

Tipco Foods Public Company Limited and its subsidiaries
Report and interim consolidated 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 Tipco Foods Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Foods 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, and 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 Tipco Foods Public Company Limited for the same period. 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*.

Other matter

The consolidated statement of financial position of Tipco Foods Public Company Limited and its subsidiaries, and the separate statement of financial position of Tipco Foods Public Company Limited as at 31 December 2015, presented herein as comparative information, were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 19 February 2016. The consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2015, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended of Tipco Foods Public Company Limited and its subsidiaries, and the separate financial statements of Tipco Foods Public Company Limited for the same period, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 14 August 2015, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 10 August 2016

Tipco Foods Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2016</u>	<u>31 December 2015</u>	<u>30 June 2016</u>	<u>31 December 2015</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		103,411	76,356	69,481	39,155
Current investment		3,823	3,801	-	-
Trade and other receivables	4, 5	481,300	874,654	209,731	259,835
Inventories	6	802,388	778,519	383,366	304,987
Biological assets	1.3	855	-	-	-
Other current assets		67,176	20,880	27,452	7,268
Total current assets		<u>1,458,953</u>	<u>1,754,210</u>	<u>690,030</u>	<u>611,245</u>
Non-current assets					
Restricted bank deposits		1,016	1,016	-	-
Investments in subsidiaries		-	-	465,337	465,337
Investment in associate	7	2,687,700	2,466,355	644,930	644,930
Investment properties		7,270	7,270	7,270	7,270
Property, plant and equipment	8	2,258,238	2,314,333	788,086	819,734
Intangible assets		44,087	46,412	34,377	35,655
Deferred tax assets - net	13	102,764	106,684	51,492	56,053
Other non-current assets		16,040	18,664	5,632	8,890
Total non-current assets		<u>5,117,115</u>	<u>4,960,734</u>	<u>1,997,124</u>	<u>2,037,869</u>
Total assets		<u><u>6,576,068</u></u>	<u><u>6,714,944</u></u>	<u><u>2,687,154</u></u>	<u><u>2,649,114</u></u>

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

Tipco Foods Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2016</u> (Unaudited but reviewed)	<u>31 December 2015</u> (Audited)	<u>30 June 2016</u> (Unaudited but reviewed)	<u>31 December 2015</u> (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	231,152	1,320,288	1,152	620,059
Trade and other payables	5, 10	809,368	720,540	216,811	222,358
Current portion of liabilities under					
finance lease agreements		632	1,564	-	932
Current portion of long-term loans					
from financial institutions	11	156,250	92,950	76,250	12,950
Income tax payable		3,978	3,044	-	-
Other current liabilities		59,949	19,508	44,047	4,072
Total current liabilities		<u>1,261,329</u>	<u>2,157,894</u>	<u>338,260</u>	<u>860,371</u>
Non-current liabilities					
Liabilities under finance lease agreements -					
net of current portion		316	632	-	-
Long-term loans from financial institutions -					
net of current portion	11	862,700	516,550	502,700	116,550
Provision for dismantling cost		2,785	2,406	-	-
Provision for long-term employee benefits		61,389	56,683	39,984	37,125
Total non-current liabilities		<u>927,190</u>	<u>576,271</u>	<u>542,684</u>	<u>153,675</u>
Total liabilities		<u>2,188,519</u>	<u>2,734,165</u>	<u>880,944</u>	<u>1,014,046</u>

