

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended 30 June 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 June 2016, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2016, the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 August 2016

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Assets					
Current assets					
Cash and cash equivalents	3	420,782	479,943	70,774	121,706
Trade and other receivables	2, 4	990,601	1,152,263	835,206	924,798
Short-term loans to related parties	2	-	-	-	-
Inventories	5	1,304,027	1,127,358	660,773	550,002
Biological assets		49,422	22,279	-	-
Other current assets		38,382	44,048	11,459	10,971
Total current assets		2,803,214	2,825,891	1,578,212	1,607,477
Non-current assets					
Investments in subsidiaries	6	-	-	1,312,871	1,312,871
Investment in joint venture	7	46,746	39,281	-	-
Investment in associated company	8	-	-	-	-
Other long-term investments		1,739	1,701	1,739	1,701
Long-term loan to unrelated party	9	61,740	61,740	-	-
Investment properties	10	64,689	65,022	5,720	6,563
Property, plant and equipment	11	2,425,042	2,425,930	862,825	861,073
Cost of forest land rights and cost of palm plantation	12	203,035	201,543	219	224
Goodwill		196,376	196,376	-	-
Intangible assets		8,254	9,271	4,622	4,997
Deferred tax assets		38,526	41,809	12,288	8,581
Other non-current assets		25,295	2,711	485	485
Total non-current assets		3,071,442	3,045,384	2,200,769	2,196,495
Total assets		5,874,656	5,871,275	3,778,981	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 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	13	1,473,000	1,610,000	240,000	255,000
Trade and other payables	2, 14	575,809	494,028	477,741	453,234
Current portion of long-term loans	15	128,000	175,000	78,000	75,000
Current portion of liabilities under finance lease agreements		573	573	-	-
Income tax payable		48,723	59,345	2,234	17,714
Other current liabilities		52,211	63,983	33,647	44,267
Total current liabilities		2,278,316	2,402,929	831,622	845,215
Non-current liabilities					
Long-term loans - net of current portion	15	185,013	176,394	135,013	113,894
Liabilities under finance lease agreements - net of current portion		1,046	1,257	-	-
Provision for long-term employee benefits		81,463	67,532	43,140	30,599
Deferred tax liabilities		2,712	-	-	-
Total non-current liabilities		270,234	245,183	178,153	144,493
Total liabilities		2,548,550	2,648,112	1,009,775	989,708

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 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 June 2016 (Unaudited but reviewed)	As at 31 December 2015 (Audited)	As at 30 June 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	1,800,026	1,725,638	1,620,571	1,665,659
Other components of shareholders' equity	(7,183)	(7,213)	(604)	(634)
Equity attributable to owners of the Company	2,967,555	2,892,787	2,769,206	2,814,264
Non-controlling interests of the subsidiaries	358,551	330,376	-	-
Total shareholders' equity	3,326,106	3,223,163	2,769,206	2,814,264
Total liabilities and shareholders' equity	5,874,656	5,871,275	3,778,981	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 June 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		2,102,915	2,121,586	1,510,971	1,663,072
Dividend income		19	153	84,952	34,160
Other income		19,664	29,764	25,389	27,645
Total revenues		2,122,598	2,151,503	1,621,312	1,724,877
Expenses					
Cost of sales		1,718,751	1,726,541	1,397,046	1,490,113
Selling expenses		168,852	177,219	100,827	110,489
Administrative expenses		48,742	53,229	28,236	26,605
Loss from change in fair value of biological assets		28,589	-	-	-
Total expenses		1,964,934	1,956,989	1,526,109	1,627,207
Profit before share of profit from investment in joint venture, finance cost and income tax expenses					
		157,664	194,514	95,203	97,670
Share of loss from investment in joint venture	7	(3,974)	(819)	-	-
Profit before finance cost and income tax expenses					
		153,690	193,695	95,203	97,670
Finance cost		(11,472)	(11,502)	(2,512)	(2,607)
Profit before income tax expenses					
		142,218	182,193	92,691	95,063
Income tax expenses	16	(27,726)	(42,465)	(950)	(11,095)
Profit for the period		114,492	139,728	91,741	83,968
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		(58)	(169)	(58)	(169)
Income tax reflect	16	11	34	11	34
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(47)	(135)	(47)	(135)
Other comprehensive income for the period		(47)	(135)	(47)	(135)
Total comprehensive income for the period		114,445	139,593	91,694	83,833

