

Lam Soon (Thailand) Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 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 30 September 2013, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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 periods. 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 2 to the financial statements regarding the change in accounting policy as a result of the 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 (before restatement) 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 for the three-month and nine-month periods ended 30 September 2012, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended 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 periods (before restatement) were also reviewed by the aforementioned auditor who concluded, under his report dated 9 November 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: 8 November 2013

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	30 September 2013	31 December 2012	1 January 2012	30 September 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	4	311,691	259,266	508,343	48,597	54,862	220,122
Trade and other receivables	3, 5	811,894	901,753	1,070,064	656,910	822,071	987,829
Short-term loans to related parties	3	-	-	-	-	-	-
Inventories	6	1,355,553	1,566,558	1,599,361	599,231	775,711	1,031,793
Other current assets		29,756	57,582	57,091	12,584	18,048	20,963
<b>Total current assets</b>		<b>2,508,894</b>	<b>2,785,159</b>	<b>3,234,859</b>	<b>1,317,322</b>	<b>1,670,692</b>	<b>2,260,707</b>
<b>Non-current assets</b>							
Investments in subsidiaries	7	-	-	-	1,312,491	1,312,491	1,312,479
Investment in associated company	8	-	-	-	-	-	-
Other long-term investments		873	1,011	809	873	1,011	809
Investment properties	9	51,924	52,487	53,238	10,388	11,658	13,357
Property, plant and equipment	10	1,830,487	1,865,231	1,875,960	615,099	639,101	698,074
Cost of forest land rights and cost of palm plantation	11	251,735	264,913	291,054	251	260	272
Goodwill		196,376	196,376	196,376	-	-	-
Intangible assets	12	13,479	14,353	16,112	3,026	2,693	3,093
Deferred tax assets	2	36,088	36,198	41,116	10,085	11,454	18,739
Other non-current assets		4,104	2,028	2,619	1,618	517	454
<b>Total non-current assets</b>		<b>2,385,066</b>	<b>2,432,597</b>	<b>2,477,274</b>	<b>1,953,831</b>	<b>1,979,185</b>	<b>2,047,277</b>
<b>Total assets</b>		<b>4,893,960</b>	<b>5,217,756</b>	<b>5,712,133</b>	<b>3,271,153</b>	<b>3,649,877</b>	<b>4,307,984</b>

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)

As at 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	30 September 2013	31 December 2012	1 January 2012	30 September 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from							
financial institutions	13	1,289,405	1,688,974	2,200,011	200,000	600,000	1,415,000
Trade and other payables	3, 14	300,839	317,492	438,561	301,550	393,875	460,208
Short-term loan from related party	3	50,000	50,000	50,000	-	-	-
Current portion of liabilities under							
finance lease agreements		-	135	1,037	-	-	567
Current portion of long-term loans	16	33,960	67,880	68,080	25,000	40,000	40,000
Income tax payable		21,680	51,113	65,941	8,257	10,913	-
Other current liabilities	15	145,824	182,955	176,594	96,009	112,536	116,046
<b>Total current liabilities</b>		<b>1,841,708</b>	<b>2,358,549</b>	<b>3,000,224</b>	<b>630,816</b>	<b>1,157,324</b>	<b>2,031,821</b>
<b>Non-current liabilities</b>							
Liabilities under finance lease agreements							
- net of current portion		-	-	135	-	-	-
Long-term loans - net of							
current portion	16	-	17,140	85,020	-	15,000	55,000
Provision for land rental charge		20,468	20,468	20,468	-	-	-
Provision for long-term							
employee benefits	17	78,362	71,788	56,984	38,947	43,887	43,358
<b>Total non-current liabilities</b>		<b>98,830</b>	<b>109,396</b>	<b>162,607</b>	<b>38,947</b>	<b>58,887</b>	<b>98,358</b>
<b>Total liabilities</b>		<b>1,940,538</b>	<b>2,467,945</b>	<b>3,162,831</b>	<b>669,763</b>	<b>1,216,211</b>	<b>2,130,179</b>

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)

As at 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	30 September 2013	31 December 2012	1 January 2012	30 September 2013	31 December 2012	1 January 2012
	(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
<b>Shareholders' equity</b>						
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	1,447,812	1,259,630	1,049,529	1,452,667	1,284,833	1,029,133
Other components of shareholders' equity	469	579	418	(516)	(406)	(567)
Equity attributable to owners of the Company	2,618,591	2,430,519	2,220,257	2,601,390	2,433,666	2,177,805
Non-controlling interests of the subsidiaries	334,831	319,292	329,045	-	-	-
<b>Total shareholders' equity</b>	<b>2,953,422</b>	<b>2,749,811</b>	<b>2,549,302</b>	<b>2,601,390</b>	<b>2,433,666</b>	<b>2,177,805</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,893,960</b>	<b>5,217,756</b>	<b>5,712,133</b>	<b>3,271,153</b>	<b>3,649,877</b>	<b>4,307,984</b>

