

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2015

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Lam Soon (Thailand) Public Company Limited and its subsidiaries as at 30 September 2015, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Lam Soon (Thailand) Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 12 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 conclusion is not qualified in respect of this matter.

Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377

EY Office Limited
Bangkok: 13 November 2015

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	295,316	212,800	47,007	27,893
Trade and other receivables	2, 4	908,308	902,094	764,813	816,939
Short-term loans to related parties	2	-	-	-	-
Inventories	5	1,660,734	1,294,624	891,250	629,345
Other current assets		30,081	38,502	6,982	12,453
Total current assets		2,894,439	2,448,020	1,710,052	1,486,630
Non-current assets					
Investment in associated company	6	-	-	-	-
Investments in subsidiaries	7	-	-	1,312,871	1,312,491
Investment in joint venture	8	39,001	39,684	-	-
Other long-term investments		1,983	3,940	1,983	3,940
Long-term loan to unrelated party	9	63,000	-	-	-
Investment properties	10	83,198	86,530	6,991	8,261
Property, plant and equipment	11	2,394,128	2,085,550	850,874	608,464
Cost of forest land rights and cost of palm plantation	12	219,699	212,051	227	236
Goodwill		196,376	196,376	-	-
Intangible assets		9,816	8,270	5,187	5,065
Deferred tax assets		39,961	35,605	8,481	8,181
Other non-current assets		17,948	7,570	485	518
Total non-current assets		3,065,110	2,675,576	2,187,099	1,947,156
Total assets		5,959,549	5,123,596	3,897,151	3,433,786

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	<u>Note</u> <u>30 September 2015</u>	<u>31 December 2014</u>	<u>30 September 2015</u>	<u>31 December 2014</u>
	(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institutions	13	1,695,000	425,000	140,000
Trade and other payables	2, 14	528,479	445,856	414,468
Short-term loan from related party	2	-	-	-
Current portion of long-term loans	15	200,000	75,000	-
Income tax payable		37,515	5,745	22,680
Other current liabilities		61,079	36,414	51,386
Total current liabilities		2,522,073	988,015	628,534
Non-current liabilities				
Long-term loans - net of current portion	15	182,649	113,899	-
Provision for long-term employee benefits		64,213	30,142	30,454
Total non-current liabilities		246,862	144,041	30,454
Total liabilities		2,768,935	1,132,056	658,988

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 September 2015 (Unaudited but reviewed)	As at 31 December 2014 (Audited) (Restated)	As at 30 September 2015 (Unaudited but reviewed)	As at 31 December 2014 (Audited)
Shareholders' equity				
Share capital				
Registered				
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000
Issued and fully paid-up				
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000
Paid-in surplus				
Share premium	241,970	241,970	241,970	241,970
Premium on treasury stock	5,269	5,269	5,269	5,269
Retained earnings				
Appropriated - statutory reserve	103,071	103,071	82,000	82,000
Unappropriated	1,692,823	1,582,268	1,616,264	1,625,182
Other components of shareholders' equity	(6,939)	1,362	(408)	377
Equity attributable to owners of the Company	2,856,194	2,753,940	2,765,095	2,774,798
Non-controlling interests of the subsidiaries	334,420	339,923	-	-
Total shareholders' equity	3,190,614	3,093,863	2,765,095	2,774,798
Total liabilities and shareholders' equity	5,959,549	5,123,596	3,897,151	3,433,786

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

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Directors
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(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month period ended 30 September 2015**

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

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014 (Restated)	2015	2014
Profit or loss:					
Revenues					
Sales		1,753,387	2,009,928	1,352,078	1,680,742
Dividend income		38	75	38	75
Other income		23,313	24,162	30,478	29,479
Total revenues		1,776,738	2,034,165	1,382,594	1,710,296
Expenses					
Cost of sales		1,447,629	1,649,779	1,213,568	1,497,583
Selling expenses		170,548	161,738	106,909	108,574
Administrative expenses		55,199	50,028	27,774	30,996
Total expenses		1,673,376	1,861,545	1,348,251	1,637,153
Profit before share of profit from investment in joint venture, finance cost and income tax expenses					
		103,362	172,620	34,343	73,143
Share of profit from investment in joint venture	8	4,785	6,339	-	-
Profit before finance cost and income tax expenses					
		108,147	178,959	34,343	73,143
Finance cost		(12,982)	(13,623)	(3,678)	(4,215)
Profit before income tax expenses					
		95,165	165,336	30,665	68,928
Income tax expenses	16	(18,373)	(22,733)	(4,667)	(12,462)
Profit for the period		76,792	142,603	25,998	56,466
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Loss on changes in value of available-for-sale investments		(909)	(82)	(909)	(82)
Income tax reffect	16	182	16	182	16
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(727)	(66)	(727)	(66)
Other comprehensive income for the period		(727)	(66)	(727)	(66)
Total comprehensive income for the period		76,065	142,537	25,271	56,400

