

Patum Rice Mill and Granary Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2015

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Patum Rice Mill and Granary Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Patum Rice Mill and Granary Public Company Limited and its subsidiaries as at 30 September 2015, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, the related consolidated statement 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 Patum Rice Mill and Granary 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.

Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 5 November 2015

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	32,410	46,601	16,188	4,429
Trade and other receivables	2, 4	203,027	271,276	195,621	261,086
Inventories	5	256,552	168,720	102,007	149,128
Other current assets		64,480	57,276	20,696	21,106
Total current assets		556,469	543,873	334,512	435,749
Non-current assets					
Investments in subsidiaries	6	-	-	1,133,074	883,074
Investment in parent company					
- available-for-sale security	7	6,939,568	7,289,043	6,592,068	6,924,043
Long-term investments - available-for-sale securities	8	36,887	-	-	-
Other long-term investments		3,408	3,578	4	61
Investment properties	9	39,770	40,720	29,525	30,766
Property, plant and equipment	10	324,476	325,523	175,917	185,918
Prepaid rental fee	2	394,648	237,933	-	-
Intangible asset		6,682	6,299	4,426	5,100
Deferred tax assets	13	4,355	3,829	3,338	3,063
Goodwill	6	53,421	53,421	-	-
Other non-current assets		15,819	16,205	-	-
Total non-current assets		7,819,034	7,976,551	7,938,352	8,032,025
Total assets		8,375,503	8,520,424	8,272,864	8,467,774

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

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	11	727,248	513,076	727,248	513,076
Short-term loans from related persons	2	3,000	4,000	-	-
Short-term loans from subsidiaries	2	-	-	105,620	302,120
Trade and other payables	2	91,168	103,157	168,946	63,129
Current portion of liabilities under financial lease	12	298	-	298	-
Dividend payable	20	150,000	-	150,000	-
Income tax payable		4,836	2,192	4,146	418
Other current liabilities		14,002	12,646	3,033	4,165
Total current liabilities		990,552	635,071	1,159,291	882,908
Non-current liabilities					
Provision for long-term employee benefits		21,172	19,285	16,689	15,313
Liabilities under finance lease - net					
of current portion	12	768	-	768	-
Deferred tax liabilities	13	1,179,200	1,250,544	1,136,899	1,203,294
Other non-current liabilities		3,468	3,542	-	-
Total non-current liabilities		1,204,608	1,273,371	1,154,356	1,218,607
Total liabilities		2,195,160	1,908,442	2,313,647	2,101,515

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

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	14				
Registered share capital					
900,000,000 ordinary shares of Baht 1 each		900,000	900,000	600,000	900,000
Issued and fully paid-up share capital					
600,000,000 ordinary shares of Baht 1 each		600,000	600,000	600,000	600,000
Share premium		160,000	160,000	160,000	160,000
Retained earnings					
Appropriated - statutory reserve		90,000	90,000	90,000	90,000
Unappropriated		475,414	612,439	561,621	703,083
Other components of shareholders' equity		4,799,155	5,083,082	4,547,596	4,813,176
Equity attributable to owners of the Company		6,124,569	6,545,521	5,959,217	6,366,259
Non-controlling interests of the subsidiaries		55,774	66,461	-	-
Total shareholders' equity		6,180,343	6,611,982	5,959,217	6,366,259
Total liabilities and shareholders' equity		8,375,503	8,520,424	8,272,864	8,467,774
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2015

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Sales					
Revenues from sales	2, 15	505,847	505,980	409,648	420,971
Revenues form services	2, 15	2,044	2,594	-	-
Dividend income	2, 15	656	-	73	-
Other income	2, 15	5,781	10,171	8,345	11,857
Total revenues		514,328	518,745	418,066	432,828
Expenses					
Cost of sales	2, 15	409,887	424,489	333,338	347,589
Cost of services	15	1,661	2,594	-	-
Selling expenses	2, 15	63,747	51,600	48,951	43,550
Administrative expenses	2, 15	29,514	22,310	16,447	14,853
Total expenses		504,809	500,993	398,736	405,992
Profit before finance cost and income tax expenses		9,519	17,752	19,330	26,836
Finance cost	2, 15	(4,225)	(2,666)	(4,652)	(2,854)
Profit before income tax expenses		5,294	15,086	14,678	23,982
Income tax expenses	13	(3,433)	(255)	(3,352)	90
Profit for the period		1,861	14,831	11,326	24,072
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Gain (loss) on change in value of available-for sale investment					
- net of income tax		(722,858)	678,979	(682,919)	644,979
Other comprehensive income for the period		(722,858)	678,979	(682,919)	644,979
Total comprehensive income for the period		(720,997)	693,810	(671,593)	669,051

