

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 2017

## **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 2017, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, 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: 9 November 2017

**Lam Soon (Thailand) Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 30 September 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	468,409	420,385	90,467	130,745
Trade and other receivables	2,4	961,457	911,801	802,091	784,831
Short-term loans to related parties	2	-	-	-	-
Inventories	5	1,764,386	1,425,891	1,077,488	915,168
Biological assets		85,439	83,547	-	-
Other current assets		39,692	38,380	8,995	13,978
<b>Total current assets</b>		<b>3,319,383</b>	<b>2,880,004</b>	<b>1,979,041</b>	<b>1,844,722</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	1,312,871	1,312,871
Investment in joint venture	7	40,021	42,353	-	-
Investment in associated company	8	-	-	-	-
Other long-term investments		1,566	1,649	1,566	1,649
Long-term loan to other company	9	21,160	60,480	-	-
Investment properties	10	63,858	64,354	5,615	5,618
Property, plant and equipment	11	2,372,496	2,413,747	828,372	868,595
Cost of forest land rights and cost of palm plantation	12	224,365	214,977	203	212
Goodwill		196,376	196,376	-	-
Intangible assets		11,390	8,697	6,086	5,365
Deferred tax assets		37,548	36,896	8,082	8,663
Other non-current assets		3,075	28,228	485	485
<b>Total non-current assets</b>		<b>2,971,855</b>	<b>3,067,757</b>	<b>2,163,280</b>	<b>2,203,458</b>
<b>Total assets</b>		<b>6,291,238</b>	<b>5,947,761</b>	<b>4,142,321</b>	<b>4,048,180</b>

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

**Lam Soon (Thailand) Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

**As at 30 September 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	13	1,732,029	1,555,000	590,000	530,000
Trade and other payables	2,14	542,111	503,952	439,069	451,075
Current portion of long-term loans	15	103,000	103,000	78,000	78,000
Current portion of liabilities under finance lease agreements		573	573	-	-
Income tax payable		16,245	47,436	4,117	7,235
Other current liabilities		53,093	49,215	32,182	31,557
<b>Total current liabilities</b>		<b>2,447,051</b>	<b>2,259,176</b>	<b>1,143,368</b>	<b>1,097,867</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	15	56,263	133,513	37,513	96,013
Liabilities under finance lease agreements - net of current portion		499	833	-	-
Provision for long-term employee benefits		64,430	56,478	21,343	24,932
Deferred tax liabilities		1,731	5,463	-	-
<b>Total non-current liabilities</b>		<b>122,923</b>	<b>196,287</b>	<b>58,856</b>	<b>120,945</b>
<b>Total liabilities</b>		<b>2,569,974</b>	<b>2,455,463</b>	<b>1,202,224</b>	<b>1,218,812</b>

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

**Lam Soon (Thailand) Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

**As at 30 September 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 September 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)	As at 30 September 2017 (Unaudited but reviewed)	As at 31 December 2016 (Audited)
<b>Shareholders' equity</b>				
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	107,473	107,473	82,000	82,000
Unappropriated	2,213,883	1,966,151	1,791,603	1,680,808
Other components of shareholders' equity	(7,324)	(7,258)	(745)	(679)
Equity attributable to owners of the Company	3,381,271	3,133,605	2,940,097	2,829,368
Non-controlling interests of the subsidiaries	339,993	358,693	-	-
<b>Total shareholders' equity</b>	<b>3,721,264</b>	<b>3,492,298</b>	<b>2,940,097</b>	<b>2,829,368</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,291,238</b>	<b>5,947,761</b>	<b>4,142,321</b>	<b>4,048,180</b>

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 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		2,056,632	2,192,727	1,509,613	1,637,604
Gain from change in fair value of biological assets		-	19,744	-	-
Other income		15,524	13,022	22,550	23,439
<b>Total revenues</b>		<b>2,072,156</b>	<b>2,225,493</b>	<b>1,532,163</b>	<b>1,661,043</b>
<b>Expenses</b>					
Cost of sales		1,746,999	1,882,047	1,342,987	1,523,528
Selling expenses		166,477	165,546	102,807	101,427
Administrative expenses		51,687	52,235	26,659	26,718
Loss from change in fair value of biological assets		1,386	-	-	-
<b>Total expenses</b>		<b>1,966,549</b>	<b>2,099,828</b>	<b>1,472,453</b>	<b>1,651,673</b>
<b>Profit before share of profit (loss) from investment in joint venture, finance cost and income tax expenses</b>					
		105,607	125,665	59,710	9,370
Share of profit (loss) from investment in joint venture	7	3,550	(10,416)	-	-
<b>Profit before finance cost and income tax expenses</b>					
		109,157	115,249	59,710	9,370
Finance cost		(10,806)	(10,439)	(4,378)	(3,411)
<b>Profit before income tax expenses</b>					
		98,351	104,810	55,332	5,959
Income tax expenses	16	(14,420)	(24,474)	(3,674)	(1,255)
<b>Profit for the period</b>					
		<b>83,931</b>	<b>80,336</b>	<b>51,658</b>	<b>4,704</b>
<b>Other comprehensive income:</b>					
<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		9	(109)	9	(109)
Income tax effect	16	(1)	22	(1)	22
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		8	(87)	8	(87)
<b>Other comprehensive income for the period</b>					
		<b>8</b>	<b>(87)</b>	<b>8</b>	<b>(87)</b>
<b>Total comprehensive income for the period</b>					
		<b>83,939</b>	<b>80,249</b>	<b>51,666</b>	<b>4,617</b>