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the three-month period ended 30 September 2015

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Profit or loss attributable to:				
Equity holders of the Company	78,086	129,065	<u>25,998</u>	<u>56,466</u>
Non-controlling interests of the subsidiaries	<u>(1,294)</u>	<u>13,538</u>		
	<u>76,792</u>	<u>142,603</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	77,359	128,999	<u>25,271</u>	<u>56,400</u>
Non-controlling interests of the subsidiaries	<u>(1,294)</u>	<u>13,538</u>		
	<u>76,065</u>	<u>142,537</u>		
Basic earnings per share	17			
Profit attributable to equity holders of the Company	<u>0.10</u>	<u>0.16</u>	<u>0.03</u>	<u>0.07</u>

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries**Statements of comprehensive income****For the nine-month period ended 30 September 2015**

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

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014 (Restated)	2015	2014
Profit or loss:					
Revenues					
Sales		6,024,354	6,374,002	4,698,322	5,184,579
Dividend income		191	75	34,198	90,761
Other income		76,364	68,029	87,266	91,043
Total revenues		6,100,909	6,442,106	4,819,786	5,366,383
Expenses					
Cost of sales		5,044,865	5,295,096	4,223,113	4,738,654
Selling expenses		504,007	470,842	320,758	317,948
Administrative expenses		168,036	165,964	85,745	94,434
Total expenses		5,716,908	5,931,902	4,629,616	5,151,036
Profit before share of profit from investment in joint venture, finance cost and income tax expenses					
		384,001	510,204	190,170	215,347
Share of profit from investment in joint venture	8	4,942	8,483	-	-
Profit before finance cost and income tax expenses					
		388,943	518,687	190,170	215,347
Finance cost		(35,644)	(39,896)	(7,758)	(10,121)
Profit before income tax expenses					
		353,299	478,791	182,412	205,226
Income tax expenses	16	(76,793)	(73,491)	(27,335)	(21,814)
Profit for the period		276,506	405,300	155,077	183,412
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		(982)	1,804	(982)	1,804
Income tax reffect	16	197	(361)	197	(361)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax					
		(785)	1,443	(785)	1,443
Other comprehensive income for the period		(785)	1,443	(785)	1,443
Total comprehensive income for the period		275,721	406,743	154,292	184,855

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
Profit or loss attributable to:				
Equity holders of the Company	274,550	335,237	<u>155,077</u>	<u>183,412</u>
Non-controlling interests of the subsidiaries	<u>1,956</u>	<u>70,063</u>		
	<u>276,506</u>	<u>405,300</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	273,765	336,680	<u>154,292</u>	<u>184,855</u>
Non-controlling interests of the subsidiaries	<u>1,956</u>	<u>70,063</u>		
	<u>275,721</u>	<u>406,743</u>		
Basic earnings per share	17			
Profit attributable to equity holders of the Company	<u>0.33</u>	<u>0.41</u>	<u>0.19</u>	<u>0.22</u>

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries**Cash flow statements****For the nine-month period ended 30 September 2015**

(Unit: Thousand 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	353,299	478,791	182,412	205,226
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	180,604	199,469	64,447	62,245
Share of profit from investment in joint venture	(4,942)	(8,483)	-	-
Increase (decrease) in allowance for doubtful accounts	486	5,859	246	(11)
Increase (decrease) in allowance for diminution in inventory value	7,396	(26,386)	579	340
Decrease in allowance for impairment loss of assets	-	(2,268)	-	-
Gain on disposal of other long-term investment	(225)	-	(225)	-
Gain on disposals of property, plant and equipment	(34)	(3,487)	(871)	(929)
Loss on write-off of cost of palm plantation	5,274	-	-	-
Unrealised loss (gain) on exchange	5,613	229	7,427	(42)
Provision for long-term employee benefits	24,097	29,016	13,443	17,921
Dividend income from subsidiary	-	-	(34,007)	(90,686)
Dividend income from other companies	(191)	(75)	(191)	(75)
Interest expenses	33,066	37,562	6,037	8,629
Profit from operating activities before changes in operating assets and liabilities	604,443	710,227	239,297	202,618
Decrease (increase) in operating assets				
Trade and other receivables	(4,091)	54,779	51,687	64,913
Inventories	(364,629)	(576,146)	(262,484)	(412,193)
Other current assets	5,185	12,940	6,080	3,969
Other non-current assets	(10,378)	3,841	33	(49)
Increase (decrease) in operating liabilities				
Trade and other payables	75,518	19,791	8,270	(51,148)
Other current liabilities	(29,311)	21,407	(15,426)	10,127
Provision for long-term employee benefits	(15,017)	(2,454)	(13,755)	(187)
Cash from (used in) operating activities	261,720	244,385	13,702	(181,950)
Cash paid for interest expenses	(34,108)	(37,197)	(6,033)	(8,366)
Cash paid for income tax	(81,518)	(85,972)	(44,982)	(28,964)
Net cash from (used in) operating activities	146,094	121,216	(37,313)	(219,280)