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2015

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

Note	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit attributable to:				
Equity holders of the Company	6,932	18,362	11,326	24,072
Non-controlling interest of the subsidiaries	(5,071)	(3,531)		
	<u>1,861</u>	<u>14,831</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(714,941)	697,341	(671,593)	669,051
Non-controlling interests of the subsidiaries	(6,056)	(3,531)		
	<u>(720,997)</u>	<u>693,810</u>		
Earnings per share				
	17			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.01</u>	<u>0.03</u>	<u>0.02</u>	<u>0.04</u>

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2015

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Sales					
Revenues from sales	2, 15	1,553,106	1,362,624	1,280,153	1,124,398
Revenues form services	2, 15	6,060	8,669	-	-
Dividend income	2, 15	151,180	149,795	142,348	142,282
Other income	2, 15	32,006	25,919	34,248	28,654
Total revenues		1,742,352	1,547,007	1,456,749	1,295,334
Expenses					
Cost of sales	2, 15	1,281,459	1,154,046	1,066,185	931,022
Cost of services	2, 15	5,645	8,669	-	-
Selling expenses	2, 15	201,263	142,981	159,089	125,960
Administrative expenses	2, 15	84,000	68,990	55,151	45,876
Total expenses		1,572,367	1,374,686	1,280,425	1,102,858
Profit before finance cost and income tax expenses		169,985	172,321	176,324	192,476
Finance cost	2, 15	(11,627)	(10,515)	(14,071)	(10,493)
Profit before income tax expenses		158,358	161,806	162,253	181,983
Income tax expenses	13	(4,620)	(861)	(3,715)	270
Profit for the period		153,738	160,945	158,538	182,253
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Gain (loss) on change in value of available-for sale investment					
- net of income tax		(285,378)	918,619	(265,580)	872,619
Other comprehensive income for the period		(285,378)	918,619	(265,580)	872,619
Total comprehensive income for the period		(131,640)	1,079,564	(107,042)	1,054,872

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2015

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

Note	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit attributable to:				
Equity holders of the Company	162,975	171,134	<u>158,538</u>	<u>182,253</u>
Non-controlling interest of the subsidiaries	<u>(9,237)</u>	<u>(10,189)</u>		
	<u>153,738</u>	<u>160,945</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(120,953)	1,089,753	<u>(107,042)</u>	<u>1,054,872</u>
Non-controlling interests of the subsidiaries	<u>(10,687)</u>	<u>(10,189)</u>		
	<u>(131,640)</u>	<u>1,079,564</u>		
Earnings per share				
	17			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.27</u>	<u>0.29</u>	<u>0.26</u>	<u>0.30</u>

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Cash flow statement

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	158,358	161,806	162,253	181,983
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	34,931	25,773	14,113	14,144
(Gain) loss on sales of equipment	3,698	(193)	(95)	2
Amortisation of prepaid rental fee	16,475	9,717		-
Reversal of allowance for doubtful debts	(8)	(510)	(8)	(109)
Allowance for diminution in value of inventories (reversal)	(6,500)	5,794	(5,100)	6,048
Provision for long-term employee benefits	1,887	1,705	1,376	1,350
Dividend income	(151,180)	(149,795)	(142,348)	(142,282)
Interest income	(303)	(1,258)	(7,339)	(13,998)
Interest expenses	11,627	10,515	14,071	10,493
Income from operating activities before changes				
in operating assets and liabilities	68,985	63,554	36,923	57,631
Operating assets (increase) decrease				
Trade and other accounts receivable	68,256	73,591	66,339	68,211
Inventories	(81,332)	115,773	52,220	112,454
Other current assets	(3,053)	47,848	4,294	46,012
Prepaid rental fee	(173,190)	-	-	-
Other non-current assets	386	(3,998)	-	-
Operating liabilities increase (decrease)				
Trade and other accounts payable	(11,381)	50,372	106,989	39,396
Other current liabilities	(1,356)	6,712	(1,132)	1,374
Other non-current liabilities	(74)	(4,472)	-	-
Cash flows from (used in) operating activities	(132,759)	349,380	265,633	325,078
Cash paid for corporate income tax	(3,991)	(9,856)	(4,145)	(1,279)
Net cash flows from (used in) operating activities	(136,750)	339,524	261,488	323,799

