

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 2016

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 2016, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016, 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 matters

I draw attention to the following notes to the financial statements:

- a) Note 1.4 and Note 1.5 to the financial statements regarding the changes in accounting policies as the result of the adoption of the new financial reporting standards.
- b) 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 expired in January 2015. The subsidiary has used the land of 13,030 rai to grow oil palm. The subsidiary is requesting the government unit to grant a permit to exploit or inhabit in such land, and the request is under consideration of such government unit.

My conclusion is not qualified in respect of the above matters.

Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377

EY Office Limited
Bangkok: 11 November 2016

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	449,838	479,943	146,472	121,706
Trade and other receivables	2, 4	982,778	1,152,263	836,937	924,798
Short-term loans to related parties	2	-	-	-	-
Inventories	5	1,495,871	1,127,358	888,918	550,002
Biological assets		64,924	22,279	-	-
Other current assets		37,891	44,048	12,970	10,971
Total current assets		3,031,302	2,825,891	1,885,297	1,607,477
Non-current assets					
Investments in subsidiaries	6	-	-	1,312,871	1,312,871
Investment in joint venture	7	36,330	39,281	-	-
Investment in associated company	8	-	-	-	-
Other long-term investments		1,630	1,701	1,630	1,701
Long-term loan to unrelated party	9	60,480	61,740	-	-
Investment properties	10	64,521	65,022	5,621	6,563
Property, plant and equipment	11	2,440,013	2,425,930	880,349	861,073
Cost of forest land rights and cost of palm plantation	12	208,875	201,543	215	224
Goodwill		196,376	196,376	-	-
Intangible assets		7,998	9,271	4,512	4,997
Deferred tax assets		40,236	41,809	13,622	8,581
Other non-current assets		21,677	2,711	535	485
Total non-current assets		3,078,136	3,045,384	2,219,355	2,196,495
Total assets		6,109,438	5,871,275	4,104,652	3,803,972

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 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u> <u>30 September 2016</u>	<u>31 December 2015</u>	<u>30 September 2016</u>	<u>31 December 2015</u>	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	1,695,000	1,610,000	590,000	255,000
Trade and other payables	2, 14	569,383	494,028	458,396	453,234
Current portion of long-term loans	15	103,000	175,000	78,000	75,000
Current portion of liabilities under finance lease agreements		573	573	-	-
Income tax payable		32,893	59,345	2,567	17,714
Other current liabilities		55,383	63,983	36,943	44,267
Total current liabilities		<u>2,456,232</u>	<u>2,402,929</u>	<u>1,165,906</u>	<u>845,215</u>
Non-current liabilities					
Long-term loans - net of current portion	15	159,263	176,394	115,513	113,894
Liabilities under finance lease agreements - net of current portion		941	1,257	-	-
Provision for long-term employee benefits		85,903	67,532	49,410	30,599
Deferred tax liabilities		744	-	-	-
Total non-current liabilities		<u>246,851</u>	<u>245,183</u>	<u>164,923</u>	<u>144,493</u>
Total liabilities		<u>2,703,083</u>	<u>2,648,112</u>	<u>1,330,829</u>	<u>989,708</u>

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 September 2016 (Unaudited but reviewed)	As at 31 December 2015 (Audited)	As at 30 September 2016 (Unaudited but reviewed)	As at 31 December 2015 (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	107,473	107,123	82,000	82,000
Unappropriated	1,880,547	1,725,638	1,625,275	1,665,659
Other components of shareholders' equity	(7,270)	(7,213)	(691)	(634)
Equity attributable to owners of the Company	3,047,989	2,892,787	2,773,823	2,814,264
Non-controlling interests of the subsidiaries	358,366	330,376	-	-
Total shareholders' equity	3,406,355	3,223,163	2,773,823	2,814,264
Total liabilities and shareholders' equity	6,109,438	5,871,275	4,104,652	3,803,972