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries**Cash flow statements (continued)****For the nine-month period ended 30 September 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Increase in investment in subsidiary	(390)	-	(380)	-
Dividend received from subsidiary	-	-	34,007	90,686
Dividend received from other companies	191	75	191	75
Dividend received from joint venture	5,625	-	-	-
Decrease (Increase) in other long-term investment	1,200	(1,951)	1,200	(1,951)
Increase in long-term loan to unrelated party	(63,000)	-	-	-
Increase in investment properties	(75)	-	-	-
Acquisitions of property, plant and equipment	(461,787)	(111,618)	(290,055)	(39,014)
Proceeds from disposals of property, plant and equipment	4,119	5,911	1,787	967
Increase in cost of palm plantation	(31,025)	(21,706)	-	-
Increase in intangible assets	(2,959)	(2,619)	(681)	(593)
Net cash from (used in) investing activities	(548,101)	(131,908)	(253,931)	50,170
Cash flows from financing activities				
Increase in short-term loans from financial institutions	465,000	294,751	285,000	360,000
Decrease in short-term loan from related party	(10,000)	(25,000)	-	-
Increase in long-term loans from financial institutions	288,899	-	188,899	-
Repayment of long-term loans	(81,250)	(117,140)	-	(15,000)
Dividend paid	(178,126)	(202,933)	(163,541)	(164,000)
Net cash from (used in) financing activities	484,523	(50,322)	310,358	181,000
Net increase (decrease) in cash and cash equivalents	82,516	(61,014)	19,114	11,890
Cash and cash equivalents at beginning of the period	212,800	225,216	27,893	46,880
Cash and cash equivalents at end of the period (Note 3)	295,316	164,202	47,007	58,770
Supplementary disclosures of cash flows information				
Non-cash transactions				
Acquisitions of plant and equipment that have not been paid	27,357	10,038	21,468	4,299
Transferred palm nursery to inventory account	8,877	15,270	-	-
Dividend payable	4,741	-	1,479	-

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the owners of the Company												
					Other components of equity							
					Other comprehensive income		Other changes by the owners		Equity			
					Surplus (deficit) on changes in value of		Surplus from change in shareholding in subsidiary		Total equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity	
Issued and paid up share capital		Share premium	Premium on treasury stock	Retained earnings		in value of available-for-sale investments	change in shareholding in subsidiary	Total other components of shareholders' equity	Total equity attributable to the Company	interests of the subsidiaries	Total shareholders' equity	
				Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2014		820,000	241,970	5,269	103,071	1,349,238	(545)	985	440	2,519,988	331,843	2,851,831
Profit for the period		-	-	-	-	335,237	-	-	-	335,237	70,063	405,300
Other comprehensive income for the period		-	-	-	-	-	1,443	-	1,443	1,443	-	1,443
Total comprehensive income for the period		-	-	-	-	335,237	1,443	-	1,443	336,680	70,063	406,743
Reversal of prior year dividend		-	-	-	-	12	-	-	-	12	-	12
Dividend paid (Note 19)		-	-	-	-	(164,000)	-	-	-	(164,000)	-	(164,000)
Decrease in non-controlling interests from dividend payment of subsidiary		-	-	-	-	-	-	-	-	-	(38,933)	(38,933)
Balance as at 30 September 2014		820,000	241,970	5,269	103,071	1,520,487	898	985	1,883	2,692,680	362,973	3,055,653

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the owners of the Company											
					Other components of equity						
					Other comprehensive income		Other changes by the owners		Equity		
					Surplus (deficit) on changes in value of		Surplus from change in shareholding in subsidiary		Total equity attributable to non-controlling interests of the subsidiaries		
Retained earnings					in value of		change in		Total equity		
Appropriated -					available-for-sale		shareholding		attributable to		
statutory reserve					investments		in subsidiary		shareholders' equity		
Unappropriated					in value of		change in		Total equity		
share capital					investments		in subsidiary		attributable to		
Issued and paid up					in value of		change in		Total equity		
Share premium					in value of		change in		Total equity		
Premium on treasury stock					in value of		change in		Total equity		
Total equity					in value of		change in		Total equity		
Balance as at 1 January 2015	820,000	241,970	5,269	103,071	1,582,268	377	985	1,362	2,753,940	339,923	3,093,863
Profit for the period	-	-	-	-	274,550	-	-	-	274,550	1,956	276,506
Other comprehensive income for the period	-	-	-	-	-	(785)	-	(785)	(785)	-	(785)
Total comprehensive income for the period	-	-	-	-	274,550	(785)	-	(785)	273,765	1,956	275,721
Reversal of prior year dividend	-	-	-	-	5	-	-	-	5	-	5
Dividend paid (Note 19)	-	-	-	-	(164,000)	-	-	-	(164,000)	-	(164,000)
Acquisition of investment in subsidiary from non-controlling interests	-	-	-	-	-	-	(7,516)	(7,516)	(7,516)	7,126	(390)
Decrease in non-controlling interests from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	(14,585)	(14,585)
Balance as at 30 September 2015	820,000	241,970	5,269	103,071	1,692,823	(408)	(6,531)	(6,939)	2,856,194	334,420	3,190,614