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Cash paid for purchase of current investments	(44,133)	-	-	-
Cash paid for increase share capital in a subsidiary	-	-	(250,000)	-
Cash received from reduction of capital of related company	170	-	57	-
Cash received from loan to a subsidiary	-	-	262,880	14,450
Increase in short-term loan to a subsidiary	-	-	(262,880)	(7,100)
Cash received from long-term loans to subsidiary	-	-	-	24,800
Increase in long-term loans to subsidiary	-	-	-	(11,200)
Proceeds from sales of equipment	404	295	404	5
Cash received from dividends	151,180	149,795	142,348	142,282
Cash received from interest income	353	1,210	6,379	12,582
Purchases of intangible assets	(1,623)	(493)	(144)	(385)
Purchases of plant and equipment	(35,795)	(45,721)	(2,363)	(569)
Net cash flows from (used in) investing activities	70,556	105,086	(103,319)	174,865
Cash flows from financing activities				
Decrease in bank overdrafts	10,172	(2,398)	10,172	(2,016)
Cash received from short-term loans from banks	1,521,000	796,000	1,521,000	618,000
Repayment of short-term loans from banks	(1,317,000)	(1,193,000)	(1,317,000)	(1,015,000)
Repayment of short-term loans from related persons	(1,000)	(2,000)	-	-
Cash received from short-term loans from subsidiaries	-	-	118,620	69,500
Repayment of short-term loans from subsidiaries	-	-	(315,120)	(27,000)
Cash paid for financial lease agreement	(124)	-	(124)	-
Cash paid for dividends	(150,000)	(135,000)	(150,000)	(135,000)
Cash paid for interest expenses	(11,045)	(10,727)	(13,958)	(10,619)
Net cash flows from (used in) financing activities	52,003	(547,125)	(146,410)	(502,135)
Net increase (decrease) in cash and cash equivalents	(14,191)	(102,515)	11,759	(3,471)
Cash and cash equivalents as at beginning of period	46,601	145,606	4,429	6,628
Cash and cash equivalents as at end of period	32,410	43,091	16,188	3,157
	-	-	-	-

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the owners of the Company							Equity attributable to non-controlling interests of the subsidiaries	Total Shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		Surplus on change in value of available-for-sale investment	Total equity attributable to the owners of the Company			
			Appropriated - statutory reserve	Unappropriated					
Balance as at 1 January 2014	600,000	160,000	90,000	569,202	4,843,443	6,262,645	64,460	6,327,105	
Total comprehensive income for the period	-	-	-	171,134	918,619	1,089,753	(10,189)	1,079,564	
Dividend paid (Note 20)	-	-	-	(135,000)	-	(135,000)	-	(135,000)	
Balance as at 30 September 2014	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>605,336</u>	<u>5,762,062</u>	<u>7,217,398</u>	<u>54,271</u>	<u>7,271,669</u>	
Balance as at 1 January 2015	600,000	160,000	90,000	612,439	5,083,082	6,545,521	66,461	6,611,982	
Total comprehensive income for the period	-	-	-	162,975	(283,927)	(120,952)	(10,687)	(131,639)	
Dividend paid (Note 20)	-	-	-	(300,000)	-	(300,000)	-	(300,000)	
Balance as at 30 September 2015	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>475,414</u>	<u>4,799,155</u>	<u>6,124,569</u>	<u>55,774</u>	<u>6,180,343</u>	
	-	-	-	-	-	-	-	-	

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2015

(Unit: Thousand Baht)

	Separate financial statements					Total Shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		Surplus on changes in value of available-for-sale investments	
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2014	600,000	160,000	90,000	653,271	4,585,536	6,088,807
Total comprehensive income for the period	-	-	-	182,253	872,619	1,054,872
Dividend paid (Note 20)	-	-	-	(135,000)	-	(135,000)
Balance as at 30 September 2014	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>700,524</u>	<u>5,458,155</u>	<u>7,008,679</u>
Balance as at 1 January 2015	600,000	160,000	90,000	703,083	4,813,176	6,366,259
Total comprehensive income for the period	-	-	-	158,538	(265,580)	(107,042)
Dividend paid (Note 20)	-	-	-	(300,000)	-	(300,000)
Balance as at 30 September 2015	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>561,621</u>	<u>4,547,596</u>	<u>5,959,217</u>
	-	-	-	-	-	-

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

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2015

1. General information

1.1 Corporate information

Patum Rice Mill and Granary Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is MBK Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the processing and packaging of rice and related business. Its registered office address is 88, Moo 2, Tiwanont Road, Bangkadee Sub-District, Muang District, Pathumthani 12000 and the second factory is located at 109/3, Moo 14, Mitraparp Road Km.199, Lardbuakhow Sub-District, Sikhiu District, Nakornratchasima 30340.

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

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

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

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of Patum Rice Mill and Granary Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014.

