

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2015

Independent Auditor's Report

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

I have audited the accompanying consolidated financial statements of Lam Soon (Thailand) Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Lam Soon (Thailand) Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lam Soon (Thailand) Public Company Limited and its subsidiaries and of Lam Soon (Thailand) Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 17 to the financial statements regarding a permit from the Royal Forest Department granted to a subsidiary for the exploitation or inhabitation in the National Reserved Forests which had expired in January 2015. The subsidiary has used the land of 13,030 rai for palm oil plantation. The subsidiary is requesting the government unit to grant a permit to exploit or inhabit in such land, and the request is under the consideration of such government unit. My opinion is not qualified in respect of this matter.



Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 26 February 2016

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	
	<u>Note</u>	<u>31 December 2015</u>	<u>31 December 2014</u> (Restated)	<u>1 January 2014</u>	<u>31 December 2015</u>	<u>31 December 2014</u>
Assets						
Current assets						
Cash and cash equivalents	7	479,942,874	212,800,513	225,215,999	121,706,095	27,893,106
Trade and other receivables	6, 8	1,152,262,484	902,094,496	1,011,572,255	924,798,018	816,939,192
Short-term loans to related parties	6	-	-	-	-	-
Inventories	9	1,127,358,400	1,294,624,420	1,096,302,434	550,001,637	629,344,464
Other current assets		44,047,100	38,501,520	47,133,911	10,971,124	12,453,224
Total current assets		2,803,610,858	2,448,020,949	2,380,224,599	1,607,476,874	1,486,629,986
Non-current assets						
Investments in subsidiaries	10	-	-	-	1,312,870,944	1,312,490,844
Investment in joint venture	11	39,280,826	39,683,607	33,720,670	-	-
Investment in associated company	12	-	-	-	-	-
Other long-term investments	13	1,701,058	3,939,715	836,479	1,701,058	3,939,715
Long-term loans to other companies	14	61,740,000	-	-	-	-
Investment properties	15	65,022,058	86,530,203	51,735,001	6,562,545	8,261,203
Property, plant and equipment	16	2,425,929,595	2,085,549,818	2,171,460,845	861,072,918	608,463,720
Cost of forest land rights and cost of palm plantation	17	223,822,648	212,051,098	272,154,180	224,529	236,294
Goodwill		196,376,189	196,376,189	196,376,189	-	-
Intangible assets	18	9,270,861	8,269,679	7,320,129	4,996,919	5,064,874
Deferred tax assets	27	41,809,525	35,605,028	40,794,409	8,581,403	8,181,489
Other non-current assets		2,711,228	7,570,570	6,525,337	485,236	518,235
Total non-current assets		3,067,663,988	2,675,575,907	2,780,923,239	2,196,495,552	1,947,156,374
Total assets		5,871,274,846	5,123,596,856	5,161,147,838	3,803,972,426	3,433,786,360

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 31 December 2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	
	<u>Note</u>	<u>31 December 2015</u>	<u>31 December 2014</u> (Restated)	<u>1 January 2014</u>	<u>31 December 2015</u>	<u>31 December 2014</u>
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	19	1,610,000,123	1,230,000,000	1,240,748,983	255,000,000	140,000,000
Trade and other payables	6, 20	494,027,566	429,033,819	557,021,508	453,233,612	414,467,581
Short-term loan from related party	6	-	10,000,000	-	-	-
Current portion of long-term loans	22	175,000,000	100,000,000	117,140,000	75,000,000	-
Current portion of liabilities under finance lease agreements	23	573,000	-	-	-	-
Income tax payable		59,344,403	41,318,141	32,955,478	17,713,469	22,680,531
Other current liabilities	21	63,983,016	89,248,923	63,246,604	44,267,420	51,386,151
Total current liabilities		<u>2,402,928,108</u>	<u>1,899,600,883</u>	<u>2,011,112,573</u>	<u>845,214,501</u>	<u>628,534,263</u>
Non-current liabilities						
Long-term loans - net of current portion	22	176,394,370	75,000,000	200,000,000	113,894,370	-
Liabilities under finance lease agreements - net of current portion	23	1,257,218	-	-	-	-
Provision for land rental charge		-	-	20,468,000	-	-
Provision for long-term employee benefits	24	67,532,277	55,133,170	77,735,920	30,599,398	30,453,694
Total non-current liabilities		<u>245,183,865</u>	<u>130,133,170</u>	<u>298,203,920</u>	<u>144,493,768</u>	<u>30,453,694</u>
Total liabilities		<u>2,648,111,973</u>	<u>2,029,734,053</u>	<u>2,309,316,493</u>	<u>989,708,269</u>	<u>658,987,957</u>

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 31 December 2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements	
	As at	As at	As at	As at	As at
	<u>Note</u>	<u>31 December 2015</u>	<u>31 December 2014</u>	<u>1 January 2014</u>	<u>31 December 2015</u>
			(Restated)		
Shareholders' equity					
Share capital					
Registered					
820,000,000 ordinary shares of Baht 1 each		<u>820,000,000</u>	<u>820,000,000</u>	<u>820,000,000</u>	<u>820,000,000</u>
Issued and fully paid-up					
820,000,000 ordinary shares of Baht 1 each		820,000,000	820,000,000	820,000,000	820,000,000
Paid-in surplus					
Share premium		241,970,265	241,970,265	241,970,265	241,970,265
Premium on treasury stock		5,269,100	5,269,100	5,269,100	5,269,100
Retained earnings					
Appropriated - statutory reserve	25	107,122,983	103,071,298	103,071,298	82,000,000
Unappropriated		1,725,637,966	1,582,266,632	1,349,237,654	1,665,658,684
Other components of shareholders' equity		<u>(7,212,969)</u>	<u>1,362,262</u>	<u>439,673</u>	<u>(633,892)</u>
Equity attributable to owners of the Company		<u>2,892,787,345</u>	<u>2,753,939,557</u>	<u>2,519,987,990</u>	<u>2,814,264,157</u>
Non-controlling interests of the subsidiaries		<u>330,375,528</u>	<u>339,923,246</u>	<u>331,843,355</u>	<u>-</u>
Total shareholders' equity		<u>3,223,162,873</u>	<u>3,093,862,803</u>	<u>2,851,831,345</u>	<u>2,814,264,157</u>
Total liabilities and shareholders' equity		<u>5,871,274,846</u>	<u>5,123,596,856</u>	<u>5,161,147,838</u>	<u>3,433,786,360</u>

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

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 Directors

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014 (Restated)	2015	2014
Profit or loss:					
Revenues					
Sales		8,196,978,004	8,434,822,051	6,329,287,950	6,931,738,438
Dividend income	6, 10	190,725	95,070	34,197,991	124,788,381
Other income	6	93,643,110	99,073,707	107,102,157	108,987,831
Total revenues		8,290,811,839	8,533,990,828	6,470,588,098	7,165,514,650
Expenses					
Cost of sales	26	6,915,350,316	7,075,231,231	5,674,005,937	6,286,769,265
Selling expenses		674,119,134	620,619,944	430,852,931	422,353,069
Administrative expenses		219,547,289	261,629,728	110,391,098	125,409,840
Loss on impairment of assets	15, 16	35,000,000	-	-	-
Total expenses		7,844,016,739	7,957,480,903	6,215,249,966	6,834,532,174
Profit before share of profit from investment in joint venture, finance cost and income tax expenses					
		446,795,100	576,509,925	255,338,132	330,982,476
Share of profit from investment in joint venture	11	5,222,219	5,962,937	-	-
Profit before finance cost and income tax expenses					
		452,017,319	582,472,862	255,338,132	330,982,476
Finance cost		(48,033,418)	(52,371,940)	(10,489,059)	(13,197,751)
Profit before income tax expenses					
		403,983,901	530,100,922	244,849,073	317,784,725
Income tax expenses	27	(94,702,679)	(91,210,150)	(40,377,336)	(37,289,230)
Profit for the year		309,281,222	438,890,772	204,471,737	280,495,495
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on changes in value of available-for-sale investments		(1,263,657)	1,153,236	(1,263,657)	1,153,236
Less: Income tax effect	27	252,732	(230,647)	252,732	(230,647)
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(1,010,925)	922,589	(1,010,925)	922,589
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		-	24,267,184	-	2,983,044
Less: Income tax effect	27	-	(4,528,782)	-	(596,609)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		-	19,738,402	-	2,386,435
Other comprehensive income for the year		(1,010,925)	20,660,991	(1,010,925)	3,309,024
Total comprehensive income for the year		308,270,297	459,551,763	203,460,812	283,804,519

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2015	2014 (Restated)	2015	2014
Profit attributable to:					
Equity holders of the Company		311,416,392	380,672,695	<u>204,471,737</u>	<u>280,495,495</u>
Non-controlling interests of the subsidiaries		<u>(2,135,170)</u>	<u>58,218,077</u>		
		<u>309,281,222</u>	<u>438,890,772</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		310,405,467	397,939,982	<u>203,460,812</u>	<u>283,804,519</u>
Non-controlling interests of the subsidiaries		<u>(2,135,170)</u>	<u>61,611,781</u>		
		<u>308,270,297</u>	<u>459,551,763</u>		
Basic earnings per share					
	29				
Profit attributable to equity holders of the Company		<u>0.38</u>	<u>0.46</u>	<u>0.25</u>	<u>0.34</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

