

President Bakery Public Company Limited and its subsidiary  
Report and consolidated financial statements  
31 December 2023

## **Independent Auditor's Report**

To the Shareholders of President Bakery Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of President Bakery Public Company Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of President Bakery Public Company Limited.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of President Bakery Public Company Limited and its subsidiary as at 31 December 2023, and its financial performance and cash flows for the year then ended and the separate of President Bakery Public Company Limited, in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

#### *Revenue recognition*

Sales of goods are significant accounting transactions as the amounts recorded are material and directly affect profit or loss of the Group. In addition, the sales transactions of the Group are made with a large number of customers and there are a variety of arrangements and conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. I therefore gave significant attention to the revenue recognition of the Group.

I evaluated the Group's revenue recognition by assessing and testing its internal controls with respect to the revenue cycle. I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Group issued after the period-end. I tested the data being used in calculating and recording accrued sales promotions and discounts at the end of reporting period whether it was consistent with the conditions of the relevant agreements or arrangements with the customers. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Satida Ratananurak  
Certified Public Accountant (Thailand) No. 4753

EY Office Limited  
Bangkok: 19 February 2024

**President Bakery Public Company Limited and its subsidiary**

**Statements of financial position**

**As at 31 December 2023**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	569,152,958	648,943,516	443,999,019	648,943,516
Trade and other receivables	7, 9	1,030,031,025	1,003,364,160	1,030,031,025	1,003,364,160
Inventories	8	207,601,144	208,897,887	207,601,144	208,897,887
Other current financial assets	12	5,375,868,730	4,719,326,616	5,375,868,730	4,719,326,616
Other current assets		19,044,542	16,570,315	19,044,542	16,570,315
<b>Total current assets</b>		<b>7,201,698,399</b>	<b>6,597,102,494</b>	<b>7,076,544,460</b>	<b>6,597,102,494</b>
<b>Non-current assets</b>					
Investment in subsidiary	10	-	-	124,999,800	-
Investment in joint venture	11	35,644,347	34,788,362	5,850,000	5,850,000
Other non-current financial assets	12	2,160,518,551	2,186,542,527	2,160,518,551	2,186,542,527
Property, plant and equipment	13	3,410,456,923	3,334,261,519	3,410,456,923	3,334,261,519
Right-of-use assets	16.1	20,927,583	28,544,272	20,927,583	28,544,272
Advance payments for purchase of assets		70,463,439	3,407,564	70,463,439	3,407,564
Intangible assets	14	9,923,314	11,565,660	9,923,314	11,565,660
Other non-current assets		6,774,996	4,768,942	6,774,996	4,768,942
<b>Total non-current assets</b>		<b>5,714,709,153</b>	<b>5,603,878,846</b>	<b>5,809,914,606</b>	<b>5,574,940,484</b>
<b>Total assets</b>		<b>12,916,407,552</b>	<b>12,200,981,340</b>	<b>12,886,459,066</b>	<b>12,172,042,978</b>

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

**President Bakery Public Company Limited and its subsidiary**

**Statements of financial position (continued)**

**As at 31 December 2023**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	9, 15	696,937,288	782,497,657	696,856,588	782,497,657
Current portion of lease liabilities	16.2	12,426,265	12,444,131	12,426,265	12,444,131
Corporate income tax payable		148,729,921	139,254,581	148,713,644	139,254,581
Accrued expenses		199,419,755	198,998,894	199,419,755	198,998,894
Other current liabilities		3,968,771	11,134,310	3,968,771	11,134,310
<b>Total current liabilities</b>		<b>1,061,482,000</b>	<b>1,144,329,573</b>	<b>1,061,385,023</b>	<b>1,144,329,573</b>
<b>Non-current liabilities</b>					
Lease liabilities, net of current portion	16.2	8,392,370	15,564,031	8,392,370	15,564,031
Deferred tax liabilities	23	8,804,743	4,971,294	8,804,743	4,971,294
Provision for long-term employee benefits	17	91,435,575	97,733,611	91,435,575	97,733,611
Other non-current liabilities		4,613,562	4,402,504	4,613,562	4,402,504
<b>Total non-current liabilities</b>		<b>113,246,250</b>	<b>122,671,440</b>	<b>113,246,250</b>	<b>122,671,440</b>
<b>Total liabilities</b>		<b>1,174,728,250</b>	<b>1,267,001,013</b>	<b>1,174,631,273</b>	<b>1,267,001,013</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
450,000,000 ordinary shares of Baht 1 each		450,000,000	450,000,000	450,000,000	450,000,000
Issued and fully paid-up					
450,000,000 ordinary shares of Baht 1 each		450,000,000	450,000,000	450,000,000	450,000,000
Share premium		674,379,513	674,379,513	674,379,513	674,379,513
Retained earnings					
Appropriated - statutory reserve	18	45,000,000	45,000,000	45,000,000	45,000,000
Unappropriated		10,487,690,500	9,686,304,962	10,457,839,191	9,657,366,600
Other components of shareholders' equity		84,609,089	78,295,852	84,609,089	78,295,852
Equity attributable to owners of the Company		11,741,679,102	10,933,980,327	11,711,827,793	10,905,041,965
Non-controlling interests of the subsidiary		200	-	-	-
<b>Total shareholders' equity</b>		<b>11,741,679,302</b>	<b>10,933,980,327</b>	<b>11,711,827,793</b>	<b>10,905,041,965</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,916,407,552</b>	<b>12,200,981,340</b>	<b>12,886,459,066</b>	<b>12,172,042,978</b>