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 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales		2,192,727	1,753,387	1,637,604	1,352,078
Dividend income		-	38	-	38
Gain from change in fair value of biological assets		19,744	-	-	-
Other income		13,022	23,313	23,439	30,478
Total revenues		2,225,493	1,776,738	1,661,043	1,382,594
Expenses					
Cost of sales		1,882,047	1,452,903	1,523,528	1,213,568
Selling expenses		165,546	170,548	101,427	106,909
Administrative expenses		52,235	49,925	26,718	27,774
Total expenses		2,099,828	1,673,376	1,651,673	1,348,251
Profit before share of profit (loss) from investment in joint venture, finance cost and income tax expenses					
		125,665	103,362	9,370	34,343
Share of profit (loss) from investment in joint venture	7	(10,416)	4,785	-	-
Profit before finance cost and income tax expenses					
		115,249	108,147	9,370	34,343
Finance cost		(10,439)	(12,982)	(3,411)	(3,678)
Profit before income tax expenses					
		104,810	95,165	5,959	30,665
Income tax expenses	16	(24,474)	(18,373)	(1,255)	(4,667)
Profit for the period		80,336	76,792	4,704	25,998
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		(109)	(909)	(109)	(909)
Income tax reflect	16	22	182	22	182
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(87)	(727)	(87)	(727)
Other comprehensive income for the period		(87)	(727)	(87)	(727)
Total comprehensive income for the period		80,249	76,065	4,617	25,271

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 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit or loss attributable to:				
Equity holders of the Company	80,521	78,086	<u>4,704</u>	<u>25,998</u>
Non-controlling interests of the subsidiaries	<u>(185)</u>	<u>(1,294)</u>		
	<u>80,336</u>	<u>76,792</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	80,434	77,359	<u>4,617</u>	<u>25,271</u>
Non-controlling interests of the subsidiaries	<u>(185)</u>	<u>(1,294)</u>		
	<u>80,249</u>	<u>76,065</u>		
Basic earnings per share				
	17			
Profit attributable to equity holders of the Company (Baht)	<u>0.10</u>	<u>0.10</u>	<u>0.01</u>	<u>0.03</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 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales		6,273,200	6,024,354	4,607,813	4,698,322
Dividend income		19	191	84,952	34,198
Gain from change in fair value of biological assets		573	-	-	-
Other income		52,267	76,364	74,599	87,266
Total revenues		6,326,059	6,100,909	4,767,364	4,819,786
Expenses					
Cost of sales		5,277,953	5,050,139	4,284,555	4,223,113
Selling expenses		496,168	504,007	307,351	320,758
Administrative expenses		159,383	162,762	85,213	85,745
Total expenses		5,933,504	5,716,908	4,677,119	4,629,616
Profit before share of profit from investment in joint venture, finance cost and income tax expenses					
		392,555	384,001	90,245	190,170
Share of profit (loss) from investment in joint venture	7	(17,345)	4,942	-	-
Profit before finance cost and income tax expenses					
		375,210	388,943	90,245	190,170
Finance cost		(33,163)	(35,644)	(7,888)	(7,758)
Profit before income tax expenses					
		342,047	353,299	82,357	182,412
Income tax expenses	16	(73,097)	(76,793)	226	(27,335)
Profit for the period		268,950	276,506	82,583	155,077
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		(71)	(982)	(71)	(982)
Income tax reflect	16	14	197	14	197
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(57)	(785)	(57)	(785)
Other comprehensive income for the period		(57)	(785)	(57)	(785)
Total comprehensive income for the period		268,893	275,721	82,526	154,292