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements												
Equity attributable to the owners of the Company												
	Note	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		Other components of equity			Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Other changes by the owners	Surplus (deficit) on changes in value of available-for-sale shareholding in subsidiary			Total other components of shareholders' equity
Balance as at 1 January 2014		820,000,000	241,970,265	5,269,100	103,071,298	1,349,237,654	(545,556)	985,229	439,673	2,519,987,990	331,843,355	2,851,831,345
Profit for the year		-	-	-	-	380,672,695	-	-	-	380,672,695	58,218,077	438,890,772
Other comprehensive income for the year		-	-	-	-	16,344,698	922,589	-	922,589	17,267,287	3,393,704	20,660,991
Total comprehensive income for the year		-	-	-	-	397,017,393	922,589	-	922,589	397,939,982	61,611,781	459,551,763
Dividend paid	32	-	-	-	-	(164,000,000)	-	-	-	(164,000,000)	-	(164,000,000)
Reversal of prior year dividend		-	-	-	-	11,585	-	-	-	11,585	-	11,585
Decrease in non-controlling interests from dividend payment of subsidiary		-	-	-	-	-	-	-	-	-	(53,531,890)	(53,531,890)
Balance as at 31 December 2014		820,000,000	241,970,265	5,269,100	103,071,298	1,582,266,632	377,033	985,229	1,362,262	2,753,939,557	339,923,246	3,093,862,803

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 year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements												
Equity attributable to the owners of the Company												
	Note	Retained earnings					Other components of equity			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
		Issued and paid up share capital	Share premium	Premium on treasury stock	Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Other changes by the owners	Surplus (deficit) on changes in value of available-for-sale investments			
Balance as at 1 January 2015		820,000,000	241,970,265	5,269,100	103,071,298	1,582,266,632	377,033	985,229	1,362,262	2,753,939,557	339,923,246	3,093,862,803
Profit for the year		-	-	-	-	311,416,392	-	-	-	311,416,392	(2,135,170)	309,281,222
Other comprehensive income for the year		-	-	-	-	-	(1,010,925)	-	(1,010,925)	(1,010,925)	-	(1,010,925)
Total comprehensive income for the year		-	-	-	-	311,416,392	(1,010,925)	-	(1,010,925)	310,405,467	(2,135,170)	308,270,297
Dividend paid	32	-	-	-	-	(164,000,000)	-	-	-	(164,000,000)	-	(164,000,000)
Reversal of prior year dividend		-	-	-	-	4,942	-	-	-	4,942	-	4,942
Appropriation of statutory reserve of subsidiary		-	-	-	4,002,538	(4,050,000)	-	-	-	(47,462)	47,462	-
Acquisition of non-controlling interests of subsidiary		-	-	-	49,147	-	-	(7,564,306)	(7,564,306)	(7,515,159)	7,125,059	(390,100)
Decrease in non-controlling interests from dividend payment of subsidiary		-	-	-	-	-	-	-	-	-	(14,585,069)	(14,585,069)
Balance as at 31 December 2015		820,000,000	241,970,265	5,269,100	107,122,983	1,725,637,966	(633,892)	(6,579,077)	(7,212,969)	2,892,787,345	330,375,528	3,223,162,873

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 year ended 31 December 2015

(Unit: Baht)

Separate financial statements								
						Other components of equity		
						Other comprehensive income		
						Surplus (deficit) on changes in value of available-for-sale investments		Total other components of shareholders' equity
						Retained earnings		Total shareholders' equity
Note	Issued and paid up share capital	Share premium	Premium on treasury stock	Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2014	820,000,000	241,970,265	5,269,100	82,000,000	1,506,288,490	(545,556)	(545,556)	2,654,982,299
Profit for the year	-	-	-	-	280,495,495	-	-	280,495,495
Other comprehensive income for the year	-	-	-	-	2,386,435	922,589	922,589	3,309,024
Total comprehensive income for the year	-	-	-	-	282,881,930	922,589	922,589	283,804,519
Dividend paid	32	-	-	-	(164,000,000)	-	-	(164,000,000)
Reversal of prior year dividend	-	-	-	-	11,585	-	-	11,585
Balance as at 31 December 2014	820,000,000	241,970,265	5,269,100	82,000,000	1,625,182,005	377,033	377,033	2,774,798,403

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 year ended 31 December 2015

(Unit: Baht)

Separate financial statements								
						Other components of equity		
						Other		
						comprehensive		
						income		
						Surplus (deficit)		
						on changes	Total other	
						in value of	components of	Total
						available-for-sale	shareholders'	shareholders'
						investments	equity	equity
Note	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings				
				Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2015	820,000,000	241,970,265	5,269,100	82,000,000	1,625,182,005	377,033	377,033	2,774,798,403
Profit for the year	-	-	-	-	204,471,737	-	-	204,471,737
Other comprehensive income for the year	-	-	-	-	-	(1,010,925)	(1,010,925)	(1,010,925)
Total comprehensive income for the year	-	-	-	-	204,471,737	(1,010,925)	(1,010,925)	203,460,812
Dividend paid	32	-	-	-	(164,000,000)	-	-	(164,000,000)
Reversal of prior year dividend		-	-	-	4,942	-	-	4,942
Balance as at 31 December 2015	<u>820,000,000</u>	<u>241,970,265</u>	<u>5,269,100</u>	<u>82,000,000</u>	<u>1,665,658,684</u>	<u>(633,892)</u>	<u>(633,892)</u>	<u>2,814,264,157</u>

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Profit before tax	403,983,901	530,100,922	244,849,073	317,784,725
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	243,803,729	265,383,712	88,344,494	83,621,411
Share of profit from investment in joint venture	(5,222,219)	(5,962,937)	-	-
Gain on disposal of other long-term investment	(225,000)	-	(225,000)	-
Increase (decrease) in allowance for doubtful accounts	1,025,008	5,899,722	246,817	(11,195)
Increase (decrease) in allowance for diminution in inventory value	13,241,926	(26,585,087)	343,396	106,519
Increase (decrease) in allowance for impairment loss of assets	35,000,000	(2,336,416)	-	-
Reversal of provision for land rental charge	-	(20,468,000)	-	-
Loss on write-off of property, plant and equipment	-	4,010,256	-	10
Gain on disposals of property, plant and equipment	(1,398,808)	(5,034,630)	(871,186)	(951,487)
Gain on disposals of intangible assets	-	(361)	-	(361)
Loss on write-off of cost of palm plantation	5,515,730	37,862,605	-	-
Unrealised loss (gain) on exchange	690,096	293,196	551,744	(39,313)
Provision for long-term employee benefits	32,067,862	29,879,207	17,862,574	15,913,284
Dividend income from subsidiary	-	-	(34,007,266)	(124,693,311)
Dividend income from other companies	(190,725)	(95,070)	(190,725)	(95,070)
Interest expenses	44,766,335	49,332,743	8,349,622	11,249,612
Profit from operating activities before changes in operating assets and liabilities	773,057,835	862,279,862	325,253,543	302,884,824
Decrease (increase) in operating assets				
Trade and other receivables	(250,829,564)	103,685,861	(108,220,813)	112,763,645
Inventories	161,337,049	(162,696,626)	78,999,431	(80,608,973)
Other current assets	(4,856,440)	13,141,530	1,482,100	6,477,995
Other non-current assets	4,859,342	(1,045,233)	32,999	(49,800)
Increase (decrease) in operating liabilities				
Trade and other payables	58,331,744	(80,297,795)	30,456,161	(119,241,507)
Other current liabilities	(25,869,330)	25,684,429	(7,172,703)	4,234,277
Provision for long-term employee benefits	(19,668,755)	(28,214,774)	(17,716,870)	(24,319,096)
Cash from operating activities	696,361,881	732,537,254	303,113,848	202,141,365
Cash paid for interest expenses	(45,995,900)	(49,633,023)	(8,332,848)	(11,404,081)
Cash paid for corporate income tax	(83,233,077)	(87,009,169)	(45,491,580)	(29,496,082)
Net cash from operating activities	567,132,904	595,895,062	249,289,420	161,241,202

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Cash flows from investing activities				
Increase in investment in subsidiary	(390,100)	-	(380,100)	-
Dividend received from subsidiary	-	-	34,007,266	124,693,311
Dividend received from joint venture	5,625,000	-	-	-
Dividend received from other companies	190,725	95,070	190,725	95,070
Decrease (increase) in other long-term investments	1,200,000	(1,950,000)	1,200,000	(1,950,000)
Increase in long-term loan to unrelated party	(61,740,000)	-	-	-
Cash paid for acquisitions of investment properties	(75,000)	-	-	-
Acquisitions of property, plant and equipment	(579,308,659)	(179,229,346)	(331,553,988)	(79,463,419)
Proceeds from disposals of property, plant and equipment	6,133,256	9,667,609	1,787,152	988,736
Increase in cost of palm plantation	(36,495,392)	(23,771,375)	-	-
Increase in intangible assets	(2,959,770)	(2,702,013)	(680,770)	(592,600)
Proceeds from disposals of intangible assets	-	380	-	380
Net cash from (used in) investing activities	(667,819,940)	(197,889,675)	(295,429,715)	43,771,478
Cash flows from financing activities				
Increase (decreases) in short-term loans from financial institutions	380,000,123	(10,748,983)	115,000,000	(45,000,000)
Decrease in short-term loan from related party	(10,000,000)	(40,000,000)	-	-
Repayment of liabilities under finance lease agreements	(38,941)	-	-	-
Cash received from long-term loans	288,894,370	-	188,894,370	-
Repayment of long-term loans	(112,500,000)	(142,140,000)	-	(15,000,000)
Dividend paid	(178,526,155)	(217,531,890)	(163,941,086)	(164,000,000)
Net cash from (used in) financing activities	367,829,397	(410,420,873)	139,953,284	(224,000,000)
Net increase (decrease) in cash and cash equivalents				
	267,142,361	(12,415,486)	93,812,989	(18,987,320)
Cash and cash equivalents at beginning of the year	212,800,513	225,215,999	27,893,106	46,880,426
Cash and cash equivalents at end of the year (Note 7)	479,942,874	212,800,513	121,706,095	27,893,106

