,343	54,862	220,122
Cash and cash equivalents at end of the period	476,288	529,070	78,920	221,582

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of property, plant and equipment that

have not been paid

9,863 31,881 1,303 3,019

Transferred nursery to inventory account

359 572 - -

The accompanying notes are an integral part of the financial statements.

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2013

	Consolidated financial statements						
	Equity attributable to owners of the Company					Other components of shareholders' equity	
	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		Other comprehensive income	Other changes by the owners
				Appropriated - statutory reserve	Unappropriated		
share capital	premium	treasury stock	statutory reserve	Unappropriated	investments in available-for-sale	Surplus from change in shareholding in subsidiary	
Balance as at 1 January 2012							
- as previously reported	820,000	241,970	5,269	103,071	1,010,014	(709)	985
Cumulative effect of the change in accounting policies due to the adoption of income taxes (Note 3)	-	-	-	-	39,515	142	-
Balance as at 1 January 2012							
- as restated	820,000	241,970	5,269	103,071	1,049,529	(567)	985
Total comprehensive income for the period (restated)	-	-	-	-	118,644	55	-
Reversal of prior year dividend	-	-	-	-	3,199	-	-
Balance as at 31 March 2012	820,000	241,970	5,269	103,071	1,171,372	(512)	985

The accompanying notes are an integral part of the financial statements.

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2013

	Consolidated financial statements						
	Equity attributable to owners of the Company					Other components of shareholders' equity	
	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		Other comprehensive income	Other changes by the owners
				Appropriated - statutory reserve	Unappropriated		
share capital	premium	treasury stock	statutory reserve	Unappropriated	investments	in subsidiary	
Balance as at 1 January 2013	820,000	241,970	5,269	103,071	1,225,397	(508)	985
- as previously reported							
Cumulative effect of the change in accounting policies due to the adoption of income taxes (Note 3)	-	-	-	-	34,233	102	-
Balance as at 1 January 2013	820,000	241,970	5,269	103,071	1,259,630	(406)	985
- as restated							
Total comprehensive income for the period	-	-	-	-	153,661	12	-
Reversal of prior year dividend	-	-	-	-	40	-	-
Balance as at 31 March 2013	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>103,071</u>	<u>1,413,331</u>	<u>(394)</u>	<u>985</u>

The accompanying notes are an integral part of the financial statements.

Lam Soon (Thailand) Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity (continued)
 For the three-month period ended 31 March 2013

Separate financial statements

	Issued and		Premium on	Retained earnings	
	paid up	Share premium		treasury stock	Appropriated -
	share capital			statutory reserve	
Balance as at 1 January 2012					
- as previously reported	820,000	241,970	5,269	82,000	1,010,536
Cumulative effect of the change in accounting policies due to the adoption of income tax (Note 3)	-	-	-	-	18,597
Balance as at 1 January 2012 - as restated	820,000	241,970	5,269	82,000	1,029,133
Total comprehensive income for the period (restated)	-	-	-	-	47,389
Reversal of prior year dividend	-	-	-	-	3,199
Balance as at 31 March 2012	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>1,079,721</u>
Balance as at 1 January 2013					
- as previously reported	820,000	241,970	5,269	82,000	1,273,481
Cumulative effect of the change in accounting policies due to the adoption of income tax (Note 3)	-	-	-	-	11,352
Balance as at 1 January 2013 - as restated	820,000	241,970	5,269	82,000	1,284,833
Total comprehensive income for the period	-	-	-	-	103,163
Reversal of prior year dividend	-	-	-	-	40
Balance as at 31 March 2013	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>1,388,036</u>

The accompanying notes are an integral part of the financial statements.

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2013

1. General information

1.1 Corporate information

Lam Soon (Thailand) Public Company Limited is a public company incorporated and domiciled in Thailand. Its major shareholder is Lam Soon Holding Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of palm oil and its registered address is at 64, Soi Bangna-Trad 25, Bangna, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of Lam Soon (Thailand) Public Company Limited (herein after called "the Company") and the financial statements of its subsidiaries (herein after called "the subsidiaries"), which were incorporated in Thailand, and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2012. There have been no changes in the composition of the group during the current period.