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

Directors

**President Bakery Public Company Limited and its subsidiary**

**Statements of comprehensive income**

**For the year ended 31 December 2023**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	26	7,540,442,787	7,528,859,650	7,540,442,787	7,528,859,650
Other income	19	57,236,383	42,108,959	63,086,383	45,326,459
<b>Total revenues</b>		<u>7,597,679,170</u>	<u>7,570,968,609</u>	<u>7,603,529,170</u>	<u>7,574,186,109</u>
<b>Expenses</b>	22				
Cost of sales		4,033,110,508	4,048,934,615	4,033,110,508	4,048,934,615
Selling and distribution expenses		1,441,808,342	1,368,588,902	1,441,808,342	1,368,588,902
Administrative expenses		256,487,704	266,656,453	256,388,754	266,656,453
<b>Total expenses</b>		<u>5,731,406,554</u>	<u>5,684,179,970</u>	<u>5,731,307,604</u>	<u>5,684,179,970</u>
<b>Operating profit</b>		1,866,272,616	1,886,788,639	1,872,221,566	1,890,006,139
Share of profit from investment in joint venture	11.2	6,705,985	6,781,244	-	-
Finance income	20	105,607,771	55,781,025	105,434,879	55,781,025
Finance cost	21	(1,396,248)	(889,684)	(1,396,248)	(889,684)
<b>Profit before income tax expenses</b>		1,977,190,124	1,948,461,224	1,976,260,197	1,944,897,480
Income tax expenses	23	(269,419,547)	(241,488,575)	(269,402,567)	(241,488,575)
<b>Profit for the year</b>		<u>1,707,770,577</u>	<u>1,706,972,649</u>	<u>1,706,857,630</u>	<u>1,703,408,905</u>
<b>Earnings per share</b>	24				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>3.80</u>	<u>3.79</u>	<u>3.79</u>	<u>3.79</u>

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

**President Bakery Public Company Limited and its subsidiary**

**Statements of comprehensive income (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Loss on changes in value of debt investment designated at fair value through other comprehensive income - net of income tax	<u>(4,422,871)</u>	<u>(10,378,572)</u>	<u>(4,422,871)</u>	<u>(10,378,572)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(4,422,871)</u>	<u>(10,378,572)</u>	<u>(4,422,871)</u>	<u>(10,378,572)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Gain (loss) on change in value of equity investment designated at fair value through other comprehensive income - net of income tax	4,351,069	(25,511,794)	4,351,069	(25,511,794)
Actuarial loss- net of income tax	-	(13,454,072)	-	(13,454,072)
Share of actuarial loss of joint venture - net of income tax	-	(121,792)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>4,351,069</u>	<u>(39,087,658)</u>	<u>4,351,069</u>	<u>(38,965,866)</u>
<b>Other comprehensive income for the year</b>	<u>(71,802)</u>	<u>(49,466,230)</u>	<u>(71,802)</u>	<u>(49,344,438)</u>
<b>Total comprehensive income for the year</b>	<u>1,707,698,775</u>	<u>1,657,506,419</u>	<u>1,706,785,828</u>	<u>1,654,064,467</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	1,707,770,577	1,706,972,649	<u>1,706,857,630</u>	<u>1,703,408,905</u>
Non-controlling interests of the subsidiary	-	-		
	<u>1,707,770,577</u>	<u>1,706,972,649</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	1,707,698,775	1,657,506,419	<u>1,706,785,828</u>	<u>1,654,064,467</u>
Non-controlling interests of the subsidiary	-	-		
	<u>1,707,698,775</u>	<u>1,657,506,419</u>		

