

President Bakery Public Company Limited
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of President Bakery Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of President Bakery Public Company Limited as at 30 June 2023, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviewed the separate financial information of President Bakery Public Company Limited for the same periods (collectively "interim financial information"). 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.

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 11 August 2023

President Bakery Public Company Limited

Statements of financial position

As at 30 June 2023

(Unit: Thousand Baht)

| | Note | Financial statements in which | | | |
|---|------|-------------------------------|-------------------|-------------------------------|-------------------|
| | | the equity method is applied | | Separate financial statements | |
| | | 30 June 2023 | 31 December 2022 | 30 June 2023 | 31 December 2022 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 763,950 | 648,944 | 763,950 | 648,944 |
| Trade and other receivables | 2, 3 | 598,560 | 1,003,364 | 598,560 | 1,003,364 |
| Inventories | | 202,545 | 208,898 | 202,545 | 208,898 |
| Other current financial assets | 5 | 4,773,281 | 4,719,327 | 4,773,281 | 4,719,327 |
| Other current assets | | 25,332 | 16,570 | 25,332 | 16,570 |
| Total current assets | | 6,363,668 | 6,597,103 | 6,363,668 | 6,597,103 |
| Non-current assets | | | | | |
| Investment in joint venture | 4.1 | 32,060 | 34,788 | 5,850 | 5,850 |
| Other non-current financial assets | 5 | 2,528,863 | 2,186,543 | 2,528,863 | 2,186,543 |
| Property, plant and equipment | 6 | 3,275,232 | 3,334,261 | 3,275,232 | 3,334,261 |
| Right-of-use assets | | 25,166 | 28,544 | 25,166 | 28,544 |
| Advance payments for purchase of assets | | 6,419 | 3,408 | 6,419 | 3,408 |
| Intangible assets | | 10,848 | 11,566 | 10,848 | 11,566 |
| Deferred tax assets | | 569 | - | 569 | - |
| Other non-current assets | | 4,902 | 4,769 | 4,902 | 4,769 |
| Total non-current assets | | 5,884,059 | 5,603,879 | 5,857,849 | 5,574,941 |
| Total assets | | 12,247,727 | 12,200,982 | 12,221,517 | 12,172,044 |

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

President Bakery Public Company Limited
Statements of financial position (continued)
As at 30 June 2023

(Unit: Thousand Baht)

| | Note | Financial statements in which | | Separate financial statements | |
|---|------|-------------------------------|------------------|-------------------------------|------------------|
| | | the equity method is applied | | | |
| | | 30 June 2023 | 31 December 2022 | 30 June 2023 | 31 December 2022 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 3, 7 | 667,145 | 782,498 | 667,145 | 782,498 |
| Current portion of lease liabilities | | 12,816 | 12,444 | 12,816 | 12,444 |
| Corporate income tax payable | | 115,728 | 139,255 | 115,728 | 139,255 |
| Accrued expenses | | 185,924 | 198,999 | 185,924 | 198,999 |
| Other current liabilities | | 5,780 | 11,134 | 5,780 | 11,134 |
| Total current liabilities | | 987,393 | 1,144,330 | 987,393 | 1,144,330 |
| Non-current liabilities | | | | | |
| Lease liabilities - net of current portion | | 12,020 | 15,564 | 12,020 | 15,564 |
| Deferred tax liabilities | | - | 4,971 | - | 4,971 |
| Provision for long-term employee benefits | | 92,650 | 97,734 | 92,650 | 97,734 |
| Other non-current liabilities | | 4,475 | 4,402 | 4,475 | 4,402 |
| Total non-current liabilities | | 109,145 | 122,671 | 109,145 | 122,671 |
| Total liabilities | | 1,096,538 | 1,267,001 | 1,096,538 | 1,267,001 |

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

President Bakery Public Company Limited
Statements of financial position (continued)
As at 30 June 2023

(Unit: Thousand Baht)

| | Financial statements in which | | Separate financial statements | |
|---|-------------------------------|-------------------------|-------------------------------|-------------------------|
| | the equity method is applied | | | |
| | <u>30 June 2023</u> | <u>31 December 2022</u> | <u>30 June 2023</u> | <u>31 December 2022</u> |
| | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Liabilities and shareholders' equity (continued) | | | | |
| Shareholders' equity | | | | |
| Share capital | | | | |
| Registered | | | | |
| 450,000,000 ordinary shares of Baht 1 each | <u>450,000</u> | <u>450,000</u> | <u>450,000</u> | <u>450,000</u> |
| Issued and fully paid-up | | | | |
| 450,000,000 ordinary shares of Baht 1 each | 450,000 | 450,000 | 450,000 | 450,000 |
| Share premium | 674,380 | 674,380 | 674,380 | 674,380 |
| Retained earnings | | | | |
| Appropriated - statutory reserve | 45,000 | 45,000 | 45,000 | 45,000 |
| Unappropriated | 9,929,084 | 9,686,305 | 9,902,874 | 9,657,367 |
| Other components of shareholders' equity | <u>52,725</u> | <u>78,296</u> | <u>52,725</u> | <u>78,296</u> |
| Total shareholders' equity | <u>11,151,189</u> | <u>10,933,981</u> | <u>11,124,979</u> | <u>10,905,043</u> |
| Total liabilities and shareholders' equity | <u>12,247,727</u> | <u>12,200,982</u> | <u>12,221,517</u> | <u>12,172,044</u> |

