

Patum Rice Mill and Granary Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month period ended
30 June 2016

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Patum Rice Mill and Granary Public Company Limited and its subsidiaries as at 30 June 2016, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2016, and the 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 Patum Rice Mill and Granary Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 8 August 2016

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	17,696	22,620	5,310	6,967
Trade and other receivables	2, 4	110,403	675,187	127,590	663,746
Inventories	5	261,620	240,053	156,894	147,995
Short-term loan to a subsidiary	2	-	-	12,500	6,500
Current portion of long-term loan to other person	9	2,352	-	-	-
Other current assets		56,041	51,780	21,049	16,369
Total current assets		448,112	989,640	323,343	841,577
Non-current assets					
Investments in subsidiaries	6	-	-	1,133,074	1,133,074
Investment in parent company					
- available-for-sale security	7	7,089,343	7,039,418	6,734,343	6,686,918
Long-term investments - available-for-sale securities	8	37,173	33,949	-	-
Other long-term investments		3,408	3,408	4	4
Long-term loan to other person - net of current portion	9	20,148	-	-	-
Investment properties	10	42,815	39,889	29,526	29,526
Property, plant and equipment	11	272,040	320,958	164,569	171,946
Prepaid rental fee	2	377,784	388,986	-	-
Intangible asset		6,009	6,477	3,858	4,344
Deferred tax assets	14	3,007	3,078	1,824	1,701
Goodwill	6	53,421	53,421	-	-
Other non-current assets		13,810	14,949	-	-
Total non-current assets		7,918,958	7,904,533	8,067,198	8,027,513
Total assets		8,367,070	8,894,173	8,390,541	8,869,090

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

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	12	564,158	993,122	564,158	993,122
Short-term loans from subsidiaries	2	-	-	337,320	271,620
Trade and other payables	2	114,396	231,008	95,953	241,862
Current portion of liabilities under financial lease	13	297	297	297	297
Income tax payable		819	3,870	-	3,316
Other current liabilities		14,860	16,640	3,148	5,494
Total current liabilities		694,530	1,244,937	1,000,876	1,515,711
Non-current liabilities					
Provision for long-term employee benefits		14,927	14,786	9,120	8,507
Liabilities under finance lease - net					
of current portion	13	546	694	546	694
Deferred tax liabilities	14	1,209,212	1,198,582	1,165,354	1,155,869
Other non-current liabilities		3,176	3,309	-	-
Total non-current liabilities		1,227,861	1,217,371	1,175,020	1,165,070
Total liabilities		1,922,391	2,462,308	2,175,896	2,680,781

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

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered share capital					
900,000,000 ordinary shares of Baht 1 each		900,000	900,000	900,000	900,000
Issued and fully paid-up share capital					
600,000,000 ordinary shares of Baht 1 each		600,000	600,000	600,000	600,000
Share premium		160,000	160,000	160,000	160,000
Retained earnings					
Appropriated - statutory reserve		90,000	90,000	90,000	90,000
Unappropriated		641,360	642,914	703,229	714,833
Other components of shareholders' equity		4,919,147	4,877,272	4,661,416	4,623,476
Equity attributable to owners of the Company		6,410,507	6,370,186	6,214,645	6,188,309
Non-controlling interests of the subsidiaries		34,172	61,679	-	-
Total shareholders' equity		6,444,679	6,431,865	6,214,645	6,188,309
Total liabilities and shareholders' equity		8,367,070	8,894,173	8,390,541	8,869,090
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Sales					
Revenues from sales	2, 15	447,833	608,260	408,796	499,988
Revenues form services	2, 15	2,171	2,042	-	-
Dividend income	15	165,818	150,524	156,502	142,275
Other income	2, 15	8,919	18,748	5,664	23,723
Total revenues		624,741	779,574	570,962	665,986
Expenses					
Cost of sales	2, 15	364,705	511,411	343,126	425,742
Cost of services	15	1,768	2,042	-	-
Selling expenses	2, 15	55,531	85,257	40,170	71,243
Administrative expenses	2, 15	31,535	28,771	23,492	21,016
Total expenses		453,539	627,481	406,788	518,001
Profit before finance cost and income tax expenses		171,202	152,093	164,174	147,985
Finance cost	2, 15	(3,401)	(4,305)	(7,387)	(4,718)
Profit before income tax expenses		167,801	147,788	156,787	143,267
Income tax expenses	14	(670)	100	39	407
Profit for the period		167,131	147,888	156,826	143,674
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Gain (loss) on change in value of available-for sale investment					
- net of income tax		(241,915)	677,120	(227,641)	644,979
Other comprehensive income for the period		(241,915)	677,120	(227,641)	644,979
Total comprehensive income for the period		(74,784)	825,008	(70,815)	788,653