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

Tipco Foods Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2016</u>	<u>31 December 2015</u>	<u>30 June 2016</u>	<u>31 December 2015</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
500,000,000 ordinary shares of Baht 1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid				
482,579,640 ordinary shares of Baht 1 each	482,580	482,580	482,580	482,580
Non-controlling interest in subsidiary of the associated company acquired at price lower than book value				
	1,494	1,494	-	-
Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate				
	(136,597)	(73,901)	-	-
Capital reserve for share-based payment transactions of the associate				
	23,705	18,078	-	-
Retained earnings				
Appropriated - statutory reserve	50,000	50,000	50,000	50,000
Unappropriated	3,564,084	3,081,058	1,273,630	1,102,488
Other components of shareholders' equity	<u>(19,761)</u>	<u>6,110</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company	3,965,505	3,565,419	1,806,210	1,635,068
Non-controlling interests of the subsidiaries	<u>422,044</u>	<u>415,360</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>4,387,549</u>	<u>3,980,779</u>	<u>1,806,210</u>	<u>1,635,068</u>
Total liabilities and shareholders' equity	<u>6,576,068</u>	<u>6,714,944</u>	<u>2,687,154</u>	<u>2,649,114</u>
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2016**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues					
Sales and service income		1,389,385	1,352,998	738,821	639,917
Other income					
Dividend income from associate	7	-	-	147,953	37,063
Marketing income		-	35,172	-	-
Others		21,143	32,373	18,626	28,534
Total revenues		<u>1,410,528</u>	<u>1,420,543</u>	<u>905,400</u>	<u>705,514</u>
Expenses					
Cost of sales and services		989,379	1,030,041	578,416	585,760
Selling expenses		221,156	238,201	25,096	19,099
Administrative expenses		101,983	89,620	64,086	42,409
Total expenses		<u>1,312,518</u>	<u>1,357,862</u>	<u>667,598</u>	<u>647,268</u>
Profit before share of profit from investment in associate, finance cost and income tax expenses		98,010	62,681	237,802	58,246
Share of profit from investment in associate	7	<u>168,142</u>	<u>344,613</u>	-	-
Profit before finance cost and income tax expenses		266,152	407,294	237,802	58,246
Finance cost		<u>(9,988)</u>	<u>(16,827)</u>	<u>(5,659)</u>	<u>(10,920)</u>
Profit before income tax expenses		256,164	390,467	232,143	47,326
Income tax expenses	13	<u>(3,474)</u>	<u>(17,345)</u>	<u>(2,646)</u>	<u>(9,125)</u>
Profit for the period		<u>252,690</u>	<u>373,122</u>	<u>229,497</u>	<u>38,201</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Change in fair value of interest rate swap contract - net of income tax		-	1,448	-	1,448
Share of comprehensive income in associate		<u>(1,494)</u>	<u>(4,086)</u>	-	-
Other comprehensive income for the period		<u>(1,494)</u>	<u>(2,638)</u>	-	1,448
Total comprehensive income for the period		<u>251,196</u>	<u>370,484</u>	<u>229,497</u>	<u>39,649</u>

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

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2016

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:				
Equity holders of the Company	253,230	362,367	<u>229,497</u>	<u>38,201</u>
Non-controlling interests of the subsidiaries	<u>(540)</u>	<u>10,755</u>		
	<u>252,690</u>	<u>373,122</u>		
	-	-		
Total comprehensive income attributable to:				
Equity holders of the Company	251,736	359,729	<u>229,497</u>	<u>39,649</u>
Non-controlling interests of the subsidiaries	<u>(540)</u>	<u>10,755</u>		
	<u>251,196</u>	<u>370,484</u>		
	-	-		
Earnings per share (Baht)				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.52</u>	<u>0.75</u>	<u>0.48</u>	<u>0.08</u>