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

President Bakery Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements								
Equity attributable to shareholders of the Company								
			Retained earnings		Other components of shareholders' equity	Total equity	Non-controlling	Total
	Issued and paid-up	Share premium	Appropriated - statutory reserve	Unappropriated	Fair value reserve of financial assets at FVOCI	attributable to shareholders of the Company	interests of the subsidiary	shareholders' equity
Note	share capital							
<b>Balance as at 1 January 2022</b>	450,000,000	674,379,513	45,000,000	8,851,568,103	119,526,292	10,140,473,908		10,140,473,908
Profit for the year	-	-	-	1,706,972,649	-	1,706,972,649	-	1,706,972,649
Other comprehensive income for the year	-	-	-	(13,575,864)	(35,890,366)	(49,466,230)	-	(49,466,230)
Total comprehensive income for the year	-	-	-	1,693,396,785	(35,890,366)	1,657,506,419	-	1,657,506,419
Dividend payment	25	-	-	(864,000,000)	-	(864,000,000)	-	(864,000,000)
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	5,340,074	(5,340,074)	-	-	-
<b>Balance as at 31 December 2022</b>	<u>450,000,000</u>	<u>674,379,513</u>	<u>45,000,000</u>	<u>9,686,304,962</u>	<u>78,295,852</u>	<u>10,933,980,327</u>	<u>-</u>	<u>10,933,980,327</u>
<b>Balance as at 1 January 2023</b>	450,000,000	674,379,513	45,000,000	9,686,304,962	78,295,852	10,933,980,327	-	10,933,980,327
Profit for the year	-	-	-	1,707,770,577	-	1,707,770,577	-	1,707,770,577
Other comprehensive income for the year	-	-	-	-	(71,802)	(71,802)	-	(71,802)
Total comprehensive income for the year	-	-	-	1,707,770,577	(71,802)	1,707,698,775	-	1,707,698,775
Dividend payment	25	-	-	(900,000,000)	-	(900,000,000)	-	(900,000,000)
Increase in non-controlling interest of subsidiary	-	-	-	-	-	-	200	200
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	(6,385,039)	6,385,039	-	-	-
<b>Balance as at 31 December 2023</b>	<u>450,000,000</u>	<u>674,379,513</u>	<u>45,000,000</u>	<u>10,487,690,500</u>	<u>84,609,089</u>	<u>11,741,679,102</u>	<u>200</u>	<u>11,741,679,302</u>

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

**President Bakery Public Company Limited and its subsidiary**  
**Statements of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2023**

(Unit: Baht)

	Separate financial statements						
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	Total
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income - Fair value reserve of financial assets at FVOCI	
<b>Balance as at 1 January 2022</b>		450,000,000	674,379,513	45,000,000	8,826,071,693	119,526,292	10,114,977,498
Profit for the year		-	-	-	1,703,408,905	-	1,703,408,905
Other comprehensive income for the year		-	-	-	(13,454,072)	(35,890,366)	(49,344,438)
Total comprehensive income for the year		-	-	-	1,689,954,833	(35,890,366)	1,654,064,467
Dividend payment	25	-	-	-	(864,000,000)	-	(864,000,000)
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings		-	-	-	5,340,074	(5,340,074)	-
<b>Balance as at 31 December 2022</b>		<u>450,000,000</u>	<u>674,379,513</u>	<u>45,000,000</u>	<u>9,657,366,600</u>	<u>78,295,852</u>	<u>10,905,041,965</u>
<b>Balance as at 1 January 2023</b>		450,000,000	674,379,513	45,000,000	9,657,366,600	78,295,852	10,905,041,965
Profit for the year		-	-	-	1,706,857,630	-	1,706,857,630
Other comprehensive income for the year		-	-	-	-	(71,802)	(71,802)
Total comprehensive income for the year		-	-	-	1,706,857,630	(71,802)	1,706,785,828
Dividend payment	25	-	-	-	(900,000,000)	-	(900,000,000)
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings		-	-	-	(6,385,039)	6,385,039	-
<b>Balance as at 31 December 2023</b>		<u>450,000,000</u>	<u>674,379,513</u>	<u>45,000,000</u>	<u>10,457,839,191</u>	<u>84,609,089</u>	<u>11,711,827,793</u>