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2016

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

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit (loss) attributable to:				
Equity holders of the Company	169,956	150,563	156,826	143,674
Non-controlling interest of the subsidiaries	(2,825)	(2,675)		
	<u>167,131</u>	<u>147,888</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(71,390)	827,683	(70,815)	788,653
Non-controlling interests of the subsidiaries	(3,394)	(2,675)		
	<u>(74,784)</u>	<u>825,008</u>		
Earnings per share				
	17			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.28</u>	<u>0.25</u>	<u>0.26</u>	<u>0.24</u>

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Sales					
Revenues from sales	2, 15	936,324	1,047,259	797,046	870,505
Revenues form services	2, 15	4,386	4,016	-	-
Dividend income	15	165,818	150,524	156,502	142,275
Other income	2, 15	16,416	26,225	11,277	25,903
Total revenues		1,122,944	1,228,024	964,825	1,038,683
Expenses					
Cost of sales	2, 15	758,257	871,572	661,635	732,847
Cost of services	15	3,577	3,984	-	-
Selling expenses	2, 15	113,375	137,516	83,642	110,138
Administrative expenses	2, 15	82,924	54,486	47,955	38,704
Total expenses		958,133	1,067,558	793,232	881,689
Profit before finance cost and income tax expenses		164,811	160,466	171,593	156,994
Finance cost	2, 15	(7,947)	(7,402)	(15,289)	(9,419)
Profit before income tax expenses		156,864	153,064	156,304	147,575
Income tax expenses	14	(996)	(1,187)	92	(363)
Profit for the period		155,868	151,877	156,396	147,212
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Gain on change in value of available-for sale investment					
- net of income tax		42,519	437,480	37,940	417,339
Other comprehensive income for the period		42,519	437,480	37,940	417,339
Total comprehensive income for the period		198,387	589,357	194,336	564,551

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2016

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

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit (loss) attributable to:				
Equity holders of the Company	166,446	156,043	156,396	147,212
Non-controlling interest of the subsidiaries	(10,578)	(4,166)		
	<u>155,868</u>	<u>151,877</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	208,321	593,988	194,336	564,551
Non-controlling interests of the subsidiaries	(9,934)	(4,631)		
	<u>198,387</u>	<u>589,357</u>		
Earnings per share				
	17			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.28</u>	<u>0.26</u>	<u>0.26</u>	<u>0.25</u>

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of cash flow

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	156,864	153,064	156,304	147,575
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	23,572	22,715	9,529	9,361
Loss on sales of equipment	16,258	28	-	(95)
Amortisation of prepaid rental fee	11,202	10,813	-	-
Allowance for doubtful debts (Reversal)	1,700	(8)	1,700	(8)
Reversal of allowance for diminution in value of inventories	(300)	(6,500)	-	(5,100)
Provision for long-term employee benefits	140	1,300	461	917
Dividend income	(165,818)	(150,524)	(156,502)	(142,275)
Interest income	(565)	(270)	(371)	(3,673)
Interest expenses	7,947	7,402	15,289	9,419
Income from operating activities before changes				
in operating assets and liabilities	51,000	38,020	26,410	16,121
Operating assets (increase) decrease				
Trade and other accounts receivable	563,085	(51,951)	534,468	(53,287)
Inventories	(21,267)	(191,776)	(8,898)	51,184
Other current assets	5,431	(6,800)	2,842	3,106
Prepaid rental fee	-	(173,191)	-	-
Other non-current assets	1,139	869	-	-
Operating liabilities increase (decrease)				
Trade and other accounts payable	(116,408)	46,392	(146,040)	70,997
Other current liabilities	(5,755)	2,338	(2,346)	(901)
Other non-current liabilities	(133)	(237)	-	-
Cash flows from (used in) operating activities	477,092	(336,336)	406,436	87,220
Cash paid for corporate income tax	(9,692)	(2,634)	(10,717)	(1,661)
Net cash flows from (used in) operating activities	467,400	(338,970)	395,719	85,559