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment that have not been paid	17,226,118	9,922,872	13,444,445	5,587,923
Transferred palm nursery to inventory account	7,312,955	9,040,273	-	-
Transferred property, plant and equipment to investment properties	-	33,210,524	-	-
Purchases of equipment under finance lease agreements	1,869,159	-	-	-

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2015

1. General information

Lam Soon (Thailand) Public Company Limited (“the Company”) 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. The registered office of the Company is at 64, Soi Bangna-Trad 25, Bangna, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Lam Soon (Thailand) Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2015</u> Percent	<u>2014</u> Percent
<u>Subsidiaries directly held by the Company</u>				
United Palm Oil Industry Public Company Limited	Palm oil plantation, crude palm oil and kernel palm oil processing	Thailand	69.96	69.96
Universal Food Public Company Limited	Manufacture and distribution of processed fruits and vegetables, canned juice and drinks	Thailand	98.83	98.76
<u>Subsidiary held by United Palm Oil Industry Public Company Limited</u>				
Phansrivivat Company Limited	Owner of palm oil plantation	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2015</u> Percent	<u>2014</u> Percent
<u>Joint venture entity held by United Palm Oil Industry Public Company Limited</u>				
Siam Elite Palm Company Limited	Production and distribution of palm oil seeds	Thailand	50	50
<u>Subsidiaries held by Phansrivivat Company Limited</u>				
Prachak Vivat Company Limited	Holder of concessions to use forest reserve land	Thailand	100	100
Phansri Company Limited	Holder of concessions to use forest reserve land	Thailand	100	100
<u>Subsidiary held by Universal Food Public Company Limited</u>				
Union Frost Company Limited	Manufacture of frozen fruits and vegetables	Thailand	100	97

The frozen vegetable and fruit manufacturing business is operated by Union Frost Company Limited (the subsidiary held by the Company's subsidiary), and because its operating results have not met targets, the management decided that the business would not be beneficial to the subsidiary in the long-term. As a result, the management of the subsidiary had a plan to discontinue these operations and to sell the related assets. The subsidiary has already downsized its production and laid off most of its employees.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same reporting period and the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

(a) Financial reporting standards that became effective in the current accounting year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

As a result of the adoption of this standard, a subsidiary has had to change the method used to account for its investment in a joint venture from the proportionate consolidation method to the equity method. The Company has restated the prior period's financial statements, presented as comparative information, to reflect the effect of the change.

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

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	As at	As at
	<u>31 December 2014</u>	<u>1 January 2014</u>
Statements of financial position		
Increase in investment in joint venture	39,684	33,721
Decrease in current assets	(26,010)	(15,564)
Decrease in non-current assets	(19,026)	(19,669)
Decrease in current liabilities	(4,490)	(1,512)
Decrease in non-current liabilities	(862)	-

	(Unit: Thousand Baht)
	<u>Consolidated financial statements</u>
	<u>For the year ended 31 December 2014</u>
Statement of comprehensive income	
Profit or loss:	
Decrease in revenue	(16,047)
Decrease in expenses	(9,649)
Increase in share of profit from investment in joint venture	5,963
Decrease in income tax expenses	(435)

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied except for TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant. The management of the Company is evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividend is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (Moving average method) and net realisable value. Cost includes all cost of raw materials, labour and factory overheads.

Raw materials, chemicals, packing materials, spare parts and factory supplies are valued at the lower of cost (Moving average method) and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in joint venture and associate are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

4.6 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives as follows:

Building	-	20 and 30 years
Building improvement	-	5 - 25 years
Waste water treatment	-	15 and 30 years
Machinery, factory and agricultural equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	5 - 20 years
Motor vehicles	-	5 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvement and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Cost of forest land rights and cost of palm plantation and amortisation

Cost of forest land rights and cost of palm plantation are stated at cost less accumulated amortisation and impairment losses (if any). The cost includes development costs and expenses which are directly related to forest land rights, and oil palm seeding and plantation activities before the production period.

Amortisation is calculated by reference to cost of forest land rights and cost of palm plantation ready for harvest on a straight-line basis over the estimated remaining productive life of the palm trees (the productive life of palm trees is generally 25 years) or over the remaining period of the forest reserve land concession, whichever is shorter.

Amortisation is included in determining income.

No amortisation is provided on cost of palm plantation not ready for harvest.

Costs of supplying palm vacancies and infilling mature areas are included in determining income.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Intangible assets and amortisation

Intangible assets are initially recognised at cost on the date of acquisition. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	5 years

4.11 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, it is deducted in calculating the carrying amount of the asset. The grant is recognised over the useful life of a depreciable asset by way of a reduced depreciation charge. Government grants related to income are recognised as income over the period necessary to match the grants on a systematic basis to the costs that are intended to compensate.

4.12 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.13 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.14 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the useful life of the leased asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as expenses in profit or loss on a straight-line basis over the lease term.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's and subsidiaries' functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.16 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of an asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.17 Treasury stock

Treasury stock is stated at cost and is presented as a reduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock, losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock and retained earnings, consecutively.

4.18 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat this severance payment obligation as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, as an expense on a straight-line basis over up to five years from the date of adoption.

4.19 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.20 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.

4.21 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

4.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risks and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and records impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Cost of forest land rights and cost of palm plantation and amortisation

In determining amortisation of cost of forest land rights and cost of palm plantation, the management is required to make estimates of the useful lives of cost of forest land rights and cost of palm plantation and to review estimate useful lives when there are any changes.

In addition, the management is required to review the cost of forest land rights and cost of palm plantation for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Contingent liabilities

The subsidiary has contingent liabilities as a result of the land issue. The subsidiary's management has used judgement to assess the liabilities that may arise and believes that no significant loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, 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 bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchases of raw materials	-	-	750	755	Market prices on the contract date
Purchases of goods and services	-	-	688	735	Market prices less fixed margin
Sales of goods and services	-	-	1	3	Market price
Dividend income	-	-	34	125	At the declared rate
Rental income	-	-	2	2	Market price
Selling and administrative service income	-	-	71	70	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	112	29	-	-	Price approximates market price
Purchases of goods	3	2	-	-	Price less marketing expenses and margin
Interest expenses	-	1	-	-	THBFIX + 0.50% per annum
Selling expenses	12	-	1	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Purchases of oil palm seeds and fresh fruit bunch	18	6	-	-	Market price
Land rental income	1	1	-	-	Agreed between the parties
Dividend income	6	-	-	-	As declared by joint venture

As at 31 December 2015 and 2014, the balances of accounts between the Company and those related parties are detailed as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Restated)			
<u>Trade and other receivables - related parties</u> (Note 8)				
Subsidiaries	-	-	12,425,543	14,161,878
Associated company	452,280	452,280	-	-
Related companies (related by common shareholders)	<u>51,487,725</u>	<u>25,619,404</u>	<u>13,461</u>	<u>5,250</u>
Total trade and other receivables - related parties	<u>51,940,005</u>	<u>26,071,684</u>	<u>12,439,004</u>	<u>14,167,128</u>
Less: Allowance for doubtful accounts	<u>(20,780,523)</u>	<u>(20,780,523)</u>	<u>-</u>	<u>-</u>
Total trade and other receivables - related parties - net	<u><u>31,159,482</u></u>	<u><u>5,291,161</u></u>	<u><u>12,439,004</u></u>	<u><u>14,167,128</u></u>
<u>Short-term loans to related parties</u>				
Associated company	40,285,836	40,285,836	-	-
Related companies (related by common shareholders)	<u>5,324,565</u>	<u>5,324,565</u>	<u>-</u>	<u>-</u>
Total short-term loans to related parties	<u>45,610,401</u>	<u>45,610,401</u>	<u>-</u>	<u>-</u>
Less: Allowance for doubtful accounts	<u>(45,610,401)</u>	<u>(45,610,401)</u>	<u>-</u>	<u>-</u>
Total short-term loans to related parties - net	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<u>Trade and other payables - related parties</u> (Note 20)				
Subsidiaries	-	-	141,396,403	140,208,273
Related companies (related by common shareholders)	<u>9,567,930</u>	<u>701,335</u>	<u>-</u>	<u>-</u>
Total trade and other payables - related parties	<u><u>9,567,930</u></u>	<u><u>701,335</u></u>	<u><u>141,396,403</u></u>	<u><u>140,208,273</u></u>
<u>Short-term loan from related party</u>				
Related company (related by major shareholder)	-	10,000,000	-	-
Total short-term loan from related party	<u><u>-</u></u>	<u><u>10,000,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

As at 31 December 2015 and 2014, the balance of short-term loan between the Company and the related party and the movements are as follows:

(Unit: Baht)

Company's name	Related by	Consolidated financial statements		
		Balance as at 31 December 2014	Repayment	Balance as at 31 December 2015
Lam Soon Holding Co., Ltd.	Major shareholder	10,000,000	(10,000,000)	-
Total		10,000,000	(10,000,000)	-

Short-term loans to related parties

Short-term loans to associated and related companies of a 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 been ceased from the date that the Central Bankruptcy Court accepted the bankruptcy suits which the subsidiary brought against the associated and related companies. Currently, this case is in the 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.