The consolidated interim financial statements include the account balances of the Company and its subsidiaries. Material intercompany transactions and balances have been eliminated. The Company’s percentages of shareholding in subsidiaries are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 September 2015	31 December 2014
Directly owned			%	%
PRG Granary Co., Ltd.	Warehouse rental	Thailand	99.99	99.99
MBK Food and Entertainment Co., Ltd.	Food center	Thailand	75.00	75.00
MBK Food Island Co., Ltd.	Food Center	Thailand	99.98	99.98
MBK Food System Co., Ltd.	Restaurant	Thailand	60.00	60.00
Indirectly owned				
Owned by PRG Granary Co., Ltd.				
Ratchsima Rice Co., Ltd.	Distributor of rice, plant and machinery rental	Thailand	99.99	99.99
Sima Pac Co., Ltd.*	Manufacturer and distributor of plastic bag	Thailand	49.99	49.99
Owned by Ratchsima Rice Co., Ltd.				
Innofood (Thailand) Co., Ltd.	Distributor of rice and development of product from rice	Thailand	99.99	99.99
Owned by MBK Food and Entertainment Co., Ltd.				
MBK Restaurant Group Co., Ltd. (Formerly known as “MBK Suki Number One Co., Ltd.)	Restaurant	Thailand	99.99	99.99

* The Company has the ability to control the financial and operating policies of Sima Pac Co., Ltd. through the Board of Directors of this company.

1.4 New financial reporting standards

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

TAS 19 (revised 2014) Employee Benefits

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

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

TFRS 10 Consolidated Financial Statements

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

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

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

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

b) Financial reporting standard issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014.

2. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	
Transactions with parent company					
Sales	274	799	97	128	Market price or prices which approximated market
Service income	71	-	-	-	Contract price and the rate which approximated cost
Service expenses	17,189	15,364	112	204	Contract price
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Rental income	-	-	3,243	177	Contract price
Service income	-	-	1,299	396	Contract price
Interest income	-	-	3,665	4,495	MLR of a commercial bank
Purchase of raw materials	-	-	191,173	263,595	Market price or prices which approximated market prices
Sales	-	-	4,050	-	Market price or prices which approximated market prices
Rental expenses	-	-	1,344	891	Contract rate with reference to the rates charged to third parties
Service expenses	-	-	3,952	-	Market price or prices which approximated market prices
Interest expenses	-	-	476	297	Market price or prices which approximated market prices
Transactions with related companies					
Sales	447	681	235	366	Market price or prices which approximated market prices
Service income	15	15	-	-	Contract price and the rate which approximated cost
Service expenses	2,892	18,651	1,088	1,716	Contract price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2015	2014	2015	2014	
Transactions with parent company					
Sales	1,217	1,667	384	471	Market price or prices which approximated market
Service income	200	-	-	-	Contract price and the rate which approximated cost
Service expenses	54,737	43,618	411	545	Contract price
Prepaid rental fee payment	173,190	-	-	-	Contract price
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Rental income	-	-	5,412	599	Contract price
Service income	-	-	3,371	1,143	Contract price
Interest income	-	-	7,316	13,964	MLR of a commercial bank
Purchase of raw materials	-	-	585,887	493,744	Market price or prices which approximated market prices
Sales	-	-	36,298	558	Market price or prices which approximated market prices
Rental expense	-	-	4,032	2,665	Contract rate with reference to the rates charged to third parties
Service expenses	-	-	12,189	-	Market price or prices which approximated market prices
Interest expenses	-	-	2,621	297	MLR of a commercial bank
Transactions with related companies					
Sales	1,089	2,024	735	1,186	Market price or prices which approximated market prices
Service income	45	45	-	-	Contract price and the rate which approximated cost
Dividend income	149,993	149,775	142,348	142,275	Declared rate
Rental and service expenses	11,001	49,580	5,249	4,897	Contract price

(Unaudited but reviewed)

The outstanding balances of the above transactions have been presented in the statements of financial position as at 30 September 2015 and 31 December 2014 as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Trade and other receivables - related parties				
Parent company	169	1,582	40	815
Subsidiaries	-	-	2,566	472
Related parties (under common control)	195	167	72	134
Total	364	1,749	2,678	1,421
Trade and other payables - related parties				
Parent company	2,428	6,325	-	-
Subsidiaries	-	-	121,162	15,450
Related parties (under common control)	1,363	377	293	270
Total	3,791	6,702	121,455	15,720

Short-term loans to subsidiaries

Movements of short-term loans to subsidiaries as at 30 September 2015 were as follows:

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 September 2015
	Balance as at 31 December 2014	During the period		
		Increase	Decrease	
Short-term loan to subsidiaries				
PRG Granary Company Limited	-	260,380	(260,380)	-
MBK Food and Entertainment Company Limited	-	2,500	(2,500)	-
	-	262,880	(262,880)	-

Short-term loans to subsidiaries carried interest at MLR rate of a local commercial bank and due at call.

Short-term loans from related persons

Short-term loans from related persons amounting to Baht 3 million are loans from directors of Sima Pac Company Limited, a subsidiary, carry interest at MLR rate of a local commercial bank and due at call.