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of cash flow (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Cash paid for purchase of current investments	-	(44,134)	-	-
Cash paid for increase share capital in a subsidiary	(17,573)	-	-	-
Cash received from loan to a subsidiary	-	-	8,000	15,000
Increase in short-term loan to a subsidiary	-	-	(14,000)	(259,380)
Increase in long-term loans to person	(22,500)	-	-	-
Cash received from sales of equipment	13,849	404	1	404
Cash received from dividends	165,818	150,524	156,502	142,275
Cash received from interest income	565	270	358	2,727
Purchases of intangible assets	(376)	(1,429)	(73)	(129)
Purchases of plant and equipment	(6,844)	(17,971)	(1,594)	(873)
Net cash flows from (used in) investing activities	132,939	87,664	149,194	(99,976)
Cash flows from financing activities				
Increase in bank overdrafts	36	2,484	36	2,484
Cash received from short-term loans from banks	1,620,500	943,000	1,620,500	943,000
Repayment of short-term loans from banks	(2,049,500)	(552,500)	(2,049,500)	(552,500)
Repayment of short-term loans from related persons	-	(1,000)	-	-
Cash received from short-term loans from related parties	-	-	92,300	78,000
Repayment of short-term loans from related parties	-	-	(26,600)	(291,120)
Repayment of liabilities under finance lease	(148)	(49)	(148)	(49)
Cash paid for dividends	(168,000)	(150,000)	(168,000)	(150,000)
Cash paid for interest expenses	(8,151)	(7,397)	(15,158)	(9,909)
Net cash flows from (used in) financing activities	(605,263)	234,538	(546,570)	19,906
Net increase (decrease) in cash and cash equivalents	(4,924)	(16,768)	(1,657)	5,489
Cash and cash equivalents as at beginning of period	22,620	46,601	6,967	4,429
Cash and cash equivalents as at end of period	17,696	29,833	5,310	9,918
	-	-	-	-

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the owners of the Company							Equity attributable to non-controlling interests of the subsidiaries	Total Shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		Surplus on change in value of available-for-sale investment	Total equity attributable to the owners of the Company	Total		
			Appropriated - statutory reserve	Unappropriated					
Balance as at 1 January 2015	600,000	160,000	90,000	612,439	5,083,082	6,545,521	66,461	6,611,982	
Profit for the period	-	-	-	156,043	-	156,043	(4,166)	151,877	
Other comprehensive income for the period	-	-	-	-	437,945	437,945	(465)	437,480	
Total comprehensive income for the period	-	-	-	156,043	437,945	593,988	(4,631)	589,357	
Dividends (Note 20)	-	-	-	(150,000)	-	(150,000)	-	(150,000)	
Balance as at 30 June 2015	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>618,482</u>	<u>5,521,027</u>	<u>6,989,509</u>	<u>61,830</u>	<u>7,051,339</u>	
Balance as at 1 January 2016	600,000	160,000	90,000	642,914	4,877,272	6,370,186	61,679	6,431,865	
Decrease in non-controlling interests of subsidiaries									
from increase in proportion of shareholding	-	-	-	-	-	-	(17,573)	(17,573)	
Loss for the period	-	-	-	166,446	-	166,446	(10,578)	155,868	
Other comprehensive income for the period	-	-	-	-	41,875	41,875	644	42,519	
Total comprehensive income for the period	-	-	-	166,446	41,875	208,321	(9,934)	198,387	
Dividends (Note 20)	-	-	-	(168,000)	-	(168,000)	-	(168,000)	
Balance as at 30 June 2016	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>641,360</u>	<u>4,919,147</u>	<u>6,410,507</u>	<u>34,172</u>	<u>6,444,679</u>	
	-	-	-	-	-	-	-	-	