The accompanying notes are an integral part of the financial statements

Directors

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 September 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)
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales	1,766,057	1,923,345	1,335,079	1,564,219
Dividend income	-	32	45,343	68,047
Other income	19,642	30,832	21,001	33,594
<b>Total revenues</b>	<u>1,785,699</u>	<u>1,954,209</u>	<u>1,401,423</u>	<u>1,665,860</u>
<b>Expenses</b>				
Cost of sales	1,437,425	1,666,552	1,163,244	1,482,577
Selling expenses	138,732	136,171	90,683	81,563
Administrative expenses	52,756	53,319	29,138	32,682
<b>Total expenses</b>	<u>1,628,913</u>	<u>1,856,042</u>	<u>1,283,065</u>	<u>1,596,822</u>
<b>Profit before finance cost and income tax expenses</b>				
	156,786	98,167	118,358	69,038
Finance cost	(11,345)	(17,482)	(2,188)	(7,446)
<b>Profit before income tax expenses</b>	<u>145,441</u>	<u>80,685</u>	<u>116,170</u>	<u>61,592</u>
Income tax expenses	18 (24,967)	(23,095)	(11,703)	(2,001)
<b>Profit for the period</b>	<u>120,474</u>	<u>57,590</u>	<u>104,467</u>	<u>59,591</u>
<b>Other comprehensive income:</b>				
Gain (loss) on changes in value of				
available-for-sale investments	(54)	66	(54)	66
Income tax effect on changes in value of				
available-for-sale investments	18 12	(14)	12	(14)
<b>Other comprehensive income for the period</b>	<u>(42)</u>	<u>52</u>	<u>(42)</u>	<u>52</u>
<b>Total comprehensive income for the period</b>	<u>120,432</u>	<u>57,642</u>	<u>104,425</u>	<u>59,643</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 30 September 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)
<b>Profit attributable to:</b>					
Profit of equity holders of the Company		102,333	40,581	<u>104,467</u>	<u>59,591</u>
Profit of non-controlling interests of the subsidiaries		<u>18,141</u>	<u>17,009</u>		
		<u>120,474</u>	<u>57,590</u>		
<b>Total comprehensive income attributable to:</b>					
Profit of equity holders of the Company		102,291	40,633	<u>104,425</u>	<u>59,643</u>
Profit of non-controlling interests of the subsidiaries		<u>18,141</u>	<u>17,009</u>		
		<u>120,432</u>	<u>57,642</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company (Baht)	19	<u>0.12</u>	<u>0.05</u>	<u>0.13</u>	<u>0.07</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 nine-month period ended 30 September 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)
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		5,267,123	5,726,389	4,224,565	4,782,859
Dividend income		175	116	113,533	181,489
Other income		86,511	72,739	80,367	90,389
<b>Total revenues</b>		<u>5,353,809</u>	<u>5,799,244</u>	<u>4,418,465</u>	<u>5,054,737</u>
<b>Expenses</b>					
Cost of sales		4,231,155	4,822,674	3,683,742	4,478,449
Selling expenses		417,803	405,618	258,264	249,683
Administrative expenses		152,614	153,370	91,221	96,547
<b>Total expenses</b>		<u>4,801,572</u>	<u>5,381,662</u>	<u>4,033,227</u>	<u>4,824,679</u>
<b>Profit before finance cost and income tax expenses</b>					
		552,237	417,582	385,238	230,058
Finance cost		(39,869)	(57,063)	(10,704)	(29,600)
<b>Profit before income tax expenses</b>		<u>512,368</u>	<u>360,519</u>	<u>374,534</u>	<u>200,458</u>
Income tax expenses	18	(96,024)	(78,349)	(42,740)	153
<b>Profit for the period</b>		<u>416,344</u>	<u>282,170</u>	<u>331,794</u>	<u>200,611</u>
<b>Other comprehensive income:</b>					
Gain (loss) on changes in value of					
available-for-sale investments		(138)	122	(138)	122
Income tax effect on changes in value of					
available-for-sale investments	18	28	(25)	28	(25)
<b>Other comprehensive income for the period</b>		<u>(110)</u>	<u>97</u>	<u>(110)</u>	<u>97</u>
<b>Total comprehensive income for the period</b>		<u>416,234</u>	<u>282,267</u>	<u>331,684</u>	<u>200,708</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 nine-month period ended 30 September 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)
<b>Profit attributable to:</b>					
Profit of equity holders of the Company		352,142	203,986	<u>331,794</u>	<u>200,611</u>
Profit of non-controlling interests of the subsidiaries		<u>64,202</u>	<u>78,184</u>		
		<u>416,344</u>	<u>282,170</u>		
<b>Total comprehensive income attributable to:</b>					
Profit of equity holders of the Company		352,032	204,083	<u>331,684</u>	<u>200,708</u>
Profit of non-controlling interests of the subsidiaries		<u>64,202</u>	<u>78,184</u>		
		<u>416,234</u>	<u>282,267</u>		
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the parent (Baht)	19	<u>0.43</u>	<u>0.25</u>	<u>0.40</u>	<u>0.24</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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>				
Profit before tax	512,368	360,519	374,534	200,458
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	190,896	186,881	64,056	65,335
Increase in allowance for doubtful accounts	3,049	339	-	366
Decrease in allowance for diminution in inventory value	(2,293)	(2,119)	(118)	(1,467)
Gain on disposals of property, plant and equipment	(9,197)	(773)	(2,484)	(375)
Loss from write off of property, plant and equipment	-	2	-	2
Loss from write off of cost of palm plantation	2,481	7	-	-
Unrealised loss on exchange	1,286	731	120	-
Provision for long-term employee benefits	30,259	30,562	17,921	18,476
Dividend income from subsidiary	-	-	(113,358)	(181,373)
Dividend income from other companies	(175)	(116)	(175)	(116)
Interest expenses	37,969	53,831	9,449	27,609
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>766,643</b>	<b>629,864</b>	<b>349,945</b>	<b>128,915</b>
Decrease (increase) in operating assets				
Trade and other receivables	86,681	197,365	164,987	191,541
Inventories	217,171	(128,322)	176,598	185,498
Other current assets	27,568	12,237	5,979	10,995
Other non-current assets	(2,076)	1,422	(1,101)	1
Increase (decrease) in operating liabilities				
Trade and other payables	(8,949)	(13,650)	(92,206)	(29,804)
Other current liabilities	(36,484)	(100)	(15,935)	(3,550)
Cash paid for long-term employee benefits	(23,685)	(11,650)	(22,861)	(11,588)
<b>Cash from operating activities</b>	<b>1,026,869</b>	<b>687,166</b>	<b>565,406</b>	<b>472,008</b>
Cash paid for interest expenses	(38,687)	(54,357)	(10,001)	(28,715)
Cash paid for corporate income tax	(125,855)	(124,095)	(44,514)	(1,539)
<b>Net cash from operating activities</b>	<b>862,327</b>	<b>508,714</b>	<b>510,891</b>	<b>441,754</b>