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

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 2016**

(Unit: Thousand Baht except earnings per share expressed in 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>
Revenues					
Sales and service income		2,785,477	2,426,894	1,570,270	1,117,480
Other income					
Dividend income from associate	7	-	-	147,953	37,063
Marketing income		-	47,427	-	-
Gain on sales of investment in associate		-	7,671	-	10,314
Others		32,806	95,083	31,087	78,478
Total revenues		<u>2,818,283</u>	<u>2,577,075</u>	<u>1,749,310</u>	<u>1,243,335</u>
Expenses					
Cost of sales and services		2,024,593	1,842,401	1,249,616	1,029,714
Selling expenses		406,214	425,203	71,792	41,567
Administrative expenses		203,232	170,917	121,542	75,444
Total expenses		<u>2,634,039</u>	<u>2,438,521</u>	<u>1,442,950</u>	<u>1,146,725</u>
Profit before share of profit from investment in associate, finance cost and income tax expenses					
		184,244	138,554	306,360	96,610
Share of profit from investment in associate	7	452,237	620,899	-	-
Profit before finance cost and income tax expenses		<u>636,481</u>	<u>759,453</u>	<u>306,360</u>	<u>96,610</u>
Finance cost		(20,740)	(34,362)	(10,514)	(21,222)
Profit before income tax expenses		<u>615,741</u>	<u>725,091</u>	<u>295,846</u>	<u>75,388</u>
Income tax expenses	13	(7,900)	(23,136)	(4,561)	(10,863)
Profit for the period		<u>607,841</u>	<u>701,955</u>	<u>291,285</u>	<u>64,525</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Change in fair value of interest rate swap contract					
- net of income tax		-	1,782	-	1,782
Share of comprehensive income in associate		(25,871)	(15,238)	-	-
Other comprehensive income for the period		<u>(25,871)</u>	<u>(13,456)</u>	<u>-</u>	<u>1,782</u>
Total comprehensive income for the period		<u>581,970</u>	<u>688,499</u>	<u>291,285</u>	<u>66,307</u>

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

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2016

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:				
Equity holders of the Company	601,157	681,270	<u>291,285</u>	<u>64,525</u>
Non-controlling interests of the subsidiaries	<u>6,684</u>	<u>20,685</u>		
	<u>607,841</u>	<u>701,955</u>		
	-	-		
Total comprehensive income attributable to:				
Equity holders of the Company	575,286	667,814	<u>291,285</u>	<u>66,307</u>
Non-controlling interests of the subsidiaries	<u>6,684</u>	<u>20,685</u>		
	<u>581,970</u>	<u>688,499</u>		
	-	-		
Earnings per share (Baht)				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.25</u>	<u>1.41</u>	<u>0.60</u>	<u>0.13</u>

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

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Change in the interest			Capital reserve for share-based payment transactions of the associate	Other components of equity					Equity		
	Issued and paid-up share capital	Non-controlling interest in subsidiary of the associated company acquired at price lower than book value	in subsidiaries of the associated company which did not result in a loss of control of the associate		Retained earnings	Fair value of interest rate swap contract	Share of comprehensive income in associate	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	
Balance as at 1 January 2015	482,580	1,510	(74,686)	9,306	50,000	1,892,590	(1,782)	(29,432)	(31,214)	2,330,086	424,891	2,754,977
Profit for the period	-	-	-	-	-	681,270	-	-	-	681,270	20,685	701,955
Other comprehensive income for the period	-	-	-	-	-	-	1,782	(15,238)	(13,456)	(13,456)	-	(13,456)
Total comprehensive income for the period	-	-	-	-	-	681,270	1,782	(15,238)	(13,456)	667,814	20,685	688,499
Share-based payment transactions of associate	-	(6)	296	1,773	-	-	-	-	-	2,063	-	2,063
Balance as at 30 June 2015	<u>482,580</u>	<u>1,504</u>	<u>(74,390)</u>	<u>11,079</u>	<u>50,000</u>	<u>2,573,860</u>	<u>-</u>	<u>(44,670)</u>	<u>(44,670)</u>	<u>2,999,963</u>	<u>445,576</u>	<u>3,445,539</u>
Balance as at 1 January 2016	482,580	1,494	(73,901)	18,078	50,000	3,081,058	-	6,110	6,110	3,565,419	415,360	3,980,779
Cumulative effect of change in accounting policy for agriculture (Note 3)	-	-	-	-	-	2,012	-	-	-	2,012	-	2,012
Profit for the period	-	-	-	-	-	601,157	-	-	-	601,157	6,684	607,841
Other comprehensive income for the period	-	-	-	-	-	-	-	(25,871)	(25,871)	(25,871)	-	(25,871)
Total comprehensive income for the period	-	-	-	-	-	601,157	-	(25,871)	(25,871)	575,286	6,684	581,970
Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	-	-	(62,696)	-	-	-	-	-	-	(62,696)	-	(62,696)
Share-based payment transactions of the associate	-	-	-	5,627	-	-	-	-	-	5,627	-	5,627
Dividend paid (Note 14)	-	-	-	-	-	(120,143)	-	-	-	(120,143)	-	(120,143)
Balance as at 30 June 2016	<u>482,580</u>	<u>1,494</u>	<u>(136,597)</u>	<u>23,705</u>	<u>50,000</u>	<u>3,564,084</u>	<u>-</u>	<u>(19,761)</u>	<u>(19,761)</u>	<u>3,965,505</u>	<u>422,044</u>	<u>4,387,549</u>