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

(Unaudited but reviewed)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Separate financial statements					Total Shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		Surplus on changes in value of available-for-sale investments	
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2015	600,000	160,000	90,000	703,083	4,813,176	6,366,259
Profit for the period	-	-	-	147,212	-	147,212
Other comprehensive income for the period	-	-	-	-	417,339	417,339
Total comprehensive income for the period	-	-	-	147,212	417,339	564,551
Dividends (Note 20)	-	-	-	(150,000)	-	(150,000)
Balance as at 30 June 2015	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>700,295</u>	<u>5,230,515</u>	<u>6,780,810</u>
Balance as at 1 January 2016	600,000	160,000	90,000	714,833	4,623,476	6,188,309
Loss for the period	-	-	-	156,396	-	156,396
Other comprehensive income for the period	-	-	-	-	37,940	37,940
Total comprehensive income for the period	-	-	-	156,396	37,940	194,336
Dividends (Note 20)	-	-	-	(168,000)	-	(168,000)
Balance as at 30 June 2016	<u>600,000</u>	<u>160,000</u>	<u>90,000</u>	<u>703,229</u>	<u>4,661,416</u>	<u>6,214,645</u>
	-	-	-	-	-	-

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

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2016

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of Patum Rice Mill and Granary Public Company Limited (“the Company”) and its subsidiary companies (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015.

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2016	31 December 2015
Directly owned			%	%
PRG Granary Co., Ltd.	Warehouse rental	Thailand	99.99	99.99
MBK Food and Entertainment Co., Ltd.	Food center	Thailand	75.00	75.00
MBK Food Island Co., Ltd.	Food Center	Thailand	99.99	99.99
MBK Food System Co., Ltd.	Restaurant	Thailand	55.00	55.00
Indirectly owned				
Owned by PRG Granary Co., Ltd.				
Ratchsima Rice Co., Ltd.	Distribution and packaging rice, plant rental	Thailand	99.99	99.99
Sima Pac Co., Ltd.	Manufacturer and distributor of plastic bag and factory building rental	Thailand	99.99	49.99
Owned by Ratchsima Rice Co., Ltd.				
Innofood (Thailand) Co., Ltd.	Distributor of rice and development of product from rice	Thailand	99.99	99.99
Owned by MBK Food and Entertainment Co., Ltd.				
MBK Restaurant Group Co., Ltd.	Restaurant	Thailand	99.99	99.99

On 29 February 2016, the Board of director Meeting of PRG Granary Company Limited, a subsidiary, passed a resolution granting approval for the company to acquired 250,000 ordinary shares of Sima Pac Company Limited, representing a 50 percent of its registered capital, from the other existing shareholders at 70.29376 Baht per share, or for a total of Baht 17,573,440. The Group’s total shareholding in this company is 99.99 of the group percent.

1.4 New financial reporting standards

During the period the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

2. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with parent company					
Sales	252	437	94	92	Market price or prices which approximated market
Service expenses	18,337	19,332	220	181	Contract price
Dividend income	164,752	149,775	156,502	142,275	Declared rate
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Rental income	-	-	1,774	1,083	Contract price
Service income	-	-	479	662	Contract price
Interest income	-	-	196	2,623	MLR of a commercial bank
Purchase of raw materials	-	-	167,843	196,411	Market price or prices which approximated market prices
Sales	-	-	62,204	43	Market price or prices which approximated market prices

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with subsidiaries					
(continued)					
Rental expenses	-	-	1,344	1,762	Contract rate with reference to the rates charged to third parties
Service expenses	-	-	3,027	3,559	Market price or prices which approximated market prices
Interest expenses	-	-	3,985	2,623	Market price or prices which approximated market prices
Transactions with related companies					
Sales	359	-	220	474	Market price or prices which approximated market prices
Service income	15	350	-	274	Contract price and the rate which approximated cost
Service expenses	2,400	3,626	1,186	1,931	Contract price

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with parent company					
Sales	814	943	179	287	Market price or prices which approximated market
Service expenses	36,411	37,548	341	299	Contract price
Prepaid rental payment	-	173,190	-	-	Contract price
Dividend income	164,752	149,775	156,502	142,275	Declared rate
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Rental income	-	-	3,581	2,169	Contract price
Service income	-	-	1,464	2,072	Contract price
Interest income	-	-	348	3,651	MLR of a commercial bank
Purchase of raw materials	-	-	395,497	394,714	Market price or prices which approximated market prices
Sales	-	-	71,464	32,248	Market price or prices which approximated market prices

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2016	2015	2016	2015	
Transactions with subsidiaries					
(continued)					
Rental expenses	-	-	2,688	2,688	Contract rate with reference to the rates charged to third parties
Service expenses	-	-	6,086	8,237	Market price or prices which approximated market prices
Interest expenses	-	-	7,342	2,145	Market price or prices which approximated market prices
Transactions with related companies					
Sales	789	642	508	500	Market price or prices which approximated market prices
Service income	30	30	-	-	Contract price and the rate which approximated cost
Service expenses	5,085	8,045	2,367	6,568	Contract price

