

LAM SOON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2006

Review Report of Independent Auditor

To The Board of Directors and Shareholders of
Lam Soon (Thailand) Public Company Limited

I have reviewed the consolidated balance sheet of Lam Soon (Thailand) Public Company Limited and its subsidiaries as at 30 June 2006, and the related consolidated statements of earnings for the three-month and six-month periods ended 30 June 2006 and 2005, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month periods then ended and the separate financial statements of Lam Soon (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Lam Soon (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of Lam Soon (Thailand) Public Company Limited for the year ended 31 December 2005 in accordance with generally accepted auditing standards and, under my report dated 27 February 2006, expressed an unqualified opinion on those financial statements. The balance sheet as at 31 December 2005, as presented herein for comparative purpose, formed an integral part of the financial statements which I audited and reported on. I have not performed any other procedures subsequent to the date of that report.

Ruth Chaowanagawi

Certified Public Accountant (Thailand) No. 3247

Ernst & Young Office Limited

Bangkok : 8 August 2006

LAMSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	N/A	CONSOLIDATED		THE COMPANY ONLY	
		As at	As at	As at	As at
		30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		29,937	268,545	75,005	27,408
Current investment - bill of exchange		30,589	-	-	-
Trade accounts receivable					
Related parties	2,3	2,086	1,776	5	261
Other companies	2	555,019	550,803	478,844	404,849
Total trade accounts receivable - net		557,105	552,579	478,849	405,110
Short-term loans and advances to related parties - net	3	23	17	421	3,276
Inventories - net		1,087,147	820,970	598,092	434,034
Other current assets		46,230	27,623	14,454	14,948
TOTAL CURRENT ASSETS		1,963,001	1,669,734	1,167,421	884,776
NONCURRENT ASSETS					
Investments in subsidiaries accounted for under equity method	5	-	-	1,064,157	1,009,768
Other long-term investments - net	6	13,902	14,351	642	701
Property, plant and equipment - net	7,8	1,348,031	1,296,654	444,599	442,543
Non-current land		109,482	109,482	-	-
Goodwill from investments in subsidiaries		237,822	242,254	-	-
Deposit at financial institutions subject to restrictions		900	900	-	-
Other non-current assets		1,622	1,302	442	417
TOTAL NONCURRENT ASSETS		1,711,759	1,664,943	1,509,840	1,453,429
TOTAL ASSETS		3,674,760	3,334,677	2,677,261	2,338,205

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

LAMSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Nte	CONSOLIDATED		THE COMPANY ONLY	
		As at	As at	As at	As at
		30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
LIABILITIES AND SHAREHOLDERS EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	8	899,947	802,928	495,000	470,000
Trade accounts payable					
Related parties	3	909	2,705	161,094	2,183
Other companies		331,318	170,412	195,119	99,051
Total trade accounts payable		332,227	173,117	356,153	101,234
Advances from related parties	3	285	-	674	-
Current portion of long-term loans	9	172,279	212,884	125,660	171,900
Dividends payable		30,230	30,424	25,445	25,404
Other current liabilities					
Corporate income tax payable		28,101	15,242	16,074	8,020
Accrued expenses		72,716	60,504	37,483	27,109
Unearned income		34,873	27,043	34,873	26,653
Others		69,504	65,527	35,711	33,400
Total other current liabilities		205,194	168,316	124,141	95,182
TOTAL CURRENT LIABILITIES		1,640,162	1,387,669	1,127,033	863,730
NONCURRENT LIABILITIES					
Long-term loans - net of current portion	9	163,431	201,546	26,200	69,650
Provision for bad debt allowance	10	17,888	17,028	-	-
Others		23	154	-	-
TOTAL NONCURRENT LIABILITIES		181,342	218,728	26,200	69,650
TOTAL LIABILITIES		1,821,504	1,606,397	1,153,233	933,380

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

LAMSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Nte	CONSOLIDATED		THE COMPANY ONLY	
		As at	As at	As at	As at
		30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
SHAREHOLDERS' EQUITY					
Share capital					
Registered issued and fully paid up					
800,000,000 ordinary shares of Baht 1 each		800,000	800,000	800,000	800,000
Share premium		241,970	241,970	241,970	241,970
Premium on treasury stock	11	5,209	8,305	5,209	8,305
Unrealised loss from other long term investments	6	-3,254	-2,923	-3,254	-2,923
Retained earnings					
Appropriated - statutory reserve		78,494	70,748	76,768	70,748
- treasury stock reserve		-	26,619	-	26,619
Unappropriated		381,519	266,725	383,245	266,725
Total shareholders' equity		1,523,998	1,481,444	1,523,998	1,481,444
Less: Treasury stock	11	-	-26,619	-	-26,619
EQUITY ATTRIBUTABLE TO THE COMPANY'S					
SHAREHOLDERS - NET					
		1,523,998	1,404,825	1,523,998	1,404,825
MINORITY INTERESTS - EQUITY ATTRIBUTABLE TO					
MINORITY SHAREHOLDERS OF SUBSIDIARIES					
		329,228	323,455	-	-
TOTAL SHAREHOLDERS' EQUITY		1,853,226	1,728,280	1,523,998	1,404,825
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,674,760	3,334,677	2,677,261	2,338,205
		0	0	0	0