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

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and paid-up share capital	Retained earnings		Other component of equity		Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	Fair value of interest rate swap contract	Total other component of shareholders' equity	
Balance as at 1 January 2015	482,580	50,000	919,521	(1,782)	(1,782)	1,450,319
Profit for the period	-	-	64,525	-	-	64,525
Other comprehensive income for the period	-	-	-	1,782	1,782	1,782
Total comprehensive income for the period	-	-	64,525	1,782	1,782	66,307
Balance as at 30 June 2015	<u>482,580</u>	<u>50,000</u>	<u>984,046</u>	<u>-</u>	<u>-</u>	<u>1,516,626</u>
Balance as at 1 January 2016	482,580	50,000	1,102,488	-	-	1,635,068
Total comprehensive income for the period	-	-	291,285	-	-	291,285
Dividend paid (Note 14)	-	-	(120,143)	-	-	(120,143)
Balance as at 30 June 2016	<u>482,580</u>	<u>50,000</u>	<u>1,273,630</u>	<u>-</u>	<u>-</u>	<u>1,806,210</u>

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

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries**Cash flow statement****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 income tax expenses	615,741	725,091	295,846	75,388
Adjustments to reconcile profit before income tax expenses				
to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	125,117	117,739	57,723	63,833
Reduction of cost of inventories to net realisable value (reversal)	7,633	(46,567)	4,843	(47,337)
Loss from stock destruction	1,515	-	-	-
Gain on fair value of biological assets	(855)	-	-	-
Unrealised (gain) loss on exchange	(328)	(401)	116	(368)
Changes in fair value of forward exchange contracts	(370)	-	(736)	-
Gain on sales of investment in associate	-	(7,671)	-	(10,314)
(Gain) loss on sales of equipment	455	(13,055)	(106)	(10,382)
Gain on sales of investment properties	-	(37,720)	-	(37,720)
Provision for long-term employee benefits	4,707	4,400	2,859	2,754
Provision for dismantling cost	161	-	-	-
Dividend income	-	-	(147,953)	(37,063)
Share of profit from investment in associate	(452,237)	(620,899)	-	-
Interest income	-	(32)	-	(603)
Interest expenses	20,740	34,362	10,514	21,222
Profit from operating activities before changes in				
operating assets and liabilities	322,279	155,247	223,106	19,410
(Increase) decrease in operating assets				
Trade and other receivables	393,236	(47,016)	49,988	(55,048)
Inventories	(31,005)	83,780	(83,222)	(3,798)
Other current assets	(45,930)	(10,162)	(21,590)	1,820
Other non-current assets	2,624	(5,915)	3,258	(50)
Increase (decrease) in operating liabilities				
Trade and other payables	123,930	168,147	(520)	86,734
Other current liabilities	38,576	(10,440)	40,141	4,986
Other non-current liabilities	218	(2,879)	-	(2,725)
Cash flows from operating activities	803,928	330,762	211,161	51,329
Cash paid for interest expenses	(21,531)	(35,509)	(10,871)	(21,560)
Cash paid for corporate income tax	(1,014)	(7,317)	2,141	(1,245)
Net cash flows from operating activities	781,383	287,936	202,431	28,524

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

(Unaudited but reviewed)