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cash flows from investing activities</b>				
Acquisition of investment in subsidiary from non-controlling interest	-	(12)	-	(12)
Dividend received from subsidiary	-	-	113,358	181,373
Dividend received from other companies	175	116	175	116
Acquisitions of property, plant and equipment	(141,878)	(161,742)	(39,730)	(19,529)
Increase in cost of palm plantation	(15,234)	(6,303)	-	-
Proceeds from disposals of property, plant and equipment	11,214	848	3,186	409
Increase in intangible assets	(444)	(966)	(145)	(787)
<b>Net cash from (used in) investing activities</b>	<b>(146,167)</b>	<b>(168,059)</b>	<b>76,844</b>	<b>161,570</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts and short-term loans from financial institutions	(399,877)	(345,146)	(400,000)	(638,391)
Repayment of liabilities under finance lease agreements	(135)	(970)	-	(567)
Repayment of long-term loans	(51,060)	(51,060)	(30,000)	(30,000)
Dividend paid	(212,863)	(143,448)	(164,000)	(65,610)
<b>Net cash used in financing activities</b>	<b>(663,735)</b>	<b>(540,624)</b>	<b>(594,000)</b>	<b>(734,568)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>				
	52,425	(199,969)	(6,265)	(131,244)
Cash and cash equivalents at beginning of the period	259,266	508,343	54,862	220,122
<b>Cash and cash equivalents at end of the period</b>	<b>311,691</b>	<b>308,374</b>	<b>48,597</b>	<b>88,878</b>
<b>Supplementary disclosures of cash flows information</b>				
Non-cash transactions				
Acquisitions of property, plant and equipment that have not been paid	3,484	25,797	1,520	134
Transferred nursery to inventory account	3,873	4,189	-	-
Transferred property, plant and equipment to intangible assets	700	-	700	-

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 nine-month period ended 30 September 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	
<b>Balance as at 1 January 2012</b>							
- 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 2)	-	-	-	-	39,515	142	-
<b>Balance as at 1 January 2012</b>							
- as restated	820,000	241,970	5,269	103,071	1,049,529	(567)	985
Total comprehensive income for the period (restated)	-	-	-	-	203,986	97	-
Reversal of prior year dividend	-	-	-	-	3,199	-	-
Dividend paid (Note 21)	-	-	-	-	(65,599)	-	-
Acquisition of investment in subsidiary from non-controlling interest	-	-	-	-	-	-	-
Decrease in minority interests from dividend payment in subsidiary	-	-	-	-	-	-	-
<b>Balance as at 30 September 2012</b>	<b>820,000</b>	<b>241,970</b>	<b>5,269</b>	<b>103,071</b>	<b>1,191,115</b>	<b>(470)</b>	<b>985</b>