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 June 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	103,545	129,988	<u>91,741</u>	<u>83,968</u>
Non-controlling interests of the subsidiaries	<u>10,947</u>	<u>9,740</u>		
	<u>114,492</u>	<u>139,728</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	103,498	129,853	<u>91,694</u>	<u>83,833</u>
Non-controlling interests of the subsidiaries	<u>10,947</u>	<u>9,740</u>		
	<u>114,445</u>	<u>139,593</u>		
Basic earnings per share				
	17			
Profit attributable to equity holders of the Company	<u>0.13</u>	<u>0.16</u>	<u>0.11</u>	<u>0.10</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 six-month period ended 30 June 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		4,080,473	4,270,967	2,970,209	3,346,244
Dividend income		19	153	84,952	34,160
Other income		39,245	53,051	51,160	56,788
Total revenues		4,119,737	4,324,171	3,106,321	3,437,192
Expenses					
Cost of sales		3,395,906	3,597,236	2,761,027	3,009,545
Selling expenses		330,622	333,459	205,924	213,849
Administrative expenses		107,148	112,837	58,495	57,971
Loss from change in fair value of biological assets		19,171	-	-	-
Total expenses		3,852,847	4,043,532	3,025,446	3,281,365
Profit before share of profit from investment in joint venture, finance cost and income tax expenses					
		266,890	280,639	80,875	155,827
Share of profit (loss) from investment in joint venture	7	(6,929)	157	-	-
Profit before finance cost and income tax expenses					
		259,961	280,796	80,875	155,827
Finance cost		(22,724)	(22,662)	(4,477)	(4,080)
Profit before income tax expenses					
		237,237	258,134	76,398	151,747
Income tax expenses	16	(48,623)	(58,420)	1,481	(22,668)
Profit for the period					
		188,614	199,714	77,879	129,079
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain (loss) on changes in value of available-for-sale investments		38	(73)	38	(73)
Income tax reflect	16	(8)	15	(8)	15
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		30	(58)	30	(58)
Other comprehensive income for the period					
		30	(58)	30	(58)
Total comprehensive income for the period					
		188,644	199,656	77,909	129,021

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 six-month period ended 30 June 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	164,456	196,464	<u>77,879</u>	<u>129,079</u>
Non-controlling interests of the subsidiaries	<u>24,158</u>	<u>3,250</u>		
	<u>188,614</u>	<u>199,714</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	164,486	196,406	<u>77,909</u>	<u>129,021</u>
Non-controlling interests of the subsidiaries	<u>24,158</u>	<u>3,250</u>		
	<u>188,644</u>	<u>199,656</u>		
Basic earnings per share				
	17			
Profit attributable to equity holders of the Company	<u>0.20</u>	<u>0.24</u>	<u>0.09</u>	<u>0.16</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 six-month period ended 30 June 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	237,237	258,134	76,398	151,747
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	122,011	119,660	49,398	42,480
Loss from change in fair value of biological assets	19,171	-	-	-
Share of (gain) loss from investment in joint venture	6,929	(157)	-	-
Increase (decrease) in allowance for doubtful accounts	4,782	(394)	6,030	(382)
Bad debt write-off	96	-	-	-
Increase (decrease) in allowance for diminution in inventory value	(6,713)	593	-	300
Gain on disposals of property, plant and equipment	(157)	(1,176)	(12)	(669)
Loss on write-off of cost of palm plantation	-	3,278	-	-
Unrealised loss (gain) on exchange	1,142	(882)	123	39
Provision for long-term employee benefits	15,405	16,002	12,541	8,962
Dividend income from subsidiary	-	-	(84,933)	(34,007)
Dividend income from other companies	(19)	(153)	(19)	(153)
Interest expenses	21,276	21,035	3,614	2,961
Profit from operating activities before changes in operating assets and liabilities	421,160	415,940	63,140	171,278
Decrease (increase) in operating assets				
Trade and other receivables	156,011	(118,821)	83,573	(41,037)
Inventories and biological assets	(177,106)	(368,638)	(110,771)	(271,788)
Other current assets	6,828	(9,053)	593	1,229
Other non-current assets	(22,788)	(1,142)	-	27
Increase (decrease) in operating liabilities				
Trade and other payables	89,600	213,636	31,737	94,336
Other current liabilities	(11,986)	(7,053)	(10,652)	(6,060)
Provision for long-term employee benefits	(1,474)	(15,008)	-	(13,755)
Cash from (used in) operating activities	460,245	109,861	57,620	(65,770)
Cash paid for interest expenses	(21,728)	(21,486)	(3,652)	(2,958)
Cash paid for income tax	(62,159)	(45,339)	(18,795)	(24,114)
Net cash from (used in) operating activities	376,358	43,036	35,173	(92,842)