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

Separate financial statements								
					Other components of equity			
					Other comprehensive income			
					Surplus (deficit) on changes in value of		Total other components of	
Issued and paid up	Share premium	Premium on treasury stock	Retained earnings Appropriated - statutory reserve	Unappropriated	available-for-sale investments	shareholders' equity	Total shareholders' equity	
share capital								
Balance as at 1 January 2014	820,000	241,970	5,269	82,000	1,506,288	(545)	(545)	2,654,982
Profit for the period	-	-	-	-	183,412	-	-	183,412
Other comprehensive income for the period	-	-	-	-	-	1,443	1,443	1,443
Total comprehensive income for the period	-	-	-	-	183,412	1,443	1,443	184,855
Reversal of prior year dividend	-	-	-	-	12	-	-	12
Dividend paid (Note 19)	-	-	-	-	(164,000)	-	-	(164,000)
Balance as at 30 September 2014	820,000	241,970	5,269	82,000	1,525,712	898	898	2,675,849

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

Separate financial statements								
					Other components of equity			
					Other			
					comprehensive			
					income			
					Surplus (deficit)			
					on changes		Total other	
					in value of		components of	
					available-for-sale		shareholders'	
					investments		equity	
					Total		shareholders'	
					equity		equity	
Issued and			Retained earnings					
paid up		Premium on	Appropriated -					
share capital	Share premium	treasury stock	statutory reserve	Unappropriated				
Balance as at 1 January 2015	820,000	241,970	5,269	82,000	1,625,182	377	377	2,774,798
Profit for the period	-	-	-	-	155,077	-	-	155,077
Other comprehensive income for the period	-	-	-	-	-	(785)	(785)	(785)
Total comprehensive income for the period	-	-	-	-	155,077	(785)	(785)	154,292
Reversal of prior year dividend	-	-	-	-	5	-	-	5
Dividend paid (Note 19)	-	-	-	-	(164,000)	-	-	(164,000)
Balance as at 30 September 2015	820,000	241,970	5,269	82,000	1,616,264	(408)	(408)	2,765,095

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries
Notes to interim financial statements
For the three-month and nine-month periods ended 30 September 2015

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2014) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of Lam Soon (Thailand) Public Company Limited (herein after called “the Company”) and its subsidiaries (herein after called “the subsidiaries”), which were incorporated in Thailand, and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014. There have been no changes in the composition of the group during the current period except for the additional investment in Universal Food Public Company Limited as discussed in Note 7 to the financial statements.

1.4 New financial reporting standards

a) Financial reporting standards that became effective in the current period

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 existing standard allows 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 statement of financial position and the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
	<u>As at 31 December 2014</u>
Statement of financial position:	
Increase in investment in joint venture	39,684
Decrease in current assets	(26,014)
Decrease in non-current assets	(19,025)
Decrease in current liabilities	(4,493)
Decrease in non-current liabilities	(862)

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements

	For the three-month period ended 30 September 2014	For the nine-month period ended 30 September 2014
Statements of comprehensive income		
Profit or loss:		
Decrease in revenue	(6,317)	(12,100)
Increase (decrease) in expenses	369	(3,270)
Increase in share of profit from investment in joint venture	6,339	8,483

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 issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) 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 Group's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 1.4 to the financial statements.

2. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2015	2014	2015	2014	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	273.4	208.7	Market price on the contract date
Purchase of goods and services	-	-	170.7	178.9	Market price less fixed margin
Sales of goods and services	-	-	0.4	0.4	Market price
Rental income	-	-	0.6	0.5	Market price/Contract price
Selling and administrative service income	-	-	21.9	18.7	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	45.3	10.3	-	-	Price approximates market price
Purchase of goods	1.2	0.9	-	-	Selling price less marketing expenses and profit margin
Interest expenses	-	0.2	-	-	THBFIX + 0.50% per annum
Other expenses	3.5	-	0.6	-	Actual charge
<u>Transactions with jointly controlled entity</u>					
Land rental income	0.3	0.1	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	12.1	3.6	-	-	Market price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	644.4	647.8	Market price on the contract date
Purchase of goods and services	-	-	507.5	562.6	Market price less fixed margin
Sales of goods and services	-	-	1.1	1.7	Market price
Rental income	-	-	1.6	1.6	Market price/Contract price
Selling and administrative service income	-	-	58.1	59.9	Actual charge
Dividend income	-	-	34.0	90.6	At the declared rate
<u>Transactions with related companies</u>					
Sales of goods	78.2	25.4	-	-	Price approximates market price
Purchase of goods	2.3	1.6	-	-	Selling price less marketing expenses and profit margin
Interest expenses	-	0.7	-	-	THBFIX + 0.50% per annum
Other expenses	4.9	-	0.6	-	Actual charge
<u>Transactions with jointly controlled entity</u>					
Land rental income	0.8	0.4	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	17.2	4.1	-	-	Market price