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

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Directors
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President Bakery Public Company Limited
Statements of comprehensive income
For the three-month period ended 30 June 2023

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

| | Note | Financial statements in which | | | |
|--|------|-------------------------------|------------------|-------------------------------|------------------|
| | | the equity method is applied | | Separate financial statements | |
| | | 2023 | 2022 | 2023 | 2022 |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales | | 1,810,449 | 1,821,155 | 1,810,449 | 1,821,155 |
| Other income | | 15,729 | 7,115 | 15,729 | 7,115 |
| Total revenues | | <u>1,826,178</u> | <u>1,828,270</u> | <u>1,826,178</u> | <u>1,828,270</u> |
| Expenses | | | | | |
| Cost of sales | | 991,984 | 999,793 | 991,984 | 999,793 |
| Selling and distribution expenses | | 353,204 | 328,836 | 353,204 | 328,836 |
| Administrative expenses | | 64,913 | 75,679 | 64,913 | 75,679 |
| Total expenses | | <u>1,410,101</u> | <u>1,404,308</u> | <u>1,410,101</u> | <u>1,404,308</u> |
| Operating profit | | 416,077 | 423,962 | 416,077 | 423,962 |
| Share of profit from investment in joint venture | 4.2 | 1,547 | 1,551 | - | - |
| Finance income | | 25,220 | 13,114 | 25,220 | 13,114 |
| Finance cost | | (371) | (181) | (371) | (181) |
| Profit before income tax expenses | | 442,473 | 438,446 | 440,926 | 436,895 |
| Income tax expenses | 8 | (60,300) | (51,849) | (60,300) | (51,849) |
| Profit for the period | | <u>382,173</u> | <u>386,597</u> | <u>380,626</u> | <u>385,046</u> |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Loss on change in value of debt investment designated at fair value through other comprehensive income - net of income tax | | (5,200) | (16,170) | (5,200) | (16,170) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax | | (5,200) | (16,170) | (5,200) | (16,170) |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Loss on change in value of equity investment designated at fair value through other comprehensive income - net of income tax | | (20,544) | (20,960) | (20,544) | (20,960) |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax | | (20,544) | (20,960) | (20,544) | (20,960) |
| Other comprehensive income for the period | | <u>(25,744)</u> | <u>(37,130)</u> | <u>(25,744)</u> | <u>(37,130)</u> |
| Total comprehensive income for the period | | <u>356,429</u> | <u>349,467</u> | <u>354,882</u> | <u>347,916</u> |
| Earnings per share | 10 | | | | |
| Basic earnings per share (Baht) | | <u>0.85</u> | <u>0.86</u> | <u>0.85</u> | <u>0.86</u> |

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

President Bakery Public Company Limited
Statements of comprehensive income
For the six-month period ended 30 June 2023