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 six-month period ended 30 June 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 subsidiary	-	-	84,933	34,007
Dividend received from other companies	19	153	19	153
Dividend received from joint venture	1,999	5,625	-	-
Increase in long-term loan to unrelated party	-	(63,000)	-	-
Acquisitions of property, plant and equipment	(121,848)	(199,871)	(57,442)	(108,597)
Proceeds from disposals of property, plant and equipment	358	1,807	201	1,295
Increase in cost of palm plantation	(7,024)	(11,925)	-	-
Increase in intangible assets	(24)	(1,660)	-	(681)
Net cash from (used in) investing activities	(126,520)	(269,261)	27,711	(74,203)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(137,000)	485,000	(15,000)	385,000
Decrease in short-term loan from related party	-	(10,000)	-	-
Repayment of liabilities under finance lease agreements	(211)	-	-	-
Cash received from long-term loans	43,619	-	43,619	-
Repayment of long-term loans	(82,000)	(50,000)	(19,500)	-
Dividend paid	(133,407)	(177,979)	(122,935)	(163,540)
Net cash from (used in) financing activities	(308,999)	247,021	(113,816)	221,460
Net increase (decrease) in cash and cash equivalents	(59,161)	20,796	(50,932)	54,415
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)	420,782	233,596	70,774	82,308

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment

that have not been paid	9,795	30,719	6,118	26,700
Transferred palm nursery to inventory account	-	6,102	-	-
Dividend payable	4,314	4,742	1,111	1,480

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 six-month period ended 30 June 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		Total equity attributable to non-controlling interests of the subsidiaries		
Retained earnings					in value of		on change in		Total equity		
Issued and paid up share capital	Share premium	Premium on treasury stock	Appropriated - statutory reserve	Unappropriated	available-for-sale investments	in subsidiary	components of shareholders' equity	attributable to the Company	the subsidiaries	Total 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	-	-	-	-	196,464	-	-	-	196,464	3,250	199,714
Other comprehensive income for the period	-	-	-	-	-	(58)	-	(58)	(58)	-	(58)
Total comprehensive income for the period	-	-	-	-	196,464	(58)	-	(58)	196,406	3,250	199,656
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 June 2015	820,000	241,970	5,269	103,071	1,614,737	319	(6,531)	(6,212)	2,778,835	335,714	3,114,549

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 six-month period ended 30 June 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 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
Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		in value of available-for-sale investments	change in shareholding in subsidiary	components of shareholders' equity	attributable to shareholders of the Company	interests of the subsidiaries	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	-	-	-	-	164,456	-	-	-	164,456	24,158	188,614
Other comprehensive income for the period	-	-	-	-	-	30	-	30	30	-	30
Total comprehensive income for the period	-	-	-	-	164,456	30	-	30	164,486	24,158	188,644
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 payment of subsidiary	-	-	-	-	-	-	-	-	-	(10,472)	(10,472)
Balance as at 30 June 2016	820,000	241,970	5,269	107,473	1,800,026	(604)	(6,579)	(7,183)	2,967,555	358,551	3,326,106