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

**President Bakery Public Company Limited and its subsidiary**

**Statements of cash flows**

**For the year ended 31 December 2023**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>				
Profit before tax	1,977,190,124	1,948,461,224	1,976,260,197	1,944,897,480
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	375,429,620	378,981,403	375,429,620	378,981,403
Gain on disposals of property, plant and equipment	(4,665,502)	(1,150,081)	(4,665,502)	(1,150,081)
Share of profit from investment in joint venture	(6,705,985)	(6,781,244)	-	-
Loss (gain) on sales of other current financial assets	218,228	(61,256)	218,228	(61,256)
Loss on sales of other non-current financial assets	14,365,271	10,655,746	14,365,271	10,655,746
Gain (loss) from sales of equity instruments not recognised in profit or loss	(7,981,299)	6,675,093	(7,981,299)	6,675,093
Unrealised gain on exchange	(415,490)	(322,512)	(415,490)	(322,512)
(Gain) loss from fair value measurement of financial assets	(9,047,148)	9,239,111	(9,047,148)	9,239,111
Provision for long-term employee benefits	8,805,617	4,603,205	8,805,617	4,603,205
Dividend income from listed equity investments	(14,318,578)	(10,393,191)	(14,318,578)	(10,393,191)
Dividend income from joint venture	-	-	(5,850,000)	(3,217,500)
Dividend income from non-listed equity investment	(7,650,000)	(5,850,000)	(7,650,000)	(5,850,000)
Finance income	(105,607,771)	(55,781,025)	(105,434,879)	(55,781,025)
Finance cost	1,396,248	889,684	1,396,248	889,684
Profit from operating activities before changes in operating assets and liabilities	2,221,013,335	2,279,166,157	2,221,112,285	2,279,166,157
Decrease (increase) in operating assets				
Trade and other receivables	(24,775,299)	(117,334,155)	(24,775,299)	(117,334,155)
Inventories	1,296,743	(19,241,368)	1,296,743	(19,241,368)
Other current assets	(2,474,227)	(5,193,480)	(2,474,227)	(5,193,480)
Other non-current assets	(2,006,053)	(1,333,172)	(2,006,053)	(1,333,172)
Increase (decrease) in operating liabilities				
Trade and other payables	(58,302,684)	83,916,605	(58,383,384)	83,916,605
Other current liabilities	122,506	(7,891,339)	122,506	(7,891,339)
Other non-current liabilities	211,058	412,992	211,058	412,992
Provision for long-term employee benefits	(15,103,653)	(11,195,922)	(15,103,653)	(11,195,922)
Cash from operating activities	2,119,981,726	2,201,306,318	2,119,999,976	2,201,306,318
Cash paid for income tax	(256,092,808)	(228,975,689)	(256,092,105)	(228,975,689)
<b>Net cash from operating activities</b>	<b>1,863,888,918</b>	<b>1,972,330,629</b>	<b>1,863,907,871</b>	<b>1,972,330,629</b>

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

**President Bakery Public Company Limited and its subsidiary**

**Statements of cash flows (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities</b>				
Cash paid for other current financial assets	(6,589,719,066)	(6,627,725,874)	(6,589,719,066)	(6,627,725,874)
Cash paid for other non-current financial assets	(1,491,245,698)	(1,609,614,696)	(1,491,245,698)	(1,609,614,696)
Cash received from sales of other current financial assets	6,612,448,947	6,323,762,322	6,612,448,947	6,323,762,322
Cash received from sales of other non-current financial assets	842,765,114	1,210,224,250	842,765,114	1,210,224,250
Acquisitions of property, plant and equipment	(465,564,718)	(217,453,923)	(465,564,718)	(217,453,923)
Proceeds from disposals of property, plant and equipment	4,757,066	1,371,050	4,757,066	1,371,050
(Increase) decrease in advance payments for purchase of assets	(67,055,875)	1,567,037	(67,055,875)	1,567,037
Increase in intangible assets	(1,612,450)	(1,505,875)	(1,612,450)	(1,505,875)
Interest received	98,570,291	62,907,193	98,397,399	62,907,193
Increase in investments in subsidiary company	-	-	(124,999,800)	-
Dividend income from listed equity investments	14,300,239	10,326,474	14,300,239	10,326,474
Dividend income from joint venture	5,850,000	3,217,500	5,850,000	3,217,500
Dividend income from non-listed equity investment	7,650,000	5,850,000	7,650,000	5,850,000
Net increase in non-controlling interests of the subsidiary	200	-	-	-
<b>Net cash used in investing activities</b>	<u>(1,028,855,950)</u>	<u>(837,074,542)</u>	<u>(1,154,028,842)</u>	<u>(837,074,542)</u>
<b>Cash from financing activities</b>				
Payment of principal portion of lease liabilities	(13,427,278)	(11,192,233)	(13,427,278)	(11,192,233)
Cash paid for interest expenses	(1,396,248)	(889,684)	(1,396,248)	(889,684)
Dividend payments	(900,000,000)	(864,000,000)	(900,000,000)	(864,000,000)
<b>Net cash used in financing activities</b>	<u>(914,823,526)</u>	<u>(876,081,917)</u>	<u>(914,823,526)</u>	<u>(876,081,917)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(79,790,558)	259,174,170	(204,944,497)	259,174,170
Cash and cash equivalents at beginning of year	648,943,516	389,769,346	648,943,516	389,769,346
<b>Cash and cash equivalents at end of year (Note 6)</b>	<u>569,152,958</u>	<u>648,943,516</u>	<u>443,999,019</u>	<u>648,943,516</u>

**Supplementary disclosures of cash flows information**

Non-cash related transactions

Other payables for acquisitions of property, plant and equipment and retention	40,259,452	71,198,251	40,259,452	71,198,251
Acquisition of right-of-use assets under lease contracts	6,691,936	30,377,400	6,691,936	30,377,400

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

## President Bakery Public Company Limited and its subsidiary

### Notes to financial statements

For the year ended 31 December 2023

#### 1. General 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.

#### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of President Bakery Public Company Limited (“the Group”) and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u> Percent	<u>2022</u> Percent
PB Flour Mill Company Limited	Manufacture and distribution of wheat flour-related products	Thailand	99.99	-

b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiary and joint venture under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that the adoption of these amendments will not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

#### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash and deposits at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Inventories**

Inventories are valued at the lower of cost (under weighted average basis) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw and packing materials, spare parts and factory supplies are charged to production costs whenever consumed.