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 nine-month period ended 30 September 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	
<b>Balance as at 1 January 2013</b>	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 2)	-	-	-	-	34,233	102	-
<b>Balance as at 1 January 2013</b>	820,000	241,970	5,269	103,071	1,259,630	(406)	985
- as restated							
Total comprehensive income for the period	-	-	-	-	352,142	(110)	-
Reversal of prior year dividend	-	-	-	-	40	-	-
Dividend paid (Note 21)	-	-	-	-	(164,000)	-	-
Decrease in minority interests from dividend payment in subsidiary	-	-	-	-	-	-	-
<b>Balance as at 30 September 2013</b>	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>103,071</u>	<u>1,447,812</u>	<u>(516)</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 nine-month period ended 30 September 2013

Separate financial statements

	Issued and		Premium on treasury stock	Retained earnings		Other
	paid up			Appropriated -		
	share capital	Share premium		statutory reserve	Unappropriated	
<b>Balance as at 1 January 2012 - as previously reported</b>	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 taxes (Note 2)	-	-	-	-	18,597	
<b>Balance as at 1 January 2012 - as restated</b>	820,000	241,970	5,269	82,000	1,029,133	
Total comprehensive income for the period (restated)	-	-	-	-	200,611	
Reversal of prior year dividend	-	-	-	-	3,199	
Dividend paid (Note 21)	-	-	-	-	(65,599)	
<b>Balance as at 30 September 2012</b>	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>1,167,344</u>	
<b>Balance as at 1 January 2013 - as previously reported</b>	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 taxes (Note 2)	-	-	-	-	11,352	
<b>Balance as at 1 January 2013 - as restated</b>	820,000	241,970	5,269	82,000	1,284,833	
Total comprehensive income for the period	-	-	-	-	331,794	
Reversal of prior year dividend	-	-	-	-	40	
Dividend paid (Note 21)	-	-	-	-	(164,000)	
<b>Balance as at 30 September 2013</b>	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>1,452,667</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 and nine-month periods ended 30 September 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 office 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"), all of 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 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

### (a) Accounting standards that became effective in the current accounting period

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 between the carrying amount of an asset or liability in the statement of financial position and its tax base and 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 period 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 2 to the financial statements.

**(b) Accounting standards that will become effective in the future**

	<u>Effective date</u>
Accounting Standard:	
TAS 12 (revised 2012) Income taxes	1 January 2014
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32 Intangible Assets – Web Site Costs	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
TFRIC 17 Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18 Transfers of Assets from Customers	1 January 2014

The management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TAS 12 (revised 2012), 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.

## 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. 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
	30 September 2013	31 December 2012	1 January 2012	30 September 2013	31 December 2012	1 January 2012
<b>Statements of financial position</b>						
Increase in deferred tax assets	36,088	36,198	41,116	10,085	11,454	18,739
Increase in other components of shareholders' equity	130	102	142	130	102	142
Increase in unappropriated retained earnings of the Company	33,833	34,233	39,515	9,955	11,352	18,597
Increase in non-controlling interests of the subsidiaries	2,125	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		
	30 September 2013	30 September 2012	30 September 2013	30 September 2012	
<b>Statements of comprehensive income</b>					
<b>Profit or loss:</b>					
Increase in income tax expenses		(3,140)	(607)	(3,610)	(995)
Decrease in profit attributable to equity holders of the Company		(3,240)	(702)	(3,610)	(995)
Increase in profit attributable to non- controlling interest of the subsidiaries		100	95	-	-
Decrease in basic earnings per share (Baht)		(0 004)	(0 001)	(0 004)	(0 001)
<b>Other comprehensive income:</b>					
Decrease (increase) in income tax effect on changes in value of available-for-sale investments		12	(14)	12	(14)

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the nine-month periods ended		For the nine-month periods ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
Decrease (increase) in income tax expenses	(138)	2,823	(1,397)	1,159
Increase (decrease) in profit attributable to equity holders of the Company	(400)	2,525	(1,397)	1,159
Increase in profit attributable to non-controlling interest of the subsidiaries	262	298	-	-
Increase (decrease) in basic earnings per share (Baht)	(0.001)	0.003	(0.002)	0.001
<b>Other comprehensive income:</b>				
Decrease (increase) in income tax effect on changes in value of available-for-sale investments	28	(25)	28	(25)