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

DIRECTORS

(UNAUDITED BUT REVIEWED)

LAWSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE THREE MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

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

	N/A	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
REVENUES					
Sales		1,292,998	1,055,836	1,072,205	796,157
Share of profit from investments accounted for under equity method		-	-	51,335	34,029
Other income		11,242	8,043	7,616	2,330
TOTAL REVENUES		<u>1,304,240</u>	<u>1,063,879</u>	<u>1,131,156</u>	<u>832,516</u>
EXPENSES					
Cost of sales		993,377	861,362	929,665	729,122
Selling and administrative expenses		135,309	110,985	77,408	54,475
Director's remuneration		3,009	3,056	960	1,006
Amortisation of goodwill		4,400	4,359	-	-
TOTAL EXPENSES		<u>1,136,095</u>	<u>979,762</u>	<u>1,008,028</u>	<u>784,603</u>
EARNINGS BEFORE INTEREST EXPENSES AND INCOME TAX		168,145	84,117	123,128	47,913
INTEREST EXPENSES		-15,607	-11,376	-8,190	-5,338
CORPORATE INCOME TAX	12	-24,863	-9,402	-13,941	-
EARNINGS BEFORE MINORITY INTERESTS		<u>127,675</u>	<u>63,339</u>	<u>100,997</u>	<u>42,575</u>
EARNINGS IN RESPECT OF MINORITY INTERESTS		-26,678	-20,764	-	-
NET EARNINGS FOR THE PERIOD		<u><u>100,997</u></u>	<u><u>42,575</u></u>	<u><u>100,997</u></u>	<u><u>42,575</u></u>
BASIC EARNINGS PER SHARE (Baht)					
Net earnings		<u>0.12</u>	<u>0.06</u>	<u>0.12</u>	<u>0.06</u>
Weighted average number of ordinary shares - net (Thousand shares)		<u>819,851</u>	<u>738,000</u>	<u>819,851</u>	<u>738,000</u>

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

(UNAUDITED BUT REVIEWED)

LAMSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

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

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
REVENUES					
Sales		2,628,152	2,461,600	2,163,554	1,950,591
Share of profit from investments accounted for under equity method		-	-	59,788	53,488
Other income		47,558	30,506	11,696	7,062
TOTAL REVENUES		2,675,710	2,492,136	2,235,038	2,011,091
EXPENSES					
Cost of sales		2,178,145	2,133,642	1,927,161	1,827,344
Selling and administrative expenses		270,044	217,528	153,696	108,792
Directors' remuneration		6,018	5,979	1,920	1,919
Amortisation of goodwill		8,759	8,718	-	-
TOTAL EXPENSES		2,462,966	2,365,867	2,082,777	1,938,065
EARNINGS BEFORE INTEREST EXPENSES AND INCOME TAX					
		212,744	126,269	152,261	73,086
INTEREST EXPENSES		-29,740	-24,102	-15,799	-12,082
CORPORATE INCOME TAX	12	-28,708	-12,563	-16,073	-
EARNINGS BEFORE MINORITY INTERESTS		154,301	89,604	120,389	61,004
EARNINGS IN RESPECT OF MINORITY INTERESTS		-33,912	-28,600	-	-
NET EARNINGS FOR THE PERIOD		120,389	61,004	120,389	61,004
BASIC EARNINGS PER SHARE (Baht)					
Net earnings		0.15	0.08	0.15	0.08
Weighted average number of ordinary shares - net (Thousand shares)		813,248	738,000	813,248	738,000

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

(UNAUDITED BUT REVIEWED)

LAMSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

	(Unit: Thousand Baht)			
	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from operating activities:				
Net earnings	120,389	61,004	120,389	61,004
Adjustments to reconcile earnings to net cash provided by (paid for) operating activities:-				
Depreciation	67,214	72,178	22,720	24,525
Amortisation of goodwill	8,759	8,718	-	-
Share of profit from investments accounted for under equity method	-	-	-59,788	-53,488
Increase in allowance for doubtful accounts	832	1,645	571	308
Increase (decrease) in provision for diminution in value of inventories	-24,635	-22,853	726	-9,215
Gain on disposal of fixed assets	-676	-961	-	-
Loss from write off of fixed assets	14	5,043	-	-
Unrealised gain on exchange	-124	-42	-302	-105
Provision for bad debt charge	880	880	-	-
Earnings in respect of minority interests	33,912	28,600	-	-
Earnings before changes in operating assets and liabilities	206,545	153,792	84,316	23,079
Decrease (increase) in operating assets:-				
Trade accounts receivable - related parties	-310	-672	256	-169
Trade accounts receivable - other companies	-4,544	170,600	-74,581	136,990
Inventories	-191,542	343,335	-165,384	300,332
Other current assets	-18,643	-14,998	494	-9,535
Other non-current assets	-320	-134	-25	-
Increase (decrease) in operating liabilities:-				
Trade accounts payable - related parties	-1,796	-	158,851	16,230
Trade accounts payable - other companies	161,244	72,554	96,375	56,166
Other current liabilities	25,294	14,635	28,959	14,901
Net cash from operating activities	175,928	739,202	129,261	537,994