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

| | Note | Financial statements in which | | | |
|--|------|-------------------------------|------------------|-------------------------------|------------------|
| | | the equity method is applied | | Separate financial statements | |
| | | 2023 | 2022 | 2023 | 2022 |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Sales | | 3,595,716 | 3,561,474 | 3,595,716 | 3,561,474 |
| Other income | | 36,196 | 21,308 | 42,046 | 24,525 |
| Total revenues | | <u>3,631,912</u> | <u>3,582,782</u> | <u>3,637,762</u> | <u>3,585,999</u> |
| Expenses | | | | | |
| Cost of sales | | 1,971,125 | 1,939,490 | 1,971,125 | 1,939,490 |
| Selling and distribution expenses | | 690,946 | 657,014 | 690,946 | 657,014 |
| Administrative expenses | | 127,127 | 147,530 | 127,127 | 147,530 |
| Total expenses | | <u>2,789,198</u> | <u>2,744,034</u> | <u>2,789,198</u> | <u>2,744,034</u> |
| Operating profit | | 842,714 | 838,748 | 848,564 | 841,965 |
| Share of profit from investment in joint venture | 4.2 | 3,122 | 2,666 | - | - |
| Finance income | | 45,980 | 24,606 | 45,980 | 24,606 |
| Finance cost | | (756) | (358) | (756) | (358) |
| Profit before income tax expenses | | 891,060 | 865,662 | 893,788 | 866,213 |
| Income tax expenses | 8 | (120,692) | (100,880) | (120,692) | (100,880) |
| Profit for the period | | <u>770,368</u> | <u>764,782</u> | <u>773,096</u> | <u>765,333</u> |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Loss on change in value of debt investment designated at fair value through other comprehensive income - net of income tax | | (6,127) | (21,810) | (6,127) | (21,810) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax | | (6,127) | (21,810) | (6,127) | (21,810) |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Loss on change in value of equity investment designated at fair value through other comprehensive income - net of income tax | | (34,033) | (18,443) | (34,033) | (18,443) |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax | | (34,033) | (18,443) | (34,033) | (18,443) |
| Other comprehensive income for the period | | <u>(40,160)</u> | <u>(40,253)</u> | <u>(40,160)</u> | <u>(40,253)</u> |
| Total comprehensive income for the period | | <u>730,208</u> | <u>724,529</u> | <u>732,936</u> | <u>725,080</u> |
| Earnings per share | 10 | | | | |
| Basic earnings per share (Baht) | | <u>1.71</u> | <u>1.70</u> | <u>1.72</u> | <u>1.70</u> |

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

(Unaudited but reviewed)

President Bakery Public Company Limited
Statements of changes in shareholders' equity
For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

| Financial statements in which the equity method is applied | | | | | | | |
|---|------|--|------------------|-------------------------------------|------------------|--|-------------------|
| | Note | Issued and paid-up share capital | Share premium | Retained earnings | | Other components of shareholders' equity | |
| | | | | Appropriated - statutory reserve | Unappropriated | Other comprehensive income - Fair value reserve of financial assets at FVOCI | |
| | | | | | | Total | |
| Balance as at 1 January 2022 | | 450,000 | 674,380 | 45,000 | 8,851,568 | 119,526 | 10,140,474 |
| Profit for the period | | - | - | - | 764,782 | - | 764,782 |
| Other comprehensive income for the period | | - | - | - | - | (40,253) | (40,253) |
| Total comprehensive income for the period | | - | - | - | 764,782 | (40,253) | 724,529 |
| Dividend payment | 11 | - | - | - | (477,000) | - | (477,000) |
| Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings | | - | - | - | 7,730 | (7,730) | - |
| Balance as at 30 June 2022 | | <u>450,000</u> | <u>674,380</u> | <u>45,000</u> | <u>9,147,080</u> | <u>71,543</u> | <u>10,388,003</u> |
| Balance as at 1 January 2023 | | 450,000 | 674,380 | 45,000 | 9,686,305 | 78,296 | 10,933,981 |
| Profit for the period | | - | - | - | 770,368 | - | 770,368 |
| Other comprehensive income for the period | | - | - | - | - | (40,160) | (40,160) |
| Total comprehensive income for the period | | - | - | - | 770,368 | (40,160) | 730,208 |
| Dividend payment | 11 | - | - | - | (513,000) | - | (513,000) |
| Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings | 5 | - | - | - | (14,589) | 14,589 | - |
| Balance as at 30 June 2023 | | <u>450,000</u> | <u>674,380</u> | <u>45,000</u> | <u>9,929,084</u> | <u>52,725</u> | <u>11,151,189</u> |

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

(Unaudited but reviewed)

President Bakery Public Company Limited

Statements of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | |
|---|-------------------------------|--|------------------|-------------------------------------|------------------|--|-------------------|
| | Note | Issued and paid-up share capital | Share premium | Retained earnings | | Other components of shareholders' equity | |
| | | | | Appropriated - statutory reserve | Unappropriated | Other comprehensive income - Fair value reserve of financial assets at FVOCI | Total |
| Balance as at 1 January 2022 | | 450,000 | 674,380 | 45,000 | 8,826,072 | 119,526 | 10,114,978 |
| Profit for the period | | - | - | - | 765,333 | - | 765,333 |
| Other comprehensive income for the period | | - | - | - | - | (40,253) | (40,253) |
| Total comprehensive income for the period | | - | - | - | 765,333 | (40,253) | 725,080 |
| Dividend payment | 11 | - | - | - | (477,000) | - | (477,000) |
| Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings | | - | - | - | 7,730 | (7,730) | - |
| Balance as at 30 June 2022 | | <u>450,000</u> | <u>674,380</u> | <u>45,000</u> | <u>9,122,135</u> | <u>71,543</u> | <u>10,363,058</u> |
| Balance as at 1 January 2023 | | 450,000 | 674,380 | 45,000 | 9,657,367 | 78,296 | 10,905,043 |
| Profit for the period | | - | - | - | 773,096 | - | 773,096 |
| Other comprehensive income for the period | | - | - | - | - | (40,160) | (40,160) |
| Total comprehensive income for the period | | - | - | - | 773,096 | (40,160) | 732,936 |
| Dividend payment | 11 | - | - | - | (513,000) | - | (513,000) |
| Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings | 5 | - | - | - | (14,589) | 14,589 | - |
| Balance as at 30 June 2023 | | <u>450,000</u> | <u>674,380</u> | <u>45,000</u> | <u>9,902,874</u> | <u>52,725</u> | <u>11,124,979</u> |