During the year 2015, the Company had selling and administrative service income from such subsidiary totaling Baht 71 million (2014: Baht 70 million).

Directors and management's remuneration

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had short-term employee benefits, post-employment benefits and other long-term benefits payable to their directors and management totaling Baht 142 million and Baht 153 million, respectively (the Company only: Baht 80 million and Baht 93 million, respectively).

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
Cash	3,892,729	3,863,556	942,976	1,017,524
Bank deposits	476,050,145	208,936,957	120,763,119	26,875,582
Total	<u>479,942,874</u>	<u>212,800,513</u>	<u>121,706,095</u>	<u>27,893,106</u>

As at 31 December 2015, bank deposits in savings accounts and fixed deposits carried interests between 0.05 and 0.85 percent per annum (2014: between 0.10 and 1.25 percent per annum).

8. Trade and other receivables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	22,402,322	1,012,467	28,462	16,752
Past due				
Up to 3 months	8,730,298	4,260,164	-	-
Over 12 months	452,280	452,280	-	-
Total	<u>31,584,900</u>	<u>5,724,911</u>	<u>28,462</u>	<u>16,752</u>
Less: Allowance for doubtful accounts	<u>(452,280)</u>	<u>(452,280)</u>	-	-
Total trade receivables - related parties - net	<u>31,132,620</u>	<u>5,272,631</u>	<u>28,462</u>	<u>16,752</u>

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	29,468,992	43,908,600	29,468,992	43,908,600
Cheque returned	13,595,088	13,791,546	8,631,774	8,828,233
Not yet due	912,527,182	715,650,026	728,634,253	664,764,157
Past due				
Up to 3 months	171,151,238	124,651,464	152,491,797	89,940,357
3 - 6 months	141,043	2,646,768	74,803	624,614
6 - 12 months	1,206,881	5,067,408	38,379	179,058
Over 12 months	28,422,405	28,714,032	2,314,438	2,845,803
Total	1,156,512,829	934,429,844	921,654,436	811,090,822
Less: Allowance for doubtful accounts	(43,709,128)	(43,227,149)	(10,436,060)	(10,817,772)
Total trade receivables - unrelated parties - net	1,112,803,701	891,202,695	911,218,376	800,273,050
Total trade receivables - net	1,143,936,321	896,475,326	911,246,838	800,289,802
<u>Other receivables</u>				
Other receivables - related parties	26,862	18,530	1,112,724	5,483,396
Other receivables - unrelated parties	7,096,074	4,195,462	1,769,167	2,499,014
Accrued income - related parties	-	-	11,297,818	8,666,980
Accrued income - unrelated parties	1,119,763	926,988	-	-
Advances - related parties	20,328,243	20,328,243	-	-
Advances - unrelated parties	711,993	478,190	-	-
Total	29,282,935	25,947,413	14,179,709	16,649,390
Less: Allowance for doubtful accounts	(20,956,772)	(20,328,243)	(628,529)	-
Total other receivables - net	8,326,163	5,619,170	13,551,180	16,649,390
Total trade and other receivables - net	1,152,262,484	902,094,496	924,798,018	816,939,192

9. Inventories

(Unit: Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)		(Restated)
Finished goods	590,861,799	649,972,038	(19,584,084)	(10,984,945)	571,277,715	638,987,093
Work in process	365,201,562	461,431,585	-	-	365,201,562	461,431,585
Raw materials	91,149,334	88,884,327	(13,742,959)	(11,948,879)	77,406,375	76,935,448
Inventories in transit	2,276,524	18,988,210	-	-	2,276,524	18,988,210
Supplies and spare parts	116,361,038	100,598,191	(5,164,814)	(2,316,107)	111,196,224	98,282,084
Total	1,165,850,257	1,319,874,351	(38,491,857)	(25,249,931)	1,127,358,400	1,294,624,420

(Unit: Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Finished goods	100,851,545	70,626,491	-	-	100,851,545	70,626,491
Work in process	363,534,971	459,306,076	-	-	363,534,971	459,306,076
Raw materials	52,098,006	55,820,808	-	-	52,098,006	55,820,808
Inventories in transit	2,276,523	18,988,210	-	-	2,276,523	18,988,210
Supplies and spare parts	31,691,253	24,710,144	(450,661)	(107,265)	31,240,592	24,602,879
Total	550,452,298	629,451,729	(450,661)	(107,265)	550,001,637	629,344,464

During the current year, the Company reduced cost of inventories by Baht 0.3 million (2014: Baht 0.1 million). In addition, the subsidiaries reduced cost of inventories by Baht 12.9 million (2014: reversed the write-down of cost of inventories by Baht 26.2 million). This was included in cost of sales.

10. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			Percent	Percent				
United Palm Oil Industry Public Company Limited	324,050,000	324,050,000	69.96	69.96	748,343,849	748,343,849	34,007,266	124,693,311
Universal Food Public Company Limited	525,000,000	525,000,000	98.83	98.76	585,622,975	585,242,875	-	-
Total					1,333,966,824	1,333,586,724	34,007,266	124,693,311
Less: Allowance for impairment loss of investments					(21,095,880)	(21,095,880)		
Total investments in subsidiaries - net					1,312,870,944	1,312,490,844		

As at 31 December 2015, 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 1,056 million (2014: Baht 2,256 million).

11. Investment in joint venture

11.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2015	2014	2015	2014	2015	2014
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000,000	25,000,000	39,280,826	39,683,607
Total				25,000,000	25,000,000	39,280,826	39,683,607

11.2 Share of profit and dividend received

During the years, the subsidiary recognised its share of profit from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

Joint venture	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit		Dividend received	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
Siam Elite Palm Co., Ltd.	5,222,219	5,962,937	5,625,000	-
Total	<u>5,222,219</u>	<u>5,962,937</u>	<u>5,625,000</u>	<u>-</u>

11.3 Summarised financial information about joint venture

Siam Elite Palm Company Limited

Summarised information about financial position

	(Unit: Thousand Baht)	
	As at 31 December	
	<u>2015</u>	<u>2014</u>
Current assets	41,901	52,264
Non-current assets	44,033	44,427
Total assets	<u>85,934</u>	<u>96,691</u>
Current liabilities	(4,481)	(9,225)
Non-current liabilities	(2,892)	(1,723)
Total liabilities	<u>(7,373)</u>	<u>(10,948)</u>
Net assets	78,561	85,743
Shareholding percentage (%)	50	50
Share of net assets	39,281	42,872
Elimination entries	-	(3,188)
Carrying amounts of joint venture based on equity method	<u>39,281</u>	<u>39,684</u>

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the years ended 31 December	
	<u>2015</u>	<u>2014</u>
Revenue	47,137	44,766
Cost of sales	(18,501)	(12,323)
Selling and administrative expenses	(24,008)	(18,948)
Profit before income tax expenses	4,628	13,495
Income tax expenses	(560)	(870)
Profit for the year	4,068	12,625
Other comprehensive income	-	-
Total comprehensive income	4,068	12,625
Shareholding percentage (%)	50	50
Comprehensive income as shareholding percentage	2,034	6,313
Elimination entries	3,188	(350)
Share of comprehensive income from investment in joint venture	5,222	5,963

12. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			2015	2014	2015	2014
			Million Baht	Million Baht	Percent	Percent
Union Fresh Co., Ltd.	Dormant	Thailand	30	30	40	40

(Unit: Baht)

Company's name	Consolidated financial statements							
	Cost		Allowance for impairment loss of investment		Carrying amounts based on cost method - net		Carrying amounts based on equity method	
	2015	2014	2015	2014	2015	2014	2015	2014
Union Fresh Co., Ltd.	12,000,000	12,000,000	(12,000,000)	(12,000,000)	-	-	-	-

13. Other long-term investments

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Other long-term investments - cost				
<u>Equity securities</u>				
Ichitan Group Plc.	975,000	1,950,000	975,000	1,950,000
Open-ended Kumlai Perm Poon Fund	1,000,000	1,000,000	1,000,000	1,000,000
Open-ended TCM Equity Fund	300,000	300,000	300,000	300,000
Open-ended Kiatnakin Fund	200,000	200,000	200,000	200,000
Datamat Plc.	16,265	16,265	16,265	16,265
Standard Chartered Bank (Thai) Plc.	2,160	2,160	2,160	2,160
Total	2,493,425	3,468,425	2,493,425	3,468,425
Add: Unrealised gain (loss) on changes in value of investments	(792,367)	471,290	(792,367)	471,290
Other long-term investments - fair value	1,701,058	3,939,715	1,701,058	3,939,715

14. Long-term loans to other companies

As at 31 December 2015, a subsidiary had non-collateral loans to other companies, amounting to approximately of Baht 62 million. The loans carry interest at rate of THBFX plus 1% per annum and are due for repayment end of June and December of every year with the last payment at June 2040.

15. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

(Unit: Baht)

	As at 31 December 2015					
	Consolidated financial statements			Separate financial statements		
	Land	Office building	Total	Land	Office building	Total
Cost	63,795,063	142,295,823	206,090,886	5,614,750	33,973,158	39,587,908
Less: Accumulated depreciation	-	(77,476,304)	(77,476,304)	-	(33,025,363)	(33,025,363)
Allowance for impairment	(4,837,600)	(58,754,924)	(63,592,524)	-	-	-
Net book value	<u>58,957,463</u>	<u>6,064,595</u>	<u>65,022,058</u>	<u>5,614,750</u>	<u>947,795</u>	<u>6,562,545</u>

(Unit: Baht)

As at 31 December 2014

	Consolidated financial statements			Separate financial statements		
	Office		Total	Office		Total
	Land	building		Land	building	
Cost	63,795,063	142,220,823	206,015,886	5,614,750	33,973,158	39,587,908
Less: Accumulated depreciation	-	(72,969,437)	(72,969,437)	-	(31,326,705)	(31,326,705)
Allowance for impairment	(4,837,600)	(41,678,646)	(46,516,246)	-	-	-
Net book value	<u>58,957,463</u>	<u>27,572,740</u>	<u>86,530,203</u>	<u>5,614,750</u>	<u>2,646,453</u>	<u>8,261,203</u>

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	Net book value at beginning of year	86,530,203	51,735,001	8,261,203
Transfers	-	33,210,524	-	-
Acquisition during the year	75,000	-	-	-
Depreciation for the year	(4,506,867)	(751,738)	(1,698,658)	(1,698,658)
Reversal of (recorded) allowance for impairment	(17,076,278)	2,336,416	-	-
Net book value at end of year	<u>65,022,058</u>	<u>86,530,203</u>	<u>6,562,545</u>	<u>8,261,203</u>

The fair value of land and office building of the Company as at 31 December 2015 was determined at approximately Baht 26 million (2014: Baht 26 million) using the income approach. The assumption used in the valuation was based on the Company's internal data.

The fair value of land and building of the subsidiary was determined based on valuation performed by an independent professional valuer. As at 31 December 2015, the fair value of the land was determined to be Baht 95 million (2014: Baht 48 million) on the basis of market price, while that of the office building was determined to be Baht 62 million (2014: Baht 5 million) using the replacement cost approach. The fair value of the office building was not determined based on the income approach because it is not used for rental.

During the current year, the subsidiary recorded allowance for impairment amounting to Baht 17 million for building to reflect value in use.

16. Property, plant and equipment

(Unit: Baht)

	Consolidated financial statements							Total
	Land and land improvement	Land awaiting development	Building and improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	
Cost								
1 January 2014 (Restated)	698,643,335	76,475,756	1,003,735,980	2,506,088,742	111,294,529	252,561,597	78,667,107	4,727,467,046
Additions	3,511,770	-	5,950,229	50,247,900	3,098,938	8,650,484	110,069,021	181,528,342
Capitalised interest	-	-	39,071	185,014	-	-	98,257	322,342
Disposals/write off	(4,010,245)	-	(339,746)	(39,148,391)	(2,045,978)	(23,319,489)	-	(68,863,849)
Transfer in (transfer out)	-	-	9,789,333	77,551,429	765,784	9,574,264	(97,680,810)	-
Transfer to investment properties	(9,203,577)	-	(127,186,063)	-	-	-	-	(136,389,640)
31 December 2014 (Restated)	688,941,283	76,475,756	891,988,804	2,594,924,694	113,113,273	247,466,856	91,153,575	4,704,064,241
Additions	71,483,500	-	18,375,307	35,587,645	3,225,446	15,506,976	443,767,179	587,946,053
Capitalised interest	-	-	151,531	134,051	-	-	249,429	535,011
Disposals/write off	-	-	-	(17,513,386)	(1,622,354)	(17,273,611)	-	(36,409,351)
Transfer in (transfer out)	-	-	103,540,179	282,612,157	329,045	6,941,057	(393,422,438)	-
31 December 2015	760,424,783	76,475,756	1,014,055,821	2,895,745,161	115,045,410	252,641,278	141,747,745	5,256,135,954

(Unit: Baht)

Consolidated financial statements

	Land and land improvement	Land awaiting development	Building and building improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
<u>Accumulated depreciation</u>								
1 January 2014 (Restated)	-	-	595,654,047	1,566,778,003	96,026,559	177,203,535	-	2,435,662,144
Depreciation for the year	-	-	44,828,681	150,348,892	5,141,365	25,589,013	-	225,907,951
Depreciation on disposals/write off	-	-	(293,692)	(34,979,692)	(1,973,841)	(22,973,389)	-	(60,220,614)
Depreciation on items transferred to investment properties	-	-	(63,689,822)	-	-	-	-	(63,689,822)
31 December 2014 (Restated)	-	-	576,499,214	1,682,147,203	99,194,083	179,819,159	-	2,537,659,659
Depreciation for the year	-	-	41,655,606	153,092,495	4,871,817	25,823,199	-	225,443,117
Depreciation on disposals/write off	-	-	-	(13,709,466)	(1,587,260)	(16,378,177)	-	(31,674,903)
31 December 2015	-	-	618,154,820	1,821,530,232	102,478,640	189,264,181	-	2,731,427,873
<u>Allowance for impairment</u>								
1 January 2014	14,638,278	-	39,489,294	66,216,486	-	-	-	120,344,058
Decrease during the year on items transferred to investment properties	-	-	(39,489,294)	-	-	-	-	(39,489,294)
31 December 2014	14,638,278	-	-	66,216,486	-	-	-	80,854,764
Increase during the year	-	-	-	17,462,002	159,096	302,624	-	17,923,722
31 December 2015	14,638,278	-	-	83,678,488	159,096	302,624	-	98,778,486

(Unit: Baht)

Consolidated financial statements

	Land and land improvement	Land awaiting development	Building and building improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Net book value								
31 December 2014 (Restated)	<u>674,303,005</u>	<u>76,475,756</u>	<u>315,489,590</u>	<u>846,561,005</u>	<u>13,919,190</u>	<u>67,647,697</u>	<u>91,153,575</u>	<u>2,085,549,818</u>
31 December 2015	<u>745,786,505</u>	<u>76,475,756</u>	<u>395,901,001</u>	<u>990,536,441</u>	<u>12,407,674</u>	<u>63,074,473</u>	<u>141,747,745</u>	<u>2,425,929,595</u>
Depreciation for the year								
2014 (Baht 202.5 million included in manufacturing cost, and the balance in administrative expenses)								<u>225,907,951</u>
2015 (Baht 204.6 million included in manufacturing cost, and the balance in administrative expenses)								<u>225,443,117</u>

(Unit: Baht)

Separate financial statements

	Land	Building and improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost							
1 January 2014	22,323,875	303,426,959	1,148,020,952	37,579,526	47,267,448	12,447,716	1,571,066,476
Additions	3,511,770	-	19,778,331	605,789	2,485,000	55,872,185	82,253,075
Disposals/write off	-	(272,843)	(22,916,504)	(433,880)	(2,342,960)	-	(25,966,187)
Transfer in (transfer out)	-	3,204,728	17,921,487	605,230	-	(21,731,445)	-
31 December 2014	25,835,645	306,358,844	1,162,804,266	38,356,665	47,409,488	46,588,456	1,627,353,364
Additions	-	23,000	9,833,055	582,067	9,175,260	319,797,128	339,410,510
Disposals/write off	-	-	(3,313,327)	(111,465)	(4,982,330)	-	(8,407,122)
Transfer in (transfer out)	-	78,551,119	221,888,964	329,045	-	(300,769,128)	-
31 December 2015	25,835,645	384,932,963	1,391,212,958	39,156,312	51,602,418	65,616,456	1,958,356,752

(Unit: Baht)

Separate financial statements

	Land	Building and building improvement	Machinery and factory and agricultural equipment and waste water treatment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total
<u>Accumulated depreciation</u>							
1 January 2014	-	209,014,471	687,759,879	33,435,658	33,351,488	-	963,561,496
Depreciation for the year	-	14,578,105	60,025,444	1,770,681	4,882,846	-	81,257,076
Depreciation on disposals/write off	-	(272,836)	(22,881,598)	(431,538)	(2,342,956)	-	(25,928,928)
31 December 2014	-	223,319,740	724,903,725	34,774,801	35,891,378	-	1,018,889,644
Depreciation for the year	-	15,103,937	64,395,445	1,641,996	4,743,968	-	85,885,346
Depreciation on disposals/write off	-	-	(3,009,083)	(111,443)	(4,370,630)	-	(7,491,156)
31 December 2015	-	238,423,677	786,290,087	36,305,354	36,264,716	-	1,097,283,834
<u>Net book value</u>							
31 December 2014	25,835,645	83,039,104	437,900,541	3,581,864	11,518,110	46,588,456	608,463,720
31 December 2015	25,835,645	146,509,286	604,922,871	2,850,958	15,337,702	65,616,456	861,072,918
<u>Depreciation for the year</u>							
2014 (Baht 71.1 million included in manufacturing cost, and the balance in administrative expenses)							81,257,076
2015 (Baht 75.8 million included in manufacturing cost, and the balance in administrative expenses)							85,885,346

During 2015, the subsidiary capitalised interest amounting to Baht 0.5 million (2014: Baht 0.3 million) to the costs of plant enlargement and machinery installation. These borrowing costs were determined based on the borrowing cost of the general loans and the weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 2.39% - 3.14% per annum (2014: 2.82% - 3.44% per annum).

As at 31 December 2015, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,585 million (2014: Baht 1,362 million) and for the Company amounted to approximately Baht 615 million (2014: Baht 532 million).

As at 31 December 2015, a subsidiary had vehicles with net book value of Baht 2.5 million which were acquired under finance lease agreements.