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

(UNAUDITED BUT REVIEWED)

LAWSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from investing activities:				
Increase in deposit with maturity of more than 3 months	-30,539	-	-	-
(Increase) decrease in short-term loans and advances to related parties	-689	-	2,855	-
Increase in investment in subsidiary	-16,509	-	-16,509	-
Dividend received from subsidiary	-	-	21,636	21,483
Acquisitions of equipment	-107,654	-56,386	-24,776	-19,979
Proceeds from disposal of fixed assets	1,373	1,182	-	-
Net cash from (used in) investing activities	-154,088	-55,204	-16,794	1,504
Cash flows from financing activities:				
Decrease in bank overdrafts and short-term loans from financial institutions	97,019	-285,937	25,000	-315,000
Increase in advances from related parties	285	-	674	-
Repayment of hire purchase credits	-195	-195	-	-
Cash received from long-term loans from financial institutions	30,700	-	-	-
Cash paid for long-term loans	-109,420	-262,130	-89,700	-241,250
Proceeds from disposal of treasury stock	23,583	-	23,583	-
Dividend paid	-40,470	-29,202	-24,427	-18,417
Net cash from (used in) financing activities	1,502	-577,464	-64,870	-574,667
Net increase (decrease) in cash and cash equivalents	23,392	106,534	47,597	-35,169
Cash and cash equivalents at beginning of the period	268,545	195,464	27,408	56,933
Cash and cash equivalents at end of the period	291,937	301,998	75,005	21,764
Supplementary disclosures of cash flows information				
Cash paid during the period for :-				
Interest expenses	30,380	24,342	15,664	12,701
Corporate income tax	16,296	13,199	8,105	6,528
Non-cash item consists of :-				
Purchase of building and equipment that has not been paid	11,648	-	-	-

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

(UNAUDITED BUT REVIEWED)

LAMSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

		CONSOLIDATED									
		Issued and paid up share capital	Share premium	Premium treasury stock	Unrealised loss from other long term investments	Retained earnings			Minority interests	Total	
						statutory reserve	treasury stock reserve	Unappropriated			
Note											
	Balance as at 1 January 2006	820,000	241,970	8,305	(29,253)	70,748	26,619	266,725	(26,619)	323,455	1,728,280
	Adjustment of fair value of investments	-	-	-	(331)	-	-	-	-	-	(331)
	Appropriation of statutory reserve	-	-	-	-	7,746	-	(7,746)	-	-	-
	Adjustment of treasury stock reserve	11	-	-	-	-	(26,619)	26,619	-	-	-
	Disposal of treasury stock	11	-	(3,086)	-	-	-	-	26,619	-	23,533
	Dividend paid	13	-	-	-	-	-	(24,468)	-	-	(24,468)
	Net earnings for the period	-	-	-	-	-	-	120,389	-	-	120,389
	Increase in minority interests	-	-	-	-	-	-	-	-	5,808	5,808
	Balance as at 30 June 2006	820,000	241,970	5,219	(3,254)	78,494	-	381,519	-	329,288	1,853,256
	Balance as at 1 January 2005	820,000	241,970	-	(3,092)	68,054	-	260,608	(127,613)	311,165	1,571,092
	Adjustment of fair value of investments	-	-	-	(204)	-	-	-	-	-	(204)
	Appropriation of statutory reserve	-	-	-	-	3,080	-	(3,080)	-	-	-
	Appropriation of treasury stock reserve	11	-	-	-	-	127,613	(127,613)	-	-	-
	Dividend paid	13	-	-	-	-	-	(18,450)	-	-	(18,450)
	Net earnings for the period	-	-	-	-	-	-	61,004	-	-	61,004
	Increase in minority interests	-	-	-	-	-	-	-	-	17,539	17,539
	Balance as at 30 June 2005	820,000	241,970	-	(3,296)	71,104	127,613	172,499	(127,613)	328,704	1,630,981