### 3. 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 30 September				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2013	2012	2013	2012	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	182.9	419.1	Market price on the contract date
Purchase of goods and services	-	-	161.8	181.3	Market price less fixed margin
Sales of goods and services	-	-	0.3	0.3	Market price
Dividend income	-	-	45.3	68.0	As announced in the minute of shareholders' meeting
Rental income	-	-	0.5	0.6	Market price/Contract price
Selling and administrative service income	-	-	12.0	21.4	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	10.3	10.1	-	-	Price approximates market price
Purchase of goods	0.3	10.3	2.4	-	Selling price less marketing expenses and profit margin
Interest expenses	0.3	0.4	-	-	THBFIX + 0.50% per annum
<u>Transactions with jointly controlled entity</u>					
Land rental income	0.1	0.1	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	1.9	1.0	-	-	Market price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2013	2012	2013	2012	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	768.7	1,073.7	Market price on the contract date
Purchase of goods and services	-	-	529.0	585.4	Market price less fixed margin
Sales of goods and services	-	-	1.1	1.1	Market price
Dividend income	-	-	113.4	181.4	As announced in the minute of shareholders' meeting
Rental income	-	-	1.6	1.7	Market price/Contract price
Selling and administrative service income	-	-	47.6	62.9	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	20.6	19.1	-	-	Price approximates market price
Purchase of goods	3.7	22.4	8.1	-	Selling price less marketing expenses and profit margin
Interest expenses	1.1	1.2	-	-	THBFIX + 0.50% per annum
<u>Transactions with jointly controlled entity</u>					
Land rental income	0.4	0.4	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	2.6	1.9	-	-	Market price

The balances of accounts as at 30 September 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	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
<b><u>Trade and other receivables - related parties</u></b> (Note 5)				
Subsidiary	-	-	13,419	18,547
Associated companies	452	452	-	-
Related companies (related by common shareholders)	29,612	23,935	3	17
<b>Total trade and other receivables - related parties</b>	<b>30,064</b>	<b>24,387</b>	<b>13,422</b>	<b>18,564</b>
Less: Allowance for doubtful accounts	(20,780)	(20,780)	-	-
<b>Total trade accounts receivable - related parties, net</b>	<b>9,284</b>	<b>3,607</b>	<b>13,422</b>	<b>18,564</b>

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
<b><u>Short-term loans to related parties</u></b>				
Associated companies	40,286	40,286	-	-
Related companies (related by common shareholders)	5,325	5,325	-	-
<b>Total short-term loans to related parties</b>	<b>45,611</b>	<b>45,611</b>	<b>-</b>	<b>-</b>
Less: Allowance for doubtful accounts	(45,611)	(45,611)	-	-
<b>Total short-term loans to related parties, net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Trade and other payables - related parties** (Note 14)

Subsidiary	-	-	139,009	204,558
Related companies (related by common shareholders)	528	8,567	1,302	839
<b>Total trade and other payables - related parties</b>	<b>528</b>	<b>8,567</b>	<b>140,311</b>	<b>205,397</b>

**Short-term loan from related party**

Related company (related by common shareholders)	50,000	50,000	-	-
<b>Total short-term loan from related party</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>

As at 30 September 2013 and 31 December 2012, the balance of short-term loans between the Company and the related party and the movements are as follows:

		(Unit: Thousand Baht)		
		Consolidated financial statements		
Company's name	Related by	Balance as at	Increase/ (decrease)	Balance as at
		31 December 2012		30 September 2013
Lam Soon Holding Co., Ltd.	Related company by common shareholders	50,000	-	50,000
<b>Total</b>		<b>50,000</b>	<b>-</b>	<b>50,000</b>

#### 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 a state of the Legal Execution Department.

#### Short-term loan from related party

Short-term loan from related company of subsidiary carries interest at a rate of THBFIX + 0.50% per annum and is 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 and nine-month periods ended 30 September 2013, 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 31.6 million and Baht 100.1 million, respectively (2012: Baht 42.5 million and Baht 106.8 million, respectively) and for the Company totaling Baht 17.7 million and Baht 56.6 million, respectively (2012: Baht 27.0 million and Baht 68.0 million, respectively).



#### 4. Cash and cash equivalents

As at 30 September 2013 and 31 December 2012, cash and cash equivalents consist of the followings:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Cash	1,930	1,644	822	825
Bank deposits	159,702	147,676	47,775	54,037
Investment in Bank of Thailand Bond	150,059	109,946	-	-
<b>Total</b>	<b>311,691</b>	<b>259,266</b>	<b>48,597</b>	<b>54,862</b>

As at 30 September 2013, bank deposits in savings account, fixed deposits and investment in Bank of Thailand Bond carried interest between 0.10 and 2.43 percent per annum (31 December 2012: between 0.10 and 2.72 percent per annum).