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

	Consolidated financial statements			(Unit: Baht)
				Separate
				financial
	Cost of forest land rights and cost of palm plantation ready for harvest	Cost of palm plantation not ready for harvest	Total	statements
				Cost of forest land rights and cost of palm plantation ready for harvest
<u>Cost</u>				
1 January 2014 (Restated)	634,085,461	26,206,271	660,291,732	294,119
Additions	-	23,771,375	23,771,375	-
Write off	(49,064,274)	-	(49,064,274)	-
Transfer in (transfer out)	8,286,571	(17,326,844)	(9,040,273)	-
31 December 2014 (Restated)	593,307,758	32,650,802	625,958,560	294,119
Additions	-	36,495,392	36,495,392	-
Write off	(54,203,878)	-	(54,203,878)	-
Transfer in (transfer out)	2,567,350	(9,880,305)	(7,312,955)	-
31 December 2015	541,671,230	59,265,889	600,937,119	294,119
<u>Accumulated amortisation</u>				
1 January 2014 (Restated)	388,137,552	-	388,137,552	46,060
Amortisation for the year	36,971,579	-	36,971,579	11,765
Amortisation on write off	(11,201,669)	-	(11,201,669)	-
31 December 2014 (Restated)	413,907,462	-	413,907,462	57,825
Amortisation for the year	11,895,157	-	11,895,157	11,765
Amortisation on write off	(48,688,148)	-	(48,688,148)	-
31 December 2015	377,114,471	-	377,114,471	69,590
<u>Net book value</u>				
31 December 2014 (Restated)	179,400,296	32,650,802	212,051,098	236,294
31 December 2015	164,556,759	59,265,889	223,822,648	224,529
<u>Amortisation for the year (included in manufacturing cost)</u>				
2014			36,971,579	11,765
2015			11,895,157	11,765

Approximately 12,494 rai of the total area utilised by the subsidiary has land title deeds or other land ownership documents (Nor Sor 3 Kor and Nor Sor 3) and for the remainder the subsidiary has possessory rights and is currently in the process of acquiring legal documentation of ownership.

A permit from the Royal Forest Department granted to a subsidiary for the exploitation or inhabitation in the National Reserved Forests had expired in January 2015. The subsidiary has used the land of 13,030 rai for palm oil plantation. The subsidiary is requesting the government unit to grant a permit to exploit or inhabit in such land, and the request is under the consideration of such government unit.

However, on 27 April 2015, that subsidiary was granted a permission to gather forest product in the Nation Reserved Forest, and started to pay official royalty fees at the rate of 10% of the market price of oil palm and forest maintenance fees at a rate of double the official royalty fees, when harvesting the planted oil palm crops.

18. Intangible assets

The net book value of intangible assets, which represent computer software, as at 31 December 2015 and 2014 is presented below.

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Cost	58,840,917	55,881,147	25,942,366	25,261,596
Less: Accumulated amortisation	<u>(49,570,056)</u>	<u>(47,611,468)</u>	<u>(20,945,447)</u>	<u>(20,196,722)</u>
Net book value	<u>9,270,861</u>	<u>8,269,679</u>	<u>4,996,919</u>	<u>5,064,874</u>

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	8,269,679	7,320,129	5,064,874	5,126,205
Acquisitions - cost	2,959,770	2,702,013	680,770	592,600
Disposals - net book value	-	(19)	-	(19)
Amortisation for the year	<u>(1,958,588)</u>	<u>(1,752,444)</u>	<u>(748,725)</u>	<u>(653,912)</u>
Net book value at end of year	<u>9,270,861</u>	<u>8,269,679</u>	<u>4,996,919</u>	<u>5,064,874</u>

19. Short-term loans from financial institutions

(Unit: Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2015	2014	2015	2014	2015	2014
Short-term loans						
from financial						
institutions	1.95 - 4.50	2.30 - 4.75	1,610,000,123	1,230,000,000	255,000,000	140,000,000
Total			1,610,000,123	1,230,000,000	255,000,000	140,000,000

The short-term loans from financial institutions of the Company and its subsidiaries are unsecured loans.

20. Trade and other payables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		
Trade payables - related parties	367,614	-	141,082,533	140,195,424
Trade payables - unrelated parties	280,975,865	245,651,567	205,657,053	172,366,883
Other payables - related parties	9,193,005	456,722	-	-
Other payables - unrelated parties	69,696,287	50,582,005	33,246,908	31,663,797
Advance received from related parties	7,311	244,613	313,870	12,849
Other payables for purchase of				
machineries	19,470,368	9,922,872	13,444,445	5,587,923
Accrued expenses	114,317,116	122,176,040	59,488,803	64,640,705
Total trade and other payables	494,027,566	429,033,819	453,233,612	414,467,581

21. Other current liabilities

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		
Advance income	10,363,383	19,134,631	1,078,933	19,134,631
Accrued dividend	4,340,997	4,141,093	10,363,383	1,024,961
Others	49,278,636	65,973,199	32,825,104	31,226,559
Total other current liabilities	63,983,016	89,248,923	44,267,420	51,386,151

22. Long-term loans

(Unit: Million Baht)

Loan	Consolidated		Separate		Interest rate (Percent per annum)	Repayment schedule	Security
	financial statements 2015	financial statements 2014	financial statements 2015	financial statements 2014			
<u>The Company and its subsidiary</u>							
1	188.89	-	188.89	-	3M BIBOR+1	Repayment in 12 quarterly installments, starting 3 months after the last drawdown	No collateral
2	75.00	175.00	-	-	BIBOR + 1	Repayment in 12 quarterly installments, starting February 2014	No collateral
3	87.50	-	-	-	THBFIX	Repayment in 15 quarterly installments, starting September 2015	No collateral
Total long-term loans	351.39	175.00	188.89	-			
Less: Current portion	(175.00)	(100.00)	(75.00)	-			
Long-term loans - net of current portion	176.39	75.00	113.89	-			

The loan agreements contain covenants that, among other things, require the Company and its subsidiary to maintain condition for dividend payments, the proportion of shareholding of the major shareholders and the maintenance of certain financial ratios at the rate prescribed in the agreements.

23. Liabilities under finance lease agreements

	(Unit: Baht)
	Consolidated financial statements
	<u>2015</u>
Liabilities under finance lease agreements	2,097,430
Less Deferred interest expenses	<u>(267,212)</u>
Total	1,830,218
Less Portion due within one year	<u>(573,000)</u>
Liabilities under finance lease agreements - net of current portion	<u><u>1,257,218</u></u>

The subsidiary has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Baht)		
	As at 31 December 2015		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	<u>641,224</u>	<u>1,456,206</u>	<u>2,097,430</u>
Deferred interest expenses	<u>(68,224)</u>	<u>(198,988)</u>	<u>(267,212)</u>
Present value of future minimum lease payments	<u><u>573,000</u></u>	<u><u>1,257,218</u></u>	<u><u>1,830,218</u></u>

24. Provision for long-term employee benefits

Provision for long-term employee benefits was presented as follows:

(Unit: Baht)

	Consolidated financial statements					
	2015			2014 (Restated)		
	Employee retirement benefit under labor law	Other long-term employee benefits	Total	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Defined benefit obligations at beginning of year	75,051,958	1,710,493	76,762,451	115,646,412	5,409,989	121,056,401
Current service cost	6,429,445	149,999	6,579,444	7,069,296	178,900	7,248,196
Interest cost	3,796,502	62,635	3,859,137	4,243,208	69,592	4,312,800
Benefits paid during the year	(19,202,755)	(466,000)	(19,668,755)	(27,639,774)	(575,000)	(28,214,774)
Actuarial (gain) loss						
Demographic assumptions changes	-	-	-	(49,831,872)	(180,229)	(50,012,101)
Financial assumptions changes	-	-	-	(20,641,522)	(626,730)	(21,268,252)
Experience adjustments	-	-	-	46,206,210	(2,566,029)	43,640,181
Defined benefit obligations at end of year	66,075,150	1,457,127	67,532,277	75,051,958	1,710,493	76,762,451
Unrecognised transitional provisions	-	-	-	(20,850,676)	(778,605)	(21,629,281)
Provision for long-term employee benefits at end of year	66,075,150	1,457,127	67,532,277	54,201,282	931,888	55,133,170

(Unit: Baht)

	Separate financial statements					
	2015			2014		
	Employee retirement benefit under labor law	Other long-term employee benefits	Total	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Defined benefit obligations at beginning of year	41,641,584	1,710,493	43,352,077	62,291,237	5,409,989	67,701,226
Current service cost	2,720,254	149,999	2,870,253	3,438,772	178,900	3,617,672
Interest cost	2,031,303	62,635	2,093,938	2,638,715	69,592	2,708,307
Benefits paid during the year	(17,250,870)	(466,000)	(17,716,870)	(23,744,096)	(575,000)	(24,319,096)
Actuarial (gain) loss						
Demographic assumptions changes	-	-	-	(20,207,868)	(180,229)	(20,388,097)
Financial assumptions changes	-	-	-	(7,098,957)	(626,730)	(7,725,687)
Experience adjustments	-	-	-	24,323,781	(2,566,029)	21,757,752
Defined benefit obligations at end of year	29,142,271	1,457,127	30,599,398	41,641,584	1,710,493	43,352,077
Unrecognised transitional provisions	-	-	-	(12,119,778)	(778,605)	(12,898,383)
Provision for long-term employee benefits at end of year	29,142,271	1,457,127	30,599,398	29,521,806	931,888	30,453,694

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Baht)