As at 30 September 2015, the outstanding balance and movement of short-term loans from related persons are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at	During the period		Balance as at
	31 December	Increase	Decrease	30 September
	2014			2015
Short-term loans from related persons				
Sima Pac Co., Ltd.	4,000	-	(1,000)	3,000

Short-term loans from subsidiaries

Movements of short-term loans from subsidiaries as at 30 September 2015 were as follows:

(Unit: Thousand Baht)

	Related by	Separate financial statements			
		Balance as at	During the period		Balance as at
		31 December	Increase	Decrease	30 September
		2014			2015
Short-term loans from subsidiaries					
MBK Food and Entertainment Co., Ltd.	Subsidiary	34,500	49,000	(83,500)	-
MBK Food System Co., Ltd.	Subsidiary	22,000	-	(17,000)	5,000
MBK Food Island Co., Ltd.	Subsidiary	235,000	40,500	(201,500)	74,000
PRG Granary Co., Ltd.	Subsidiary	4,620	26,620	(4,620)	26,620
MBK Restaurant Group Co., Ltd. (Formerly known as "MBK Suki Number One Co., Ltd.")	Subsidiary	6,000	2,500	(8,500)	-
		<u>302,120</u>	<u>118,620</u>	<u>(315,120)</u>	<u>105,620</u>

Prepaid rental fee

On 2 April 2013, MBK Food Island Company Limited, a subsidiary, entered into a long-term space rental agreement, a long-term building equipment and systems rental agreement, and a long-term promotion and development space agreement with MBK Public Company Limited, for periods of 20 years (from 21 April 2013 to 20 April 2033). Under these agreements the Company is required to pay prepaid rental fees over the terms of the contracts, totaling Baht 260 million. As at the date of the agreements date, the subsidiary classified the leases as operating leases, for which the rental payments are recognised as an expense on a straight-line basis over the lease period.

On 29 October 2014, MBK Food Island Company Limited, a subsidiary, entered into a long-term space rental agreement, a long-term building equipment and systems rental agreement, and a long-term promotion and development space agreement with MBK Public Company Limited, for periods of 18 years (from 1 September 2014 to 20 April 2033). Under these agreements the Company is required to pay prepaid rental fees over the terms of the contracts, totaling Baht 176 million. As at the date of the agreements date, the subsidiary classified the leases as operating leases, for which the rental payments are recognised as an expense on a straight-line basis over the lease period.

	(Unit: Thousand Baht)	
	30 September 2015	31 December 2014
Prepaid rental fee - Beginning of period/year	237,933	250,924
Prepaid rental fee increase	173,190	-
Less: Amortisation	(16,475)	(12,991)
Net book value	<u>394,648</u>	<u>237,933</u>
Amortisation for the period/year	<u>16,475</u>	<u>12,991</u>

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2015, the Company and its subsidiaries had meeting allowance of directors, salaries, bonus, and provision for post-employee benefits of their key management personnel recognised as expenses totalling Baht 5 million and Baht 18 million respectively (2014: Baht 4 million and Baht 13 million respectively).

(Unaudited but reviewed)

3. Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Cash on hand	1,559	2,554	110	110
Bank deposits	30,851	44,047	16,078	4,319
Total	32,410	46,601	16,188	4,429

Bank deposits include savings accounts and fixed deposits. The savings account carried interest 0.38 percent per annum (31 December 2014: 0.38 percent per annum).

4. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	341	1,124	113	950
Past due				
Up to 3 months	6	7	464	7
Total trade receivables - related parties	347	1,131	577	957
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	161,903	227,395	157,683	225,434
Past due				
Up to 3 months	25,501	29,108	23,174	25,061
3 - 6 months	700	1,189	700	1,189
6 - 12 months	139	103	139	103
Over 12 months	1,073	962	1,073	962
Total	189,316	258,757	182,769	252,749
Less: Allowance for doubtful debts	(992)	(1,000)	(992)	(1,000)
Total trade receivables - unrelated parties, net	188,324	257,757	181,777	251,749
Total trade receivables - net	188,671	258,888	182,354	252,706
Other receivables				
Other receivables - related parties	17	618	2,101	464
Other receivables - unrelated parties	14,339	11,770	11,166	7,916
Total other receivables	14,356	12,388	13,267	8,380
Total trade and other receivables - net	203,027	271,276	195,621	261,086

5. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Cost	257,133	175,801	102,457	154,678
Less: Diminution in value of inventories	(581)	(7,081)	(450)	(5,550)
Inventories - net	<u>256,552</u>	<u>168,720</u>	<u>102,007</u>	<u>149,128</u>

Movements in diminution in value of inventories during the three-month and nine-month periods ended 30 September 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2015	7,081	5,550
Decreased in diminution in value of inventories	(6,500)	(5,100)
Balance as at 30 September 2015	<u>581</u>	<u>450</u>

The Company has pledged inventories of approximately Baht 228 million (31 December 2014: Baht 141 million) to secure a loan facility from a bank, as discussed in Note 11.