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

(Unaudited but reviewed)

**Lam Soon (Thailand) Public Company Limited and its subsidiaries**

**Statements of comprehensive income (continued)**

**For the three-month period ended 30 September 2017**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Profit or loss attributable to:</b>				
Equity holders of the Company	87,273	80,521	<u>51,658</u>	<u>4,704</u>
Non-controlling interests of the subsidiaries	<u>(3,342)</u>	<u>(185)</u>		
	<u>83,931</u>	<u>80,336</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	87,281	80,434	<u>51,666</u>	<u>4,617</u>
Non-controlling interests of the subsidiaries	<u>(3,342)</u>	<u>(185)</u>		
	<u>83,939</u>	<u>80,249</u>		
<b>Basic earnings per share</b>				
	17			
Profit attributable to equity holders of the Company (Baht)	<u>0.11</u>	<u>0.10</u>	<u>0.06</u>	<u>0.01</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 2017**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales	6,316,867	6,273,200	4,734,617	4,607,813
Dividend income	10	19	34,018	84,952
Gain from change in fair value of biological assets	7,663	573	-	-
Other income	60,229	52,267	73,049	74,599
<b>Total revenues</b>	<b>6,384,769</b>	<b>6,326,059</b>	<b>4,841,684</b>	<b>4,767,364</b>
<b>Expenses</b>				
Cost of sales	5,305,479	5,277,953	4,241,660	4,284,555
Selling expenses	488,379	496,168	298,507	307,351
Administrative expenses	160,283	159,383	82,466	85,213
<b>Total expenses</b>	<b>5,954,141</b>	<b>5,933,504</b>	<b>4,622,633</b>	<b>4,677,119</b>
<b>Profit before share of loss from investment in joint venture, finance cost and income tax expenses</b>				
	430,628	392,555	219,051	90,245
Share of loss from investment in joint venture	7 (1,848)	(17,345)	-	-
<b>Profit before finance cost and income tax expenses</b>				
	428,780	375,210	219,051	90,245
Finance cost	(30,575)	(33,163)	(12,715)	(7,888)
<b>Profit before income tax expenses</b>	<b>398,205</b>	<b>342,047</b>	<b>206,336</b>	<b>82,357</b>
Income tax expenses	16 (60,987)	(73,097)	(13,675)	226
<b>Profit for the period</b>	<b>337,218</b>	<b>268,950</b>	<b>192,661</b>	<b>82,583</b>

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 nine-month period ended 30 September 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Other comprehensive income:</b>					
<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		(83)	(71)	(83)	(71)
Income tax reffect	16	17	14	17	14
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(66)	(57)	(66)	(57)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(14,983)	-	-	-
Income tax effect	16	2,997	-	-	-
Share of other comprehensive income of investment in joint venture - actuarial gain	7	266	-	-	-
<i>Other comprehensive income not be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(11,720)	-	-	-
<b>Other comprehensive income for the period</b>		<b>(11,786)</b>	<b>(57)</b>	<b>(66)</b>	<b>(57)</b>
<b>Total comprehensive income for the period</b>		<b>325,432</b>	<b>268,893</b>	<b>192,595</b>	<b>82,526</b>
<b>Profit or loss attributable to:</b>					
Equity holders of the Company		337,798	244,977	192,661	82,583
Non-controlling interests of the subsidiaries		(580)	23,973		
		<b>337,218</b>	<b>268,950</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		329,532	244,920	192,595	82,526
Non-controlling interests of the subsidiaries		(4,100)	23,973		
		<b>325,432</b>	<b>268,893</b>		
<b>Basic earnings per share</b>					
	17				
Profit attributable to equity holders of the Company (Baht)		0.41	0.30	0.23	0.10