The outstanding balances of the above transactions have been presented in the statements of financial position as at 30 June 2016 and 31 December 2015 as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
Trade and other receivables - related parties				
Parent company	128	1,274	30	804
Subsidiaries	-	-	34,140	1,435
Related parties (under common control)	162	125	97	123
Total	290	1,399	34,267	2,362
Trade and other payables - related parties				
Parent company	1,428	1,357	-	2
Subsidiaries	-	-	48,658	73,990
Related parties (under common control)	832	1,018	7	76
Total	2,260	2,375	48,665	74,068

Short-term loan to a subsidiary

Movements of short-term loan to a subsidiary as at 30 June 2016 was as follows:

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 June 2016
	Balance as at 31 December 2015	During the period		
		Increase	Decrease	
Short-term loan to a subsidiary				
MBK Food and Entertainment Company Limited	6,500	14,000	(8,000)	12,500
	<u>6,500</u>	<u>14,000</u>	<u>(8,000)</u>	<u>12,500</u>

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

Short-term loans from subsidiaries

Movements of short-term loans from subsidiaries as at 30 June 2016 were as follows:

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 June 2016
	Balance as at 31 December 2015	During the period		
		Increase	Decrease	
Short-term loans from subsidiaries				
MBK Food System Co., Ltd.	10,400	1,000	(6,400)	5,000
MBK Food Island Co., Ltd.	81,800	23,000	-	104,800
PRG Granary Co., Ltd.	179,420	68,300	(20,200)	227,520
	<u>271,620</u>	<u>92,300</u>	<u>(26,600)</u>	<u>337,320</u>

Prepaid rental fee

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

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)	
	30 June 2016	31 December 2015
Prepaid rental fee - Beginning of period/year	388,986	237,933
Prepaid rental fee increase	-	173,190
Less: Amortisation	(11,202)	(22,137)
Net book value	<u>377,784</u>	<u>388,986</u>
Amortisation for the period/year	<u>11,202</u>	<u>22,137</u>

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2016, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)			
	For the three-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	7.3	7.0	7.3	7.0
Post-employment benefits	0.1	0.1	0.1	0.1
Total	<u>7.4</u>	<u>7.1</u>	<u>7.4</u>	<u>7.1</u>

	(Unit: Million Baht)			
	For the six-month period ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	13.7	12.7	13.7	12.7
Post-employment benefits	0.2	0.2	0.2	0.2
Total	<u>13.9</u>	<u>12.9</u>	<u>13.9</u>	<u>12.9</u>

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Cash on hand	1,578	1,998	90	110
Bank deposits	16,118	20,622	5,220	6,857
Total	17,696	22,620	5,310	6,967

Bank deposits include savings accounts and fixed deposits. The savings account carried interest 0.13 - 0.50 percent per annum (31 December 2015: 0.13 - 0.40 percent per annum).

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	287	1,321	160	1,050
Past due				
Up to 3 months	3	29	33,221	217
Total trade receivables - related parties	290	1,350	33,381	1,267
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	72,641	623,078	65,858	618,090
Past due				
Up to 3 months	25,399	33,892	22,365	32,088
3 - 6 months	845	2,393	845	874
6 - 12 months	1,049	125	1,049	125
Over 12 months	445	750	445	750
Total	100,379	660,238	90,562	651,927
Less: Allowance for doubtful debts	(2,450)	(750)	(2,450)	(750)
Total trade receivables - unrelated parties, net	97,929	659,488	88,112	651,177
Total trade receivables - net	98,219	660,838	121,493	652,444
Other receivables				
Other receivables - related parties	-	49	886	1,094
Other receivables - unrelated parties	12,184	14,300	5,211	10,208
Total other receivables	12,184	14,349	6,098	11,302
Total trade and other receivables - net	110,403	675,187	127,590	663,746

5. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Cost	262,201	240,934	157,344	148,445
Less: Diminution in value of inventories	(581)	(881)	(450)	(450)
Inventories - net	<u>261,620</u>	<u>240,053</u>	<u>156,894</u>	<u>147,995</u>

Movements in diminution in value of inventories during the three-month and six-month periods ended 30 June 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2016	881	450
Decreased in diminution in value of inventories	(300)	-
Balance as at 30 June 2016	<u>581</u>	<u>450</u>

The Company has pledged inventories of the Company and its subsidiaries' approximately Baht 241 million (31 December 2015: Baht 215 million) (Separate financial statements: Baht 145 million (31 December 2015: Baht 135 million)) to secure a loan facility from a bank, as discussed in Note 12.