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 six-month period ended 30 June 2016

(Unit: Thousand Baht)

Separate financial statements								
					Other components of equity			
					Other			
					comprehensive			
					income			
					Surplus (deficit)			
					on changes		Total other	
					in value of		components of	
					available-for-sale		shareholders'	
					investments		equity	
					Total		shareholders'	
					equity		equity	
Issued and	Share premium	Premium on	Retained earnings					
paid up		treasury stock	Appropriated -	Unappropriated				
share capital			statutory reserve					
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	-	-	-	-	129,079	-	-	129,079
Other comprehensive income for the period	-	-	-	-	-	(58)	(58)	(58)
Total comprehensive income for the period	-	-	-	-	129,079	(58)	(58)	129,021
Reversal of prior year dividend	-	-	-	-	5	-	-	5
Dividend paid (Note 19)	-	-	-	-	(164,000)	-	-	(164,000)
Balance as at 30 June 2015	820,000	241,970	5,269	82,000	1,590,266	319	319	2,739,824

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 six-month period ended 30 June 2016

(Unit: Thousand Baht)

Separate financial statements								
					Other components of equity			
					Other			
					comprehensive			
					income			
					Surplus (deficit)			
					on changes		Total other	
					in value of		components of	
					available-for-sale		shareholders'	
					investments		equity	
					equity		Total	
					shareholders'		shareholders'	
					equity		equity	
Issued and	Share premium	Premium on	Retained earnings					
paid up		treasury stock	Appropriated -	Unappropriated				
share capital			statutory reserve					
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	-	-	-	-	77,879	-	-	77,879
Other comprehensive income for the period	-	-	-	-	-	30	30	30
Total comprehensive income for the period	-	-	-	-	77,879	30	30	77,909
Reversal of prior year dividend	-	-	-	-	33	-	-	33
Dividend paid (Note 19)	-	-	-	-	(123,000)	-	-	(123,000)
Balance as at 30 June 2016	820,000	241,970	5,269	82,000	1,620,571	(604)	(604)	2,769,206

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 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 Company'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 financial statements	
	For the three-month period ended	For the six-month period ended
	30 June 2016	30 June 2016
Increase (decrease) in profit (net of income tax)	(7.3)	2.2

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 June				Pricing policy
	Consolidated financial statements		Separate 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	-	-	146.5	186.9	Market price on the contract date
Purchase of goods and services	-	-	176.0	157.6	Market price less fixed margin
Sales of goods and services	-	-	0.3	0.4	Market price
Dividend income	-	-	85.0	34.0	At the declared rate
Rental income	-	-	0.5	0.5	Market price/Contract price
Selling and administrative service income	-	-	17.9	17.1	Actual charge

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	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	37.5	22.3	-	-	Price approximates market price
Purchase of goods	0.3	0.4	-	-	Selling price less marketing expenses and profit margin
Other expenses	5.2	1.4	-	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Land rental income	0.3	0.2	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	2.4	1.1	-	-	Market price

(Unit: Million Baht)

	For the six-month periods ended 30 June				Pricing policy
	Consolidated		Separate		
	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	-	-	283.9	371.0	Market price on the contract date
Purchase of goods and services	-	-	366.4	336.8	Market price less fixed margin
Sales of goods and services	-	-	0.6	0.7	Market price
Dividend income	-	-	85.0	34.0	At the declared rate
Rental income	-	-	1.0	1.0	Market price/Contract price
Selling and administrative service income	-	-	34.8	36.2	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	69.7	32.9	-	-	Price approximates market price
Purchase of goods	0.7	1.1	-	-	Selling price less marketing expenses and profit margin
Other expenses	8.0	1.4	-	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Land rental income	0.6	0.5	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	3.6	5.1	-	-	Market price

(Unaudited but reviewed)