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 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>				
Profit before tax	398,205	342,047	206,336	82,357
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	181,089	184,793	72,267	73,898
Gain from change in fair value of biological assets	(7,663)	(573)	-	-
Share of loss from investment in joint venture	1,848	17,345	-	-
Increase (decrease) in allowance for doubtful accounts	(969)	4,726	398	6,030
Bad debt write-off	-	96	-	-
Increase (decrease) in allowance for diminution in inventory value	2,009	(1,157)	198	297
Gain on disposals of property, plant and equipment	(15,828)	(42)	(2,927)	(721)
Loss on write-off of cost of palm plantation	16	7,094	-	-
Unrealised loss (gain) on exchange	(211)	913	(111)	201
Provision for long-term employee benefits	10,250	23,106	6,049	18,811
Dividend income from subsidiaries	-	-	(34,008)	(84,933)
Dividend income from other companies	(10)	(19)	(10)	(19)
Interest expenses	28,389	30,923	11,588	6,603
Profit from operating activities before changes in operating assets and liabilities	597,125	609,252	259,780	102,524
Decrease (increase) in operating assets				
Trade and other receivables	(48,699)	164,187	(17,545)	81,730
Inventories and biological assets	(334,733)	(370,265)	(162,518)	(339,213)
Other current assets	(4,820)	6,788	5,536	(1,516)
Other non-current assets	6	5,994	-	(50)
Increase (decrease) in operating liabilities				
Trade and other payables	34,690	74,648	(11,017)	2,187
Other current liabilities	4,265	(8,238)	729	(6,940)
Provision for long-term employee benefits	(17,281)	(4,735)	(9,638)	-
Cash from (used in) operating activities	230,553	477,631	65,327	(161,278)
Cash paid for interest expenses	(28,029)	(31,575)	(11,103)	(6,630)
Income tax refund	4,585	-	-	-
Cash paid for income tax	(94,628)	(105,588)	(16,748)	(20,431)
<b>Net cash from (used in) operating activities</b>	<b>112,481</b>	<b>340,468</b>	<b>37,476</b>	<b>(188,339)</b>

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 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Cash flows from investing activities</b>				
Dividend received from subsidiaries	-	-	34,008	84,933
Dividend received from joint venture	750	1,999	-	-
Dividend received from other companies	10	19	10	19
Decrease in long-term loan to other company	39,320	1,260	-	-
Acquisitions of property, plant and equipment	(102,118)	(178,189)	(33,037)	(89,013)
Cash paid for deposits for equipment	(1,003)	(36,174)	-	-
Proceeds from disposals of property, plant and equipment	16,515	1,705	3,156	979
Increase in cost of palm plantation	(16,286)	(22,647)	-	-
Increase in intangible assets	(4,520)	(276)	(1,421)	(81)
<b>Net cash from (used in) investing activities</b>	<b>(67,332)</b>	<b>(232,303)</b>	<b>2,716</b>	<b>(3,163)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	177,029	85,000	60,000	335,000
Repayment of liabilities under finance lease agreements	(334)	(316)	-	-
Cash received from long-term loans	-	43,619	-	43,619
Repayment of long-term loans	(77,250)	(132,750)	(58,500)	(39,000)
Dividend paid	(96,570)	(133,823)	(81,970)	(123,351)
<b>Net cash from (used in) financing activities</b>	<b>2,875</b>	<b>(138,270)</b>	<b>(80,470)</b>	<b>216,268</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>48,024</b>	<b>(30,105)</b>	<b>(40,278)</b>	<b>24,766</b>
Cash and cash equivalents at beginning of the period	420,385	479,943	130,745	121,706
<b>Cash and cash equivalents at end of the period</b>				
<b>(Note 3)</b>	<b>468,409</b>	<b>449,838</b>	<b>90,467</b>	<b>146,472</b>

**Supplementary disclosures of cash flows information**

## Non-cash transactions

## Acquisitions of plant and equipment

that have not been paid

Dividend payable

Transfer of deposits for equipment to equipment

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 2017

(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		Deficit		Equity
					on changes	Deficit on	Total other	Total equity	attributable to	Total	
Issued and	Share	Premium on	Retained earnings		in value of	change in	components of	attributable to	non-controlling	shareholders'	
paid up	premium	treasury stock	Appropriated -	Unappropriated	available-for-sale	shareholding	shareholders'	shareholders of	interests of	shareholders'	
share capital			statutory reserve		investments	in subsidiary	equity	the Company	the subsidiaries	equity	
<b>Balance as at 1 January 2016</b>	820,000	241,970	5,269	107,123	1,759,037	(634)	(6,579)	(7,213)	2,926,186	344,715	3,270,901
Profit for the period	-	-	-	-	244,977	-	-	-	244,977	23,973	268,950
Other comprehensive income for the period	-	-	-	-	-	(57)	-	(57)	(57)	-	(57)
Total comprehensive income for the period	-	-	-	-	244,977	(57)	-	(57)	244,920	23,973	268,893
Reversal of prior year dividend	-	-	-	-	33	-	-	-	33	-	33
Appropriation of statutory reserve of subsidiary	-	-	-	350	(500)	-	-	-	(150)	150	-
Dividend paid (Note 19)	-	-	-	-	(123,000)	-	-	-	(123,000)	-	(123,000)
Decrease in non-controlling interests from											
dividend payments of subsidiaries	-	-	-	-	-	-	-	-	-	(10,472)	(10,472)
<b>Balance as at 30 September 2016</b>	<b>820,000</b>	<b>241,970</b>	<b>5,269</b>	<b>107,473</b>	<b>1,880,547</b>	<b>(691)</b>	<b>(6,579)</b>	<b>(7,270)</b>	<b>3,047,989</b>	<b>358,366</b>	<b>3,406,355</b>