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

President Bakery Public Company Limited**Statements of cash flows****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied | | Separate financial statements | |
|---|---|------------------|-------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Cash flows from operating activities | | | | |
| Profit before tax | 891,060 | 865,662 | 893,788 | 866,213 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 185,312 | 194,593 | 185,312 | 194,593 |
| Gain from disposals of property, plant and equipment | (1,472) | (343) | (1,472) | (343) |
| Share of profit from investment in joint venture | (3,122) | (2,666) | - | - |
| Loss on sales of other current financial assets | 219 | 1 | 219 | 1 |
| Loss on sales of other non-current financial assets | 18,092 | 8,020 | 18,092 | 8,020 |
| Gain (loss) from sales of equity investment not recognised in profit or loss | (18,236) | 9,663 | (18,236) | 9,663 |
| Unrealised loss on exchange | 94 | 568 | 94 | 568 |
| (Gain) loss on fair value measurement of financial assets | (2,266) | 8,233 | (2,266) | 8,233 |
| Provision for long-term employee benefits | 4,403 | 3,448 | 4,403 | 3,448 |
| Dividend income from listed equity investments | (10,872) | (5,750) | (10,872) | (5,750) |
| Dividend income from joint venture | - | - | (5,850) | (3,217) |
| Dividend income from non-listed equity investment | (7,650) | (5,850) | (7,650) | (5,850) |
| Finance income | (45,980) | (24,606) | (45,980) | (24,606) |
| Finance cost | 756 | 358 | 756 | 358 |
| Profit from operating activities before changes in operating assets and liabilities | 1,010,338 | 1,051,331 | 1,010,338 | 1,051,331 |
| Decrease (increase) in operating assets | | | | |
| Trade and other receivables | 404,874 | 291,370 | 404,874 | 291,370 |
| Inventories | 6,353 | (18,036) | 6,353 | (18,036) |
| Other current assets | (8,762) | (6,650) | (8,762) | (6,650) |
| Other non-current assets | (133) | (103) | (133) | (103) |
| Increase (decrease) in operating liabilities | | | | |
| Trade and other payables | (80,523) | 16,459 | (80,523) | 16,459 |
| Other current liabilities | (13,407) | (36,758) | (13,407) | (36,758) |
| Provision for long-term employee benefits | (9,487) | (4,574) | (9,487) | (4,574) |
| Other non-current liabilities | 73 | 381 | 73 | 381 |
| Cash from operating activities | 1,309,326 | 1,293,420 | 1,309,326 | 1,293,420 |
| Cash paid for income tax | (139,719) | (124,246) | (139,719) | (124,246) |
| Net cash from operating activities | 1,169,607 | 1,169,174 | 1,169,607 | 1,169,174 |

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

President Bakery Public Company Limited**Statements of cash flows (continued)****For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