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

LAMSON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	Note	THE COMPANY ONLY								
		Issued and paid up share capital	Share premium	Premium on treasury stock	Unrealised loss from other long-term investments	Retained earnings				Total
						statutory reserve	treasury stock reserve	Unappropriated	Treasury stock	
Balance as at 1 January 2006		820,000	241,970	8,305	(2,923)	70,748	26,619	266,725	(26,619)	1,404,825
Adjustment of fair value of investments		-	-	-	(331)	-	-	-	-	(331)
Appropriation of statutory reserve		-	-	-	-	6,000	-	(6,000)	-	-
Adjustment of treasury stock reserve	11	-	-	-	-	-	(26,619)	26,619	-	-
Disposal of treasury stock	11	-	-	(3,086)	-	-	-	-	26,619	23,533
Dividend paid	13	-	-	-	-	-	-	(24,468)	-	(24,468)
Net earnings for the period		-	-	-	-	-	-	120,389	-	120,389
Balance as at 30 June 2006		<u>820,000</u>	<u>241,970</u>	<u>5,219</u>	<u>(3,254)</u>	<u>76,748</u>	<u>-</u>	<u>383,245</u>	<u>-</u>	<u>1,523,998</u>
Balance as at 1 January 2005		820,000	241,970	-	(3,092)	68,054	-	280,608	(127,613)	1,259,927
Adjustment of fair value of investments		-	-	-	(204)	-	-	-	-	(204)
Appropriation of statutory reserve		-	-	-	-	3,080	-	(3,080)	-	-
Appropriation of treasury stock reserve	11	-	-	-	-	-	127,613	(127,613)	-	-
Dividend paid	13	-	-	-	-	-	-	(18,450)	-	(18,450)
Net earnings for the period		-	-	-	-	-	-	61,004	-	61,004
Balance as at 30 June 2005		<u>820,000</u>	<u>241,970</u>	<u>-</u>	<u>(3,296)</u>	<u>71,104</u>	<u>127,613</u>	<u>172,499</u>	<u>(127,613)</u>	<u>1,302,277</u>

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

(UNAUDITED BUT REVIEWED)

LAM SOON (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Corporate information

Lam Soon (Thailand) Public Company Limited was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and its principal activity is the manufacture and distribution of palm oil. Its registered address is at 947/155 Mso 12, Bangna-Trad Road, Bangna, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 'Interim financial statements', with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, and the statements of earnings, changes in shareholders' equity, and cash flows as in 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.

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 the financial statements of 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 2005. There is no significant change in the structure of the subsidiaries during the current period.

(UNAUDITED BUT REVIEWED)

1.4 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 2005.

2. TRADE ACCOUNTS RECEIVABLE

The outstanding balances of trade accounts receivable as at 30 June 2006 and 31 December 2005 classified by aging were as follows :-

	Consolidated		(Unit : Thousand Bht) The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Related parties</u>				
- Less than 3 months	2,086	1,776	5	261
- Over 12 months	452	452	-	-
Total related parties	2,538	2,228	5	261
Less : Allowance for doubtful accounts	(452)	(452)	-	-
Trade accounts receivable - related parties, net	2,086	1,776	5	261
<u>Other companies</u>				
Post dated cheques receivable	31,215	28,720	30,086	18,688
Cheques returned	14,534	13,044	9,087	8,348
Trade accounts receivable				
- Less than 3 months	517,563	513,920	443,390	378,908
- 3 - 6 months	2,628	5,270	2,086	4,353
- 6 - 12 months	1,016	1,619	863	1,871
- Over 12 months	24,807	24,858	3,324	2,052
Total other companies	591,763	587,431	488,786	414,220
Less : Allowance for doubtful accounts	(36,744)	(36,628)	(9,942)	(9,371)
Total trade accounts receivable - other companies, net	555,019	550,803	478,844	404,849
Total trade accounts receivable - net	557,105	552,579	478,849	405,110

(UNAUDITED BUT REVIEWED)

3. RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with its subsidiaries and related companies (related by the way of common shareholders and/or common directors) mainly in respect of purchases and sales of goods. Such transactions are summarized below :-

	For the three-month periods ended 30 June				Pricing policy
	Consolidated		The Company Only		
	2006	2005	2006	2005	
(Unit : Million Bht)					
Transactions with subsidiaries					
Purchase of raw material	-	-	206.3	173.2	Forward contract prices by using market prices at the date of agreement or market prices
Purchase of finished goods	-	-	73.9	-	Market prices less fixed margin
Rental income	-	-	0.5	0.5	Market prices
Guarantee fee income	-	-	1.6	-	1.5 percent per annum
Transactions with related companies					
Sales of goods	-	1.1	-	1.1	Agreed prices

	For the six-month periods ended 30 June				Pricing policy
	Consolidated		The Company Only		
	2006	2005	2006	2005	
(Unit : Million Bht)					
Transactions with subsidiaries					
Purchase of raw material	-	-	351.9	337.0	Forward contract prices by using market prices at the date of agreement or market prices
Purchase of finished goods	-	-	99.8	-	Market prices less fixed margin
Rental income	-	-	1.0	1.0	Market prices
Guarantee fee income	-	-	1.6	-	1.5 percent per annum
Transactions with related companies					
Sales of goods	1.2	1.8	1.2	1.8	Agreed prices