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

(Unaudited but reviewed)

## Lam Soon (Thailand) Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2017

(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		
					Deficit on changes in value of available-for-sale investments		Deficit on change in shareholding in subsidiary		Total equity attributable to non-controlling interests of the subsidiaries		
Retained earnings					Total other components of shareholders' equity		Total equity attributable to the Company		Total shareholders' equity		
Issued and paid up share capital	Share premium	Premium on treasury stock	Appropriated - statutory reserve	Unappropriated	in value of available-for-sale investments	change in shareholding in subsidiary	components of shareholders' equity	shareholders of the Company	interests of the subsidiaries	Total shareholders' equity	
<b>Balance as at 1 January 2017</b>	820,000	241,970	5,269	107,473	1,966,151	(679)	(6,579)	(7,258)	3,133,605	358,693	3,492,298
Profit for the period	-	-	-	-	337,798	-	-	-	337,798	(580)	337,218
Other comprehensive income for the period	-	-	-	-	(8,200)	(66)	-	(66)	(8,266)	(3,520)	(11,786)
Total comprehensive income for the period	-	-	-	-	329,598	(66)	-	(66)	329,532	(4,100)	325,432
Reversal of prior year dividend	-	-	-	-	134	-	-	-	134	-	134
Dividend paid (Note 19)	-	-	-	-	(82,000)	-	-	-	(82,000)	-	(82,000)
Decrease in non-controlling interests from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	(14,600)	(14,600)
<b>Balance as at 30 September 2017</b>	<b>820,000</b>	<b>241,970</b>	<b>5,269</b>	<b>107,473</b>	<b>2,213,883</b>	<b>(745)</b>	<b>(6,579)</b>	<b>(7,324)</b>	<b>3,381,271</b>	<b>339,993</b>	<b>3,721,264</b>

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and paid up		Premium on treasury stock	Retained earnings		Other components of equity			
	share capital	Share premium		Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Deficit on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
<b>Balance as at 1 January 2016</b>	820,000	241,970	5,269	82,000	1,665,659	(634)	(634)		2,814,264
Profit for the period	-	-	-	-	82,583	-	-		82,583
Other comprehensive income for the period	-	-	-	-	-	(57)	(57)		(57)
Total comprehensive income for the period	-	-	-	-	82,583	(57)	(57)		82,526
Reversal of prior year dividend	-	-	-	-	33	-	-		33
Dividend paid (Note 19)	-	-	-	-	(123,000)	-	-		(123,000)
<b>Balance as at 30 September 2016</b>	<b>820,000</b>	<b>241,970</b>	<b>5,269</b>	<b>82,000</b>	<b>1,625,275</b>	<b>(691)</b>	<b>(691)</b>		<b>2,773,823</b>

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Separate financial statements					Other components of equity		Total shareholders' equity
	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings	Other comprehensive income	Deficit on changes in value of available-for-sale investments	Total other components of shareholders' equity	
				Appropriated - statutory reserve	Unappropriated			
<b>Balance as at 1 January 2017</b>	820,000	241,970	5,269	82,000	1,680,808	(679)	(679)	2,829,368
Profit for the period	-	-	-	-	192,661	-	-	192,661
Other comprehensive income for the period	-	-	-	-	-	(66)	(66)	(66)
Total comprehensive income for the period	-	-	-	-	192,661	(66)	(66)	192,595
Reversal of prior year dividend	-	-	-	-	134	-	-	134
Dividend paid (Note 19)	-	-	-	-	(82,000)	-	-	(82,000)
<b>Balance as at 30 September 2017</b>	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>1,791,603</u>	<u>(745)</u>	<u>(745)</u>	<u>2,940,097</u>

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



## **Lam Soon (Thailand) Public Company Limited and its subsidiaries**

### **Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2017**

#### **1. General information**

##### **1.1 Corporate 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.

##### **1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) 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 2016. There have been no changes in the composition of the group during the current period.

## **1.4 New financial reporting standards**

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 and its subsidiaries' financial statements.

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

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which is effective for fiscal years beginning on or after 1 January 2018. 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations 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 2016.