| | Financial statements in which | | | |
|--|-------------------------------|------------------|-------------------------------|------------------|
| | the equity method is applied | | Separate financial statements | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Cash flows from investing activities | | | | |
| Cash paid for other current financial assets | (2,936,069) | (2,705,516) | (2,936,069) | (2,705,516) |
| Cash paid for other non-current financial assets | (1,151,344) | (739,720) | (1,151,344) | (739,720) |
| Cash received from sales of other current financial assets | 3,148,985 | 2,369,888 | 3,148,985 | 2,369,888 |
| Cash received from sales of other non-current financial assets | 513,272 | 611,473 | 513,272 | 611,473 |
| Acquisitions of property, plant and equipment | (165,226) | (68,840) | (165,226) | (68,840) |
| Proceeds from disposals of property, plant and equipment | 1,532 | 493 | 1,532 | 493 |
| Increase in advance payments for purchase of assets | (3,011) | (6,673) | (3,011) | (6,673) |
| Increase in intangible assets | (813) | (724) | (813) | (724) |
| Interest income | 34,089 | 24,048 | 34,089 | 24,048 |
| Dividend income from listed equity investments | 10,912 | 5,748 | 10,912 | 5,748 |
| Dividend income from joint venture | 5,850 | 3,217 | 5,850 | 3,217 |
| Dividend income from non-listed equity investment | 7,650 | 5,850 | 7,650 | 5,850 |
| Net cash used in investing activities | (534,173) | (500,756) | (534,173) | (500,756) |
| Cash flows from financing activities | | | | |
| Payment of principal portion of lease liabilities | (6,672) | (4,522) | (6,672) | (4,522) |
| Cash paid for interest expenses | (756) | (358) | (756) | (358) |
| Dividend payments | (513,000) | (477,000) | (513,000) | (477,000) |
| Net cash used in financing activities | (520,428) | (481,880) | (520,428) | (481,880) |
| Net increase in cash and cash equivalents | 115,006 | 186,538 | 115,006 | 186,538 |
| Cash and cash equivalents at beginning of period | 648,944 | 389,769 | 648,944 | 389,769 |
| Cash and cash equivalents at end of period | 763,950 | 576,307 | 763,950 | 576,307 |

Supplementary disclosures of cash flows information

Non-cash related transactions

Other payables for purchases of machinery and equipment,

| | | | | |
|----------------------------|--------|--------|--------|--------|
| construction and retention | 23,928 | 15,167 | 23,928 | 15,167 |
|----------------------------|--------|--------|--------|--------|

| | | | | |
|---------------------|----|---|----|---|
| Dividend receivable | 27 | 2 | 27 | 2 |
|---------------------|----|---|----|---|

| | | | | |
|--|-------|-------|-------|-------|
| Acquisition of right-of-use assets under lease contracts | 3,955 | 8,681 | 3,955 | 8,681 |
|--|-------|-------|-------|-------|

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

President Bakery Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2023

1. General information

1.1 Corporate information

President Bakery Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Thai President Foods Public Company Limited, which is a public company incorporated in Thailand. The Company is principally engaged in the manufacture and sales of bakery products and its registered address is at No. 121/84-85, 29th Floor, RS Tower, Ratchadapisek Road, Dindaeng, Bangkok.

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Company's financial statements.

2. Trade and other receivables

| | (Unit: Thousand Baht) | |
|--|-----------------------|---------------------|
| | 30 June 2023 | 31 December 2022 |
| | | (Audited) |
| <u>Trade receivables - related parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 475 | 482 |
| Total trade receivables - related parties | 475 | 482 |
| <u>Trade receivables - unrelated parties</u> | | |
| Not yet due | 505,862 | 545,214 |
| Past due | | |
| Up to 3 months | 88,994 | 445,645 |
| 3 - 6 months | 33 | - |
| Total trade receivables - unrelated parties | 594,889 | 990,859 |
| Total trade receivables | 595,364 | 991,341 |
| <u>Other receivables</u> | | |
| Other receivables - related party | 186 | 209 |
| Other receivables - unrelated parties | 3,010 | 11,814 |
| Total other receivables | 3,196 | 12,023 |
| Total trade and other receivables | 598,560 | 1,003,364 |

3. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

| | (Unit: Million Baht) | | | |
|--|--|-------------|--|-------------|
| | For the three-month periods ended 30 June | | For the six-month periods ended 30 June | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Transactions with related companies | | | | |
| Purchase of goods | 110.8 | 128.2 | 250.3 | 248.5 |
| Dividend payment | 390.8 | 363.4 | 390.8 | 363.4 |
| Dividend income | - | - | 7.7 | 5.9 |

(Unaudited but reviewed)

| | (Unit: Million Baht) | | | |
|--|--|-------------|--|-------------|
| | For the three-month periods ended 30 June | | For the six-month periods ended 30 June | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Transactions with joint venture | | | | |
| Sales of goods | 0.9 | 0.8 | 1.7 | 1.4 |
| Service income | 0.7 | 0.6 | 1.4 | 1.3 |
| Rental income | 0.2 | 0.2 | 0.3 | 0.3 |
| Dividend income | - | - | 5.9 | 3.2 |

The balances of the accounts as at 30 June 2023 and 31 December 2022 between the Company and those related parties are as follows:

| | (Unit: Thousand Baht) | |
|--|-----------------------|---------------------|
| | 30 June 2023 | 31 December 2022 |
| | | (Audited) |
| Trade and other receivables - related parties (Note 2) | | |
| Joint venture (related by the Company holding interest in that Company and common directors) | 520 | 691 |
| Related companies (related by having holding interest in the Company and/or by common shareholders and common directors) | 141 | - |
| Total trade and other receivables - related parties | <u>661</u> | <u>691</u> |

