



บริษัท ลำสูง (ประเทศไทย) จำกัด (มหาชน)

Lam Soon (Thailand) Public Company Limited

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January 10, 2017

Subject Additional explanation regarding the capital increase of Union Frost Co., Ltd.
(Subsidiary of Universal Food Public Company Limited)

To The President
The Stock of Exchange of Thailand

Lam Soon (Thailand) Public Company limited ("the company") would like to clarify the sequence of events relating to the recapitalization of Union Frost Company Limited, a subsidiary of Universal Food Public Company Limited, which has carried recapitalization was completed on July 15, 2016.

1. Universal Food Public Company Limited (subsidiary of the Company), presented information on the plans of Union Frost Company Limited ("the subsidiary"), in Notes to the Financial Statements of Universal Food Public Company Limited, for the year ended December 31, 2013 as follows:

"The frozen vegetable and fruit manufacturing business is operated by Union Frost Company Limited ("the subsidiary"). As its operating results have not met targets, management decided that the business would not be beneficial to the subsidiary in the long-term. In 2013, the subsidiary plans to discontinue these operations and sell off the related assets. Consequently the subsidiary downsized production and laid off most of its employees, hiring temporary employees to operate the business since November 2013."

2. The Company presented information about the plans of Union Frost Company Limited, in its Annual Report 2013, Message from the Chairman and the Managing Director under the subject of "Production and Investment" as follows:

"Following a strategic review, Union Frost Company Limited, a subsidiary of Universal Food Public Company Limited, was deemed non-core to the Group business and the decision was made to downsize the operation. Packing operation from semi-finished to finished goods will continue to meet customers' orders."

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In addition, the Annual Report 2013 disclosed the information on the recognized loss on impairment of assets of Universal Food Public Company Limited, in the part of "Management Discussion and Analysis" as follows:

"Another subsidiary, UFC, recognized loss on impairment of assets in 2013 amounting to 105.71 million Baht because its operating results have not met targets. As a result, it is planned to discontinue the operations of the subsidiary and sell the related assets.

3. After that, Union Frost Company Limited has implemented policies to continuously downsize the business since 2013.

From the above reasons, Union Frost Company Limited recorded declines in revenues while still having the burden of paying accumulated interests on the bank loans. Therefore, in order to reduce the interest burden and minimize accumulated retained loss further, Union Frost Company Limited was required to raise capital to pay back the bank loans. (please refer to the Notification regarding the capital increase of Union Frost Company Limited submitted to the Stock of Exchange of Thailand on August 11, 2016.)

In 2016, Union Frost Company Limited paid off all loans. After injecting the funds into Union Frost through the capital increase, Universal Food Public Company Limited had completely set up the whole amount as a provision for impairment of such investment.

Please be informed accordingly.

Sincerely Yours,

Ms. Jirasuda Sumpaotong

Company Secretary

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