The balances of accounts as at 30 June 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 June	31 December	30 June	31 December
	2016	2015	2016	2015
<u>Trade and other receivables - related parties</u> (Note 4)				
Subsidiaries	-	-	15,367	12,426
Associated company	452	452	-	-
Related companies (related by common shareholders)	47,734	51,487	1	14
Total trade and other receivables - related parties	48,186	51,939	15,368	12,440
Less: Allowance for doubtful accounts	(20,780)	(20,780)	-	-
Total trade and other receivables - related parties - net	<u>27,406</u>	<u>31,159</u>	<u>15,368</u>	<u>12,440</u>
<u>Short-term loans to related parties</u>				
Associated company	40,286	40,286	-	-
Related companies (related by common shareholders)	5,325	5,325	-	-
Total short-term loans to related parties	45,611	45,611	-	-
Less: Allowance for doubtful accounts	(45,611)	(45,611)	-	-
Total short-term loans to related parties - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Trade and other payables - related parties</u> (Note 14)				
Subsidiaries	-	-	142,407	141,397
Related companies (related by common shareholders)	2,949	9,568	-	-
Joint venture of subsidiary	20	-	-	-
Total trade and other payables - related parties	<u>2,969</u>	<u>9,568</u>	<u>142,407</u>	<u>141,397</u>

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 six-month periods ended 30 June 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 34.7 million and Baht 70.4 million, respectively (2015: Baht 33.6 million and Baht 73.1 million, respectively) and for the Company totaling Baht 20.4 million and Baht 41.4 million, respectively (2015: Baht 18.9 million and Baht 43.0 million, respectively).

3. Cash and cash equivalents

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Cash	4,437	3,893	1,629	943
Bank deposits	416,345	476,050	69,145	120,763
Total	<u>420,782</u>	<u>479,943</u>	<u>70,774</u>	<u>121,706</u>

As at 30 June 2016, bank deposits in savings account and fixed deposits carried interest between 0.05 and 0.75 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 June 2016	31 December 2015	30 June 2016	31 December 2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	27,060	22,402	-	29
Past due				
Up to 3 months	336	8,730	-	-
Over 12 months	452	452	-	-
Total	27,848	31,584	-	29
Less: Allowance for doubtful accounts	(452)	(452)	-	-
Total trade receivables - related parties - net	27,396	31,132	-	29
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	30,402	29,469	30,402	29,469
Cheque returned	18,239	13,595	13,276	8,632
Not yet due	686,598	912,527	592,279	728,634
Past due				
Up to 3 months	242,371	171,152	194,664	152,492
3 - 6 months	2,140	141	1,483	75
6 - 12 months	1,133	1,207	29	38
Over 12 months	27,531	28,423	2,438	2,314
Total	1,008,414	1,156,514	834,571	921,654
Less: Allowance for doubtful accounts	(48,570)	(43,709)	(16,466)	(10,436)
Total trade receivables - unrelated parties - net	959,844	1,112,805	818,105	911,218
Total trade receivables - net	987,240	1,143,937	818,105	911,247

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
<u>Other receivables</u>				
Other receivables - related parties	10	27	1,509	1,113
Other receivables - unrelated parties	2,774	7,096	2,362	1,769
Accrued income - related parties	-	-	13,859	11,298
Accrued income - unrelated parties	975	1,120	-	-
Advances - related parties	20,328	20,328	-	-
Advances - unrelated parties	231	712	-	-
Total	24,318	29,283	17,730	14,180
Less: Allowance for doubtful accounts	(20,957)	(20,957)	(629)	(629)
Total other receivables - net	3,361	8,326	17,101	13,551
Total trade and other receivables - net	990,601	1,152,263	835,206	924,798

5. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the six-month period ended 30 June 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2015	38,492	451
The reduction of inventory value reversed during the period	(6,713)	-
Balance as at 30 June 2016	31,779	451

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 six-month period ended 30 June	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 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 June 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 1,349 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:

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	46,746	39,281
Total				25,000	25,000	46,746	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 six-month periods ended 30 June 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 June		For the six-month period ended 30 June	
	2016	2015	2016	2015
Siam Elite Palm Co., Ltd.	(3,974)	(819)	(6,929)	157
Total	(3,974)	(819)	(6,929)	157

During the three-month and six-month periods ended 30 June 2016, the subsidiary had recognised dividend received from investment in the joint venture totaling Baht 2.0 million and Baht 2.0 million, respectively (2015: Baht 5.6 million and Baht 5.6 million, respectively).

8. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			30 June 2016	31 December 2015	30 June 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 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 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 June 2016, a subsidiary had long-term loan to other company of Baht 62 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 six-month period ended 30 June 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	(333)	(843)
Balance as at 30 June 2016	<u>64,689</u>	<u>5,720</u>

As at 30 June 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 six-month period ended 30 June 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	114,068	50,116
Disposals during the period - net book value at disposal date	(201)	(189)
Depreciation for the period	(115,105)	(48,175)
Interest capitalised to assets	350	-
Net book value as at 30 June 2016	<u>2,425,042</u>	<u>862,825</u>

During the current period, the subsidiary capitalised interest amounting to Baht 0.4 million (2015: Baht 0.2 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 2.28 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 six-month period ended 30 June 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	7,024	-
Amortisation for the period	(5,532)	(5)
Net book value as at 30 June 2016	<u>203,035</u>	<u>219</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 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Short-term loans from financial institutions	1.88 - 4.25	1.95 - 4.50	<u>1,473,000</u>	<u>1,610,000</u>	<u>240,000</u>	<u>255,000</u>
Total			<u>1,473,000</u>	<u>1,610,000</u>	<u>240,000</u>	<u>255,000</u>

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

(Unaudited but reviewed)

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Trade payables - related parties	360	368	142,403	141,083
Trade payables - unrelated parties	389,252	280,976	244,440	205,657
Other payables - related parties	2,590	9,193	-	-
Other payables - unrelated parties	46,615	69,696	25,820	33,247
Advance received from related parties	19	7	4	314
Other payables for purchase of machineries	11,753	19,470	6,118	13,444
Accrued expenses	125,220	114,318	58,956	59,489
Total trade and other payables	575,809	494,028	477,741	453,234

15. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Long-term loans	313,013	351,394	213,013	188,894
Less: Current portion	(128,000)	(175,000)	(78,000)	(75,000)
Long-term loans - net of current portion	185,013	176,394	135,013	113,894

Movements in the long-term loan account during the six-month period ended 30 June 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	(82,000)	(19,500)
Balance as at 30 June 2016	313,013	213,013

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

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 six-month periods ended 30 June 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	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	30,514	34,930	2,234	9,299
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,788)	7,535	(1,284)	1,796
Income tax expenses reported in the profit or loss	27,726	42,465	950	11,095

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	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	50,454	59,397	2,234	21,693
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,831)	(977)	(3,715)	975
Income tax expenses reported in the profit or loss	48,623	58,420	(1,481)	22,668

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	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	(11)	(34)	(11)	(34)

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	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	8	(15)	8	(15)

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 June			
	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)	103,545	129,988	91,741	83,968
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.13	0.16	0.11	0.10

	For the six-month periods ended 30 June			
	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)	164,456	196,464	77,879	129,079
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.20	0.24	0.09	0.16

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 six-month periods ended 30 June 2016 and 2015.

(Unit: Million Baht)

	Consolidated for the three-month periods ended 30 June									
	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	1,433	1,565	670	557	2,103	2,122	-	-	2,103	2,122
Inter-segment	146	187	176	158	322	345	(322)	(345)	-	-
Total revenue	<u>1,579</u>	<u>1,752</u>	<u>846</u>	<u>715</u>	<u>2,425</u>	<u>2,467</u>	<u>(322)</u>	<u>(345)</u>	<u>2,103</u>	<u>2,122</u>
Operating results										
Segment profit	175	222	210	182	385	404	-	(9)	385	395
Unallocated income and expenses										
Other income									19	30
Loss from change in fair value of biological assets									(28)	-
Selling expenses									(169)	(177)
Administrative expenses									(49)	(53)
Share of loss from investment in joint venture									(4)	(1)
Finance cost									(12)	(12)
Profit before income tax expenses									142	182
Income tax expenses									(28)	(42)
Profit for the period									<u>114</u>	<u>140</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated for the six-month periods ended 30 June