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid up capital		Shareholding percentage		Cost		Dividend income for the six-month periods ended	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	30 June 2015
			%	%				
PRG Granary Co., Ltd.	500,000	500,000	99.99	99.99	489,637	489,637	-	-
MBK Food and Entertainment Co., Ltd.	50,000	50,000	75.00	75.00	84,752	84,752	-	-
MBK Food Island Co., Ltd.	500,000	500,000	99.99	99.99	498,685	498,685	-	-
MBK Food System Co., Ltd.	109,091	109,091	55.00	55.00	60,000	60,000	-	-
Total					<u>1,133,074</u>	<u>1,133,074</u>	<u>-</u>	<u>-</u>

Goodwill

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2016	31 December 2015
Innofood (Thailand) Co., Ltd.	240	240
MBK Food and Entertainment Co., Ltd.	53,181	53,181
Goodwill	<u>53,421</u>	<u>53,421</u>

Sima Pac Company Limited

On 29 February 2016, the Board of director Meeting of PRG Granary Company Limited, a subsidiary, passed a resolution granting approval for the company to acquired 250,000 ordinary shares of Sima Pac Company Limited, representing a 50 percent of its registered capital, from the other existing shareholders at 70.29376 Baht per share, or for a total of Baht 17,573,440. The Group's total shareholding in this company is 99.99 of the group percent.

Estimates of fair values of the assets acquired and the liabilities assumed on the acquisition date (1 March 2016) of Sima Pac Company Limited are presented below.

	(Unit: Baht)
Cash and cash equivalents	6,783,511
Trade and other receivables	2,081,387
Inventories	7,270,549
Other current assets	767,049
Building and equipment - net	<u>24,493,338</u>
Total assets	<u>41,395,834</u>
Trade and other payables	4,345,096
Deposit and unearned revenue	921,1610
Other current liabilities	110,350
Provision for long-term employee benefits	<u>872,348</u>
Total liabilities	<u>6,248,954</u>
Net assets value	<u>35,146,880</u>
Shareholding percentage	50%
Net assets value	17,573,440

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

(Unit: Thousand Baht)

		Consolidated financial statements					
		Shareholding percentage		Investments		Dividend income for the six-month periods ended	
Nature of business		30 June	31 December	30 June	31 December	30 June	30 June
		2016	2015	2016	2015	2016	2015
		%	%				
MBK Public Company Limited	Property rental and development	26.47	26.47	955,416	955,416	164,752	149,775
Add: Unrealised gain on change in value of investment				6,133,927	6,084,002		
				<u>7,089,343</u>	<u>7,039,418</u>		

(Unit: Thousand Baht)

		Separate financial statements					
		Shareholding percentage		Investments		Dividend income for the six-month periods ended	
Nature of business		30 June	31 December	30 June	31 December	30 June	30 June
		2016	2015	2016	2015	2016	2015
		%	%				
MBK Public Company Limited	Property rental and development	25.14	25.14	907,574	907,574	156,502	142,275
Add: Unrealised gain on change in value of investment				5,826,769	5,779,344		
				<u>6,734,343</u>	<u>6,686,918</u>		

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

As at 30 June 2016, the Company has pledged its investment in the listed security of parent company and entered into a negative pledge agreement on such listed securities totalling 318 million shares, with value at end of reporting period amounting to Baht 4,516 million (31 December 2015: 318 million shares, Baht 4,484 million) to secure bank overdraft and short-term loan facilities from banks, as discussed in Note 12.

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

Long-term investment - available-for-sale securities as at 30 June 2016 and 31 December 2015 comprise the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2016	31 December 2015
Available-for-sale securities		
Equity securities	44,134	44,134
Add: Unrealised loss on changes in value of investment	(6,961)	(10,185)
Long-term investment - available-for-sale securities	<u>37,173</u>	<u>33,949</u>

9. Long-term loan to other person

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2016	31 December 2015
Loan	22,500	-
Less: Current portion	(2,352)	-
Net of current portion	<u>20,148</u>	<u>-</u>

Long-term loan to other person secured by the pledged/mortgaged of assets specified in the loan agreement and carried interest at fixed rates. Long-term loan is mature within 7 years.