(UNAUDITED BUT REVIEWED)

The outstanding balances of the above transactions as at 30 June 2006 and 31 December 2005 have been separately shown in the balance sheets with the details as follows :-

	(Unit : Thousand Bht)			
	Consolidated		The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Trade accounts receivable - related parties</u>				
<u>Related companies</u>				
Lam Soon Singapore Pte Limited	1,789	1,220	-	-
Union Fresh Company Limited	452	452	-	-
ACE Canning Corporation Sdn. Bhd	297	300	-	-
Lam Soon Edible Oils Sdn. Bhd	-	256	-	256
Union Frost Company Limited	-	-	5	5
Total trade accounts receivable - related companies	2,538	2,228	5	261
Less : Allowance for doubtful accounts	(452)	(452)	-	-
Trade accounts receivable - related parties, net	2,086	1,776	5	261
<u>Short-term loans and advances to related parties</u>				
<u>Short-term loans - related companies</u>				
Union Fresh Company Limited	40,286	40,286	-	-
Siam Unison Company Limited	5,325	5,325	-	-
Total short-term loans - related companies	45,611	45,611	-	-
<u>Advances - related parties</u>				
<u>Subsidiaries</u>				
United Palm Oil Industry Public Company Limited	-	-	4	4
Universal Foods Public Company Limited	-	-	417	3,272
Total advances - subsidiaries	-	-	421	3,276

(UNAUDITED BUT REVIEWED)

	(Unit : Thousand Bht)			
	Consolidated		The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Related companies</u>				
Union Fresh Company Limited	18,549	17,869	-	-
Siam Union Company Limited	1,779	1,779	-	-
Lam Soon Edible Oils Sch. Bhd	17	17	-	-
ACE Gaming Corporation Sch. Bhd	6	-	-	-
Total advances - related companies	<u>20,351</u>	<u>19,665</u>	<u>-</u>	<u>-</u>
Total advances - related parties	<u>20,351</u>	<u>19,665</u>	<u>421</u>	<u>3,276</u>
Total short-term loans and advances to related parties	<u>65,962</u>	<u>65,276</u>	<u>421</u>	<u>3,276</u>
Less : Allowance for doubtful accounts	<u>(65,939)</u>	<u>(65,259)</u>	<u>-</u>	<u>-</u>
Short-term loans and advances to related parties - net	<u>23</u>	<u>17</u>	<u>421</u>	<u>3,276</u>
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
Universal Foods Public Company Limited	-	-	98,250	225
United Palm Oil Industry Public Company Limited	-	-	61,875	1,988
Total trade accounts payable - subsidiaries	<u>-</u>	<u>-</u>	<u>160,125</u>	<u>2,183</u>
<u>Related companies</u>				
Lam Soon Edible Oils Sch. Bhd	909	-	909	-
ACE Gaming Corporation Sch. Bhd	-	2,705	-	-
Total trade accounts payable - related companies	<u>909</u>	<u>2,705</u>	<u>909</u>	<u>-</u>
Total trade accounts payable - related parties	<u>909</u>	<u>2,705</u>	<u>161,034</u>	<u>2,183</u>

(UNAUDITED BUT REVIEWED)

	(Unit: Thousand Bht)			
	Consolidated		The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Advances from related parties				
Subsidiary				
Universal Foods Public Company Limited	-	-	674	-
Total advances from subsidiary	-	-	674	-
Related company				
ACE Canning Corporation Sch. Bhd	285	-	-	-
Total advances from related company	285	-	-	-
Total advances from related parties	285	-	674	-

4. ALLOWANCE FOR DIMINUTION IN VALUE OF INVENTORY

Movements in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2006 are summarised below

	(Unit: Thousand Bht)	
	Consolidated	The Company Only
Balance as at 1 January 2006	71,655	1,610
Add: Allowance made during the period	3,698	726
Less: Allowance reversed during the period	(28,023)	-
Less: Write-offs for obsolete and damaged stock	(310)	-
Balance as at 30 June 2006	47,020	2,336

(UNAUDITED BUT REVIEWED)

5. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR UNDER EQUITY METHOD

(Unit: Thousand Baht)

Company's name	Type of business	Paid-up share capital		Equity interest		Investments					
						Cost method		Equity method		Dividend received	
		30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	30 June 2005
United Palm Oil Industry Public Company Limited	Oil palm plantation, crude palm oil and kernel palm oil processing	324,050	324,050	67.72	66.29	715,015	698,506	672,132	613,026	21,636	21,483
Universal Foods Public Company Limited	Manufacture and distribution of canned fruits and vegetables, juice and drinks	350,000	350,000	96.79	96.79	406,498	406,498	392,025	396,742	-	-
Total investments in subsidiaries accounted for under equity method						1,121,513	1,105,004	1,054,157	1,009,768	21,636	21,483

During the six-month period ended 30 June 2006, the Company additionally invested in 460,600 shares in United Palm Oil Industry Public Company Limited at cost of Baht 16.5 million, resulting in the increase in equity interest in this subsidiary from 66.29 percent to 67.72 percent.