#### **4.4 Investments in subsidiary and joint venture**

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiary and joint venture are accounted for in the separate financial statements using the cost method.

#### **4.5 Property, plant and equipment and depreciation**

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the estimated useful lives of assets, except for computer equipment acquired since 1 January 2002 calculated by double declining balance basis, as follows:

Buildings and improvements	-	10 - 20 years
Machinery and equipment	-	5 - 20 years
Computer equipment	-	3 - 5 years
Furniture and office equipment	-	3 - 5 years
Motor vehicles	-	5 years

No depreciation is provided on land, construction in progress and assets under installation.

Depreciation is included in determining income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.6 Intangible assets**

Intangible assets are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life, except for computer software acquired since 1 January 2002 to 31 December 2015 calculated by double declining balance basis and since 1 January 2016 calculated by straight-line basis, and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years

The amortisation is included in determining income.

#### **4.7 Assets held for sale**

Assets held for sale are stated at the lower of cost and estimated net realisable value.

Gain (loss) on disposal of assets held for sale are recognised in profit or loss in the statements of comprehensive income upon disposal.

Loss on impairment (if any) is recognised as an expense in profit or loss in the statements of comprehensive income.

#### **4.8 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **4.9 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and improvements	6	years
Furniture and office equipment	3	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.10 Foreign currencies**

The financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of non-financial assets**

At the end of reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and right-of-use assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

## **4.12 Employee benefits**

### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### ***Post-employment benefits and other long-term employee benefits***

#### *Defined contribution plans*

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

#### *Defined benefit plans and other long-term employee benefits*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and death. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

## **4.13 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.15 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component or for which at contract inception the Group expected payment by the customer less than one year, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

## **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVOCI (debt instruments)***

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Recognition and derecognition of financial instruments**

Regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date on which the Group becomes a party to contractual provisions of the instruments.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.16 Derivatives**

The Group uses derivatives, such as forward currency contract to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follows:

### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	829	1,231	818	1,231
Bank deposits	568,324	347,713	443,181	347,713
Fixed deposit receipts	-	300,000	-	300,000
Total	<u>569,153</u>	<u>648,944</u>	<u>443,999</u>	<u>648,944</u>

As at 31 December 2023, bank deposits in savings accounts, fixed deposits and fixed deposit receipts carried interests between 0.10 and 1.05 percent per annum (2022: between 0.10 and 1.50 percent per annum).

## 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	509	482
Total trade receivables - related parties	509	482
<u>Trade receivables - unrelated parties</u>		
Not yet due	558,944	545,214
Past due		
Less than 3 months	465,733	445,645
3 - 6 months	504	-
6 - 12 months	778	-
Total trade receivables - unrelated parties	1,025,959	990,859
Total trade receivables	1,026,468	991,341
<u>Other receivables</u>		
Other receivables - related party	209	209
Other receivables - unrelated parties	3,354	11,814
Total other receivables	3,563	12,023
Total trade and other receivables	1,030,031	1,003,364

## 8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Finished goods	4,561	5,024
Work in process	4,402	3,904
Raw materials	101,284	108,324
Packaging materials	39,789	36,754
Spare parts and factory supplies	57,565	54,892
Total	207,601	208,898

## 9. Related party transactions

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

(Unit: Million Baht)

	<u>2023</u>	<u>2022</u>	<u>Transfer pricing and lending policy</u>
<b>Transactions with parent company</b>			
Dividend payment	467.9	449.2	At the declared rate
<b>Transactions with related companies</b>			
Purchases of goods	427.0	508.3	Agreed price which approximates the market price by reference to purchase volume
Dividend payment	217.7	209.0	At the declared rate
Dividend income	11.7	5.9	At the declared rate
<b>Transactions with joint venture</b>			
Sales of goods	3.6	3.0	Agreed price which approximates the market price
Service income	2.8	2.8	Agreed price which approximates the market price
Rental income	0.6	0.6	Agreed price which approximates the market price
Dividend income	5.9	3.2	At the declared rate

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

(Unit: Thousand Baht)