	Consolidated financial statements					
	2015			2014 (Restated)		
	Employee retirement benefit under labor law	Other long-term employee benefits	Total	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Current service cost	6,429,450	149,999	6,579,449	7,069,296	178,900	7,248,196
Interest cost	3,796,497	62,635	3,859,132	4,243,208	69,592	4,312,800
Actuarial gain recognised during the year	-	-	-	-	(3,372,988)	(3,372,988)
Transitional liability recognised during the year	20,850,676	778,605	21,629,281	20,912,594	778,605	21,691,199
Total expenses recognised in profit or loss	31,076,623	991,239	32,067,862	32,225,098	(2,345,891)	29,879,207
Line items in profit or loss under which such expenses are included						
Cost of sales			19,549,554			20,526,877
Selling and administrative expenses			12,518,308			9,352,330

(Unit: Baht)

	Separate financial statements					
	2015			2014		
	Employee retirement benefit under labor law	Other long-term employee benefits	Total	Employee retirement benefit under labor law	Other long-term employee benefits	Total
Current service cost	2,720,254	149,999	2,870,253	3,438,772	178,900	3,617,672
Interest cost	2,031,303	62,635	2,093,938	2,638,715	69,592	2,708,307
Actuarial gain recognised during the year	-	-	-	-	(3,372,988)	(3,372,988)
Transitional liability recognised during the year	12,119,778	778,605	12,898,383	12,181,688	778,605	12,960,293
Total expenses recognised in profit or loss	16,871,335	991,239	17,862,574	18,259,175	(2,345,891)	15,913,284
Line items in profit or loss under which such expenses are included						
Cost of sales			10,099,742			9,984,591
Selling and administrative expenses			7,762,832			5,928,693

The Company and its subsidiaries expect to pay Baht 17.1 million of long-term employee benefits during the next year (Separate financial statements: Baht 9.7 million) (2014: Baht 19.7 million, separate financial statements: Baht 17.7 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 14 - 27 years (Separate financial statements: 17 - 27 years) (2014: 14 - 27 years, separate financial statements: 17 - 27 years).

Significant actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.30 - 4.80	4.30 - 4.80	4.52, 4.77	4.52, 4.77
Future salary increase rate	5.0	5.0	5.0	5.0
Staff turnover rate (depending on age)	0 - 46	0 - 46	0 - 46	0 - 46

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(2.55)	2.73	(1.16)	1.22
Salary increase rate	3.39	(3.20)	1.58	(1.51)
Turnover rate	(0.21)	3.98	(1.78)	1.87

(Unit: million Baht)

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve is fully set aside by the Company.

Statutory reserve of the subsidiaries in the consolidated financial statements are presented in proportion to the Company's interest.

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Restated)			
Raw materials and consumables used	6,066,346,226	6,547,306,566	4,485,809,494	5,120,288,587
Changes in inventories of finished goods and work in process	155,340,262	(152,970,186)	65,546,051	(62,132,974)
Salary and wages and other employee benefits	774,787,933	787,784,314	305,154,676	308,989,649
Depreciation and amortisation	243,803,729	265,383,712	88,344,494	83,621,411
Transportation expenses	129,279,132	165,640,156	97,824,530	101,870,941
Promotion expenses	163,553,135	154,626,393	163,553,135	154,626,393
Repair and maintenance expenses	109,415,407	113,641,379	33,623,797	33,327,029
Rental expenses from operating lease agreements	39,882,083	33,883,761	7,468,962	5,589,748
Loss on impairment of assets	35,000,000	-	-	-

27. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Restated)			
Current income tax:				
Current income tax charge	94,850,444	90,780,198	40,524,518	35,627,132
Adjustment in respect of income tax expenses of previous year	5,804,000	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(5,951,765)	429,952	(147,182)	1,662,098
Income tax expenses reported in the statements of comprehensive income	<u>94,702,679</u>	<u>91,210,150</u>	<u>40,377,336</u>	<u>37,289,230</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax relating to gain (loss) on change in value of available-for-sale investments	(252,732)	230,647	(252,732)	230,647
Deferred tax relating to actuarial gain	-	4,528,782	-	596,609
Income tax charged directly to other comprehensive income	<u>(252,732)</u>	<u>4,759,429</u>	<u>(252,732)</u>	<u>827,256</u>

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
Accounting profit before tax	<u>403,983,901</u>	<u>530,100,922</u>	<u>244,849,073</u>	<u>317,784,725</u>
Applicable tax rate	15% and 20%	15% and 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	87,575,817	128,213,885	48,969,815	63,556,945
Adjustment in respect of current income tax of previous year	5,804,000	-	-	-
Effects of:				
Tax loss for the year unrecognised as deferred tax assets	5,774,435	9,405,259	-	-
Share of profit from investment in joint venture	(1,044,444)	(1,192,587)	-	-
Promotional privileges (Note 28)	(8,828,959)	(17,097,167)	(2,817,545)	(1,593,742)
Non-deductible expenses	12,669,451	6,919,630	1,252,084	624,899
Additional expense deductions allowed	(7,205,820)	(35,220,198)	(7,027,018)	(25,298,872)
Others	(41,801)	181,328	-	-
Total	<u>1,322,862</u>	<u>(37,003,735)</u>	<u>(8,592,479)</u>	<u>(26,267,715)</u>
Income tax expenses reported in the statements of comprehensive income	<u>94,702,679</u>	<u>91,210,150</u>	<u>40,377,336</u>	<u>37,289,230</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Baht)

	Statements of financial position as at 31 December			
	Consolidated financial statements		Separated financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	20,352,298	19,772,114	2,212,918	2,163,555
Allowance for diminution in inventory value	3,154,604	1,172,291	90,132	21,453
Allowance for impairment loss of investment in associated company	2,400,000	2,400,000	-	-
Unrealised loss on changes in value of available-for-sale investments	158,474	-	158,474	-
Allowance for asset impairment	3,365,525	3,365,525	-	-
Provision for long-term employee benefits	11,469,175	8,989,356	6,119,879	6,090,739
Unused tax losses	909,449	-	-	-
Total	41,809,525	35,699,286	8,581,403	8,275,747
Deferred tax liabilities				
Unrealised gain on changes in value of available-for-sale investments	-	94,258	-	94,258
Total	-	94,258	-	94,258
Net deferred tax assets	41,809,525	35,605,028	8,581,403	8,181,489

As at 31 December 2015, the subsidiary had deductible temporary differences and unused tax losses totaling Baht 480 million (2014: Baht 445 million), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to Baht 345 million will expire by 2022.

28. Promotional privileges

The Company and its subsidiaries have received promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment in respect of manufacture of products as stipulated in the promotion certificates as follows:

The Company

<u>Certificate No.</u>	<u>Operation</u>
1815(2)/2549	Manufacture of crude palm oil
1013(9)/2551	Manufacture of electricity from biogases
2093(2)/2550	Manufacture pure vegetable oil

Subsidiaries

<u>Certificate No.</u>	<u>Operation</u>
1043(2)/2548	Manufacture of crude palm oil and palm kernel seed and electricity from biomasses product
2088(2)/2547	Manufacture of fruits and vegetables
2121(2)/2547	Manufacture of fruits and vegetables into products and fermented soybeans
2112(5)/2547	Manufacture of frozen fruits and vegetables
2245(9)/2550	Manufacture of electricity from biogases

The significant privileges include exemption from corporate income tax on income from the promoted operations for a period of eight years, commencing from the date of first earning operating income (except certificate No. 1815(2)/2549, 2093(2)/2550, 1043(2)/2548, 2088(2)/2547, 2121(2)/2547 and 2112(5)/2547, which have been exempted from corporate income tax on income from the promoted operations for a period of eight years from the date of first earning operating income, up to a maximum of 100 percent of the amount invested, excluding land and working capital).

Revenues, divided between promoted and non-promoted operations, of the Company for the years 2015 and 2014 were as follows:

	Promoted operations		Non-promoted operations		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Sales						
Domestic sales	1,483,091,071	2,118,585,245	4,657,105,797	4,503,187,149	6,140,196,868	6,621,772,394
Export sales	20,898,195	44,976,459	168,192,887	264,989,585	189,091,082	309,966,044
Total sales	<u>1,503,989,266</u>	<u>2,163,561,704</u>	<u>4,825,298,684</u>	<u>4,768,176,734</u>	<u>6,329,287,950</u>	<u>6,931,738,438</u>

(Unit: Baht)

29. Earnings per share

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

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Profit attributable to equity holders of the Company (Thousand Baht)	311,416	380,673	204,472	280,495
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht/share)	0.38	0.46	0.25	0.34

30. 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 three reportable segments as follows:

- (1) The manufacture and distribution of palm oil segment
- (2) The manufacture and distribution of processed fruits and vegetables segment
- (3) The generation of electricity from biogases segment

During the year, there were no material activities pertaining to the generation of electricity from biogases segment for the Company and its subsidiaries. Accordingly, most of revenues, profit and assets as reflected in these financial statements pertain to the industry segment (1) and the industry segment (2) mentioned above.

No operating segments have been aggregated to form the above reportable operating segments.

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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014.