## **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.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	66.7	138.5	Market price on the contract date
Purchase of goods and services	-	-	155.2	177.1	Market price less fixed margin
Sales of goods and services	-	-	0.3	0.3	Market price
Rental income	-	-	0.5	0.5	Market price/Contract price
Selling and administrative service income	-	-	15.9	16.0	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	44.5	55.2	-	-	Price approximates market price
Purchase of goods	1.3	0.4	-	0.2	Selling price less marketing expenses and profit margin
Other expenses	4.5	6.0	-	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Land rental income	0.4	0.3	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	0.1	1.3	-	-	Market price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	224.0	422.4	Market price on the contract date
Purchase of goods and services	-	-	485.4	543.5	Market price less fixed margin
Sales of goods and services	-	-	0.9	0.9	Market price
Dividend income	-	-	34.0	85.0	At the declared rate
Rental income	-	-	1.5	1.5	Market price/Contract price
Selling and administrative service income	-	-	50.4	50.8	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	122.9	124.9	-	-	Price approximates market price
Purchase of goods	3.0	1.1	-	0.2	Selling price less marketing expenses and profit margin
Other expenses	10.6	14.0	-	-	Actual charge

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with joint venture of subsidiary</u>					
Land rental income	1.0	0.9	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	1.6	4.9	-	-	Market price

The balances of accounts as at 30 September 2017 and 31 December 2016 between the Company and the related parties are detailed as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
<b><u>Trade and other receivables - related parties</u></b> (Note 4)				
Subsidiaries	-	-	23,230	20,261
Associated company	452	452	-	-
Related companies (related by common shareholders)	52,840	42,719	-	-
<b>Total trade and other receivables - related parties</b>	<b>53,292</b>	<b>43,171</b>	<b>23,230</b>	<b>20,261</b>
Less: Allowance for doubtful accounts	(20,780)	(20,780)	-	-
<b>Total trade and other receivables - related parties - net</b>	<b>32,512</b>	<b>22,391</b>	<b>23,230</b>	<b>20,261</b>
<b><u>Short-term loans to related parties</u></b>				
Associated company	40,286	40,286	-	-
Related companies (related by common shareholders)	5,325	5,325	-	-
<b>Total short-term loans to related parties</b>	<b>45,611</b>	<b>45,611</b>	<b>-</b>	<b>-</b>
Less: Allowance for doubtful accounts	(45,611)	(45,611)	-	-
<b>Total short-term loans to related parties - net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Trade and other payables - related parties</u></b> (Note 14)				
Subsidiaries	-	-	117,211	139,954
Related companies (related by common shareholders)	4,900	2,052	-	-
<b>Total trade and other payables - related parties</b>	<b>4,900</b>	<b>2,052</b>	<b>117,211</b>	<b>139,954</b>
<b><u>Short-term loans to related parties</u></b>				

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

#### 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 (previous agreement was 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 contract expired on 31 December 2016. The Company and UFC agreed to extend the agreement for another 5 years, starting from 1 January 2017 and expiring on 31 December 2021.

#### Directors and management’s benefits

During the three-month and nine-month periods ended 30 September 2017, 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 34.7 million and Baht 107.4 million, respectively (2016: Baht 34.9 million and Baht 105.4 million, respectively) and for the Company totaling Baht 20.8 million and Baht 63.4 million, respectively (2016: Baht 20.2 million and Baht 61.6 million, respectively).

### 3. Cash and cash equivalents

As at 30 September 2017 and 31 December 2016, cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Cash	223,111	4,220	2,500	1,237
Bank deposits	245,298	386,170	87,967	129,508
Investment in Bank of Thailand bonds	-	29,995	-	-
Total	468,409	420,385	90,467	130,745

As at 30 September 2017, bank deposits in savings account and fixed deposits carried interest between 0.05 and 1.11 percent per annum (31 December 2016: between 0.05 and 1.45 percent per annum).

### 4. Trade and other receivables

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	29,249	21,471	-	-
Past due				
Up to 3 months	3,262	906	-	-
6 - 12 months	-	12	-	-
Over 12 months	452	452	-	-
Total	32,963	22,841	-	-
Less: Allowance for doubtful accounts	(452)	(452)	-	-
Total trade receivables - related parties - net	32,511	22,389	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	38,076	35,911	38,076	35,911
Cheque returned	18,806	19,224	13,843	14,261
Not yet due	725,712	688,743	617,270	635,950
Past due				
Up to 3 months	150,291	151,702	117,337	88,648
3 - 6 months	6,892	7,984	1,859	911
6 - 12 months	2,307	2,060	88	1,724
Over 12 months	29,071	28,557	3,750	2,483
Total	971,155	934,181	792,223	779,888
Less: Allowance for doubtful accounts	(47,426)	(49,094)	(16,466)	(16,767)
Total trade receivables - unrelated parties - net	923,729	885,087	775,757	763,121
Total trade receivables - net	956,240	907,476	775,757	763,121
<u>Other receivables</u>				
Other receivables - related parties	1	2	7,125	3,748
Other receivables - unrelated parties	5,726	3,808	4,432	2,078
Accrued income - related parties	-	-	16,105	16,513
Accrued income - unrelated parties	193	467	-	-
Advances - related parties	20,328	20,328	-	-
Advances - unrelated parties	625	677	-	-
Total	26,873	25,282	27,662	22,339
Less: Allowance for doubtful accounts	(21,656)	(20,957)	(1,328)	(629)
Total other receivables - net	5,217	4,325	26,334	21,710
<b>Total trade and other receivables - net</b>	<b>961,457</b>	<b>911,801</b>	<b>802,091</b>	<b>784,831</b>