1.4 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the accounting records and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3 to the financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012, except for the change in the accounting policies due to the adoption of TAS 12 Income Taxes as follows:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which are published in the Royal Gazette during the period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows:

	<u>Effective date</u>
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TFRIC 1, TFRIC 10 and TFRIC 13, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

3. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.5 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
Statements of financial position						
Increase in deferred tax assets	37,776	36,198	41,116	12,645	11,454	18,739
Increase in other components of shareholders' equity	98	102	142	98	102	142
Increase in unappropriated retained earnings of the Company	35,719	34,233	39,515	12,547	11,352	18,597
Increase in non-controlling interests of the subsidiaries	1,959	1,863	1,459	-	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Statements of comprehensive income				
Profit or loss:				
Decrease in income tax expenses	1,582	1,644	1,195	922
Increase in profit attributable to equity holders of the Company	1,485	1,543	1,195	922
Increase in profit attributable to non- controlling interest of the subsidiaries	97	101	-	-
Increase in basic earnings per share (Baht)	0.002	0.002	0.001	0.001
Other comprehensive income:				
Decrease in gain on changes in value of available-for-sale investments	(4)	(14)	(4)	(14)

4. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	302.1	344.4	Market price on the contract's date
Purchase of goods and services	-	-	196.5	220.1	Market price less fixed margin
Sales of goods and services	-	-	-	0.2	Market price
Rental income	-	-	0.5	0.5	Market price/Contract price
Selling and administrative service income	-	-	16.6	21.5	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	4.9	2.9	-	-	Price approximates market price
Purchase of goods	3.1	6.2	-	-	Selling price less marketing expenses and profit margin
Interest expenses	0.4	0.4	-	-	THBFIX + 0.50% per annum
<u>Transactions with jointly controlled entity of subsidiary</u>					
Land rental income	0.1	-	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	0.2	0.8	-	-	Market price

The balances of accounts as at 31 March 2013 and 31 December 2012 between the Company and the related parties are detailed as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
<u>Trade and other receivables - related parties</u> (Note 6)				
Subsidiary	-	-	17,646	18,547
Associated companies	452	452	-	-
Related companies (related by common shareholders)	24,550	23,935	6	17
Total trade and other receivables - related parties	25,002	24,387	17,652	18,564
Less: Allowance for doubtful accounts	(20,780)	(20,780)	-	-
Total trade accounts receivable - related parties, net	4,222	3,607	17,652	18,564
<u>Short-term loans to related parties</u>				
Associated companies	40,286	40,286	-	-
Related companies (related by common shareholders)	5,325	5,325	-	-
Total short-term loans to related parties	45,611	45,611	-	-
Less: Allowance for doubtful accounts	(45,611)	(45,611)	-	-
Total short-term loans to related parties, net	-	-	-	-
<u>Trade and other payables - related parties</u> (Note 15)				
Subsidiary	-	-	148,904	204,558
Related companies (related by common shareholders)	1,700	8,567	2,884	839
Total trade and other payables - related parties	1,700	8,567	151,788	205,397

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Short-term loans from related party</u>				
Related company (related by common shareholders)	50,000	50,000	-	-
Total short-term loans from related party	50,000	50,000	-	-

As at 31 March 2013 and 31 December 2012, the balance of short-term loans between the Company and the related party and the movement are as follows:

(Unit: Thousand Baht)

Company's name	Related by	Consolidated financial statements		
		Balance as at 31 December 2012	Increase/ (decrease)	Balance as at 31 March 2013
Lam Soon Holding Co., Ltd.	Related company by common shareholders	50,000	-	50,000
Total		50,000	-	50,000

Short-term loans to related parties

Short-term loans to associated and related companies of subsidiary carry interest at a rate of 7% per annum and are repayable on demand. Recognition of interest on these loans as income on an accrual basis has ceased from the date the Central Bankruptcy Court accepted the bankruptcy suits which the subsidiary brought against the associated and related companies. Currently, this case is in state of the Legal Execution Department.

Short-term loans from related party

Short-term loans from related company of subsidiary carry interest at a rate of THBFIX + 0.5% per annum and are repayable on demand.

Selling and administrative service income

On 7 November 2011, the Company and Universal Food Public Company Limited (“UFC”), a subsidiary, entered into a memorandum related to the agency agreement (dated 27 February 2006) whereby both parties agreed to change the terms and conditions on dealer compensation to comply with the general practice in the industry. In addition, the Company and UFC had on 29 December 2011 agreed to extend the agreement for another 5 years, starting from 1 January 2012 and expiring on 31 December 2016.