Tipco Foods Public Company Limited and its subsidiaries**Cash flow statement (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 current investment	(22)	(30)	-	-
Decrease in short-term loans to related party	-	-	-	15,000
Cash received from sales of investment in associate	-	12,494	-	12,494
Cash received from sales of equipment	663	103,366	155	100,243
Cash received from sales of investment properties	-	11,014	-	11,014
Cash paid for acquisition of equipment	(88,916)	(29,585)	(25,485)	(7,149)
Cash paid for acquisition of intangible assets	(12,929)	(2,503)	(4,196)	(1,563)
Dividend received	147,953	37,063	147,953	37,063
Interest received	-	32	-	603
Net cash flows from investing activities	46,749	131,851	118,427	167,705
Cash flows from financing activities:				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(1,089,136)	(294,834)	(618,907)	(140,000)
Cash paid under finance lease agreements	(1,248)	(3,080)	(932)	(2,529)
Cash receipts from long-term loans	480,500	-	480,500	-
Repayment of long-term loans	(71,050)	(89,385)	(31,050)	(39,000)
Dividend paid	(120,143)	-	(120,143)	-
Net cash flows used in financing activities	(801,077)	(387,299)	(290,532)	(181,529)
Net increase in cash and cash equivalents	27,055	32,488	30,326	14,700
Cash and cash equivalents at beginning of period	76,356	41,657	39,155	18,045
Cash and cash equivalents at end of period	103,411	74,145	69,481	32,745
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Purchase of equipment for which cash has not been paid	14,124	20,361	2,967	2,194
Purchase of intangible assets for which cash has not been paid	-	6,864	-	3,742

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

Tipco Foods Public Company Limited and its subsidiaries
Notes to interim consolidated financial statements
For the three-month and six-month period ended 30 June 2016

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 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.

1.2 Basis of consolidation

The consolidated interim financial statements include the financial statements of Tipco Foods Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015.

1.3 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which became 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 did 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 the Company and its subsidiaries to reclassify the pineapple plants, which are bearer plants, from inventory to property, plant and equipment, and measure unharvested pineapple fruit (biological assets) and harvested pineapple fruit (agricultural produce) at fair value less costs to sell. The cumulative effect of the resulting change in accounting policy is presented in Note 3 to the interim financial statements.

2. 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 standards, as discussed in Note 1.3 to the interim financial statements.

3. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.3 and Note 2 to the interim financial statements, during the current period, the Company and its subsidiaries have changed their accounting policy related to (agriculture activities) and elected to recognise the 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 in the consolidated financial statements by Baht 2 million. The cumulative effect of the change in accounting policy is presented as a separate item in the consolidated statement of changes in shareholders' equity.

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015 (Audited)	30 June 2016	31 December 2015 (Audited)
<u>Trade receivables - related parties (Note 5)</u>				
Aged on the basis of due dates				
Not yet due	116	2,392	41,618	17,473
Past due				
Up to 3 months	129	21	-	-
Total trade receivables - related parties	245	2,413	41,618	17,473
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	371,280	465,148	113,614	206,305
Past due				
Up to 3 months	69,691	337,169	44,056	26,083
3 - 6 months	141	31	85	-
6 - 12 months	5	30	-	-
Over 12 months	6,808	6,850	6,479	6,549
Total	447,925	809,228	164,234	238,937
Less: Allowance for doubtful accounts	(6,880)	(6,880)	(6,549)	(6,549)
Total trade receivables - unrelated parties, net	441,045	802,348	157,685	232,388
Total trade receivables - net	441,290	804,761	199,303	249,861
<u>Other receivables</u>				
Amounts due from related parties (Note 5)	650	101	7,665	72
Other receivables	32,428	64,825	1,706	9,706
Advance to employees	1,840	138	1,052	61
Accrued income	5,092	4,829	5	135
Total other receivables	40,010	69,893	10,428	9,974
Trade and other receivables - net	481,300	874,654	209,731	259,835

(Unaudited but reviewed)

5. 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 bases agreed upon among the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	100	91	Cost plus certain margin
Rental income	-	-	-	1	Contract price
Service income	-	-	5	3	As agreed
Purchases of goods	-	-	2	9	Cost plus certain margin
<u>Transactions with associate</u>					
Dividend income	-	-	148	37	
<u>Transactions with related companies</u>					
Rental and service expenses	12	10	5	5	Market price