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 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit or loss attributable to:				
Equity holders of the Company	244,977	274,550	<u>82,583</u>	<u>155,077</u>
Non-controlling interests of the subsidiaries	<u>23,973</u>	<u>1,956</u>		
	<u>268,950</u>	<u>276,506</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	244,920	273,765	<u>82,526</u>	<u>154,292</u>
Non-controlling interests of the subsidiaries	<u>23,973</u>	<u>1,956</u>		
	<u>268,893</u>	<u>275,721</u>		
Basic earnings per share	17			
Profit attributable to equity holders of the Company (Baht)	<u>0.30</u>	<u>0.33</u>	<u>0.10</u>	<u>0.19</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 2016**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before tax	342,047	353,299	82,357	182,412
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	184,793	180,604	73,898	64,447
Gain from change in fair value of biological assets	(573)	-	-	-
Share of (gain) loss from investment in joint venture	17,345	(4,942)	-	-
Increase in allowance for doubtful accounts	4,726	486	6,030	246
Bad debt write-off	96	-	-	579
Increase (decrease) in allowance for diminution in inventory value	(1,157)	7,396	297	-
Gain on disposal of other long-term investment	-	(225)	-	(225)
Gain on disposals of property, plant and equipment	(42)	(34)	(721)	(871)
Loss on write-off of cost of palm plantation	7,094	5,274	-	-
Unrealised loss on exchange	913	5,613	201	7,427
Provision for long-term employee benefits	23,106	24,097	18,811	13,443
Dividend income from subsidiaries	-	-	(84,933)	(34,007)
Dividend income from other companies	(19)	(191)	(19)	(191)
Interest expenses	30,923	33,066	6,603	6,037
Profit from operating activities before changes in operating assets and liabilities	609,252	604,443	102,524	239,297
Decrease (increase) in operating assets				
Trade and other receivables	164,187	(4,091)	81,730	51,687
Inventories and biological assets	(370,265)	(364,629)	(339,213)	(262,484)
Other current assets	6,788	5,185	(1,516)	6,080
Other non-current assets	(19,353)	(10,378)	(50)	33
Increase (decrease) in operating liabilities				
Trade and other payables	74,648	75,518	2,187	8,270
Other current liabilities	(8,238)	(29,311)	(6,940)	(15,426)
Provision for long-term employee benefits	(4,735)	(15,017)	-	(13,755)
Cash from (used in) operating activities	452,284	261,720	(161,278)	13,702
Cash paid for interest expenses	(31,575)	(34,108)	(6,630)	(6,033)
Cash paid for income tax	(105,588)	(81,518)	(20,431)	(44,982)
Net cash from (used in) operating activities	315,121	146,094	(188,339)	(37,313)

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 2016**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities				
Increase in investment in subsidiary	-	(390)	-	(380)
Dividend received from subsidiaries	-	-	84,933	34,007
Dividend received from other companies	19	191	19	191
Dividend received from joint venture	1,999	5,625	-	-
Decrease in other long-term investment	-	1,200	-	1,200
(Increase) decrease in long-term loan to unrelated party	1,260	(63,000)	-	-
Increase in investment properties	-	(75)	-	-
Acquisitions of property, plant and equipment	(189,016)	(461,787)	(89,013)	(290,055)
Proceeds from disposals of property, plant and equipment	1,705	4,119	979	1,787
Increase in cost of palm plantation	(22,647)	(31,025)	-	-
Increase in intangible assets	(276)	(2,959)	(81)	(681)
Net cash used in investing activities	(206,956)	(548,101)	(3,163)	(253,931)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	85,000	465,000	335,000	285,000
Decrease in short-term loan from related party	-	(10,000)	-	-
Repayment of liabilities under finance lease agreements	(316)	-	-	-
Cash received from long-term loans	43,619	288,899	43,619	188,899
Repayment of long-term loans	(132,750)	(81,250)	(39,000)	-
Dividend paid	(133,823)	(178,126)	(123,351)	(163,541)
Net cash from (used in) financing activities	(138,270)	484,523	216,268	310,358
Net increase (decrease) in cash and cash equivalents	(30,105)	82,516	24,766	19,114
Cash and cash equivalents at beginning of the period	479,943	212,800	121,706	27,893
Cash and cash equivalents at end of the period				
(Note 3)	449,838	295,316	146,472	47,007

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment

that have not been paid

Transferred palm nursery to inventory account

Dividend payable

18,477	27,357	16,346	21,468
-	8,877	-	-
4,001	4,741	695	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 2016

(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 (deficit) on change in shareholding in subsidiary		Total equity attributable to non-controlling interests of the subsidiaries		
Retained earnings					Total other components of equity		Total equity attributable to the Company		Total equity attributable to shareholders'		
Issued and paid up share capital	Share premium	Premium on treasury stock	Appropriated - statutory reserve	Unappropriated	in value of available-for-sale investments	on change in shareholding in subsidiary	components of equity	shareholders of the Company	the subsidiaries	shareholders' 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 2016