6. OTHER LONG-TERM INVESTMENTS

(Unit: Thousand Baht)

	Consolidated		The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Equity securities				
Open-ended Kinlai Pam Poon Fund	1,000	1,000	1,000	1,000
Open-ended TCM Equity Fund (formerly known as Thai orchid Fund)	300	300	300	300
Open-ended Katnakin Fund	200	200	200	200
Bangkok Bank Comm Share	16,854	16,854	-	-
Total	18,354	18,354	1,500	1,500
Less: Unrealised loss from other long-term investments	(4,452)	(4,003)	(858)	(799)
Other long-term investments - net	13,902	14,351	642	701
Unrealised loss from other long-term investments				
Portion of the Company	888	799	888	799
Portion of the subsidiary	3,594	3,204	-	-
Total	4,452	4,003	888	799
Unrealised loss attributable to the Company's investments and minority interests	(1,198)	(1,080)	2,396	2,124
Unrealised loss from other long-term investments	3,254	2,923	3,254	2,923

(UNAUDITED BUT REVIEWED)

7. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month period ended 30 June 2006 are summarised below:

	(Unit: Thousand Bht)	
	Consolidated	The Company Only
Net book value as at 1 January 2006	1,296,654	442,541
Acquisitions during the period - at cost	119,302	24,776
Disposals during the period - net book value at disposal date	(711)	-
Depreciation for the period	(67,214)	(22,720)
Net book value as at 30 June 2006	<u>1,348,031</u>	<u>444,597</u>

On 30 June 2006 and 31 December 2005, the majority of land and buildings thereon and machinery of the Subsidiary were mortgaged and pledged with financial institutions to secure credit facilities granted by financial institutions and bank guarantees.

Included in the land is a plot of land with the total cost of Bht 18.5 million acquired for operation expansion.

8. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 30 June 2006, the Company and its subsidiaries had bank overdrafts and short-term loans from financial institutions totaling Bht 900 million (the Company Only : Bht 495 million), carrying interest at the rate of 5.2 - 6.8 percent per annum (the Company Only : 5.2 - 6.3 percent per annum).

Overdraft facilities and short-term loans from financial institutions of the subsidiaries are secured by the mortgage of land and buildings thereon and the pledge of machinery of the subsidiaries.

(UNAUDITED BUT REVIEWED)

9. LONG-TERM LOANS

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Long-term loans	335,710	414,430	151,850	241,550
Less: Current portion	(172,279)	(212,884)	(125,650)	(171,900)
Long-term loans - net of current portion	163,431	201,546	26,200	69,650

Movements in the long-term loans account during the six-month period ended 30 June 2006 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Balance as at 1 January 2006	414,430	241,550
Add: Additional borrowings	30,700	-
Less: Repayment	(109,420)	(89,700)
Balance as at 30 June 2006	335,710	151,850

During the year 2004, the Company entered into a long-term loan agreement with a local bank and drew down loan of Baht 395 million (credit facilities provided under the agreement are Baht 420 million). The loan is repayable every 6 months in total 9 installments, after a year from the first date on which a disbursement of the loan is made, and bears interest at the rate of THBFX plus applicable margin. As at 30 June 2006, there was the outstanding loan of Baht 113.1 million (31 December 2005: Baht 156.5 million).

(UNAUDITED BUT REVIEWED)

During the year 2003, the Company entered into a long-term loan agreement with a local bank and drew down loan of Baht 370 million (credit facilities provided under the agreement are Baht 600 million). The loan is repayable every 6 months in total 8 installments, commencing the first date on which a disbursement of the loan is made, and bears interest at the rate of THFIX plus applicable margin. As at 30 June 2006, there was the outstanding loan of Baht 38.8 million (31 December 2005 : Baht 85.0 million).

The subsidiaries entered into long-term loan agreements with a local bank and branches of foreign banks and drew down loans of totaling Baht 241.5 million (credit facilities provided under the agreements are Baht 315.4 million). The loans bear interest at the rate of 6.6 - 6.8 percent per annum. As at 30 June 2006, there were the outstanding loans of Baht 183.8 million (31 December 2005 : Baht 172.9 million). Long-term loans of the subsidiaries are secured by the Company and the mortgage of land and buildings thereon, and the pledge of machinery of the subsidiaries.

Under the loan agreements, the Company has to comply with certain covenants and restrictions normally required by the banks, which include dividend payment policy, and the pledge of assets other than permitted encumbrances.