## 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 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2016</b>	47,153	139
The reduction of inventory value recorded during the period	2,009	198
<b>Balance as at 30 September 2017</b>	<b>49,162</b>	<b>337</b>

## 6. 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		(Unit: Thousand Baht)	
	30 September	31 December	30 September	31 December	30 September	31 December	Dividend received during the nine-month periods ended 30 September	
	2017	2016	2017	2016	2017	2016	2017	2016
			Percent	Percent				
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344	34,008	22,672
Universal Food Public Company Limited	525,000	525,000	98.83	98.83	585,623	585,623	-	62,261
<b>Total</b>					1,333,967	1,333,967	34,008	84,933
Less: Allowance for impairment loss of investments					(21,096)	(21,096)		
<b>Total investments in subsidiaries - net</b>					<b>1,312,871</b>	<b>1,312,871</b>		

As at 30 September 2017, 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 1,304 million (31 December 2016: Baht 1,621 million).

## 7. Investment in joint venture

### 7.1 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:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		31		31		31	
		30 September 2017	December 2016	30 September 2017	December 2016	30 September 2017	December 2016
		Percent	Percent				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	40,021	42,353
Total				25,000	25,000	40,021	42,353

### 7.2 Share of comprehensive income and dividend received

During the three-month and nine-month periods ended 30 September 2017 and 2016, the subsidiary had recognised its share of profit (loss) and other comprehensive income from investment in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Share of profit (loss) from investment in joint venture		Share of other comprehensive income from investment in joint venture	
	2017	2016	2017	2016
Siam Elite Palm Co., Ltd.	3,550	(10,416)	-	-
Total	3,550	(10,416)	-	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Share of loss from investment in joint venture		Share of other comprehensive income from investment in joint venture	
	2017	2016	2017	2016
Siam Elite Palm Co., Ltd.	(1,848)	(17,345)	266	-
Total	(1,848)	(17,345)	266	-



(Unaudited but reviewed)

During the nine-month periods ended 30 September 2017, the subsidiary received dividend from investment in the joint venture of approximately Baht 0.8 million (2016: Baht 2.0 million).

**8. Investment in associated company**

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			30 September 2017	31 December 2016	30 September 2017	31 December 2016
			(Million Baht)	(Million Baht)	(Percent)	(Percent)
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 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

**9. Long-term loan to other company**

As at 30 September 2017, a subsidiary had unsecured long-term loan to other company of Baht 21 million (31 December 2016: Baht 60 million). The loan carries interest at a rate of THBFIX plus 1 percent per annum and is repayable at the end of June and December each year, with the last payment in June 2040.

**10. Investment properties**

Movements in the investment property account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 31 December 2016</b>	64,354	5,618
Depreciation for the period	(496)	(3)
<b>Balance as at 30 September 2017</b>	<b>63,858</b>	<b>5,615</b>

As at 30 September 2017, the subsidiary recorded allowance for impairment loss on investment properties of land and building amounting to Baht 64 million (31 December 2016: Baht 64 million).

**11. Property, plant and equipment**

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2016</b>	2,413,747	868,595
Acquisitions during the period - at cost	130,802	31,561
Disposals during the period - net book value at disposal date	(687)	(229)
Depreciation for the period	(171,884)	(71,555)
Interest capitalised to assets	518	-
<b>Net book value as at 30 September 2017</b>	<u>2,372,496</u>	<u>828,372</u>

During the current period, the subsidiary capitalised interest amounting to Baht 0.5 million (2016: Baht 0.4 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 2.05 and 2.30 percent per annum (2016: 2.18 and 2.56 percent 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 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 31 December 2016</b>	214,977	212
Acquisitions during the period - at cost	16,286	-
Write-off during the period - net book value at write-off date	(16)	-
Amortisation for the period	(6,882)	(9)
<b>Net book value as at 30 September 2017</b>	<u>224,365</u>	<u>203</u>

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 fee at the rate of 10% of the market price of oil palm and forest maintenance fee at a rate of double the official royalty fee, when harvesting the planted oil palm crops.

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

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30	31	30	31	30	31
September	December	September	December	September	December	
2017	2016	2017	2016	2017	2016	
Short-term loans from financial institutions	1.80 - 2.38	1.85 - 2.10	1,732,029	1,555,000	590,000	530,000
Total			<u>1,732,029</u>	<u>1,555,000</u>	<u>590,000</u>	<u>530,000</u>

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

### 14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Trade payables - related parties	674	-	117,210	139,734
Trade payables - unrelated parties	341,001	311,507	228,139	220,908
Other payables - related parties	4,219	2,045	-	-
Other payables - unrelated parties	47,172	54,532	26,435	22,231
Advance received from related parties	7	7	1	220
Other payables for purchases of machinery	8,886	7,505	1,350	2,826
Accrued expenses	140,152	128,356	65,934	65,156
Total trade and other payables	<u>542,111</u>	<u>503,952</u>	<u>439,069</u>	<u>451,075</u>

**15. Long-term loans**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Long-term loans	159,263	236,513	115,513	174,013
Less: Current portion	(103,000)	(103,000)	(78,000)	(78,000)
Long-term loans - net of current portion	<u>56,263</u>	<u>133,513</u>	<u>37,513</u>	<u>96,013</u>

Movements in the long-term loan account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 31 December 2016</b>	236,513	174,013
Less: Repayments during the period	<u>(77,250)</u>	<u>(58,500)</u>
<b>Balance as at 30 September 2017</b>	<u>159,263</u>	<u>115,513</u>

There is no collateral on long-term loans of the Company and its subsidiary.