	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	2,970	3,231	1,111	1,040	4,081	4,271	-	-	4,081	4,271
Inter-segment	284	371	366	337	650	708	(650)	(708)	-	-
Total revenue	<u>3,254</u>	<u>3,602</u>	<u>1,477</u>	<u>1,377</u>	<u>4,731</u>	<u>4,979</u>	<u>(650)</u>	<u>(708)</u>	<u>4,081</u>	<u>4,271</u>
Operating results										
Segment profit	326	352	363	331	689	683	(4)	(9)	685	674
Unallocated income and expenses										
Other income									39	53
Loss from change in fair value of biological assets									(19)	-
Selling expenses									(331)	(333)
Administrative expenses									(107)	(113)
Share of loss from investment in joint venture									(7)	-
Finance cost									(23)	(23)
Profit before income tax expenses									237	258
Income tax expenses									(49)	(58)
Profit for the period									<u>188</u>	<u>200</u>

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

(Unit: Million Baht)

	Manufacture and distribution			Adjustments and eliminations	Consolidated
	Palm oil products	Processed fruits and vegetables	Total segments		
Segment assets					
As at 30 June 2016	<u>5,550</u>	<u>1,757</u>	<u>7,307</u>	<u>(1,432)</u>	<u>5,875</u>
As at 31 December 2015	<u>5,454</u>	<u>1,755</u>	<u>7,209</u>	<u>(1,338)</u>	<u>5,871</u>

19. Dividend paid

During the six-month periods ended 30 June 2016 and 2015, the Company and its subsidiary 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>Subsidiary</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 June 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 48.4 million and Euro 0.4 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 30.4 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 June	31 December	30 June	31 December
	2016	2015	2016	2015
Payable:				
In up to 1 year	33.2	24.4	3.9	3.9
In over 1 year and up to 5 years	98.6	71.5	0.4	0.4
In over 5 years	18	16.0	-	-

20.3 Guarantees

As at 30 June 2016, there were outstanding bank guarantees of approximately Baht 17.2 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 June 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 Group's financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	9.5	2.1	0.5	0.8	35.1805	36.0886
Euro	0.2	0.4	0.1	0.1	39.0597	39.4388
Yen	-	-	-	33.4	-	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 June 2016			
Foreign currency	Sold amount	Contractual exchange rate of sold amount	Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.5	35.00 - 35.55	Within December 2016

As at 30 June 2016			
Foreign currency	Bought amount	Contractual exchange rate of bought amount	Maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.3	35.32	Within December 2016

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

21.3 Fair value hierarchy

As of 30 June 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	908	831	1,739

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

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

23. Events after the reporting period

On 11 July 2016, the Extra Ordinary General Meeting of the shareholders of Union Frost Co., Ltd. (the subsidiary of subsidiary) No. 1/2016 passed a resolution to approve an increase of Baht 310 million (3,100,000 ordinary shares with a par value of Baht 100 each) in the registered share capital from Baht 220 million (2,200,000 ordinary shares with a par value of Baht 100 each) to Baht 530 million (5,300,000 ordinary shares with a par value of Baht 100 each). The subsidiary of subsidiary received the share subscription and registered the share capital increase with the Ministry of Commerce on 15 July 2016.

On 12 July 2016, the meeting of the Board of Directors No. 4/2016 of Universal Food Public Company Limited (the subsidiary) passed a resolution to approve the purchase of 3,100,000 additionally-issued ordinary shares of Union Frost Co., Ltd. at Baht 100 per share. The purchase of shares does not change the shareholding percentage in the subsidiary.

24. Approval of interim financial statements

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