10. PROVISION FOR LAND RENTAL CHARGE

In 2001, a subsidiary company received notification from the Surat Thani Provincial Treasury Office of the Ministry of Finance indicating that the land with an area of 8,600 rai covered by the concession previously granted to the subsidiary company by the Forestry Department was state property, under the jurisdiction of the Ministry of Finance, by virtue of a ruling issued by the Judicial Council. The notice called for the subsidiary company to enter into a land lease agreement commencing 1 January 2001, and also to pay retroactive land rental for the years 1991 to 2000. At present, the subsidiary company is in the process of negotiating with the relevant government agencies. However, for the prudent reasons the subsidiary company has set up a full provision for its estimated liabilities in the accounts.

(UNAUDITED BUT REVIEWED)

11. TREASURY STOCK

	Consolidated		The Company Only	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Number of shares (shares)	-	17,104,400	-	17,104,400
Average price per share (Bht)	-	1.56	-	1.56

A resolution of the meeting of the Company's Board of Directors held on 12 November 2002 approved a reacquisition of shares of the Company in order to manage its excess cash, with a budget of not more than Bht 150 million. Not more than 8.2 million shares, equivalent to 10% of the total issued and paid-up shares of the Company are to be repurchased and these shares are to be sold during the stipulated period from 1 December 2003 to 23 April 2006 (more than 6 months from the date of completing the reacquisition of shares and not more than 3 years). In the event that the Company does not or is unable to dispose of all of the repurchased shares within the stipulated period, it is to reduce its paid-up capital by writing-off the remaining unsold shares.

On 16 April 2004, the annual general meeting of the Company's shareholders passed a resolution to approve the amendment of the par value of the Company's shares from Bht 10 per share to Bht 1 per share, resulting in the increase in the number of treasury stock of the Company from 8.2 million shares to 82 million shares and the average price is changed from Bht 15.56 each to Bht 1.56 each.

On 14 February 2005, the Securities and Exchange Commission of Thailand (SEC) imposed an official requirement for all listed companies to follow the deliberation of the Judicial Council on the issue of treasury share schemes under Section 66/1(2) of the Public Limited Companies Act BE 2535, that the cost of treasury shares as acquired by a public limited company should not exceed its unappropriated retained earnings. The public limited company is also required to set aside a separate reserve account in an amount equal to the cost of the treasury shares. The reserve shall remain outstanding until either the shares are sold or paid-up capital is reduced by cancellation of any remaining unsold shares. The Company has set aside approximately Bht 127.6 million to a treasury stock reserve account according to the SEC's requirement since the first quarter of 2005.

(UNAUDITED BUT REVIEWED)

By a resolution of the meeting of the Board of Directors of the Company held on 4 July 2005, the Company was approved to dispose 82 million treasury shares by an offer of sale on the main board of the Stock Exchange of Thailand from 19 July 2005 to 23 April 2006. The Company disposed all treasury shares in the year 2006, of which details are presented below

- a) During the first quarter of 2006, the Company disposed 12.7 million treasury shares with cost of Baht 19.8 million at total price of Baht 17.6 million. The resale price took into account the prevailing market price at the time of sale. The Company recorded the lower of the resale price than the carrying amount of treasury shares of Baht 2.2 million as a reduction to 'Premium on treasury stock' in the shareholders' equity.
- b) During the second quarter of 2006, the Company disposed 4.4 million treasury shares with cost of Baht 6.8 million at total price of Baht 6.0 million. The resale price took into account the prevailing market price at the time of sale. The Company recorded the lower of the resale price than the carrying amount of treasury shares of Baht 0.8 million as a reduction to 'Premium on treasury stock' in the shareholders' equity.

12. CORPORATE INCOME TAX

Corporate income tax for the period of the Company and its subsidiaries has been calculated from the earnings of the operations which are not entitled to corporate income tax exemption privileges from the Board of Investment, after deducting shares of profit from investments accounted for under the equity method and adding back expenses which are disallowable for tax computation purposes.

13. DIVIDEND PAID

During the three-month periods ended 30 June 2006 and 2005, the Company and its subsidiary had dividend payment as follows :-

	Approved by	Total dividends	(Unit: Baht) Dividend per share
The Company For the year 2006			
Final dividend on 2005 earnings	Annual General Meeting of the shareholders on 25 April 2006	24,467,943	0.03

(UNAUDITED BUT REVIEWED)

	Approved by	Total dividends	(Unit: Bht) Dividend per share
For the year 2005			
Final dividend on 2004 earnings	Annual General Meeting of the shareholders on 26 April 2005	18,450,000	0.025
Subsidiary			
For the year 2006			
Final dividend on 2005 earnings	Annual General Meeting of the shareholders on 25 April 2006	32,405,000	1.00
For the year 2005			
Final dividend on 2004 earnings	Annual General Meeting of the shareholders on 26 April 2005	32,403,300	1.00

14. COMMITMENTS

As at 30 June 2006, the Company and its subsidiaries had the following outstanding commitments.