6. Investments in subsidiaries

Detail of investments in subsidiaries is presented in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)							
	Paid up capital		Shareholding		Cost		Dividend income for the	
	percentage		percentage		nine-month periods ended		nine-month periods ended	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	30 September 2014
			%	%				
PRG Granary Co., Ltd.	500,000	250,000	99.99	99.99	489,637	239,637	-	-
MBK Food and Entertainment Co., Ltd.	50,000	50,000	75.00	75.00	84,752	84,752	-	-
MBK Food Island Co., Ltd.	500,000	500,000	99.99	99.99	498,685	498,685	-	-
MBK Food System Co., Ltd.	100,000	100,000	60.00	60.00	60,000	60,000	-	-
Total					<u>1,133,074</u>	<u>883,074</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

On 3 September 2015, the Extraordinary General Meeting of the shareholders of PRG Granary Company Limited, a subsidiary, passed a resolution granting approval for the company to increase its registered capital from Baht 250 million to Baht 500 million, through the issuance of 4,000,000 new ordinary shares with a par value of Baht 62.50 each, total amounting to Baht 250 million, and all share allocation to the Company. The Company paid in the called-up share subscription on 25 September 2015. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 30 September 2015.

Goodwill

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2015	31 December 2014
	Innofood (Thailand) Co., Ltd.	240
MBK Food and Entertainment Co., Ltd.	53,181	53,181
Goodwill	53,421	53,421

7. Investment in parent company - available-for-sale security

(Unit: Thousand Baht)

Nature of business	Consolidated financial statements					
	Shareholding percentage		Investments		Dividend income for the nine-month periods ended	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	30 September 2014
	%	%				
MBK Public Company Limited	26.47	26.47	955,416	955,416	149,775	149,775
Add: Unrealised gain on change in value of investment			5,984,152	6,333,627		
			6,939,568	7,289,043		

(Unit: Thousand Baht)

Nature of business	Separate financial statements					
	Shareholding percentage		Investments		Dividend income for the nine-month periods ended	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	30 September 2014
	%	%				
MBK Public Company Limited	25.14	25.14	907,574	907,574	142,275	142,275
Add: Unrealised gain on change in value of investment			5,684,494	6,016,469		
			6,592,068	6,924,043		

Although the Company invests more than 20% in the ordinary shares of the parent company and has certain common directors, the investment in parent company is long-term investment in marketable equity security and is not classified as associate because the Company has no ultimately significant influence in participating in the finance and operation policy decisions of the parent company.

As at 30 September 2015, the Company has pledged its investment in the listed security of parent company and entered into a negative pledge agreement on such listed securities totalling 318 million shares, with value at end of reporting period amounting to Baht 4,420 million (31 December 2014: 348 million shares, Baht 5,081 million) to secure bank overdraft and short-term loan facilities from banks, as discussed in Note 11.

8. Long-term investment - available-for-sale securities

Long-term investment - available-for-sale securities as at 30 September 2015 and 31 December 2014 comprise the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2015	31 December 2014
Available-for-sale securities		
Equity securities	44,133	-
Add: Unrealised loss on changes in value of investment	(7,246)	-
Long-term investment - available-for-sale securities	<u>36,887</u>	<u>-</u>

9. Investment properties

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2015	40,720	30,766
Depreciation for the period	(950)	(155)
Reclassification	-	(1,086)
Net book value as at 30 September 2015	<u><u>39,770</u></u>	<u><u>29,525</u></u>

10. Property, plant and equipment

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2015	325,523	185,918
Acquisitions during the period - at cost	35,796	2,363
Reclassification	-	1,086
Disposal during the period - net book value at disposal date	(3,993)	(309)
Depreciation for the period	(32,850)	(13,141)
Net book value as at 30 September 2015	324,476	175,917

11. Bank overdrafts and short-term loans from banks

	Interest rate		Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	(% per annum)	(% per annum)				
Bank overdrafts	7.40	7.43	10,248	76	10,248	76
Short-term loans from banks	2.05 - 2.06	2.39 - 2.40	717,000	513,000	717,000	513,000
Total			727,248	513,076	727,248	513,076

Bank overdrafts and short-term loan facilities from banks of the Company is secured by the pledge of inventories and listed securities of the Company as discussed in Notes 5 and 7.