(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 other components of shareholders' equity		
					Total equity attributable to shareholders of the Company		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	Deficit on change in shareholding in subsidiary	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2016	820,000	241,970	5,269	107,123	1,725,638	(634)	(6,579)	(7,213)	2,892,787	330,376	3,223,163
Cumulative effect of change in accounting policy for agriculture (Note 1.4)	-	-	-	-	33,399	-	-	-	33,399	14,339	47,738
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)
Balance as at 30 September 2016	820,000	241,970	5,269	107,473	1,880,547	(691)	(6,579)	(7,270)	3,047,989	358,366	3,406,355

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

Final draft

(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 2016

(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	Total other components of equity	
			Appropriated - statutory reserve	Unappropriated	in value of available-for-sale investments	on changes	Surplus (deficit)	Total shareholders' equity
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.

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

Final draft

(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 2016

(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	
			Appropriated - statutory reserve	Unappropriated			Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2016	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)
Balance as at 30 September 2016	820,000	241,970	5,269	82,000	1,625,275	(691)	(691)	2,773,823

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

We, being responsible for the preparation of these financial statements and notes thereto, hereby approve their issue in final form.

.....
Directors

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 2016

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 34 (revised 2015) “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 2015. There have been no changes in the composition of the group during the current period.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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, except for the following new financial reporting standard and accounting treatment guidance.

TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant

TAS 41 and the Accounting Treatment Guidance for bearer plants prescribe the accounting treatment for living animals or plants ("biological assets") and the harvested produce of such biological assets ("agricultural produce") related to an agricultural activity. The principles are as follows:

- A biological asset is to be measured at its fair value less costs to sell, both on initial recognition and at the end of each reporting period.
- When the biological asset is a bearer plant, accounting treatment in accordance with TAS 16 (revised 2015) Property, Plant and Equipment is to be applied. However, product growing on a bearer plant is to be measured at its fair value less costs to sell, both on initial recognition and at the end of each reporting period.
- Agricultural produce is measured at its fair value less costs to sell at the point of harvest.

Applying this accounting standard requires a subsidiary to record biological assets, measured at fair value less costs to sell, from palm fruit on trees for the first time, and to change its accounting treatment for biological assets and agricultural produce, with palm nursery for sale and palm fresh fruit bunch, which were previously recognised at cost, being recognised at fair value less costs to sell. The Company has elected to recognise the cumulative effect of the change as an adjustment to the opening balance of retained earnings as at 1 January 2016.

The change has the effect of increasing the opening balance of retained earnings and equity attributable to non-controlling of the subsidiaries in the consolidated financial statements as at 1 January 2016 by Baht 33.4 million and Baht 14.3 million, respectively (net of income tax). The cumulative effect of the change in accounting policy is presented as a separate item in the statement of changes in shareholders' equity.

(Unaudited but reviewed)

Moreover, the change also has the effect of the subsidiary's profit (net of income tax) due to the change in fair value of biological assets and agricultural produce during the period as below.

(Unit: Million Baht)

	Consolidated statements of comprehensive income	
	For the three-month period ended 30 September 2016	For the nine-month period ended 30 September 2016
	<hr/>	
Profit or loss:		
Decrease in profit (net of income tax)	(22)	(19)

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 2015, 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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	138.5	273.4	Market price on the contract date
Purchase of goods and services	-	-	177.1	170.7	Market price less fixed margin
Sales of goods and services	-	-	0.3	0.4	Market price
Rental income	-	-	0.5	0.6	Market price/Contract price
Selling and administrative service income	-	-	16.0	21.9	Actual charge

(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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with related companies</u>					
Sales of goods	55.2	45.3	-	-	Price approximates market price
Purchase of goods	0.4	1.2	0.2	-	Selling price less marketing expenses and profit margin
Selling expenses	6.0	2.9	-	-	Charge at 4% - 15% of sales
Other expenses	-	0.6	-	0.6	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Land rental income	0.3	0.3	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	1.3	12.1	-	-	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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	422.4	644.4	Market price on the contract date
Purchase of goods and services	-	-	543.5	507.5	Market price less fixed margin
Sales of goods and services	-	-	0.9	1.1	Market price
Dividend income	-	-	85.0	34.0	At the declared rate
Rental income	-	-	1.5	1.6	Market price/Contract price
Selling and administrative service income	-	-	50.8	58.1	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	124.9	78.2	-	-	Price approximates market price
Purchase of goods	1.1	2.3	0.2	-	Selling price less marketing expenses and profit margin
Selling expenses	14.0	4.3	-	-	Charge at 4% - 15% of sales
Other expenses	-	0.6	-	0.6	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Land rental income	0.9	0.8	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	4.9	17.2	-	-	Market price