	<u>Consolidated financial statements/ Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
<b>Trade and other receivables - related parties (Note 7)</b>		
Joint venture (related by the Company holding interest in that company and by common shareholders and common directors)	575	691
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	143	-
Total trade and other receivables - related parties	<u>718</u>	<u>691</u>
<b>Trade and other payables - related parties (Note 15)</b>		
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	78,193	125,072
Connected companies (related by connected directors)	1,015	1,222
Total trade and other payables - related parties	<u>79,208</u>	<u>126,294</u>

## Directors' and management's remuneration

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	51.3	54.7
Post-employment benefits and other long-term benefits	0.5	0.8
Total	<u>51.8</u>	<u>55.5</u>

## 10. Investment in subsidiary

### Details of investment in subsidiary as presented in separate financial statements

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
			(%)	(%)		
PB Flour Mill Company Limited	125,000	-	99.99	-	125,000	-
Total					<u>125,000</u>	<u>-</u>

On 18 September 2023, the meeting of the Company's Board of Directors passed a resolution approving the establishment of a new subsidiary company in Thailand, namely PB Flour Mill Co., Ltd. This new subsidiary is primarily, engaged in the production and distribution of wheat flour with a registered share capital of Baht 500 million (5,000,000 ordinary shares at par value Baht 100 per share). The Company holds a 99.99 percent interest in this subsidiary. This subsidiary called up 25 percent of its share capital and the Company paid the share subscription of Baht 125 million in October 2023. This subsidiary registered as a limited company with the Ministry of Commerce on 8 November 2023.

## 11. Investment in joint venture

### 11.1 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 the investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Paid-up capital	Shareholding percentage		Consolidated financial statements				Separate financial statements	
					Net book value based on cost method		Net book value based on equity method		Net book value based on cost method	
					Million Baht	2023	2022	2023	2022	2023
President Green House Foods Company Limited	Operating the Japanese restaurant	15	39	39	5,850	5,850	35,644	34,788	5,850	5,850
Total investment in joint venture					5,850	5,850	35,644	34,788	5,850	5,850

In May 2008, the Company, together with a foreign company and a local company, jointly established President Green House Foods Company Limited to operate a Japanese restaurant. The Company had invested in 585,000 ordinary shares of this company at par value Baht 10 per share, amounting to Baht 5.85 million, or equivalent to 39% interest, and has treated this investment as investment in joint venture.

### 11.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements				Separate financial statements	
	Share of profit from investment in joint venture during the years		Share of other comprehensive income from investment in joint venture during the years		Dividend received during the years	
	2023	2022	2023	2022	2023	2022
President Green House Foods Company Limited	6,706	6,781	-	(122)	5,850	3,217
Total	6,706	6,781	-	(122)	5,850	3,217

### 11.3 Summarised financial information of joint venture

Summarised information about financial position

	(Unit: Million Baht)	
	As at 31 December	
	<u>2023</u>	<u>2022</u>
<b>President Green House Foods Company Limited</b>		
Cash and cash equivalents	23.9	14.6
Other current assets	66.4	82.0
Non-current assets	36.2	33.6
Other current liabilities	(25.0)	(26.4)
Non-current liabilities	(10.1)	(14.6)
<b>Net assets</b>	91.4	89.2
Shareholding percentage	39%	39%
<b>Share of net assets</b>	35.6	34.8
<b>Carrying amounts of joint venture based on equity method</b>	35.6	34.8

Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
<b>President Green House Foods Company Limited</b>		
Sales and service income	128.6	106.5
Other income	1.6	0.9
Expenses	108.7	85.6
Finance income	1.1	0.4
Finance cost	1.2	0.5
Income tax expenses	4.2	4.3
Profit for the year	17.2	17.4
Total comprehensive income for the year	17.2	17.1

## 12. Other financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<u>Debt instruments at amortised cost</u>		
Fixed deposits	1,588,471	1,486,989
Corporate bonds or fixed deposit receipts	2,533,502	2,203,863
Total debt instruments at amortised cost	<u>4,121,973</u>	<u>3,690,852</u>
<u>Debt instruments at FVOCI</u>		
Bank of Thailand bonds	1,581,780	1,292,369
Corporate bonds, notes or debt instruments	702,880	808,362
Total debt instruments at FVOCI	<u>2,284,660</u>	<u>2,100,731</u>
<u>Equity instruments designated at FVOCI</u>		
Listed equity instruments		
C.P. ALL Public Co., Ltd	13,395	15,479
Airports of Thailand Public Co., Ltd.	10,540	27,600
Gulf Energy Development Public Co., Ltd.	6,989	18,677
Others	179,580	329,194
Non-listed equity instruments		
KingBridge Tower Co., Ltd. (formerly known as "Saha Capital Tower Co., Ltd.")	425,000	275,000
President Flour Mills Co., Ltd.	237,894	182,040
King Square Development Co., Ltd.	40,387	35,387
Others	10,000	10,000
Mutual funds and unit trusts		
Hydrogen Freehold and Leasehold Real Estate Investment Trust	176,400	180,000
Others	29,570	27,390
Total equity instruments designated at FVOCI	<u>1,129,755</u>	<u>1,100,767</u>
<u>Financial assets at FVTPL</u>		
Open-end fund	-	13,520
Total financial assets at FVTPL	-	13,520
<b>Total other financial assets</b>	<u>7,536,388</u>	<u>6,905,870</u>
 <b>Classified as:</b>		
Other current financial assets	5,375,869	4,719,327
Other non-current financial assets	2,160,519	2,186,543
<b>Total other current financial assets</b>	<u>7,536,388</u>	<u>6,905,870</u>