(Unaudited but reviewed)

12. Long-term liabilities under financial lease agreement

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 September 2015	31 December 2014
	Liabilities under finance lease agreement	1,108
Less: Deferred interest expenses	(42)	-
Total	1,066	-
Less: Current portion	(298)	-
Liabilities under finance lease agreements - net of current portion	768	-

The Company has entered into the finance lease agreement with leasing company for rental of motor vehicles for use in its operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

Future minimum lease payments required under finance lease agreement were as follows:

(Unit: Thousand Baht)

	As at 30 September 2015		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	310	798	1,108
Less: Deferred interest expenses	(12)	(30)	(42)
Present value of future minimum lease payments	298	768	1,066

13. Corporate income tax/Deferred income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	3,706	(366)	(5,128)	(1,197)
Adjustment in respect of current income tax of previous period	156	111	156	-
Deferred tax:				
Relating to origination and reversal of temporary differences	117	-	352	336
Income tax expense reported in profit or loss	(3,433)	(255)	(4,620)	(861)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	(3,600)	-	(4,146)	-
Adjustment in respect of current income tax of previous period	156	-	156	-
Deferred tax:				
Relating to origination and reversal of temporary differences and others	92	90	275	270
Income tax expense reported in profit or loss	(3,352)	90	(3,715)	270

The movements on deferred income tax are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Deferred income tax asset		
Balance as at 1 January 2015	3,829	3,063
Provision for long-term employee benefits	526	275
Balance as at 30 September 2015	<u>4,355</u>	<u>3,338</u>
Deferred income tax liabilities		
Balance as at 1 January 2015	1,250,544	1,203,294
Unrealised gain from investment in available-for-sale security	(71,344)	(66,395)
Balance as at 30 September 2015	<u>1,179,200</u>	<u>1,136,899</u>

14. Share capital

On 30 April 2014, the Annual General Meeting of the Company's shareholders passed a resolution to approve the change of the par value of the Company's shares from Baht 10 each to Baht 1 each. Therefore, the registered ordinary shares would be changed from 90,000,000 shares to 900,000,000 shares and the Company has a paid up capital Baht 600,000,000 ordinary shares and the amount paid. On 14 May 2014, the Company registered the share capital with the Ministry of Commerce.

15. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services and have three reportable segments: (1) development of product from rice and rice packaging (2) manufacturing and distribution of plastic bag and (3) Food Center. These operations are mainly carried on in Thailand.

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

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries' financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

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

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This document is in draft form. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Processing and packaging of rice		Manufacturing and distribution of plastic bag		Food center		Elimination of inter-segment revenues		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from external customers	407,095	420,585	10,784	6,352	90,012	81,637	-	-	507,891	508,574
Inter-segment revenues	26	-	5,231	4,878	-	-	(5,257)	(4,878)	-	-
Total revenues	407,121	420,585	16,015	11,230	90,012	81,637	(5,257)	(4,878)	507,891	508,574
Segment gross profit (loss)	87,158	74,050	657	(586)	9,301	8,078	773	(51)	96,343	81,491
Unallocated income (expenses):										
Dividend income									656	-
Other income									5,781	10,171
Selling expenses									(63,746)	(51,600)
Administrative expenses									(29,514)	(22,310)
Finance cost									(4,225)	(2,666)
Net profit before income tax expenses									5,294	15,086
Income tax expenses									(3,433)	(255)
Net profit for the period									1,861	14,831

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(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Processing and packaging of rice		Manufacturing and distribution of plastic bag		Food center		Elimination of inter-segment revenues		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from external customers	1,244,638	1,123,840	36,056	32,078	278,472	215,375	-	-	1,559,166	1,371,293
Inter-segment revenues	76	-	15,640	10,960	-	-	(15,716)	(10,960)	-	-
Total revenues	<u>1,244,714</u>	<u>1,123,840</u>	<u>51,696</u>	<u>43,038</u>	<u>278,472</u>	<u>215,375</u>	<u>(15,716)</u>	<u>(10,960)</u>	<u>1,559,166</u>	<u>1,371,293</u>
Segment gross profit (loss)	<u>239,725</u>	<u>194,195</u>	<u>3,826</u>	<u>(2,913)</u>	<u>31,266</u>	<u>16,985</u>	<u>2,755</u>	<u>311</u>	<u>272,062</u>	<u>208,578</u>
Unallocated income (expenses):										
Dividend income									151,180	149,795
Other income									32,006	25,919
Selling expenses									(201,263)	(142,981)
Administrative expenses									(84,000)	(68,990)
Finance cost									(11,627)	(10,515)
Net profit before income tax expenses									<u>158,358</u>	<u>161,806</u>
Income tax expenses									<u>(4,620)</u>	<u>(861)</u>
Net profit for the period									<u><u>153,738</u></u>	<u><u>160,945</u></u>

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(Unaudited but reviewed)

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

	Processing and packaging of rice		Manufacturing and distribution of plastic bag		Food center		Elimination of inter-segment revenues		(Unit: Thousand Baht) Consolidated financial statements	
	30	31	30	31	30	31	30	31	30	31
	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014
Property, plant and equipment	214,978	228,144	26,329	30,346	83,169	67,033	-	-	324,476	325,523
Prepaid rental fee	-	-	-	-	394,648	237,933	-	-	394,648	237,933
Unallocated assets										
- Investment in parent company - available-for-sale security									6,939,568	7,289,043
- Long-term investments - available-for-sale security									36,887	-
- Other assets									679,924	667,925
Total assets									<u>8,375,503</u>	<u>8,520,424</u>

Transfer prices between business segments are as set out in Note 2.