Trade and other payables - related parties (Note 7)

| | | |
|--|----------------|----------------|
| Related companies (related by having holding interest in the Company and/or by common shareholders and common directors) | 100,617 | 125,072 |
| Connected companies (related by connected directors) | 958 | 1,222 |
| Total trade and other payables - related parties | <u>101,575</u> | <u>126,294</u> |

Directors' and management's remuneration

During the three-month and six-month periods ended 30 June 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

| | (Unit: Million Baht) | | | |
|---|--|-------------|--|-------------|
| | For the three-month periods ended 30 June | | For the six-month periods ended 30 June | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Short-term employee benefits | 12.9 | 13.0 | 25.7 | 26.3 |
| Post-employment benefits and other long-term benefits | 0.1 | 0.2 | 0.3 | 0.4 |
| Total | <u>13.0</u> | <u>13.2</u> | <u>26.0</u> | <u>26.7</u> |

4. Investment in joint venture

4.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of this investment are as follows:

| Joint venture | Nature of business | Paid-up capital | Shareholding percentage | | Financial statements in which the equity method is applied - carrying amount based on equity method | | Separate financial statements - carrying amount based on cost method | |
|---------------------------------------|-----------------------------------|-----------------|-------------------------|------------------|---|-------------------------|--|-------------------------|
| | | | 30 June 2023 | 31 December 2022 | 30 June 2023 | 31 December 2022 | 30 June 2023 | 31 December 2022 |
| | | Million | 30 | 31 | 30 | 31 | 30 | 31 |
| | | Baht | | | | | | |
| | | | Percent | Percent | Thousand Baht | Thousand Baht (Audited) | Thousand Baht | Thousand Baht (Audited) |
| President Green House Foods Co., Ltd. | Operating the Japanese restaurant | 15 | 39 | 39 | 32,060 | 34,788 | 5,850 | 5,850 |
| Total investment in joint venture | | | | | 32,060 | 34,788 | 5,850 | 5,850 |

4.2 Share of comprehensive income and dividend received

During the periods, the Company recognised its share of comprehensive income from investment in the joint venture in the financial statements in which the equity method is applied and recognised dividend income in the separate financial statements in which the cost method is applied as follows:

| Joint venture | Financial statements in which the equity method is applied | | | | (Unit: Thousand Baht) | |
|---------------------------------------|--|-------|--|-------|--|-------|
| | Share of profit from investment in the joint venture | | | | Separate financial statements | |
| | During the three-month periods ended 30 June | | During the six-month periods ended 30 June | | Dividend received during the six-month periods ended 30 June | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| President Green House Foods Co., Ltd. | 1,547 | 1,551 | 3,122 | 2,666 | 5,850 | 3,217 |
| Total | 1,547 | 1,551 | 3,122 | 2,666 | 5,850 | 3,217 |

5. Other financial assets

As at 30 June 2023 and 31 December 2022, other financial assets, other than cash and cash equivalents, consisted of the following:

| | (Unit: Thousand Baht) | |
|--|-------------------------|-------------------------|
| | 30 June 2023 | 31 December 2022 |
| | | (Audited) |
| <u>Debt instruments at amortised cost</u> | | |
| Fixed deposits | 1,592,473 | 1,190,852 |
| Bank of Thailand bond | 198,381 | - |
| Corporate bond or fixed deposit receipts | 2,410,024 | 2,500,000 |
| Total debt instruments at amortised cost | <u>4,200,878</u> | <u>3,690,852</u> |
| <u>Debt instruments at FVOCI</u> | | |
| Bank of Thailand bond | 1,150,322 | 1,292,369 |
| Corporate bond, note or debt instruments | 812,060 | 808,362 |
| Total debt instruments at FVOCI | <u>1,962,382</u> | <u>2,100,731</u> |
| <u>Equity instruments designated at FVOCI</u> | | |
| Listed equity instrument | | |
| Airports Of Thailand Public Co., Ltd. | 24,350 | 27,600 |
| CP ALL Public Co., Ltd. | 18,363 | 15,479 |
| Bangkok Bank Public Co., Ltd. | 17,497 | 14,844 |
| Others | 265,488 | 333,027 |
| Non-listed equity instrument | | |
| KingBridge Tower Co., Ltd. | | |
| (formerly known as "Saha Capital Tower Co., Ltd.") | 350,000 | 275,000 |
| President Flour Mills Co., Ltd. | 182,040 | 182,040 |
| King Square Development Co., Ltd. | 35,387 | 35,387 |
| Other | 10,000 | 10,000 |
| Mutual funds and unit trusts | | |
| Hydrogen Freehold and Leasehold Real Estate | | |
| Investment Trust | 180,000 | 180,000 |
| Other | 39,740 | 27,390 |
| Total equity instruments designated at FVOCI | <u>1,122,865</u> | <u>1,100,767</u> |
| <u>Financial assets at FVTPL</u> | | |
| Open-end fund | 15,786 | 13,520 |
| Derivative assets | 233 | - |
| Total financial assets at FVTPL | <u>16,019</u> | <u>13,520</u> |
| Total other financial assets | <u>7,302,144</u> | <u>6,905,870</u> |
| Classified as: | | |
| Other current financial assets | 4,773,281 | 4,719,327 |
| Other non-current financial assets | 2,528,863 | 2,186,543 |
| Total other financial assets | <u>7,302,144</u> | <u>6,905,870</u> |