10. Investment properties

Movements of the investment properties account during the six-month period ended 30 June 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2016	39,889	29,526
Reclassification	3,858	-
Depreciation for the period	(932)	-
Net book value as at 30 June 2016	<u>42,815</u>	<u>29,526</u>

11. 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 financial statements	Separate financial statements
Net book value as at 1 January 2016	320,958	171,946
Acquisitions during the period - at cost	6,844	1,594
Reclassification	(3,858)	-
Disposal during the period - net book value at disposal date	(30,108)	(1)
Depreciation for the period	(21,796)	(8,970)
Net book value as at 30 June 2016	<u>272,040</u>	<u>164,569</u>

On 22 March 2016, Sima Pac Company Limited, a subsidiary, ceased its manufacturing and distribution of plastic bag business. It sold machinery and vehicles with net book values of Baht 19.6 million and Baht 0.2 million, respectively, to an unrelated person and entered into an agreement leasing its factory building and equipment to that person. The subsidiary has classified the leased building as investment properties.

12. Bank overdrafts and short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rate		Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(% per annum)	(% per annum)				
Bank overdrafts	6.28	7.40	158	122	158	122
Short-term loans						
from banks	1.98 - 2.06	2 - 2.06	564,000	993,000	564,000	993,000
Total			<u>564,158</u>	<u>993,122</u>	<u>564,158</u>	<u>993,122</u>

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

13. Long-term liabilities under financial lease agreement

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 June 2016	31 December 2015
	Liabilities under finance lease agreement	876
Less: Deferred interest expenses	(33)	(40)
Total	843	991
Less: Current portion	(297)	(297)
Liabilities under finance lease agreements - net of current portion	546	694

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

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

(Unit: Thousand Baht)

	As at 30 June 2016		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	309	568	877
Less: Deferred interest expenses	(12)	(22)	(34)
Present value of future minimum lease payments	297	546	843

14. Income tax

Income tax expenses of the Group for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	(584)	(20)	(894)	(1,422)
Deferred tax:				
Relating to origination and reversal of temporary differences	(86)	120	(102)	235
Income tax expense reported in profit or loss	(670)	100	(996)	(1,187)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month period ended		For the six-month period ended	
	30 June		30 June	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	-	315	-	(546)
Deferred tax:				
Relating to origination and reversal of temporary differences	39	92	92	183
Income tax expense reported in profit or loss	<u>39</u>	<u>407</u>	<u>92</u>	<u>(363)</u>

The movements on deferred income tax are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Deferred income tax asset		
Balance as at 1 January 2016	3,078	1,701
Timing differences of rental expenses on a straight-line basis	(99)	-
Provision for long-term employee benefits	28	123
Balance as at 30 June 2016	<u>3,007</u>	<u>1,824</u>
Deferred income tax liabilities		
Balance as at 1 January 2016	1,198,582	1,155,869
Unrealised gain from investment in available-for-sale security	10,630	9,485
Balance as at 30 June 2016	<u>1,209,212</u>	<u>1,165,354</u>