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 parent company's shareholding percentage ratio, debt-to-equity ratio and debt service coverage ratio at the rate 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 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	18,265	28,130	4,117	2,567
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(3,845)	(3,656)	(443)	(1,312)
<b>Income tax expenses reported in the profit or loss</b>	<u>14,420</u>	<u>24,474</u>	<u>3,674</u>	<u>1,255</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	62,357	78,584	13,077	4,801
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,370)	(5,487)	598	(5,027)
<b>Income tax expenses reported in the profit or loss</b>	<u>60,987</u>	<u>73,097</u>	<u>13,675</u>	<u>(226)</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 2017 and 2016 are as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to the changes in value of available-for-sale investments	1	(22)	1	(22)
	<u>1</u>	<u>(22)</u>	<u>1</u>	<u>(22)</u>
(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax relating to the changes in value of available-for-sale investments	(17)	(14)	(17)	(14)
Deferred tax relating to actuarial losses	(2,997)	-	-	-
	<u>(3,014)</u>	<u>(14)</u>	<u>(17)</u>	<u>(14)</u>

## 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		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period attributable to equity holders of the Company (Thousand Baht)	87,273	80,521	51,658	4,704
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.11	0.10	0.06	0.01
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period attributable to equity holders of the Company (Thousand Baht)	337,798	244,977	192,661	82,583
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.41	0.30	0.23	0.10

## 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 2017 and 2016.

(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			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenue</b>										
External customers	1,473	1,519	584	674	2,057	2,193	-	-	2,057	2,193
Inter-segment	67	139	155	177	222	316	(222)	(316)	-	-
Total revenue	<u>1,540</u>	<u>1,658</u>	<u>739</u>	<u>851</u>	<u>2,279</u>	<u>2,509</u>	<u>(222)</u>	<u>(316)</u>	<u>2,057</u>	<u>2,193</u>
<b>Operating results</b>										
Segment profit	145	93	164	213	309	306	1	4	310	310
Unallocated income and expenses										
Other income									15	13
Gain (loss) from change in fair value of biological assets									(1)	20
Selling expenses									(167)	(166)
Administrative expenses									(52)	(52)
Share of profit (loss) from investment in joint venture									4	(10)
Finance cost									(11)	(10)
Profit before income tax expenses									98	105
Income tax expenses									(14)	(25)
Profit for the period									<u>84</u>	<u>80</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							
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenue</b>										
External customers	4,517	4,488	1,800	1,785	6,317	6,273	-	-	6,317	6,273
Inter-segment	224	422	485	543	709	965	(709)	(965)	-	-
Total revenue	<u>4,741</u>	<u>4,910</u>	<u>2,285</u>	<u>2,328</u>	<u>7,026</u>	<u>7,238</u>	<u>(709)</u>	<u>(965)</u>	<u>6,317</u>	<u>6,273</u>
<b>Operating results</b>										
Segment profit	465	419	546	576	1,011	995	-	-	1,011	995
Unallocated income and expenses										
Other income									60	52
Gain from change in fair value of										
biological assets									8	1
Selling expenses									(488)	(496)
Administrative expenses									(160)	(160)
Share of loss from investment in joint venture									(2)	(17)
Finance cost									(31)	(33)
Profit before income tax expenses									398	342
Income tax expenses									(61)	(73)
Profit for the period									<u>337</u>	<u>269</u>

The following table presents segment assets of the Company's and its subsidiaries' operating segments as at 30 September 2017 and 31 December 2016.

(Unit: Million Baht)

	Manufacture and distribution			Adjustments	
	Palm oil	Processed fruits	Total	and	
	products	and vegetables	segments	eliminations	Consolidated
<b>Segment assets</b>					
As at 30 September 2017	<u>6,233</u>	<u>1,720</u>	<u>7,953</u>	<u>(1,662)</u>	<u>6,291</u>
As at 31 December 2016	<u>5,855</u>	<u>1,629</u>	<u>7,484</u>	<u>(1,536)</u>	<u>5,948</u>