#### 5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	5,752	3,594	9	-
Past due				
Up to 3 months	3,519	-	-	-
3 - 6 months	-	1	-	-
6 - 12 months	-	12	-	-
Over 12 months	465	452	-	-
<b>Total</b>	<b>9,736</b>	<b>4,059</b>	<b>9</b>	<b>-</b>
Less: Allowance for doubtful accounts	(452)	(452)	-	-
<b>Total trade receivables - related parties, net</b>	<b>9,284</b>	<b>3,607</b>	<b>9</b>	<b>-</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	37,630	51,174	37,630	51,174
Cheque returned	13,056	12,839	8,092	7,876
Not yet due	641,807	729,343	532,697	681,796
Past due				
Up to 3 months	101,952	107,636	72,837	70,371
3 - 6 months	851	8,474	86	147
6 - 12 months	4,241	478	56	355
Over 12 months	25,165	19,618	2,919	2,617
Total	824,702	929,562	654,317	814,336
Less: Allowance for doubtful accounts	(36,561)	(34,306)	(10,829)	(10,829)
Total trade receivables - unrelated parties, net	788,141	895,256	643,488	803,507
Total trade receivables - net	797,425	898,863	643,497	803,507
<u>Other receivables</u>				
Other receivables - related parties	-	-	2,142	4,370
Other receivables - unrelated parties	12,637	1,113	-	-
Accrued income - related parties	-	-	11,271	14,194
Accrued income - unrelated parties	1,396	1,006	-	-
Advances - related parties	20,328	20,328	-	-
Advances - unrelated parties	436	771	-	-
Total	34,797	23,218	13,413	18,564
Less: Allowance for doubtful accounts	(20,328)	(20,328)	-	-
Total other receivables - net	14,469	2,890	13,413	18,564
<b>Total trade and other receivables - net</b>	<b>811,894</b>	<b>901,753</b>	<b>656,910</b>	<b>822,071</b>

## 6. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2012</b>	12,452	119
The reduction of inventory value recorded during the period	621	1
The reduction of inventory value reversed during the period	(2,914)	(119)
<b>Balance as at 30 September 2013</b>	<u>10,159</u>	<u>1</u>

## 7. Investments in subsidiaries

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

Company's name	Paid-up share capital		Shareholding percentage		Cost		(Unit: Thousand Baht)	
	30	31	30	31	30	31	Dividend received for the nine-month period ended 30 September	
	September	December	September	December	September	December	2013	2012
	r 2013	2012	r 2013	2012	r 2013	2012		
			Percent	Percent				
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344	113,358	181,373
Universal Food Public Company Limited	525,000	525,000	98.76	98.76	585,243	585,243	-	-
<b>Total</b>					<b>1,333,587</b>	<b>1,333,587</b>	<b>113,358</b>	<b>181,373</b>
Less: Allowance for diminution in value of investments					(21,096)	(21,096)	-	-
<b>Total investments in subsidiaries - net</b>					<u><b>1,312,491</b></u>	<u><b>1,312,491</b></u>	<u><b>113,358</b></u>	<u><b>181,373</b></u>

As at 30 September 2013, the fair value of the investment in United Palm Oil Industry Public Company Limited, calculated based on the 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 2,267 million.

## 8. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			30 September 2013	31 December 2012	30 September 2013	31 December 2012
			(Million Baht)	(Million Baht)	(%)	(%)
Union Fresh Co , Ltd	Dormant	Thailand	30	30	40	40

(Unit: Thousand Baht)

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	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Union Fresh Co , Ltd	12,000	12,000	(12,000)	(12,000)	-	-	-	-

## 9. Investment properties

Movements in the investment property account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2012</b>	52,487	11,658
Depreciation for the period	(563)	(1,270)
<b>Balance as at 30 September 2013</b>	<u>51,924</u>	<u>10,388</u>

As at 30 September 2013, the allowance for impairment loss on investment properties - land and building of the subsidiary was Baht 9 million (31 December 2012: Baht 9 million).

**10. Property, plant and equipment**

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2012</b>	1,865,231	639,101
Acquisitions during the period - at cost	132,963	39,665
Disposals during the period - net book value at disposal date	(2,017)	(702)
Depreciation for the period	(166,257)	(62,265)
Transferred to intangible assets	(700)	(700)
Interest capitalised to assets	1,267	-
<b>Net book value as at 30 September 2013</b>	<u>1,830,487</u>	<u>615,099</u>

During the three-month and nine-month periods ended 30 September 2013, the subsidiary capitalised interest amounting to Baht 0.5 million and Baht 1.3 million, respectively, 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 3.17% to 3.55% 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.