(Unaudited but reviewed)

The balances of accounts as at 30 September 2015 and 31 December 2014 between the Company and the related parties are detailed as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
		(Restated)		
<u>Trade and other receivables - related parties</u> (Note 4)				
Subsidiaries	-	-	15,423	14,162
Associated company	452	452	-	-
Related companies (related by common shareholders)	45,895	25,617	-	5
Total trade and other receivables - related parties	46,347	26,069	15,423	14,167
Less: Allowance for doubtful accounts	(20,780)	(20,780)	-	-
Total trade and other receivables - related parties - net	<u>25,567</u>	<u>5,289</u>	<u>15,423</u>	<u>14,167</u>
<u>Short-term loans to related parties</u>				
Associated company	40,286	40,286	-	-
Related companies (related by common shareholders)	5,325	5,325	-	-
Total short-term loans to related parties	45,611	45,611	-	-
Less: Allowance for doubtful accounts	(45,611)	(45,611)	-	-
Total short-term loans to related parties - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Trade and other payables - related parties</u> (Note 14)				
Subsidiaries	-	-	177,049	140,208
Related companies (related by common shareholders)	3,337	699	-	-
Total trade and other payables - related parties	<u>3,337</u>	<u>699</u>	<u>177,049</u>	<u>140,208</u>
<u>Short-term loan from related party</u>				
Related company (related by major shareholder)	-	10,000	-	-
Total short-term loan from related party	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>

Movements in short-term loan from related party during nine-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

		Consolidated financial statements		
Company's name	Related by	Balance as at 31 December 2014	Decrease during the period	Balance as at 30 September 2015
Lam Soon Holding Co., Ltd.	Major shareholder	10,000	(10,000)	-
Total		10,000	(10,000)	-

Short-term loans to related parties

Short-term loans to associated and related companies of subsidiary carry interest at a rate of 7% per annum and are repayable on demand. Recognition of interest on these loans as income on an accrual basis has ceased from the date the Central Bankruptcy Court accepted the bankruptcy suits which the subsidiary brought against the associated and related companies. Currently, this case is in 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. The Company and UFC had on 29 December 2011 agreed to extend the agreement for another 5 years, starting from 1 January 2012 and expiring on 31 December 2016.

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2015, the Company and its subsidiaries have short-term employee benefits, post-employment benefits and other long-term benefits payable to their directors and management totaling Baht 32.9 million and Baht 106.0 million, respectively (2014: Baht 36.7 million and Baht 107.5 million, respectively) and for the Company totaling Baht 18.1 million and Baht 61.1 million, respectively (2014: Baht 21.8 million and Baht 65.8 million, respectively).

3. Cash and cash equivalents

As at 30 September 2015 and 31 December 2014, cash and cash equivalents consist of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
		(Restated)		
Cash	3,980	3,863	1,254	1,017
Bank deposits	291,336	208,937	45,753	26,876
Total	295,316	212,800	47,007	27,893

As at 30 September 2015, bank deposits in savings account carried interest between 0.05 and 0.85 percent per annum (31 December 2014: between 0.10 and 1.25 percent per annum).

4. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
		(Restated)		
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	25,554	1,013	29	17
Past due				
Up to 3 months	-	4,260	-	-
Over 12 months	452	452	-	-
Total	26,006	5,725	29	17
Less: Allowance for doubtful accounts	(452)	(452)	-	-
Total trade receivables - related parties - net	25,554	5,273	29	17

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
		(Restated)		
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	664,216	715,650	569,373	664,764
Past due				
Up to 3 months	174,418	124,651	148,037	89,940
3 - 6 months	297	2,647	241	625
6 - 12 months	8,893	5,068	89	179
Over 12 months	30,389	28,714	2,389	2,846
Post dated cheques receivable	29,264	43,909	29,264	43,909
Cheque returned	12,796	13,792	7,832	8,828
Total	920,273	934,431	757,225	811,091
Less: Allowance for doubtful accounts	(43,713)	(43,227)	(11,064)	(10,818)
Total trade receivables - unrelated parties - net	876,560	891,204	746,161	800,273
Total trade receivables - net	902,114	896,477	746,190	800,290
<u>Other receivables</u>				
Other receivables - related parties	13	16	3,071	5,483
Other receivables - unrelated parties	3,940	4,196	3,229	2,499
Accrued income - related parties	-	-	12,323	8,667
Accrued income - unrelated parties	1,450	927	-	-
Advances - related parties	20,328	20,328	-	-
Advances - unrelated parties	791	478	-	-
Total	26,522	25,945	18,623	16,649
Less: Allowance for doubtful accounts	(20,328)	(20,328)	-	-
Total other receivables - net	6,194	5,617	18,623	16,649
Total trade and other receivables - net	908,308	902,094	764,813	816,939

5. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the nine-month period ended 30 September 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2014	25,249	107
The reduction of inventory value recorded during the period	7,396	579
Balance as at 30 September 2015	<u>32,645</u>	<u>686</u>

6. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			30 September 2015	31 December 2014	30 September 2015	31 December 2014
			(Million Baht)	(Million Baht)	(%)	(%)
Union Fresh Co., Ltd.	Dormant	Thailand	30	30	40	40

(Unit: Thousand Baht)

Company's name	Consolidated financial statements							
	Cost		Allowance for diminution in value of investment		Carrying amounts based on cost method - net		Carrying amounts based on equity method	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

7. Investments in subsidiaries

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

Company's name	Paid-up share capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received for the nine-month period ended 30 September	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	2015	2014
			Percent	Percent				
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344	34,007	90,686
Universal Food Public Company Limited	525,000	525,000	98.83	98.76	585,623	585,243	-	-
Total					1,333,967	1,333,587	34,007	90,686
Less: Allowance for diminution in value of investments					(21,096)	(21,096)	-	-
Total investments in subsidiaries - net					<u>1,312,871</u>	<u>1,312,491</u>	<u>34,007</u>	<u>90,686</u>

During the period, the Company acquired the additional investment totaling Baht 0.38 million in Universal Food Public Company Limited from the non-controlling interests. As a result, the Company's shareholding in that subsidiary increased to 98.83 percent.

As at 30 September 2015, the fair value of the investment in United Palm Oil Industry Public Company Limited, calculated based on the latest bid price of the shares on the last trading day of the period as quoted on the Stock Exchange of Thailand and in proportion to the Company's shareholding, was approximately Baht 1,428 million (31 December 2014: Baht 2,256 million).

8. Investment in joint venture

8.1 Details of investment in joint venture

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

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		31	31	31	31	31	31
		30 September 2015	December 2014	30 September 2015	December 2014	30 September 2015	December 2014
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	39,001	39,684
		%	%				(Restated)

(Unaudited but reviewed)

Total	<u>25,000</u>	<u>25,000</u>	<u>39,001</u>	<u>39,684</u>
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8.2 Share of profit and dividend received

During the three-month and nine-month periods ended 30 September 2015 and 2014, the subsidiary had recognised its share of profit from investment in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements			
	Share of profit from investment in joint venture			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
Siam Elite Palm Co., Ltd.	<u>4,785</u>	<u>6,339</u>	<u>4,942</u>	<u>8,483</u>
Total	<u>4,785</u>	<u>6,339</u>	<u>4,942</u>	<u>8,483</u>

During the nine-month period ended 30 September 2015, the subsidiary received dividend from the joint venture of Baht 5.6 million.

9. Long-term loan to unrelated party

As at 30 September 2015, a subsidiary of subsidiary had long-term loan to other company of Baht 63 million. The loan has no collateral and carries interest at a rate of THBFIX + 1% per annum and is repayable at the end of June and December each year (the last payment is June 2040).

10. Investment properties

Movements in the investment property account during the nine-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2014	86,530	8,261
Acquisition during the period - at cost	75	-
Depreciation for the period	(3,407)	(1,270)
Balance as at 30 September 2015	<u>83,198</u>	<u>6,991</u>

As at 30 September 2015, the allowance for impairment loss on investment properties - land and building of the subsidiary was Baht 46.5 million (31 December 2014: Baht 46.5 million).

11. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Net book value as at 31 December 2014	2,085,550	608,464
Acquisitions during the period - at cost	478,860	305,935
Disposals during the period - net book value at disposal date	(4,085)	(916)
Depreciation for the period	(166,558)	(62,609)
Interest capitalised to assets	361	-
Net book value as at 30 September 2015	<hr/> <hr/> 2,394,128	<hr/> <hr/> 850,874

During the current period, the subsidiary capitalised interest amounting to Baht 0.4 million (2014: Baht 0.3 million) to the costs of plant enlargement and machinery installation. These borrowing costs arose on loans obtained for general purpose but used in these projects, and were determined based on the weighted average interest rate of these loans between 2.46% and 3.14% per annum (2014: 2.82% and 3.40% per annum).