Directors and management’s benefits

During the three-month periods ended 31 March 2013 and 2012, the Company and its subsidiaries have short-term employee benefits, post-employment benefits and other long-term benefits payable to their directors and management totaling Baht 35.5 million and Baht 33.3 million, respectively (the Company only: Baht 21.5 million and Baht 20.5 million, respectively).

5. Cash and cash equivalents

As at 31 March 2013 and 31 December 2012, cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Cash	2,516	1,644	1,607	825
Bank deposits	273,717	147,676	77,313	54,037
Investment in Bank of Thailand Bond	200,055	109,946	-	-
Total	476,288	259,266	78,920	54,862

As at 31 March 2013, bank deposits in savings account, fixed deposits and investment in Bank of Thailand Bond carried interest between 0.10 and 2.70 percent per annum (31 December 2012: between 0.10 and 2.72 percent per annum).

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	3,249	3,594	-	-
Past due				
Up to 3 months	957	-	-	-
3 - 6 months	-	1	-	-
6 - 12 months	1	12	-	-
Over 12 months	464	452	-	-
Total	4,671	4,059	-	-
Less: Allowance for doubtful accounts	(452)	(452)	-	-
Total trade receivables - related parties, net	4,219	3,607	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	46,801	51,174	46,705	51,174
Cheque returned	13,383	12,839	8,419	7,876
Not yet due	607,072	729,343	558,382	681,796
Past due				
Up to 3 months	150,081	107,636	109,890	70,371
3 - 6 months	7,597	8,474	597	147
6 - 12 months	7,865	478	33	355
Over 12 months	19,870	19,618	2,960	2,617
Total	852,669	929,562	726,986	814,336
Less: Allowance for doubtful accounts	(34,219)	(34,306)	(10,829)	(10,829)
Total trade receivables - unrelated parties, net	818,450	895,256	716,157	803,507
Total trade receivables - net	822,669	898,863	716,157	803,507

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Other receivables</u>				
Other receivables - related parties	3	-	3,425	4,370
Other receivables - unrelated parties	816	1,113	-	-
Accrued income - related parties	-	-	14,227	14,194
Accrued income - unrelated parties	1,329	1,006	-	-
Advances - related parties	20,328	20,328	-	-
Advances - unrelated parties	521	771	-	-
Total	22,997	23,218	17,652	18,564
Less: Allowance for doubtful accounts	(20,328)	(20,328)	-	-
Total other receivables - net	2,669	2,890	17,652	18,564
Total trade and other receivables - net	825,338	901,753	733,809	822,071

7. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the three-month period ended 31 March 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2012	12,452	119
Reversal of the reduction of inventory to net realisable value	(1,669)	-
Balance as at 31 March 2013	10,783	119

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up share capital		Shareholding percentage		Cost	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2013	2012	2013	2012	2013	2012
			Percent	Percent		
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344
Universal Food Public Company Limited	525,000	525,000	98.76	98.76	585,243	585,243
Total					1,333,587	1,333,587
Less: Allowance for diminution in value of investments					(21,096)	(21,096)
Total investments in subsidiaries - net					<u>1,312,491</u>	<u>1,312,491</u>

As at 31 March 2013, the fair value of the investment in United Palm Oil Industry Public Company Limited, calculated based on latest bid price of the shares on the last trading day of the period as quoted on the Stock Exchange of Thailand and in proportion to the Company's shareholding, was approximately Baht 2,652 million.

9. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			31	31	31	31
			March	December	March	December
			(Million Baht)	(Million Baht)	(%)	(%)
Union Fresh Co., Ltd.	Dormant	Thailand	30	30	40	40

Company's name	Consolidated financial statements							
	Cost		Allowance for diminution in value of investment		Carrying amounts based on cost method - net		Carrying amounts based on equity method	
	31	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

10. Investment properties

Movements in the investment property account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Balance as at 31 December 2012	52,487	11,658
Depreciation for the period	(186)	(419)
Balance as at 31 March 2013	<u>52,301</u>	<u>11,239</u>

As at 31 March 2013 and 31 December 2012, the allowance for impairment loss on investment properties - land and building of the subsidiary was Baht 9 million.

11. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Net book value as at 31 December 2012	1,865,231	639,101
Acquisitions during the period - at cost	36,398	8,355
Disposals during the period - net book value at disposal date	(344)	-
Depreciation for the period	(55,831)	(20,660)
Interest capitalised to assets	351	-
Net book value as at 31 March 2013	<u>1,845,805</u>	<u>626,796</u>

During the period, the subsidiary capitalised interest amounting to Baht 0.35 million to the costs of plant enlargement and machinery installation. These borrowing costs arose on loans obtained for general purpose but used in these projects, and were determined based on the weighted average rate of these loans, at 3.45% to 3.49% per annum.

The majority of land and buildings of the subsidiary were mortgaged and pledged with a bank to secure credit facilities granted by bank and letters of guarantees issued by bank.

12. Cost of forest land rights and cost of palm plantation

Movements in the cost of forest land rights and cost of palm plantation account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2012	264,913	260
Acquisitions during the period - at cost	3,446	-
Amortisation for the period	(7,332)	(3)
Transferred to inventory account	(359)	-
Net book value as at 31 March 2013	<u>260,668</u>	<u>257</u>

13. Intangible assets

Movements in the intangible asset account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2012	14,353	2,693
Amortisation for the period	(794)	(306)
Net book value as at 31 March 2013	<u>13,559</u>	<u>2,387</u>

14. Bank overdrafts and short-term loans from financial institutions

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2013	2012	2013	2012	2013	2012
Bank overdrafts	MOR	MOR	-	-	-	-
Short-term loans from financial institutions	2.0 - 4.0	2.0 - 4.0	1,586,198	1,688,974	495,000	600,000
Total			1,586,198	1,688,974	495,000	600,000

There is no collateral on bank overdrafts and short-term loans from financial institutions of the Company and its subsidiary.

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Trade payables - related parties	1,693	7,765	151,485	205,324
Trade payables - unrelated parties	283,477	238,227	181,831	148,033
Other payables - related parties	-	748	-	-
Other payables - unrelated parties	49,884	63,496	18,138	34,753
Advances received from related parties	7	54	303	73
Other payables for purchase of machineries	5,485	7,202	3,905	5,692
Total trade and other payables	340,546	317,492	355,662	393,875

16. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Accrued dividend	3,162	3,141	532	572
Accrued expenses	76,741	114,202	39,057	61,594
Advance income	20,570	22,928	20,570	22,928
Others	36,254	42,684	21,243	27,442
Total other current liabilities	136,727	182,955	81,402	112,536

17. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Long-term loans	68,000	85,020	45,000	55,000
Less: Current portion	(63,000)	(67,880)	(40,000)	(40,000)
Long-term loans - net of current portion	5,000	17,140	5,000	15,000

Movements in the long-term loan account during the three-month period ended 31 March 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2012	85,020	55,000
Less: Repayments during the period	(17,020)	(10,000)
Balance as at 31 March 2013	68,000	45,000

Long-term loans of the subsidiary are secured by the mortgage of land and buildings thereon, as discussed in Note 11, and a negative pledge of machinery of the subsidiary.

The loan agreements contain covenants that, among other things, require the Company and its subsidiary to maintain such as dividend payments, the proportion of shareholding of the major shareholders and the maintenance of certain financial ratios.

18. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for employee retirement benefit	Other long- term employee benefits	Total
Defined benefit obligation at beginning of period	134,633	4,897	139,530
Current service cost	3,122	101	3,223
Interest cost	1,185	27	1,212
Benefits paid during the year	(158)	-	(158)
Defined benefit obligation at end of period	138,782	5,025	143,807
Unrecognised transitional provisions	(59,950)	(2,141)	(62,091)
Provision for long-term employee benefits at end of period	78,832	2,884	81,716

(Unit: Thousand Baht)

	Separate financial statements		
	Provision for employee retirement benefit	Other long- term employee benefits	Total
Defined benefit obligation at beginning of period	77,808	4,897	82,705
Current service cost	1,880	101	1,981
Interest cost	726	27	753
Defined benefit obligation at end of period	80,414	5,025	85,439
Unrecognised transitional provisions	(33,438)	(2,141)	(35,579)
Provision for long-term employee benefits at end of period	46,976	2,884	49,860

Long-term employee benefit expenses included in the profit or loss for the three-month period ended 31 March 2013 amounted to Baht 10.1 million (the Company only: Baht 6.0 million).

19. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2013 and 2012 are made up as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	41,935	27,747	15,195	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,582)	(1,644)	(1,195)	(922)
Income tax expenses reported in the profit or loss	<u>40,353</u>	<u>26,103</u>	<u>14,000</u>	<u>(922)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Deferred tax relating to gain on changes in value of available-for-sale investments	(4)	(14)	(4)	(14)

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Profit for the period attributable to equity holders of the Company (Thousand Baht)	153,661	118,644	103,163	47,389
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.19	0.14	0.13	0.06

21. Operating segment Information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services, and have two reportable segments which these activities are carried on exclusively in the single geographic area of Thailand as follows:

- (1) manufacture and distribution of palm oil products
- (2) manufacture and distribution of processed fruits and vegetables.

During the periods, there were no material activities pertaining to the generation of electricity from biogases segment and the production and distribution of oil palm seeds segment of the Company and its subsidiary. Accordingly, most of the revenues, profit and assets as reflected in these financial statements pertain to the industry segment (1) and geographic area mentioned above.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated on consolidation.

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2013 and 2012.

(Unit: Million Baht)

	Manufacture and distribution				Total segments		Adjustments and		Consolidated	
	Palm oil products		Processed fruits and vegetables				eliminations			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue										
External customers	1,366	1,381	438	509	1,804	1,890	-	-	1,804	1,890
Inter-segment	302	344	196	220	498	564	(498)	(564)	-	-
Total revenue	<u>1,668</u>	<u>1,725</u>	<u>634</u>	<u>729</u>	<u>2,302</u>	<u>2,454</u>	<u>(498)</u>	<u>(564)</u>	<u>1,804</u>	<u>1,890</u>
Results										
Segment profit	324	251	81	108	405	359	(16)	1	389	360
Unallocated income and expenses										
Other income									33	20
Selling expenses									(136)	(134)
Administrative expenses									(50)	(51)
Finance cost									(15)	(21)
Profit before income tax expenses									221	174
Income tax expenses									(40)	(26)
Profit for the period									<u>181</u>	<u>148</u>

22. Commitments and contingent liabilities

As at 31 March 2013, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities.

22.1 Capital commitments

The Company and its subsidiaries had capital commitments relating to the purchase of machineries, equipment, vehicles and construction of buildings amounting to approximately Baht 68.3 million (the Company only: Baht 3.4 million).

22.2 Long-term service commitments

Under the agreement with a foreign shareholder in relation to the use of trademark in the production and distribution of oil palm seed, the jointly controlled entity of a subsidiary is obliged to pay royalty calculated as a percentage of the net annual sales of the products, as defined in the agreement. The jointly controlled entity and such foreign shareholder are also required to comply with conditions stipulated in the contract.

22.3 Operating lease commitments

As at 31 March 2013, the Company and its subsidiaries had commitments relating to lease and service agreements whereby future payments are required in the following amounts:

	<u>Million Baht</u>
Payable within:	
Up to 1 year	14.5
In over 1 and up to 5 years	1.5

22.4 Guarantees

As at 31 March 2013, there were outstanding bank guarantees of approximately Baht 19.9 million issued by the banks on behalf of the Company and its subsidiaries to guarantee electricity usage and others (the Company only: Baht 11.1 million).

22.5 Contingent liabilities

- (1) In January 2006, the Company was sued by the Metropolitan Electricity Authority (MEA) for payment of additional electricity expenses totaling approximately Baht 7.1 million for the 18-month period from 30 June 2002 to 30 November 2003. In October 2005, MEA received Baht 2.9 million from the bank which was guarantor for electricity payment, leaving an outstanding payable amount of Baht 4.2 million. In September 2006, the Civil Court judged that the Company was liable for the electric payment of November 2003 plus interest of approximately Baht 0.5 million to the plaintiff. The Company filed an appeal against the judgment with the Appeal Court. On 16 February 2011, the Appeal Court dismissed this case. However, the Company countersued to recover the guarantee amount from the MEA because the Company did not have any outstanding late electricity payments due to the MEA as per the guarantee issued by the bank, but the claim made was a retrospective claim for additional payments. In October 2006, the Civil Court delivered the judgment ordering the MEA to refund the Baht 2.9 million guarantee plus interest to the Company. In January 2011, the Appeal Court issued a new ruling ordering the MEA to refund Baht 2.5 million to the Company after deducting the electricity fee for the period from 5 to 30 November 2003 of approximately Baht 0.4 million. Currently, the cases are under the consideration of the Supreme Court.
- (2) In 2004, a subsidiary received a letter of invitation from the Agricultural Land Reform Office (ALRO) concerning the issue of land overlapping with ALRO land. On 6 October 2004, the subsidiary attended a fact-finding consultation meeting with the ALRO and handed over various relevant documents for use by ALRO in considering this issue. The result of this matter is not known at this time.
- (3) On 11 April 2008, a subsidiary met with the working committee responsible for reviewing practical methods and negotiations for distributing land belonging to holders of large plots in land reform areas to farmers, which had been set up by the Surat Thani Land Reform Commission. The purpose of meeting was to find a practical solution to the land issue arising as a result of the subsidiary holding land amounting to approximately 1,210 rai in designated forest areas and another 276 rai in land reform areas. These land plots represent 3 percent of the total planted area of the subsidiary. The 276 rai in land reform areas represents a large landholding and a holding in excess of the area that can be owned under Section 30 of the Land Reform for Agriculture Act.