**11. 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 nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2012</b>	264,913	260
Acquisitions during the period - at cost	15,234	-
Write off during the period - net book value at write off date	(2,481)	-
Amortisation for the period	(22,058)	(9)
Transferred to inventory account	(3,873)	-
<b>Net book value as at 30 September 2013</b>	<u>251,735</u>	<u>251</u>

**12. Intangible assets**

Movements in the intangible asset account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2012</b>	14,353	2,693
Acquisitions during the period - at cost	444	145
Transferred from property, plant and equipment	700	700
Amortisation for the period	(2,018)	(512)
<b>Net book value as at 30 September 2013</b>	<u>13,479</u>	<u>3,026</u>

**13. Short-term loans from financial institutions**

	(Unit: Thousand Baht)					
	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Short-term loans from financial institutions	2.3 - 3.8	2.0 - 4.0	<u>1,289,405</u>	<u>1,688,974</u>	<u>200,000</u>	<u>600,000</u>
<b>Total</b>			<u>1,289,405</u>	<u>1,688,974</u>	<u>200,000</u>	<u>600,000</u>

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

**14. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Trade payables - related parties	320	7,765	140,270	205,324
Trade payables - unrelated parties	250,756	238,227	134,767	148,033
Other payables - related parties	-	748	-	-
Other payables - unrelated parties	46,411	63,496	24,165	34,753
Advances received from related parties	208	54	41	73
Other payables for purchase of machineries	3,144	7,202	2,307	5,692
<b>Total trade and other payables</b>	<u>300,839</u>	<u>317,492</u>	<u>301,550</u>	<u>393,875</u>

**15. Other current liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Accrued dividend	3,477	3,141	589	572
Accrued expenses	92,624	114,202	56,580	61,594
Advance income	18,450	22,928	18,450	22,928
Others	31,273	42,684	20,390	27,442
<b>Total other current liabilities</b>	<b>145,824</b>	<b>182,955</b>	<b>96,009</b>	<b>112,536</b>

**16. Long-term loans**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Long-term loans	33,960	85,020	25,000	55,000
Less: Current portion	(33,960)	(67,880)	(25,000)	(40,000)
<b>Long-term loans - net of current portion</b>	<b>-</b>	<b>17,140</b>	<b>-</b>	<b>15,000</b>

Movements in the long-term loan account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2012</b>	85,020	55,000
Less: Repayments during the period	(51,060)	(30,000)
<b>Balance as at 30 September 2013</b>	<b>33,960</b>	<b>25,000</b>

Long-term loans of the subsidiary are secured by the mortgage of land and buildings thereon, as discussed in Note 10, 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.

## 17. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Consolidated financial statements		
	Provision for employee retirement benefit	Other long- term employee benefits	Total
<b>Defined benefit obligations at beginning of period</b>	134,633	4,897	139,530
Current service cost	9,368	304	9,672
Interest cost	3,555	81	3,636
Benefits paid during the year	(23,685)	-	(23,685)
<b>Defined benefit obligations at end of period</b>	123,871	5,282	129,153
Unrecognised transitional provisions	(49,039)	(1,752)	(50,791)
<b>Provision for long-term employee benefits at end of period</b>	<b>74,832</b>	<b>3,530</b>	<b>78,362</b>

(Unit: Thousand Baht)

	Separate financial statements		
	Provision for employee retirement benefit	Other long- term employee benefits	Total
<b>Defined benefit obligations at beginning of period</b>	77,808	4,897	82,705
Current service cost	5,640	304	5,944
Interest cost	2,177	81	2,258
Benefits paid during the year	(22,861)	-	(22,861)
<b>Defined benefit obligations at end of period</b>	62,764	5,282	68,046
Unrecognised transitional provisions	(27,347)	(1,752)	(29,099)
<b>Provision for long-term employee benefits at end of period</b>	<b>35,417</b>	<b>3,530</b>	<b>38,947</b>

Long-term employee benefit expenses included in the profit or loss for the three-month and nine-month periods ended 30 September 2013 amounted to Baht 10.1 million and Baht 30.3 million, respectively (the Company only: Baht 6.0 million and Baht 17.9 million, respectively).



**18. 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 and nine-month periods ended 30 September 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
<b>Current income tax:</b>				
Interim corporate income tax charge	21,827	22,488	8,093	1,006
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,140	607	3,610	995
<b>Income tax expenses reported in the profit or loss</b>	<u>24,967</u>	<u>23,095</u>	<u>11,703</u>	<u>2,001</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
<b>Current Income tax:</b>				
Interim corporate income tax charge	95,886	81,172	41,343	1,006
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	138	(2,823)	1,397	(1,159)
<b>Income tax expenses reported in the profit or loss</b>	<u>96,024</u>	<u>78,349</u>	<u>42,740</u>	<u>(153)</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Deferred tax relating to the changes in value of available-for-sale investments	12	(14)	12	(14)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Deferred tax relating to the changes in value of available-for-sale investments	28	(25)	28	(25)

## 19. 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 30 September			
	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)	102,333	40,581	104,467	59,591
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.12	0.05	0.13	0.07

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Profit for the period attributable to equity holders of the Company (Thousand Baht)	352,142	203,986	331,794	200,611
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.43	0.25	0.40	0.24

## 20. 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 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.

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 and nine-month periods ended 30 September 2013 and 2012.