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

Movements in the cost of forest land rights and cost of palm plantation account during the nine-month period ended 30 September 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Net book value as at 31 December 2014	212,051	236
Acquisitions during the period - at cost	31,025	-
Disposals during the period - net book value at disposal date	(5,274)	-
Amortisation for the period	(9,226)	(9)
Transferred to inventory account	(8,877)	-
Net book value as at 30 September 2015	<hr/> <hr/> 219,699	<hr/> <hr/> 227

(Unaudited but reviewed)

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 oil palm crops planted.

13. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Short-term loans from financial institutions	1.95 - 4.65	2.30 - 4.75	1,695,000	1,230,000	425,000	140,000
Total			1,695,000	1,230,000	425,000	140,000

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

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Restated)		
Trade payables - related parties	741	-	177,048	140,195
Trade payables - unrelated parties	291,684	245,652	152,944	172,367
Other payables - related parties	2,589	457	-	-
Other payables - unrelated parties	53,929	50,582	28,328	31,664
Advance received from related parties	7	242	1	13
Other payables for purchase of machineries	27,357	9,923	21,468	5,588
Accrued expenses	152,172	122,178	66,067	64,641
Total trade and other payables	528,479	429,034	445,856	414,468

15. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Long-term loans	382,649	175,000	188,899	-
Less: Current portion	(200,000)	(100,000)	(75,000)	-
Long-term loans - net of current portion	<u>182,649</u>	<u>75,000</u>	<u>113,899</u>	<u>-</u>

Movements in the long-term loan account during the nine-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2014	175,000	-
Additions during the period	288,899	188,899
Less: Repayments during the period	(81,250)	-
Balance as at 30 September 2015	<u>382,649</u>	<u>188,899</u>

The long-term loans of the Company and its subsidiary are unsecured.

The long-term loan of Company carries interest at a rate of BIBOR+1% per annum. The principal is repayable every 3 months for a period of 3 years. The first installment will be made in 3 months after the last drawdown.

A subsidiary of Company has long-term loan, carrying interest with reference to THBFIX. The principal is repayable every 3 months from September 2015 to June 2019.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiary to maintain the major shareholding percentage ratio, debt-to-equity ratio and debt service coverage ratio as prescribed in the agreements.

16. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Interim corporate income tax charge	21,555	24,548	5,745	13,692
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,182)	(1,815)	(1,078)	(1,230)
Income tax expenses reported in the profit or loss	<u>18,373</u>	<u>22,733</u>	<u>4,667</u>	<u>12,462</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Interim corporate income tax charge	80,952	79,010	27,438	25,427
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,159)	(5,519)	(103)	(3,613)
Income tax expenses reported in the profit or loss	<u>76,793</u>	<u>73,491</u>	<u>27,335</u>	<u>21,814</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax relating to the changes in value of available-for-sale investments	(182)	(16)	(182)	(16)

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax relating to the changes in value of available-for-sale investments	(197)	361	(197)	361

17. Earnings per share

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

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	Profit for the period attributable to equity holders of the Company (Thousand Baht)	78,086	129,065	25,998
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.10	0.16	0.03	0.07

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	Profit for the period attributable to equity holders of the Company (Thousand Baht)	274,550	335,237	155,077
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.33	0.41	0.19	0.22

18. Operating segment Information

The Company and its subsidiaries are organised into business units based on their products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2015 and 2014.

(Unit: Million Baht)

	Consolidated for the three-month periods ended 30 September										
	Manufacture and distribution						Adjustments and		Consolidated		
	Palm oil products		Processed fruits and vegetables		Total segments		eliminations				
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
Revenue										(Restated)	
External customers	1,200	1,527	553	483	1,753	2,010	-	-	1,753	2,010	
Inter-segment	273	209	171	179	444	388	(444)	(388)	-	-	
Total revenue	<u>1,473</u>	<u>1,736</u>	<u>724</u>	<u>662</u>	<u>2,197</u>	<u>2,398</u>	<u>(444)</u>	<u>(388)</u>	<u>1,753</u>	<u>2,010</u>	
Operating results											
Segment profit	122	184	178	149	300	333	6	27	306	360	
Unallocated income and expenses											
Other income										24	24
Selling expenses										(171)	(162)
Administrative expenses										(55)	(50)
Share of profit from investment in joint venture										5	6
Finance cost										(13)	(14)
Profit before income tax expenses										96	164
Income tax expenses										(19)	(22)
Profit for the period										<u>77</u>	<u>142</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated for the nine-month periods ended 30 September

	Manufacture and distribution						Adjustments and		Consolidated	
	Palm oil		Processed fruits		Total segments		eliminations			
	products		and	vegetables						
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue										(Restated)
External customers	4,431	4,874	1,593	1,500	6,024	6,374	-	-	6,024	6,374
Inter-segment	644	648	508	563	1,152	1,211	(1,152)	(1,211)	-	-
Total revenue	<u>5,075</u>	<u>5,522</u>	<u>2,101</u>	<u>2,063</u>	<u>7,176</u>	<u>7,585</u>	<u>(1,152)</u>	<u>(1,211)</u>	<u>6,024</u>	<u>6,374</u>
Operating results										
Segment profit	474	680	509	403	983	1,083	(3)	(4)	980	1,079
Unallocated income and expenses										
Other income									77	68
Selling expenses									(504)	(471)
Administrative expenses									(168)	(166)
Share of profit from investment in joint venture									5	8
Finance cost									(36)	(40)
Profit before income tax expenses									354	478
Income tax expenses									(77)	(73)
Profit for the period									<u>277</u>	<u>405</u>

The following table presents the Company's and its subsidiaries' operating segment assets as at 30 September 2015 and 31 December 2014.