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	189	166	Cost plus certain margin
Rental income	-	-	1	1	Contract price
Service income	-	-	9	6	As agreed
Purchases of goods	-	-	9	18	Cost plus certain margin
<u>Transactions with associate</u>					
Dividend income	-	-	148	37	
<u>Transactions with related companies</u>					
Sales of goods	-	1	-	-	Market price
Rental and service expenses	24	20	11	9	Market price

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2016 and 31 December 2015 between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade and other receivables - related parties</u> (Note 4)				
Subsidiaries	-	-	49,283	17,545
Associate	115	1,028	-	-
Related companies (common shareholders and directors)	780	1,486	-	-
Total trade and other receivables - related parties	895	2,514	49,283	17,545
<u>Prepaid expenses - related parties</u>				
Related companies (common shareholders and directors)	2,235	-	860	-
Total prepaid expenses - related parties	2,235	-	860	-
<u>Retentions - related parties</u>				
Related companies (common shareholders and directors)	6,578	5,894	2,828	2,148
Total retentions - related parties	6,578	5,894	2,828	2,148
<u>Trade and other payables - related parties</u> (Note 10)				
Subsidiaries	-	-	666	2,524
Associate	34	652	32	223
Related companies (common shareholders and directors)	11,055	9,446	3,671	5,325
Total trade and other payables - related parties	11,089	10,098	4,369	8,072

(Unaudited but reviewed)

Directors and management's benefits

For the three-month and six-month periods ended 30 June 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million 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>
Short-term employee benefits	11	12	9	9
Post-employment benefits	2	-	2	1
Total	<u>13</u>	<u>12</u>	<u>11</u>	<u>10</u>

(Unit: Million 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>
Short-term employee benefits	25	23	20	17
Post-employment benefits	3	1	3	1
Total	<u>28</u>	<u>24</u>	<u>23</u>	<u>18</u>

6. Inventories

Movements in the reduction of cost to net realisable value of inventories 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 1 January 2016	33,909	29,760
Reduction of cost of inventories to net realisable value during the period	<u>7,633</u>	<u>4,843</u>
Balance as at 30 June 2016	<u>41,542</u>	<u>34,603</u>

(Unaudited but reviewed)

7. Investments in associate

7.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Cost		Carrying amounts based on equity method	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Tipco Asphalt Plc	<u>644,930</u>	<u>644,930</u>	<u>2,687,700</u>	<u>2,466,355</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Cost		Carrying amounts based on cost method	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Tipco Asphalt Plc	<u>644,930</u>	<u>644,930</u>	<u>644,930</u>	<u>644,930</u>

7.2 Share of profit and dividend received

The Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements for the three-month and six-month periods ended 30 June 2016 and 2015 as follows:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the period		Dividend received during the period by the Company	
	2016	2015	2016	2015
Tipco Asphalt Plc	<u>168,142</u>	<u>344,613</u>	<u>147,953</u>	<u>37,063</u>

(Unit: Thousand Baht)

Company's name	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the period		Dividend received during the period by the Company	
	2016	2015	2016	2015
Tipco Asphalt Plc	<u>452,237</u>	<u>620,899</u>	<u>147,953</u>	<u>37,063</u>

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2016	2,314,333	819,734
Acquisitions during period - at cost	67,316	24,396
Disposals/write-off during period - net book value at disposal/write-off date	(1,097)	(48)
Depreciation for the period	(122,314)	(55,996)
Net book value as at 30 June 2016	<u>2,258,238</u>	<u>788,086</u>

9. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		<u>financial statements</u>		<u>financial statements</u>	
	Interest rate	30 June	31 December	30 June	31 December
	(percent per annum)	2016	2015	2016	2015
		(Audited)		(Audited)	
Bank overdrafts	MOR	1,152	288	1,152	59
Short-term loans from financial institutions	2.45% - 3.50% and MRR	230,000	1,320,000	-	620,000
Total		<u>231,152</u>	<u>1,320,288</u>	<u>1,152</u>	<u>620,059</u>