(Unaudited but reviewed)

The balances of accounts as at 30 September 2016 and 31 December 2015 between the Company and the related parties are detailed as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
30 September	31 December	30 September	31 December	
2016	2015	2016	2015	
<u>Trade and other receivables - related parties</u> (Note 4)				
Subsidiaries	-	-	16,474	12,426
Associated company	452	452	-	-
Related companies (related by common shareholders)	50,693	51,487	10	14
Total trade and other receivables - related parties	51,145	51,939	16,484	12,440
Less: Allowance for doubtful accounts	(20,780)	(20,780)	-	-
Total trade and other receivables - related parties - net	30,365	31,159	16,484	12,440
<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>Trade and other payables - related parties</u> (Note 14)				
Subsidiaries	-	-	142,621	141,397
Related companies (related by common shareholders)	3,216	9,568	-	-
Total trade and other payables - related parties	3,216	9,568	142,621	141,397

Short-term loans to related parties

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 (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 2016, 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 34.9 million and Baht 105.4 million, respectively (2015: Baht 32.9 million and Baht 106.0 million, respectively) and for the Company totaling Baht 20.2 million and Baht 61.6 million, respectively (2015: Baht 18.1 million and Baht 61.1 million, respectively).

3. Cash and cash equivalents

As at 30 September 2016 and 31 December 2015, cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Cash	4,569	3,893	1,719	943
Bank deposits	445,269	476,050	144,753	120,763
Total	<u>449,838</u>	<u>479,943</u>	<u>146,472</u>	<u>121,706</u>

As at 30 September 2016, bank deposits in savings account and fixed deposits carried interest between 0.05 and 0.85 percent per annum (31 December 2015: between 0.05 and 0.85 percent per annum).

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	29,038	22,402	-	29
Past due				
Up to 3 months	1,291	8,730	-	-
3 - 6 months	12	-	-	-
Over 12 months	452	452	-	-
Total	30,793	31,584	-	29
Less: Allowance for doubtful accounts	(452)	(452)	-	-
Total trade receivables - related parties - net	30,341	31,132	-	29
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	37,209	29,469	37,210	29,469
Cheque returned	18,330	13,595	13,366	8,632
Not yet due	784,295	912,527	709,765	728,634
Past due				
Up to 3 months	126,820	171,152	70,868	152,492
3 - 6 months	2,713	141	239	75
6 - 12 months	1,412	1,207	1,385	38
Over 12 months	27,441	28,423	2,487	2,314
Total	998,220	1,156,514	835,320	921,654
Less: Allowance for doubtful accounts	(48,514)	(43,709)	(16,466)	(10,436)
Total trade receivables - unrelated parties - net	949,706	1,112,805	818,854	911,218
Total trade receivables - net	980,047	1,143,937	818,854	911,247

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Other receivables</u>				
Other receivables - related parties	24	27	3,140	1,113
Other receivables - unrelated parties	2,705	7,096	2,228	1,769
Accrued income - related parties	-	-	13,344	11,298
Accrued income - unrelated parties	553	1,120	-	-
Advances - related parties	20,328	20,328	-	-
Advances - unrelated parties	78	712	-	-
Total	23,688	29,283	18,712	14,180
Less: Allowance for doubtful accounts	(20,957)	(20,957)	(629)	(629)
Total other receivables - net	2,731	8,326	18,083	13,551
Total trade and other receivables - net	982,778	1,152,263	836,937	924,798

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 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2015	38,492	451
The reduction of inventory value recorded during the period	297	297
The reduction of inventory value reversed during the period	(1,454)	-
Balance as at 30 September 2016	37,335	748