On 29 August 2008, the subsidiary entered into a memorandum of negotiation, agreeing to transfer land in land reform areas to the custody of ALRO for development for agricultural use; with the subsidiary signalling its intention to allow ALRO to take approximately 80 rai of land into the land reform program. However, on 17 September 2009, the subsidiary received notice from ALRO to vacate a total of approximately 133 rai of land in land reform areas and demolish all construction thereon, within 30 days from receipt of the notice, since the subsidiary has no land ownership documents. The cost of this land and the net book value of the palm plantation development on such land amounted to approximately Baht 0.2 million. The subsidiary has already set aside full allowance for impairment loss on the cost of these assets in 2009.

At present, the subsidiary is in the process of negotiating with the relevant government agencies concerning the land in designated forest areas.

- (4) In 2008, the subsidiaries received notification from the Surat Thani Provincial Office of Natural Resources, ordering it to enter into a memorandum of acknowledgement and consent to comply with the conditions of the Forestry Department regulation concerning permission to exploit National Reserved Forest land B.E. 2548, to lodge an application for permission to gather forest produce in accordance with Section 15 of the National Reserved Forest Act B.E. 2507, and to pay official royalty fees at the rate of 10 percent of the market price of oil palm and forest maintenance fees, at a rate of double the official royalty fees, when harvesting the oil palm crops planted.

On 6 August 2009, the subsidiaries entered into a memorandum of acknowledgement and consent to comply with the conditions stipulated by the Forestry Department. On 18 December 2009, the subsidiaries lodged an application for permission to gather forest produce in a National Reserved Forest. At present, the relevant government agencies are processing the application.

23. Financial instruments

23.1 Foreign currency assets and liabilities

The Group's financial assets and liabilities denominated in foreign currencies as at 31 March 2013 are summarised below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 March 2013
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollars	2.6	0.6	29.3085
Euro	0.2	0.1	37.5712

23.2 Forward exchange contracts

As at 31 March 2013, the Company and its subsidiaries had outstanding forward exchange contracts, of which details are presented below.

Foreign currency	Sold amount (Million)	Contractual exchange rate	Maturity date
		of sold amount (Baht per 1 foreign currency unit)	
US dollars	2.1	29.14 - 29.97	In October 2013
Euro	0.1	37.95	In September 2013

As at 31 March 2013, the subsidiary had unrealised gain on exchange in the value of forward exchange contracts to present them at fair value totaling Baht 0.5 million.

23.3 Interest rate swap agreement

The subsidiary entered into an interest rate swap agreement with a lender bank covering a period from January 2009 to February 2014, whereby the subsidiary agreed to swap the floating interest rate of THBFIX plus an applicable margin per annum on Baht 140 million loans for a fixed annual interest rate.

As at 31 March 2013, the subsidiary had unrealised loss on interest rate swap agreement to present it at fair value totaling Baht 0.2 million.

24. Events after the reporting period

24.1 On 26 April 2013, the Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend payment in respect of the 2012 profit to the Company's shareholders at Baht 0.2 per share, totaling Baht 164 million, which will be paid to the shareholders on 17 May 2013. Such dividend will be recorded in the second quarter of 2013.

24.2 On 26 April 2013, the Annual General Meeting of the subsidiary's shareholders passed a resolution to approve a final dividend payment in respect of October to December 2012 profit at Baht 0.3 per share, totaling Baht 97 million, which will be paid to the shareholders on 17 May 2013. Such dividend will be recorded in the second quarter of 2013.

25. Approval of interim financial statements

These interim financial statements were authorised for issue on 10 May 2013 by the Company's audit committees under authority delegated by the board of directors of the Company.