**19. Dividend paid**

During the nine-month periods ended 30 September 2017 and 2016, the Company and its subsidiaries had dividend payments as follows:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<b><u>The Company</u></b>			
<b><u>For the year 2017</u></b>			
Dividend on 2016 profit	Annual General Meeting of the shareholders on 26 April 2017	82.00	0.10
<b>Total dividends for the year 2017</b>		<b>82.00</b>	<b>0.10</b>
<b><u>For the year 2016</u></b>			
Dividend on 2015 profit	Annual General Meeting of the shareholders on 26 April 2016	123.00	0.15
<b>Total dividends for the year 2016</b>		<b>123.00</b>	<b>0.15</b>
<b><u>Subsidiaries</u></b>			
<b><u>For the year 2017</u></b>			
Dividend on 2016 profit	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 26 April 2017	48.60	0.15
<b>Total dividends for the year 2017</b>		<b>48.60</b>	<b>0.15</b>
<b><u>For the year 2016</u></b>			
Dividend on 2015 profit	Annual General Meeting of the shareholders of Universal Food Public Company Limited on 26 April 2016	32.00	0.10
<b>Total dividends for the year 2016</b>		<b>32.00</b>	<b>0.10</b>
Dividend on 2015 profit	Annual General Meeting of the shareholders of Universal Food Public Company Limited on 25 April 2016	63.00	1.20
<b>Total dividends for the year 2016</b>		<b>63.00</b>	<b>1.20</b>

## 20. Commitments and contingent liabilities

### 20.1 Capital commitments

As at 30 September 2017, the Company and its subsidiaries had capital commitments relating to construction of buildings and purchases of machineries, equipment and motor vehicles amounting to approximately Baht 22.6 million (31 December 2016: Baht 63.8 million and Euro 0.1 million), the Company only: Baht 8.0 million (31 December 2016: Baht 22.9 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 lease agreements in respect of the lease of land. The terms of the agreements are 14 years and 15 years. The subsidiary is required to comply with the conditions stipulated in the contracts.

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

	(Unit: Million Baht)	
	30 September 2017	31 December 2016
	<hr/>	<hr/>
Payable:		
Within 1 year	34.1	33.3
In over 1 year and up to 5 years	68.1	87.0
In over 5 years	15.4	17.0

### 20.3 Guarantees

As at 30 September 2017, 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 11.3 million to guarantee import, electricity use, among others (31 December 2016: Baht 17.2 million) and for the Company: Baht 3.3 million to guarantee electricity use, among others (31 December 2016: Baht 9.2 million).

## 20.4 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. Subsequently, the Agricultural Land Reform Office sent a letter to the subsidiary regarding the distribution of land in which 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 2017 totalling Baht 10 million, was in conflict with the subsidiary's land title deed. The subsidiary is in a process of preparing the documents to submit to the Agricultural Land Reform Office to nullify the status of being land under Sor Por Kor.

- (2) On 11 April 2008, a subsidiary met with the working committee responsible for reviewing practical methods and negotiations for distributing land belonging to holders of large plots in land reform areas to farmers, which had been set up by the Surat Thani Land Reform Commission. The purpose of meeting was to find a practical solution to the land issue arising as a result of the subsidiary holding land amounting to approximately 1,210 rai in designated forest areas and another 276 rai in land reform areas. These land plots represent 3 percent of the total planted area of the subsidiary. The 276 rai in land reform areas represents a large landholding and a holding in excess of the area that can be owned under Section 30 of the Land Reform for Agriculture Act.

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

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

## 21. Financial instruments

## 21.1 Foreign currency assets and liabilities

The Company and its subsidiaries had outstanding financial assets and liabilities denominated in foreign currencies as summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	30 September 2017 (Million)	31 December 2016 (Million)	30 September 2017 (Million)	31 December 2016 (Million)	30 September 2017 (Baht per 1 foreign currency unit)	31 December 2016
US dollars	6.3	6.8	0.5	0.3	33.3693	35.8307
Euro	0.2	0.2	-	-	38.9463	37.3791

## 21.2 Forward exchange contracts

The Company and its subsidiary had outstanding forward exchange contracts, of which details are presented below.

As at 30 September 2017				
Foreign currency	Sold amount		Contractual exchange rate of sold amount (Baht per 1 foreign currency unit)	Contractual maturity date
	Consolidated financial statements (Million)	Separate financial statements (Million)		
US dollars	1.1	0.2	33.1000 - 33.3800	November 2017 - April 2018

  

As at 31 December 2016				
Foreign currency	Sold amount		Contractual exchange rate of sold amount (Baht per 1 foreign currency unit)	Contractual maturity date
	Consolidated financial statements (Million)	Separate financial statements (Million)		
US dollars	0.5	-	35.5000 - 35.9900	January - June 2017

As at 31 December 2016

Foreign currency	Bought amount		Contractual exchange rate of bought amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.3	0.3	35.9630 - 36.0630	Within July 2017

### 21.3 Fair value hierarchy

As of 30 September 2017, the Company and its subsidiaries had the following assets that were measured at fair value.

(Unit: Thousand Baht)

Consolidated and Separate  
financial statements

	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>			
Available-for-sale investments			
Equity instruments	600	966	1,566

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 9 November 2017 by the Company's audit committee under authority delegated by the board of directors of the Company.