- 14.1 Capital expenditure under the agreements and purchase orders for purchase of equipment including services payable in the future amounting to approximately Bht 65.3 million, EURO 0.1 million and USD 1.0 million (The Company Only: Bht 3.7 million and USD 0.2 million).
- 14.2 Commitments in respect of lease and service agreements payable in the future of approximately Bht 8.1 million (The Company Only: Bht 2.6 million).

15. GUARANTEES

15.1 Bank guarantees

As at 30 June 2006, there were outstanding bank guarantees of approximately Bht 10.9 million (The Company Only: Bht 4.1 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of their businesses.

(UNAUDITED BUT REVIEWED)

15.2 Corporate guarantees

The Company has issued letters of guarantee to bank to secure credit facilities granted by the bank to its subsidiary as follows :-

Subsidiary	(Unit : Million Baht)	
	Credit facilities	
	30 June 2006	31 December 2005
Universal Foods Public Company Limited	180.4	180.4
Total	180.4	180.4

16. FINANCIAL INSTRUMENT

As at 30 June 2006, the Company and its subsidiaries had outstanding forward exchange contracts, of which details are presented below

	Maturity date	Exchange rate
<u>By</u>		
USD 1,346,505	18 August 2006	38.04
Euro 1,069,850	31 July 2006 - 31 August 2006	47.52 - 48.27
<u>Sell</u>		
USD 1,251,811	31 August 2006 - 28 December 2006	38.02 - 38.50

17. CONTINGENT LIABILITIES

- 17.1 In January 2006, the Company was sued by the Metropolitan Electricity Authority for payment of additional electricity expenses totaling approximately Bht 7.1 million for the 18-month period from 30 June 2004 to 30 November 2005. In October 2005, the Metropolitan Electricity Authority received Bht 29 million from the bank which was guarantor for electricity payment, leaving an outstanding amount of Bht 4.2 million. However, the Company countersued to recover the guarantee amount from the Metropolitan Electricity Authority because the Company did not have any outstanding late electricity payments due to the Metropolitan Electricity Authority as per the guarantee issued by the bank, but the claim made was a retrospective claim for additional payments. At present, the case is under the consideration of the Civil Court. However, the management believes that there will be no adverse impact to the Company as a result of the case and hence no provision for loss has been set aside in the accounts.
- 17.2 In 2004, a subsidiary company has 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 company attended a fact-finding consultation meeting with the ALRO and handed over various relevant documents for use by ALRO in considering this issue. The end result of this consideration is not known at this stage.

(UNAUDITED BUT REVIEWED)

18. FINANCIAL INFORMATION BY SEGMENT

The operations of the Company and its subsidiaries are the manufacture and distribution of palm oil and manufacture and distribution of canned fruits and vegetables. These activities are carried on in the single geographic area in Thailand. The financial information by segment of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2006 and 2005 were as follows :-

(Unit : Million Baht)

	Consolidated for the three-month periods ended 30 June					2006	2005
	Manufacture and distribution		Total	Eliminated	Total		
	Palm oil	Canned fruits and vegetables					
Sales - third parties	1,011	282	1,293	-	1,293	1,056	
Sales - related parties	206	72	278	(278)	-	-	
Total sales	1,217	354	1,571	(278)	1,293	1,056	
Gross profit	257	59	316	(16)	300	194	
Other income					11	8	
Selling and administrative expenses					(135)	(111)	
Directors' remuneration					(3)	(3)	
Amortisation of goodwill					(5)	(4)	
Earnings before interest expenses and income tax					168	84	
Interest expenses					(15)	(11)	
Corporate income tax					(25)	(9)	
Earnings before minority interests					128	64	
Earnings in respect of minority interests					(27)	(21)	
Net earnings for the period					101	43	

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

Consolidated for the six-month periods ended 30 June

	Manufacture and distribution		Total	Eliminated	Total	
	Palm oil	Canned fruits and vegetables			2006	2005
Sales - third parties	2,114	514	2,628	-	2,628	2,462
Sales - related parties	352	100	452	(452)	-	-
Total sales	2,466	614	3,080	(452)	2,628	2,462
Gross profit	370	99	469	(19)	450	328
Other income					48	30
Selling and administrative expenses					(270)	(217)
Directors' remuneration					(6)	(6)
Amortisation of goodwill					(9)	(9)
Earnings before interest expenses and income tax					213	125
Interest expenses					(30)	(24)
Corporate income tax					(29)	(12)
Earnings before minority interests					154	90
Earnings in respect of minority interests					(34)	(29)
Net earnings for the period					120	61

19. RECLASSIFICATION OF ACCOUNTS

Certain amounts in the financial statements of prior periods, as presented herein for comparative purpose, have been reclassified to conform to the current period classification, with no effect on previously reported net earnings or shareholders' equity.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Audit Committee on 8 August 2006.