(Unit: Million Baht)

	Consolidated for the three-month periods ended 30 September									
	Manufacture and distribution						Adjustments and		Consolidated	
	Palm oil		Processed fruits		Total segments		eliminations			
	products		and vegetables							
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue										
External customers	1,115	1,421	651	502	1,766	1,923	-	-	1,766	1,923
Inter-segment	183	419	165	181	348	600	(348)	(600)	-	-
Total revenue	<u>1,298</u>	<u>1,840</u>	<u>816</u>	<u>683</u>	<u>2,114</u>	<u>2,523</u>	<u>(348)</u>	<u>(600)</u>	<u>1,766</u>	<u>1,923</u>
Results										
Segment profit	222	148	94	114	316	262	13	(5)	329	257
Unallocated income and expenses										
Other income									20	31
Selling expenses									(139)	(136)
Administrative expenses									(53)	(53)
Finance cost									(12)	(18)
Profit before income tax expenses									145	81
Income tax expenses									(25)	(23)
Profit for the period									<u>120</u>	<u>58</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated for the nine-month periods ended 30 September										
	Manufacture and distribution						Adjustments and eliminations		Consolidated	
	Palm oil products		Processed fruits and vegetables		Total segments					
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue										
External customers	3,887	4,239	1,380	1,487	5,267	5,726	-	-	5,267	5,726
Inter-segment	769	1,074	537	585	1,306	1,659	(1,306)	(1,659)	-	-
Total revenue	<u>4,656</u>	<u>5,313</u>	<u>1,917</u>	<u>2,072</u>	<u>6,573</u>	<u>7,385</u>	<u>(1,306)</u>	<u>(1,659)</u>	<u>5,267</u>	<u>5,726</u>
Results										
Segment profit	763	592	269	310	1,032	902	4	2	1,036	904
Unallocated income and expenses										
Other income									87	73
Selling expenses									(418)	(406)
Administrative expenses									(153)	(154)
Finance cost									(40)	(57)
Profit before income tax expenses									512	360
Income tax expenses									(96)	(78)
Profit for the period									<u>416</u>	<u>282</u>

## 21. Dividend paid

During the nine-month periods ended 30 September 2013 and 2012, the Company and its subsidiary had dividend payments as follows:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<b><u>The Company</u></b>			
<b><u>For the year 2013</u></b>			
Dividend on 2012 profit	Annual General Meeting of the shareholders on 26 April 2013	164.00	0.20
<b><u>For the year 2012</u></b>			
Dividend on 2011 profit	Annual General Meeting of the shareholders on 27 April 2012	65.60	0.08

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
<b><u>Subsidiary</u></b>			
<b><u>For the year 2013</u></b>			
Final dividend on 2012 profit	Annual General Meeting of the shareholders on 26 April 2013	97.21	0.30
Interim dividends on profit for the period from January to June 2013	Board of Directors' Meeting No. 5/2013 on 8 August 2013	64.81	0.20
<b><u>For the year 2012</u></b>			
Final dividend on 2011 profit	Annual General Meeting of the shareholders on 27 April 2012	162.00	0.50
Interim dividends on profit for the period from January to June 2012	Board of Directors' Meeting No. 3/2012 on 9 August 2012	97.22	0.30

## 22. Commitments and contingent liabilities

As at 30 September 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 25.1 million and Euro 0.1 million (The Company only: Baht 1.0 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.

### 23.3 Operating lease commitments

As at 30 September 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	9.6
In over 1 and up to 5 years	3.4

### 22.4 Guarantees

As at 30 September 2013, there were outstanding bank guarantees of approximately Baht 17.9 million issued by the banks on behalf of the Company and its subsidiaries to guarantee electricity usage and others (the Company only: Baht 9.1 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 had 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 Company's and its subsidiaries' financial assets and liabilities denominated in foreign currencies as at 30 September 2013 are summarised below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 30 September 2013 (Baht per 1 foreign currency unit)
US dollars	2.3	0.2	31.3907
Euro	0.3	-	42.3605

### 23.2 Forward exchange contracts

As at 30 September 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 of sold amount (Baht per 1 foreign currency unit)	Maturity date
US dollars	3.9	28.60 - 32.34	In October 2014
Euro	0.1	41.20	In June 2014

As at 30 September 2013, the subsidiary had unrealised loss on forward exchange contracts to present them at fair value totaling Baht 4.0 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 30 September 2013, the subsidiary had unrealised loss on interest rate swap agreement to present it at fair value totaling Baht 0.04 million.

## 24. Approval of interim financial statements

These interim financial statements were authorised for issue on 8 November 2013 by the Company's audit committees under authority delegated by the board of directors of the Company.