(Unaudited but reviewed)

(Unit: Million Baht)

| | 30 June 2023 | | 31 December 2022 | |
|---|--------------|--------------|------------------|--------------|
| | Cost | Fair value | Cost | Fair value |
| | | | (Audited) | (Audited) |
| Financial assets | | | | |
| Quoted debt investments | 1,976 | 1,962 | 2,106 | 2,101 |
| Non-listed equity investments | 475 | 577 | 400 | 502 |
| Listed equity investments | 334 | 326 | 379 | 391 |
| Mutual funds and unit trust investments | 228 | 220 | 212 | 207 |
| Opened - end fund | 23 | 16 | 23 | 14 |
| Total | 3,036 | 3,101 | 3,120 | 3,215 |

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Company considers these investments to be strategic in nature.

During the six-month period ended 30 June 2023, the Company sold its equity interest in some listed equity investment as this investment no longer coincides with the Company's investment strategy. The fair value on the date of sale was totaling of Baht 305.9 million and the accumulated loss recognised in other comprehensive income net of income tax of Baht 14.6 million was transferred to retained earnings.

In addition, during the six-month period ended 30 June 2023, the Company received dividends in the amount of Baht 10.9 million from listed equity investments.

During the six-month period ended 30 June 2023, the Company received dividend income of Baht 7.7 million from President Flour Mills Company Limited.

During the six-month period ended 30 June 2023, KingBridge Tower Co., Ltd. (formerly known as "Saha Capital Tower Co., Ltd.") called up 25 percent of its additional share capital and the Company paid the share subscription of Baht 75 million in February 2023. The Company has treated this investment as equity instruments designated at FVOCI.

6. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2023 are summarised below.

| | (Unit: Thousand Baht) |
|---|-----------------------|
| Net book value as at 1 January 2023 | 3,334,261 |
| Acquisitions during the period - at cost | 117,935 |
| Disposals during the period - net book value at disposal date | (60) |
| Depreciation for the period | (176,904) |
| Net book value as at 30 June 2023 | <u>3,275,232</u> |

7. Trade and other payables

| | (Unit: Thousand Baht) | |
|--|-----------------------|---------------------|
| | 30 June 2023 | 31 December 2022 |
| | | (Audited) |
| Trade payables - related parties | 100,028 | 120,022 |
| Trade payables - unrelated parties | 431,828 | 481,233 |
| Other payables - related party | 1,481 | 1,350 |
| Other payables - unrelated parties | 115,324 | 116,267 |
| Other payables for purchases of plant and equipment - related party | 66 | 4,922 |
| Other payables for purchases of plant and equipment - unrelated parties | 18,418 | 58,704 |
| Total trade and other payables | <u>667,145</u> | <u>782,498</u> |

8. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied and separate financial statements | | | |
|--|---|---------------|--|----------------|
| | For the three-month periods ended 30 June | | For the six-month periods ended 30 June | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Current income tax: | | | | |
| Interim corporate income tax charge | 57,327 | 53,541 | 116,192 | 104,587 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 2,973 | (1,692) | 4,500 | (3,707) |
| Income tax expenses reported in profit or loss | <u>60,300</u> | <u>51,849</u> | <u>120,692</u> | <u>100,880</u> |

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied and separate financial statements | | | |
|--|---|-----------------|--|-----------------|
| | For the three-month periods ended 30 June | | For the six-month periods ended 30 June | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Deferred tax relating to change in value of investments | <u>(4,283)</u> | <u>(10,370)</u> | <u>(6,393)</u> | <u>(11,996)</u> |