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements			
	31 December 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
<b>Financial assets</b>				
Quoted debt investments	2,292	2,285	2,106	2,108
Non-listed equity investments	555	713	400	367
Listed equity investments	236	211	379	313
Mutual fund and unit trust investments	215	206	212	32
Open-end fund investments	-	-	23	95
<b>Total</b>	<b>3,298</b>	<b>3,415</b>	<b>3,120</b>	<b>2,915</b>

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

During the year 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 518.4 million (2022: Baht 485.3 million) and the accumulated loss recognised in other comprehensive income net of income tax of Baht 6.4 million (2022: accumulated gain recognised in other comprehensive income net of income tax of Baht 5.3 million) was transferred to retained earnings.

During the year 2023, the Company received dividend income of Baht 7.7 million (2022: Baht 5.9 million) from President Flour Mills Company Limited.

In addition, during the year 2023, the Company received dividends in the amount of Baht 14.3 million (2022: Baht 10.4 million) from listed equity investments.

During the year 2023, KingBridge Tower Co., Ltd. (formerly known as "Saha Capital Tower Co., Ltd.") called the second of its additional share capital of 25 percent and the Company paid the share subscription of Baht 75 million in February 2023 to maintain the same shareholding position. Furthermore, such company called the third of its additional share capital of 25 percent so the Company paid the share subscription of Baht 75 million in August 2023. The Company has treated this investment as equity instruments designated at FVOCI.

During the year 2023, King Square Development Co., Ltd. called up the rest of 12.5 percent of its additional share capital and the Company paid the share subscription of Baht 5 million in August 2023. The Company has treated this investment as equity instruments designated at FVOCI.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements						
	Land	Buildings and improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Cost</b>							
1 January 2022	1,257,068	2,019,703	4,608,531	1,035,477	1,041,339	45,064	10,007,182
Additions	29,000	-	-	33,742	1,026	211,972	275,740
Transfers in (out)	-	14,867	23,105	30,080	87,029	(155,081)	-
Disposals	-	-	(450)	(12,557)	(5,408)	-	(18,415)
31 December 2022	1,286,068	2,034,570	4,631,186	1,086,742	1,123,986	101,955	10,264,507
Additions	124,700	-	-	53,393	800	255,715	434,608
Transfers in (out)	-	113,255	20,573	29,228	147,480	(310,536)	-
Disposals	-	-	-	(21,554)	(20,131)	-	(41,685)
31 December 2023	1,410,768	2,147,825	4,651,759	1,147,809	1,252,135	47,134	10,657,430
<b>Accumulated depreciation</b>							
1 January 2022	-	890,314	3,742,873	934,730	1,013,380	-	6,581,297
Depreciation for the year	-	95,181	200,612	54,484	16,866	-	367,143
Depreciation - disposals	-	-	(450)	(12,336)	(5,408)	-	(18,194)
31 December 2022	-	985,495	3,943,035	976,878	1,024,838	-	6,930,246
Depreciation for the year	-	99,610	168,138	51,967	38,605	-	358,320
Depreciation - disposals	-	-	-	(21,463)	(20,130)	-	(41,593)
31 December 2023	-	1,085,105	4,111,173	1,007,382	1,043,313	-	7,246,973
<b>Net book value</b>							
31 December 2022	1,286,068	1,049,075	688,151	109,864	99,148	101,955	3,334,261
31 December 2023	1,410,768	1,062,720	540,586	140,427	208,822	47,134	3,410,457
<b>Depreciation for the year</b>							
2022 (Baht 304 million included in manufacturing cost, and the balance included in selling and administrative expenses)							367,143
2023 (Baht 267 million included in manufacturing cost, and the balance included in selling and administrative expenses)							358,320

As at 31 December 2023, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 5,039.5 million (2022: Baht 4,873.3 million).

As at 31 December 2023, the Company has equipment which was held for sales, with net book value amounting to Baht 0.3 million (2022: Baht 0.3 million). Therefore, such equipment are transferred out to be presented as other current assets in the statement of financial position.