(Unit: Million Baht)

	Manufacture and distribution			Adjustments and eliminations	Consolidated
	Palm oil products	Processed fruits and vegetables	Total segments		
Segment assets					
As at 30 September 2015	<u>5,609</u>	<u>1,742</u>	<u>7,351</u>	<u>(1,391)</u>	<u>5,960</u>
As at 31 December 2014	<u>4,949</u>	<u>1,405</u>	<u>6,354</u>	<u>(1,230)</u>	<u>5,124</u>

19. Dividend paid

During the nine-month periods ended 30 September 2015 and 2014, the Company and its subsidiary had dividend payments as follows:

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
<u>The Company</u>			
<u>For the year 2015</u>			
Dividend on 2014 profit	Annual General Meeting of the shareholders on 24 April 2015	164.00	0.20
<u>For the year 2014</u>			
Dividend on 2013 profit	Annual General Meeting of the shareholders on 25 April 2014	164.00	0.20
<u>Subsidiary</u>			
<u>For the year 2015</u>			
Final dividend in respect of October to December 2014 profit	Annual General Meeting of the shareholders on 24 April 2015	48.61	0.15
<u>For the year 2014</u>			
Final dividend in respect of October to December 2013 profit	Annual General Meeting of the shareholders on 25 April 2014	129.62	0.40

20. Commitments and contingent liabilities**20.1 Capital commitments**

As at 30 September 2015, the Company and its subsidiaries had capital commitments relating to the construction of buildings and purchase of machineries, equipment and motor vehicles amounting to approximately Baht 97.3 million, Euro 0.7 million, US Dollar 0.1 million and Japanese Yen 41.5 million, totaling Baht 143.4 million (the Company only: Baht 46.5 million, Euro 0.7 million, US Dollar 0.1 million and Japanese Yen 41.5 million, totaling Baht 91.1 million).

20.2 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. The terms of the agreements are generally between 1 and 5 years. Operating lease agreements are non-cancelable.

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

As at 30 September 2015, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statement</u>	<u>financial statement</u>
Payable:		
In up to 1 year	25.4	5.8
In over 1 year and up to 5 years	71.5	0.5
In over 5 years	19.9	-

20.3 Long-term service commitments

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

20.4 Guarantees

As at 30 September 2015, there were outstanding bank guarantees of approximately Baht 18.1 million issued by the banks on behalf of the Company and its subsidiaries to guarantee electricity usage and others (the Company only: Baht 10.1 million).

20.5 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 the 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 the ALRO in considering this issue.

On 15 October 2005, the subsidiary submitted related documents to the ALRO to verify the right over the land.

Subsequently, the 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 cost of land and the net book value of the oil palm on such land as at 30 September 2015 totaling Baht 10 million, was in conflict with the subsidiary's land title deed. The subsidiary is now processing with the 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 had been set up by the Surat Thani Land Reform Commission. The purpose of meeting was to find a practical solution to the land issue arising as a result of the subsidiary holding land amounting to approximately 1,210 rai in designated forest areas and another 276 rai in land reform areas. These land plots represent 3 percent of the total planted area of the subsidiary. The 276 rai in land reform areas represents a large landholding and a holding in excess of the area that can be owned under Section 30 of the Land Reform for Agriculture Act.

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

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

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

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

21. Financial instruments

21.1 Foreign currency assets and liabilities

The Group's financial assets and liabilities denominated in foreign currencies as at 30 September 2015 are summarised below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 30 September 2015
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollars	6.1	1.5	36.3696
Euro	0.2	1.0	40.9052
Yen	-	0.2	30.6478
Singapore dollars	-	0.3	25.7733

21.2 Forward exchange contracts

As at 30 September 2015, the Company and its subsidiary had outstanding forward exchange contracts, of which details are presented below.

Foreign currency	Sold amount	Contractual exchange rate of sold amount	Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.5	33.94 - 34.14	Within January 2016

21.3 Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels 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

As of 30 September 2015, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	1,983	-	-	1,983

During the current period, there were no transfers within the fair value hierarchy.

22. Approval of interim financial statements

These interim financial statements were authorised for issue on 13 November 2015 by the Company's audit committees under authority delegated by the board of directors of the Company.