15. Segment information

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

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

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

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

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Processing and packaging of rice		Manufacturing and distribution of plastic bag		Food center		Elimination of inter- segment revenues		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external customers	350,045	506,841	8,950	11,733	91,009	91,728		-	450,004	610,302
Inter-segment revenues	294	27	3	3,886	-	-	(297)	(3,913)	-	-
Total revenues	<u>350,339</u>	<u>506,868</u>	<u>8,953</u>	<u>15,619</u>	<u>91,009</u>	<u>91,728</u>	<u>(297)</u>	<u>(3,913)</u>	<u>450,004</u>	<u>610,302</u>
Segment gross profit (loss)	<u>74,209</u>	<u>86,504</u>	<u>(83)</u>	<u>938</u>	<u>9,605</u>	<u>10,026</u>	<u>200</u>	<u>619</u>	<u>83,531</u>	<u>96,849</u>
Unallocated income (expenses):										
Dividend income									165,818	150,524
Other income									8,919	18,748
Selling expenses									(55,531)	(85,257)
Administrative expenses									(31,535)	(28,771)
Finance cost									<u>(3,401)</u>	<u>(4,305)</u>
Profit before income tax expenses									167,801	147,788
Income tax expenses									<u>(670)</u>	<u>100</u>
Profit for the period									<u>167,131</u>	<u>147,888</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Processing and packaging of rice		Manufacturing and distribution of plastic bag		Food center		Elimination of inter-segment revenues		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external customers	729,791	837,543	22,732	25,272	188,187	188,460	-	-	940,710	1,051,275
Inter-segment revenues	1,075	50	4,338	10,409	-	-	(5,413)	(10,459)	-	-
Total revenues	<u>730,866</u>	<u>837,593</u>	<u>27,070</u>	<u>35,681</u>	<u>188,187</u>	<u>188,460</u>	<u>(5,413)</u>	<u>(10,459)</u>	<u>940,710</u>	<u>1,051,275</u>
Segment gross profit (loss)							422			
	<u>156,359</u>	<u>152,567</u>	<u>204</u>	<u>3,169</u>	<u>22,735</u>	<u>21,965</u>		<u>1,982</u>	<u>178,876</u>	<u>175,719</u>
Unallocated income (expenses):										
Dividend income									165,818	150,524
Other income									16,416	26,225
Selling expenses									(113,375)	(137,516)
Administrative expenses									(82,924)	(54,486)
Finance cost									(7,947)	(7,402)
Profit before income tax expenses									156,864	153,064
Income tax expenses									(996)	(1,187)
Profit for the period									<u>155,868</u>	<u>151,877</u>

(Unaudited but reviewed)

The following table presents segment assets of the Group's operating segments as at 30 June 2016 and 31 December 2015:

	Processing and packaging of rice		Manufacturing and distribution of plastic bag		Food center		Elimination of inter- segment revenues		Consolidated financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Property, plant and equipment	200,805	209,767	662	24,962	70,573	86,228	-	-	272,040	320,958
Prepaid rental fee	-	-	-	-	377,784	388,986	-	-	377,784	388,986
Unallocated assets										
- Investment in parent company - available-for-sale security									7,089,343	7,039,418
- Long-term investments - available-for-sale security									37,173	33,949
- Other assets									590,730	1,110,862
Total assets									<u>8,367,070</u>	<u>8,894,173</u>

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

16. Commitments and contingent liabilities**16.1 Operating lease commitments**

The Group has entered into several lease agreements in respect of the lease of building space and equipment. As at 30 June 2016, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)
Payable:	
In up to 1 year	63
In over 1 and up to 5 years	123
Over 5 years	144

16.2 Long-term service commitments

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

A subsidiary has entered into business management contract with an unrelated individual relating to the business of the subsidiary. Under the conditions of the contract, the subsidiary is to pay compensation to the individual at a stipulated rate.

16.3 Guarantees

As at 30 June 2016, there were outstanding bank guarantees of approximately Baht 21 million (31 December 2015: Baht 53 million) (Separate financial statements: Baht 20 million (31 December 2015: Baht 52 million)) issued by the banks on behalf of the Company and its subsidiaries in respect of utilities payment of the Company and its subsidiaries.

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

18. Foreign currency risk

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

The balances of financial assets denominated in foreign currencies as at 30 June 2016 are summarised below.

Currency	Financial assets	Exchange rate as at 30 June 2016
	(Thousand)	(Baht per 1 foreign currency unit)
US dollar	166	34.9233

Forward exchange contracts which remained outstanding as at 30 June 2016 are summarised below.

Currency	Sold amount	Forward contract exchange rate	Maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	1,075	35.1732 - 36.3360	July 2016 - February 2017

19. Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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

(Unaudited but reviewed)

As of 30 June 2016, the Group had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	7,127	-	-	7,127

(Unit: Thousand Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	6,734	-	-	6,734

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

20. Dividend

	Approved by	Total dividend (Million Baht)	Dividend (Baht per share)	Dividend payment date
Final dividends on the six-month period ended 31 December 2015	Annual General Meeting of the shareholders on 26 April 2016	<u>168</u>	0.28	12 May 2016
Final dividends on the six-month period ended 31 December 2014	Annual General Meeting of the shareholders on 9 April 2015	<u>150</u>	0.25	28 April 2015

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee of the Company on 8 August 2016.