10. Trade and other payables

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		<u>financial statements</u>		<u>financial statements</u>	
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
		(Audited)		(Audited)	
Trade payables - related parties (Note 5)		3,626	-	4,272	2,524
Trade payables - unrelated parties		273,117	295,453	113,632	139,038
Amounts due to related parties (Note 5)		7,463	10,098	97	5,548
Accrued expenses		385,143	305,134	98,792	51,668
Other payables		140,019	109,855	18	23,580
Total trade and other payables		<u>809,368</u>	<u>720,540</u>	<u>216,811</u>	<u>222,358</u>

(Unaudited but reviewed)

11. Long-term loans

Movements in the long-term loan 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 1 January 2016	609,500	129,500
Addition	480,500	480,500
Repayments	(71,050)	(31,050)
Balance as at 30 June 2016	1,018,950	578,950
Less: Current portion	(156,250)	(76,250)
Long-term loans - net of current portion	862,700	502,700

Loan covenants

The loan agreements of the Company and its subsidiaries contain certain restrictive covenants as were disclosed in the financial statements for the year ended 31 December 2015.

12. Credit facilities

The credit facilities of the Company and its subsidiaries granted by financial institutions are secured by the following collaterals:

- a) The mortgages of the assets of the Company of which the net book value as at 30 June 2016 and 31 December 2015 are summarised below.

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	30 June 2016	31 December 2015
		(Audited)
Land	47	47
Building and complement	169	180
Machinery and equipment	185	206

- b) The prohibition from creating lien over assets of a subsidiary.

(Unaudited but reviewed)

13. Income tax

Income tax 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	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(1,115)	(5,987)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(140)	(11,358)	(427)	(9,125)
Utilisation of tax loss carried forward during the period	(2,219)	-	(2,219)	-
Income tax expenses reported in the statement of comprehensive income	<u>(3,474)</u>	<u>(17,345)</u>	<u>(2,646)</u>	<u>(9,125)</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	(3,980)	(9,791)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,701)	(13,345)	(2,342)	(10,863)
Utilisation of tax loss carried forward during the period	(2,219)	-	(2,219)	-
Income tax expenses reported in the statement of comprehensive income	<u>(7,900)</u>	<u>(23,136)</u>	<u>(4,561)</u>	<u>(10,863)</u>

(Unaudited but reviewed)

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		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to change in fair value of interest rate swap contract	-	(362)	-	(362)

(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>
Deferred tax relating to change in fair value of interest rate swap contract	-	(445)	-	(445)

14. Dividend

The Annual General Meeting of the shareholders held on 22 April 2016 approved to pay a dividend for the year 2015 of Baht 0.25 per share, a total of Baht 120,142,835.

The Company paid such dividend on 18 May 2016.

(Unaudited but reviewed)

15. Segment information

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2016 and 2015, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Products of vegetable & fruit		Beverage		Others		Eliminated of inter- segment revenues		Consolidation	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from sales of goods and rendering of services	641	532	832	856	28	75	(112)	(110)	1,389	1,353
Gross profit	49	56	335	284	15	(18)	3	1	402	323
Other incomes									20	67
Selling expenses									(221)	(238)
Administrative expenses									(102)	(90)
Profit before share of profit from investment in associate, finance cost and income tax expenses									99	62
Share of profit from investment in associate									168	345
Profit before finance cost and income tax expenses									267	407
Finance cost									(10)	(17)
Income tax expenses									(4)	(17)
Profit for the period									253	373

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Products of vegetable & fruit		Beverage		Others		Eliminated of inter- segment revenues		Consolidation	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from sales of goods and rendering of services	1,386	952	1,561	1,576	58	102	(220)	(203)	2,785	2,427
Gross profit	180	75	564	520	23	(12)	(5)	1	762	584
Other incomes									32	150
Selling expenses									(406)	(425)
Administrative expenses									(203)	(171)
Profit before share of profit from investment in associate, finance cost and income tax expenses									185	138
Share of profit from investment in associate									452	621
Profit before finance cost and income tax expenses									637	759
Finance cost									(21)	(34)
Income tax expenses									(8)	(23)
Profit for the period									608	702