16. Commitments and contingent liabilities

16.1 Capital commitments

As at 30 September 2015, a subsidiary had capital commitments of approximately Baht 0.3 million (31 December 2014: Baht 4 million) relating to design and decoration of space.

16.2 Operating lease commitments

A subsidiary has entered into several lease agreements in respect of the lease of building space and equipment. The terms of the agreements are 3 and 20 years.

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

(Unit: Million Baht)

Payable:	
In up to 1 year	55.7
In over 1 and up to 5 years	104.8
In over 5 years	225.8

16.3 Long-term service commitments

A subsidiary has entered into license and technical assistance agreements with an overseas related company for the use of a trademark, training and providing of information related to restaurant business operation. Under the conditions of the license agreement, the subsidiary is to pay royalty fee at the rate as stipulated in the agreement.

16.4 Guarantees

As at 30 September 2015, there were outstanding bank guarantees of approximately Baht 21 million (31 December 2014: Baht 19 million) (Separate financial statements: Baht 20 million (31 December 2014: Baht 18 million)) issued by the banks on behalf of the Company and its subsidiaries in respect of utilities payment of the Company and its subsidiaries.

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, after adjusting the number of ordinary shares in proportion to the change in the par value of the shares from Baht 10 to Baht 1 per share as discussed in Note 14, because these change were occurred after the end of the reporting period but before the financial statements were authorised for issue. The number of ordinary shares of the prior year used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the par value of the shares as a result of the change in the par value of the shares had been occurred at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share for the nine-month periods ended 30 September 2015 and 2014:

	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2015	2014	2015	2014	2015	2014
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Consolidated financial statements	162,975	171,134	600,000	600,000	0.27	0.29
Separate financial statements	158,538	182,253	600,000	600,000	0.26	0.30

18. Foreign currency risk

The Group is exposed to foreign currency risk arising mainly from trading transactions that are denominated in foreign currencies. The Group seeks to migrate this risk by entering into forward exchange contracts when it considers appropriate. The forward contracts mature within one year.

The balances of financial assets denominated in foreign currencies as at 30 September 2015 are summarised below.

Currency	Financial assets (Thousand)	Exchange rate
		as at 30 September 2015 (Baht per 1 foreign currency unit)
US dollar	317	36.120

This document is in draft form. It is subject to review and change and therefore its contents should not be relied upon.

Forward exchange contracts which remained outstanding as at 30 September 2015 are summarised below.

Currency	Sold amount	Forward contract exchange rate	Maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	1,686	34.1616 - 36.2984	28 December 2015 - 25 March 2016

19. Fair value of financial instruments

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

Fair value hierarchy

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

Level 1 - Use of quoted market prices in an observable active market for such assets

Level 2 - Use of other observable inputs for such assets, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

(Unit: Thousand Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	6,976,455	-	-	6,976,455

(Unit: Thousand Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	6,592,068	-	-	6,592,068

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

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(Unaudited but reviewed)

20. Dividend

	Approved by	Total dividend (Million Baht)	Dividend (Baht per share)	Dividend payment date
Interim dividend on the six-month period ended 30 June 2015	Board of Director Meeting on 28 September 2015	150	0.25	26 October 2015
Final dividends on the six-month period ended 31 December 2014	Annual General Meeting of the shareholders on 9 April 2015	150	0.25	28 April 2015
		<u>300</u>		
Interim dividend on the six-month period ended 30 June 2014	Board of Director Meeting on 2 October 2014	150	0.25	31 October 2014
Final dividends on the six-month period ended 31 December 2013	Annual General Meeting of the shareholders on 30 April 2014	135	2.25	15 May 2014
		<u>285</u>		

21. Events after the reporting period

On 16 October 2015, the Extraordinary General Meeting of the shareholders of MBK Restaurant Group Company Limited, a subsidiary of MBK Food and Entertainment Company Limited, which is a subsidiary of the Company, passed a resolution granting approval for the company to increase its registered capital from Baht 10 million to Baht 50 million, through the issuance of 400,000 new shares with a par value of Baht 100 each, total amounting to Baht 40 million, and all share allocation to MBK Food and Entertainment Company Limited. MBK Food and Entertainment Company Limited paid in the partial called-up share subscription of Baht 20 million on 16 October 2015. The share capital increase of this subsidiary was registered with the Ministry of Commerce on 20 October 2015.

22. Approval of interim financial statements

These interim financial statements were authorised by the Audit Committee of the Company on 5 November 2015.