6. 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	31 December	30 September	31 December	30 September	31 December		
	2016	2015	2016	2015	2016	2015	2016	2015
			Percent	Percent				
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344	22,672	34,007
Universal Food Public Company Limited	525,000	525,000	98.83	98.83	585,623	585,623	62,261	-
Total					1,333,967	1,333,967	84,933	34,007
Less: Allowance for diminution in value of investments					(21,096)	(21,096)	-	-
Total investments in subsidiaries - net					1,312,871	1,312,871	84,933	34,007

As at 30 September 2016, 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 1,372 million (31 December 2015: Baht 1,056 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:

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		31		31		31	
		30 September	December	30 September	December	30 September	December
		2016	2015	2016	2015	2016	2015
		Percent	Percent				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	36,330	39,281
Total				25,000	25,000	36,330	39,281

During the period, the joint venture has adopted the revised and new financial reporting standards and accounting treatment guidance, which requires the joint venture to change its accounting treatment for agricultural produce, from recognition at cost to recognition at fair value less costs to sell. The joint venture elected to recognise the effect of the change as an adjustment to the opening balance of retained earnings as at 1 January 2016, with the effect of increasing the opening balance of retained earnings by Baht 34 million. As a result, the subsidiary has recognised share of profit from investment in joint venture of Baht 17 million as an adjustment to the opening balance of retained earnings as at 1 January 2016 in the consolidated financial statements.

7.2 Share of profit (loss) and dividend received

During the three-month and nine-month periods ended 30 September 2016 and 2015, the subsidiary had recognised its share of profit (loss) from investment in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements			
	Share of profit (loss) from investment in joint venture			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2016	2015	2016	2015
Siam Elite Palm Co., Ltd.	(10,416)	4,785	(17,345)	4,942
Total	(10,416)	4,785	(17,345)	4,942

During the nine-month period ended 30 September 2016, the subsidiary had recognised dividend received from investment in the joint venture totaling Baht 2.0 million (2015: Baht 5.6 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 2016	31 December 2015	30 September 2016	31 December 2015
			(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 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

9. Long-term loan to unrelated party

As at 30 September 2016, a subsidiary had long-term loan to other company of Baht 60 million (31 December 2015: Baht 62 million). The loan has no collateral and carries interest at a rate of THBFIX + 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 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2015	65,022	6,563
Depreciation for the period	(501)	(942)
Balance as at 30 September 2016	<u>64,521</u>	<u>5,621</u>

As at 30 September 2016, the allowance for impairment loss on investment properties - land and building of the subsidiary was Baht 64 million (31 December 2015: Baht 64 million).

11. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2015	2,425,930	861,073
Acquisitions during the period - at cost	189,837	91,915
Disposals during the period - net book value at disposal date	(1,663)	(258)
Depreciation for the period	(174,522)	(72,381)
Interest capitalised to assets	431	-
Net book value as at 30 September 2016	<u>2,440,013</u>	<u>880,349</u>

(Unaudited but reviewed)

During the current period, the subsidiary capitalised interest amounting to Baht 0.4 million (2015: 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 2.18 and 2.56 percent per annum (2015: 2.59 and 3.14 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 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2015	201,543	224
Acquisitions during the period - at cost	22,647	-
Disposals during the period - net book value at disposal date	(7,094)	-
Amortisation for the period	(8,221)	(9)
Net book value as at 30 September 2016	<u>208,875</u>	<u>215</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 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 (percent per annum)		Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Short-term loans from financial institutions	1.88 - 2.38	1.95 - 4.50	<u>1,695,000</u>	<u>1,610,000</u>	<u>590,000</u>	<u>255,000</u>
Total			<u>1,695,000</u>	<u>1,610,000</u>	<u>590,000</u>	<u>255,000</u>

(Unaudited but reviewed)

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	31 December	30 September	31 December
	2016	2015	2016	2015
Trade payables - related parties	707	368	142,609	141,083
Trade payables - unrelated parties	352,285	280,976	211,247	205,657
Other payables - related parties	2,492	9,193	-	-
Other payables - unrelated parties	38,236	69,696	18,825	33,247
Advance received from related parties	17	7	12	314
Other payables for purchase of machineries	18,477	19,470	16,346	13,444
Accrued expenses	157,169	114,318	69,357	59,489
Total trade and other payables	<u>569,383</u>	<u>494,028</u>	<u>458,396</u>	<u>453,234</u>

15. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Long-term loans	262,263	351,394	193,513	188,894
Less: Current portion	<u>(103,000)</u>	<u>(175,000)</u>	<u>(78,000)</u>	<u>(75,000)</u>
Long-term loans - net of current portion	<u>159,263</u>	<u>176,394</u>	<u>115,513</u>	<u>113,894</u>

Movements in the long-term loan account during the nine-month period ended 30 September 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2015	351,394	188,894
Add: Additions during the period	43,619	43,619
Less: Repayments during the period	<u>(132,750)</u>	<u>(39,000)</u>
Balance as at 30 September 2016	<u>262,263</u>	<u>193,513</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 subsidiaries 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 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	28,130	21,555	2,567	5,745
Deferred tax:				
Relating to origination of temporary differences	(3,656)	(3,182)	(1,312)	(1,078)
Income tax expenses reported in the profit or loss	<u>24,474</u>	<u>18,373</u>	<u>1,255</u>	<u>4,667</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	78,584	80,952	4,801	27,438
Deferred tax:				
Relating to origination of temporary differences	(5,487)	(4,159)	(5,027)	(103)
Income tax expenses reported in the profit or loss	<u>73,097</u>	<u>76,793</u>	<u>(226)</u>	<u>27,335</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 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to the changes in value of available-for-sale investments	(22)	(182)	(22)	(182)

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to the changes in value of available-for-sale investments	(14)	(197)	(14)	(197)

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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Profit for the period attributable to equity holders of the Company (Thousand Baht)	80,521	78,086	4,704
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.10	0.10	0.01	0.03

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Profit for the period attributable to equity holders of the Company (Thousand Baht)	244,977	274,550	82,583
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.30	0.33	0.10	0.19

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 2016 and 2015.

(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			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue										
External customers	1,519	1,200	674	553	2,193	1,753	-	-	2,193	1,753
Inter-segment	139	273	177	171	316	444	(316)	(444)	-	-
Total revenue	<u>1,658</u>	<u>1,473</u>	<u>851</u>	<u>724</u>	<u>2,509</u>	<u>2,197</u>	<u>(316)</u>	<u>(444)</u>	<u>2,193</u>	<u>1,753</u>
Operating results										
Segment profit	93	116	213	178	306	294	4	6	310	300
Unallocated income and expenses										
Other income									13	24
Profit from change in fair value of biological assets									20	-
Selling expenses									(166)	(171)
Administrative expenses									(52)	(49)
Share of loss from investment in joint venture									(10)	5
Finance cost									(10)	(13)
Profit before income tax expenses									105	96
Income tax expenses									(25)	(19)
Profit for the period									<u>80</u>	<u>77</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							
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue										
External customers	4,488	4,431	1,785	1,593	6,273	6,024	-	-	6,273	6,024
Inter-segment	422	644	543	508	965	1,152	(965)	(1,152)	-	-
Total revenue	4,910	5,075	2,328	2,101	7,238	7,176	(965)	(1,152)	6,273	6,024
Operating results										
Segment profit	419	468	576	509	995	977	-	(3)	995	974
Unallocated income and expenses										
Other income									52	77
Profit from change in fair value of biological assets									1	-
Selling expenses									(496)	(504)
Administrative expenses									(160)	(162)
Share of loss from investment in joint venture									(17)	5
Finance cost									(33)	(36)
Profit before income tax expenses									342	354
Income tax expenses									(73)	(77)
Profit for the period									269	277

The following table presents segment assets of the Company's and its subsidiaries' operating segments as at 30 September 2016 and 31 December 2015.