(Unaudited but reviewed)

Geographic segment information for the three-month and six-month periods ended 30 June 2016 and 2015 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June							
	Domestic sales		Export sales		Elimination of inter-segment revenues		Consolidation	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from the sale of goods and the rendering of services	779	867	722	596	(112)	(110)	1,389	1,353
Gross profit	241	240	158	82	3	1	402	323

(Unit: Million Baht)

	For the six-month periods ended 30 June							
	Domestic sales		Export sales		Elimination of inter-segment revenues		Consolidation	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from the sale of goods and the rendering of services	1,497	1,572	1,508	1,058	(220)	(203)	2,785	2,427
Gross profit	465	466	302	117	(5)	1	762	584

Transfer prices between the segments are set out in Note 5 to the interim financial statements.

(Unaudited but reviewed)

16. Commitments and contingent liabilities

16.1 Capital commitments

The Company and its subsidiaries had outstanding capital commitments relating to the purchase of furniture, equipment and computer software as follows:

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Baht	34	-	4	-

16.2 Operating lease commitments

The Company and its subsidiaries have entered into several agreements in respect of the lease of buildings, warehouses, motor vehicles, office equipment, and other service agreements.

Future minimum rental and service fees payable under these agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Payable within:				
1 year	69	70	22	20
2 to 5 years	82	95	23	30
More than 5 years	29	13	-	-

16.3 Bank guarantees

The outstanding bank guarantees 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 business are summarised below.

(Unit: Million Baht)

	Separate financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Bank guarantees	33	30	12	12

17. Foreign currency risk

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	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)	
		(Audited)		(Audited)		(Audited)
US Dollar	5	7	1	1	35.18	36.04

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	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)	
		(Audited)		(Audited)		(Audited)
US Dollar	4	6	-	-	35.18	36.04

The Company and its subsidiaries had outstanding forward exchange contracts which maturity date within one year are summarised below.

Foreign currency	As at 30 June 2016					
	Consolidated financial statements		Separate financial statements		Contractual exchange rate	
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	4	1	4	-	35.20 - 35.80	34.99 - 36.42

Foreign currency	As at 31 December 2015 (Audited)					
	Consolidated financial statements		Separate financial statements		Contractual exchange rate	
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3	1	3	-	35.48 - 36.28	34.24 - 36.25

(Unaudited but reviewed)

18. Reclassification

The reclassification of the Company and its subsidiaries are as follows:

(Unit: Thousand Baht)

As at 31 December 2015		
Consolidated financial statements		
As reclassified	As previously reported	
Inventories	778,519	808,684
Property, plant and equipment	2,314,333	2,284,168

(Unit: Thousand Baht)

For the three-month period ended 30 June 2015				
	Consolidated financial statements		Separate financial statement	
	As previously reported		As previously reported	
	As reclassified	reported	As reclassified	reported
Sales and service income	1,352,998	1,528,340	639,917	639,917
Other income	67,545	104,325	65,597	102,377
Cost of sales and services	1,030,041	1,065,988	585,760	622,540
Selling expenses	238,201	384,122	19,099	16,884
Administrative expenses	89,620	119,874	42,409	44,624

(Unit: Thousand Baht)

For the six-month period ended 30 June 2015				
	Consolidated financial statements		Separate financial statement	
	As previously reported		As previously reported	
	As reclassified	reported	As reclassified	reported
Sales and service income	2,426,894	2,733,135	1,117,480	1,117,480
Other income	150,181	194,178	125,855	169,852
Cost of sales and services	1,842,401	1,883,652	1,029,714	1,073,711
Selling expenses	425,204	674,210	41,567	37,772
Administrative expenses	170,917	230,897	75,444	79,239

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

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 10 August 2016.