(Unit: Million Baht)

	Segment				Total		Elimination of inter-segment transactions		Consolidated	
	Palm oil		Processed fruits and vegetables							
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Restated)				(Restated)				(Restated)	
Revenue from external customers	6,839	6,626	1,358	1,809	8,197	8,435	-	-	8,197	8,435
Intersegment revenues	750	755	688	735	1,438	1,490	(1,438)	(1,490)	-	-
Interest expenses	(21)	(21)	(27)	(31)	(48)	(52)	-	-	(48)	(52)
Depreciation and amortisation	(172)	(191)	(72)	(74)	(244)	(265)	-	-	(244)	(265)
Income tax expenses	(48)	(71)	(47)	(20)	(95)	(91)	-	-	(95)	(91)
Reversal of loss (loss) on impairment of assets	-	-	(35)	2	(35)	2	-	-	(35)	2
Segment profit	715	869	568	488	1,283	1,357	(1)	3	1,282	1,360

(Unit: Million Baht)

	Segment				Total		Elimination of inter-segment transactions		Consolidated	
	Palm oil		Processed fruits and vegetables							
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Restated)				(Restated)				(Restated)	
Segment total assets	5,454	4,949	1,755	1,405	7,209	6,354	(1,338)	(1,230)	5,871	5,124
Additions (reduction) to non-current assets other than financial instruments and deferred tax assets	534	37	(148)	(137)	386	(100)	-	-	386	(100)

Transfer prices between business segments are as set out in Note 6 to the financial statements.

Geographic information

During the year 2015, the Company's and its subsidiaries' sales represent domestic sales of 82 percent (2014: 85 percent) and export sales of 18 percent (2014: 15 percent).

Major customers

For the years 2015 and 2014, the Company and its subsidiaries have no major external customer with revenue of 10 percent or more of an entity's revenues.

31. Provident fund

The Company, its subsidiaries, and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. Both employees, the Company and its subsidiaries contribute to the fund monthly at the rates of 2 - 5 percent of basic salary. The Company's fund, which is managed by Kasikorn Asset Management Company Limited, and the subsidiaries' funds, which are managed by Kasikorn Asset Management Company Limited and SCB Assets Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2015 by the Company and the subsidiaries amounting to approximately Baht 11.1 million (2014: Baht 10.7 million) were recognised as expenses, the Company only: Baht 5.3 million (2014: Baht 5.4 million).

32. Dividends

	Approved by	Total dividends	(Unit: Baht) Dividend per share
<u>The Company</u>			
<u>For the year 2014</u>			
Final dividends for 2013	Annual General Meeting of the shareholders on 25 April 2014	164,000,000	0.20
Total dividends for the year 2014		164,000,000	0.20
<u>For the year 2015</u>			
Final dividends for 2014	Annual General Meeting of the shareholders on 24 April 2015	164,000,000	0.20
Total dividends for the year 2015		164,000,000	0.20
<u>Subsidiary</u>			
<u>For the year 2014</u>			
Final dividends for 2013	Annual General Meeting of the shareholders on 25 April 2014	129,620,000	0.40
Interim dividends for the period from January to September 2014	Board of Directors' Meeting on 6 November 2014	48,607,500	0.15
Total dividends for the year 2014		178,227,500	0.55
<u>For the year 2015</u>			
Final dividends for 2014	Annual General Meeting of the shareholders on 24 April 2015	48,607,185	0.15
Total dividends for the year 2015		48,607,185	0.15

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2015, the Company and its subsidiaries had capital commitments relating to construction of buildings and purchase of machineries, equipment and motor vehicles amounting to approximately Baht 71.1 million, Yen 2.7 million and Euro 0.7 million (2014: Baht 50.0 million, SGD 0.7 million and Euro 39,000), the Company only: Baht 39.8 million, Yen 2.7 million and Euro 0.7 million (2014: Baht 8.3 million, SGD 0.7 million and Euro 39,000).

33.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, equipment and motor vehicles. Operating lease agreements are non-cancelable.

In addition, a subsidiary has entered into lease agreements in respect of land. The terms of the agreements are 14 and 15 years. The subsidiary is required to comply with conditions stipulated in the contracts.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2015</u>	<u>2014</u>
Payable:		
Within 1 year	24.4	21.8
In over 1 year and up to 5 years	71.5	63.8
In over 5 years	16.0	15.4

33.3 Guarantees

As at 31 December 2015, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performances bonds as required in the normal course of their businesses. These included letters of guarantee amounting to Baht 32.1 million to guarantee import, electricity use, among others (2014: Baht 16.1 million) and for the Company: Baht 10.1 million to guarantee electricity use, among others (2014: Baht 9.1 million).

33.4 Contingent liabilities

- (1) 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.

On 15 October 2005, the subsidiary submitted related documents to Agricultural Land Reform Office to verify the right over the land.

Consequently, ALRO sent a letter to the subsidiary regarding the distribution of land. The land of 4,994.10 rai had been distributed. However, the subsidiary found that the distribution of the land of about 1,459 rai, with the approximately cost of land and the net book value of the palm plantation development on such land as at 31 December 2015 totally Baht 10 million, was in conflict with the subsidiary's land title deed. The subsidiary is now processing with ALRO to nullify the status of being land under Sor Por Kor.

- (2) On 11 April 2008, the 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 was set up by the Suratthani Land Reform Commission. The purpose of the 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 plots of land 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 a 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 designed forest areas.

- (3) In 2008, the subsidiary received a 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 Royal Forest Department's 2005 regulation concerning permission to exploit National Forest land, to lodge an application for permission to gather forest produce in accordance with Section 15 of the National Forest Act 1964, and to pay official royalty fees at the rate of 10 percent of the market price of palm oil and forest maintenance fees, at a rate of double the official royalty fees, when harvesting the palm oil crops planted.

On 6 August 2009, the subsidiary entered into a memorandum of acknowledgement and consent to comply with the conditions stipulated by the Royal Forest Department. On 18 December 2009, the subsidiary lodged an application for permission to gather forest produce in a National Forest.

On 8 July 2014, a permit from the Royal Forest Department granted to a subsidiary for the exploitation in the National Reserved Forests expired. As a result, the royalties payable to the Royal Forest Department are terminated. On 11 December 2014, the subsidiary entered into a lease agreement for half of the land that was under the expired permit for land exploitation. The agreement is effective from 9 July 2014 to 8 July 2029.

On 27 April 2015, a subsidiary was granted a permission to gather forest product in the National Reserved Forest.

34. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets that were measured at fair value or for which fair value is disclosed using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	0.9	0.8	-	1.7
Assets for which fair value is disclosed				
Investment properties	-	-	182.5	182.5

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	0.9	0.8	-	1.7
Assets for which fair value is disclosed				
Investments in subsidiaries	1,056.0	-	-	1,056.0
Investment properties	-	-	25.7	25.7

35. Financial instruments

35.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, trade and other payables, short-term and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans, as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, loans, short-term and long-term borrowings. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2015 and 2014 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December 2015				Total	Interest rate (% p.a.)
	Fixed interest rate		Floating interest rate	Non-interest bearing		
	Within one year	More than one year but within four years				
Financial assets						
Cash and cash equivalents	-	-	421	59	480	0.05 - 0.85
Trade and other receivables	-	-	-	1,152	1,152	-
Long-term loans to other companies	-	-	62	-	62	THBFIX + 1
	-	-	483	1,211	1,694	
Financial liabilities						
Short-term loans from financial institutions						
	655	-	955	-	1,610	1.95 - 4.50
Trade and other payables	-	-	-	494	494	-
Long-term loans	-	-	351	-	351	3M BIBOR+1, THBFIX, BIBOR+1
Liabilities under finance lease agreements						
	1	1	-	-	2	7.15
	656	1	1,306	494	2,457	

(Unit: Million Baht)

As at 31 December 2014 (Restated)						
Fixed interest rate						
		More than one year	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
Within one year	but within four years					
Financial assets						
Cash and cash equivalents	-	-	208	5	213	0.10 - 1.25
Trade and other receivables	-	-	-	902	902	-
	-	-	208	907	1,115	
Financial liabilities						
Short-term loans from financial institutions	340	-	890	-	1,230	2.30 - 4.75
Trade and other payables	-	-	-	429	429	-
Short-term loan from related party	-	-	10	-	10	THBFIX + 0.50
Long-term loans	100	-	75	-	175	BIBOR + 1
	440	-	975	429	1,844	

Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	2.1	2.2	0.8	0.9	36.0886	32.9630
Euro	0.4	0.2	0.1	0.1	39.4388	40.0530
Yen	-	-	33.4	-	0.3028	-

Forward exchange contracts outstanding as at 31 December 2015 are summarised below.

Foreign currency	Sold amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements (Million)	Separate financial statements (Million)		
Euro	0.6	0.6	(Baht per 1 foreign currency unit) 40.2000 - 41.3640	In April 2016

35.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

36. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.82:1 (2014: 0.66:1) and the Company's was 0.35:1 (2014: 0.24:1).

37. Events after the reporting period

On 26 February 2016, the meeting of the Company's Board of Directors passed a resolution to propose the payment of dividend in respect of 2015 profit of Baht 0.15 per share, or a total of Baht 123 million.

On 25 February 2016, a meeting of the Board of Directors of United Palm Oil Industry Public Company Limited ("the subsidiary") passed a resolution to propose the payment of dividend from the retained earnings of Baht 0.10 per share, or a total of Baht 32 million.

On 25 February 2016, a meeting of the Board of Directors of Universal Food Public Company Limited ("the subsidiary") passed a resolution to propose the payment of dividend in respect of 2015 profit derived from the promoted operations of Baht 0.55 per share, or a total of Baht 28.88 million.

The payment of dividends will later be proposed for approval in the Annual General Meeting of the Company's and the subsidiary's shareholders.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2016.