9. Operating segment information

The one main reportable operating segment of the Company is manufacture and sales of bakery products in which revenue is recognised at a point in time and the single geographical area of its operations is Thailand. The distribution channels are through wholesale, retail and export. The wholesales for the three-month and six-month period ended 30 June 2023 amounted to approximately Baht 1,622.5 million and Baht 3,226.0 million or 89.6% and 89.7% of total sales, respectively (2022: Baht 1,661.4 million and Baht 3,255.4 million or 91.2% and 91.4% of total sales, respectively) which were from a main customer, representing about 53.3% and 52.3% of total sales, respectively (2022: 52.7% and 51.5% of total sales, respectively). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

10. Earnings per share

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

| | For the three-month periods ended 30 June | | | |
|---|---|-------------|----------------------------------|-------------|
| | Financial statements in which the equity method is applied | | Separate financial statements | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Profit for the period (Thousand Baht) | 382,173 | 386,597 | 380,626 | 385,046 |
| Weighted average number of ordinary shares (Thousand shares) | 450,000 | 450,000 | 450,000 | 450,000 |
| Basic earnings per share (Baht) | 0.85 | 0.86 | 0.85 | 0.86 |

| | For the six-month periods ended 30 June | | | |
|---|---|-------------|----------------------------------|-------------|
| | Financial statements in which the equity method is applied | | Separate financial statements | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Profit for the period (Thousand Baht) | 770,368 | 764,782 | 773,096 | 765,333 |
| Weighted average number of ordinary shares (Thousand shares) | 450,000 | 450,000 | 450,000 | 450,000 |
| Basic earnings per share (Baht) | 1.71 | 1.70 | 1.72 | 1.70 |

11. Dividend payment

During the six-month periods ended 30 June 2023 and 2022, the Company had dividend payments as follows:

| | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) | Paid on |
|----------------------------------|---|--|---------------------------------|-------------|
| For the year 2023 | | | | |
| Final dividends for 2022 | Annual General Meeting of the shareholders on 28 April 2023 | 513,000 | 1.14 | 24 May 2023 |
| Total dividend payments for 2023 | | <u>513,000</u> | <u>1.14</u> | |
| For the year 2022 | | | | |
| Final dividends for 2021 | Annual General Meeting of the shareholders on 28 April 2022 | 477,000 | 1.06 | 26 May 2022 |
| Total dividend payments for 2022 | | <u>477,000</u> | <u>1.06</u> | |

12. Commitments and contingent liabilities**12.1 Long-term purchase commitments**

The Company has commitments under natural gas purchase agreement for period of 5 - 7 years. Under the agreement, the Company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

| No. | Period (Years) | Expired date | Average minimum quantity purchase (Million BTU) |
|-----|-------------------|------------------|---|
| 1 | 5 | 31 December 2023 | 276 per day |
| 2 | 7 | 30 November 2029 | 22,211 per annum |
| 3 | 7 | 30 November 2029 | 43,859 per annum |

12.2 Guarantees

| | (Unit: Million Baht) | |
|---|----------------------|---------------------|
| | 30 June 2023 | 31 December 2022 |
| Letters of guarantee for electricity use | 25.8 | 25.9 |
| Letters of guarantee for contractual performance under the natural gas purchase agreement | 3.6 | 3.5 |
| Letters of guarantee for sales | 1.8 | 1.8 |
| Letters of guarantee for land rental | 0.2 | 0.2 |

12.3 Investment commitments

As at 30 June 2023, the Company has commitment to invest in newly-issued ordinary shares of King Bridge Tower Co., Ltd. (formerly known as “Saha Capital Tower Company Limited”) in proportion to the Company's shareholding in total balance of Baht 150 million (31 December 2022: Baht 225 million).

13. Fair value of financial instruments

As at 30 June 2023, the Company had assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

| | Financial statements in which the equity method is applied and Separate financial statements | | | |
|---|---|-----------|---------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Financial assets measured at FVOCI | | | | |
| Listed equity instrument | 325,698 | - | - | 325,698 |
| Debt instrument | - | 1,962,382 | - | 1,962,382 |
| Non-listed equity instrument | - | - | 577,427 | 577,427 |
| Unit trust | - | 219,740 | - | 219,740 |
| Financial assets at fair value through profit or loss | | | | |
| Open-end fund | - | 15,786 | - | 15,786 |
| Derivative assets | | | | |
| Foreign currency forward contracts | - | 233 | - | 233 |

During the current period, there were no change in the methods and assumptions used by the Company estimating the fair value of financial instruments and no transfer within the fair value hierarchy.

14. Event after the reporting period - loan guarantee for King Square Development Co., Ltd.

On 17 July 2023, the meeting of the Board of Directors of the Company passed a resolution approving a loan guarantee for King Square Development Co., Ltd. The loan guarantee amounts to Baht 80.5 million, representing 5 percent of the Baht 1,610 million credit line from a bank in proportion to the shareholding. The guarantee period is 4 years.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2023.