(Unit: Million Baht)

	Manufacture and distribution			Adjustments	
	Palm oil products	Processed fruits and vegetables	Total segments	and eliminations	Consolidated
Segment assets					
As at 30 September 2016	5,857	1,758	7,615	(1,506)	6,109
As at 31 December 2015	5,454	1,755	7,209	(1,338)	5,871

19. Dividend paid

During the nine-month periods ended 30 September 2016 and 2015, the Company and its subsidiaries had dividend payments as follows:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>The Company</u>			
<u>For the year 2016</u>			
Dividend on 2015 profit	Annual General Meeting of the shareholders on 26 April 2016	123.00	0.15
Total dividends for the year 2016		123.00	0.15
<u>For the year 2015</u>			
Dividend on 2014 profit	Annual General Meeting of the shareholders on 24 April 2015	164.00	0.20
Total dividends for the year 2015		164.00	0.20
<u>Subsidiaries</u>			
<u>For the year 2016</u>			
Dividend on 2015 profit	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 26 April 2016	32.00	0.10
Total dividends for the year 2016		32.00	0.10
Dividend on 2015 profit	Annual General Meeting of the shareholders of Universal Food Public Company Limited on 25 April 2016	63.00	1.20
Total dividends for the year 2016		63.00	1.20
<u>For the year 2015</u>			
Final dividend in respect of October to December 2014 profit	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 24 April 2015	48.61	0.15
Total dividends for the year 2015		48.61	0.15

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 30 September 2016, 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 73 million and Euro 0.1 million (31 December 2015: Baht 71.1 million, Euro 0.7 million, and Japanese Yen 2.7 million), and for the Company amounting to approximately Baht 36 million (31 December 2015: Baht 39.8 million, Euro 0.7 million, and Japanese Yen 2.7 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)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Payable:				
In up to 1 year	34.3	24.4	5.6	3.9
In over 1 year and up to 5 years	93.7	71.5	1.7	0.4
In over 5 years	17.7	16.0	-	-

20.3 Guarantees

As at 30 September 2016, there were outstanding bank guarantees of approximately Baht 16.7 million issued by the banks on behalf of the Company and its subsidiaries to guarantee electricity use and others (31 December 2015: Baht 32.1 million) and for the Company amounting to approximately Baht 9.2 million (31 December 2015: Baht 10.1 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 2016 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 2016 (Million)	31 December 2015 (Million)	30 September 2016 (Million)	31 December 2015 (Million)	30 September 2016 (Baht per 1 foreign currency unit)	31 December 2015
US dollars	9.0	2.1	0.4	0.8	34.6999	36.0886
Euro	0.8	0.4	0.1	0.1	38.8895	39.4388
Yen	-	-	1.9	33.4	0.3431	0.3028

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 2016			
Foreign currency	Sold amount (Million)	Contractual exchange rate of sold amount (Baht per 1 foreign currency unit)	Maturity date
US dollars	0.8	34.60 - 34.85	Within April 2017

As at 30 September 2016			
Foreign currency	Bought amount (Million)	Contractual exchange rate of bought amount (Baht per 1 foreign currency unit)	Maturity date
US dollars	0.7	34.81 - 35.20	Within March 2017

As at 31 December 2015			
Foreign currency	Sold amount (Million)	Contractual exchange rate of bought amount (Baht per 1 foreign currency unit)	Maturity date
Euro	0.6	42.20 - 41.36	Within April 2016

21.3 Fair value hierarchy

As of 30 September 2016, 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
Financial assets measured at fair value			
Available-for-sale investments			
Equity instruments	780	850	1,630

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

22. Reclassification

Due to the adoption of new financial reporting standard and the accounting treatment guidance, as discussed in Note 1.4 to the financial statements, certain amounts in the prior period's financial statements have been reclassified as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements as at 31 December 2015	
	<u>As reclassified</u>	<u>As previously reported</u>
Statement of financial position		
Biological assets	22,279	-
Cost of forest land rights and cost of palm plantation	201,543	223,822

In addition, the Company has reclassified the following amounts in the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015 in order to conform to the current period's classification.

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September 2015		For the nine-month period ended 30 September 2015	
	As previously reported		As previously reported	
	<u>As reclassified</u>	<u>As previously reported</u>	<u>As reclassified</u>	<u>As previously reported</u>
Profit or loss:				
Cost of sales	1,452,903	1,447,629	5,050,139	5,044,865
Administrative expenses	49,925	55,199	162,762	168,036

The reclassifications had no effect to previously reported profit or shareholders' equity.

23. Approval of interim financial statements

These interim financial statements were authorised for issue on 11 November 2016 by the Company's audit committees under authority delegated by the board of directors of the Company.