#### 14. Intangible assets

Details of intangible assets, which are computer software, are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<b>Cost</b>		
Balance - beginning of year	39,940	38,434
Additions	1,612	1,506
Balance - end of year	41,552	39,940
Less: Accumulated amortisation	(31,629)	(28,374)
Net book value	<u>9,923</u>	<u>11,566</u>
Amortisation expenses included in the statements of comprehensive income	<u>3,255</u>	<u>1,450</u>

#### 15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - related parties	77,637	120,022	77,637	120,022
Trade payables - unrelated parties	461,184	481,233	461,184	481,233
Other payables - related parties	1,571	1,350	1,571	1,350
Other payables - unrelated parties	119,530	116,267	119,450	116,267
Other payables for acquisitions of property, plant and equipment - related party	-	4,922	-	4,922
Other payables for acquisitions of property, plant and equipment - unrelated parties	37,015	58,704	37,015	58,704
Total trade and other payables	<u>696,937</u>	<u>782,498</u>	<u>696,857</u>	<u>782,498</u>

## 16. Leases

### The Company as lessee

The Company has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 6 years.

Lease contracts have restriction that the underlying asset must not be subleased or used by others and several lease contracts specify the option to extend or end the lease terms.

### 16.1 Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements		
	Buildings and improvements	Furniture and office equipment	Total
1 January 2022	7,211	1,776	8,987
Additions	30,377	-	30,377
Remeasurement/termination	(432)	-	(432)
Depreciation for the year	(9,368)	(1,020)	(10,388)
31 December 2022	27,788	756	28,544
Additions	1,457	5,235	6,692
Remeasurement/termination	-	(454)	(454)
Depreciation for the year	(12,533)	(1,321)	(13,854)
31 December 2023	16,712	4,216	20,928

### 16.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Lease payments	22,078	30,023
Less: Deferred interest expenses	(1,260)	(2,015)
Net	20,818	28,008
Less: Portion due within one year	(12,426)	(12,444)
Lease liabilities - net of current portion	8,392	15,564

Movement of lease liabilities for the years ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	28,008	9,255
Addition during the year	6,692	30,377
Remeasurement/termination	(454)	(432)
Accretion of interest	1,396	890
Repayment during the year	(14,824)	(12,082)
Balance at end of year	<u>20,818</u>	<u>28,008</u>

A maturity analysis of lease payments is disclosed in Note 31 under the liquidity risk.

### 16.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	13,854	10,388
Interest expense on lease liabilities	1,396	890
Expense relating to short-term leases	1,898	1,704
Expense relating to variable lease payments that do not depend on an index or a rate	13,173	13,544

The Company has lease contracts for office building space that contains variable payments based on sales. The lease term is 1 year.

### 16.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 29.9 million (2022: Baht 27.3 million), including the cash outflow related to short-term lease and leases of variable lease payments that do not depend on an index or a rate. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 6.7 million (2022: Baht 30.4 million).

## 17. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements					
	2023			2022		
	Employee retirement benefits	Other long-term employee benefits	Total	Employee retirement benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits at beginning of year</b>	92,903	4,831	97,734	81,728	6,744	88,472
Included in profit or loss:						
Current service cost	5,787	911	6,698	4,932	658	5,590
Interest cost	2,023	85	2,108	1,255	53	1,308
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	-	501	501
Financial assumptions changes	-	-	-	-	(105)	(105)
Experience adjustments	-	-	-	-	(2,690)	(2,690)
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	-	-	226	-	226
Financial assumptions changes	-	-	-	(9,510)	-	(9,510)
Experience adjustments	-	-	-	25,138	-	25,138
Benefits paid during the year	(14,344)	(760)	(15,104)	(10,866)	(330)	(11,196)
<b>Provision for long-term employee benefits at end of year</b>	<b>86,369</b>	<b>5,067</b>	<b>91,436</b>	<b>92,903</b>	<b>4,831</b>	<b>97,734</b>

The Company expects to pay Baht 11.0 million of long-term employee benefits during the next year (2022: Baht 16.0 million).

As at 31 December 2023 and 2022, the weighted average duration of the liabilities for long-term employee benefits are summarised below.

	(Unit: Year)	
	Consolidated financial statements/Separate financial statements	
	<u>2023</u>	<u>2022</u>
Employee retirement benefits (depending on category of employees and type of benefits)	11.2	11.2
Other long-term employee benefits (depending on category of employees)	11.2	11.2

Significant actuarial assumptions are summarised below.

	Consolidated financial statements/Separate financial statements	
	<u>2023</u>	<u>2022</u>
	(% per annum)	(% per annum)
Discount rate (depending on category of employees and type of benefits)	1.9 - 2.3	1.4 - 2.2
Salary increase rate (depending on category of employees)	2.6 - 2.7	2.6 - 2.7

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below.

	(Unit: Million Baht)			
	Consolidated financial statements/ Separate financial statements			
	As at 31 December 2023			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Employee retirement benefits	(5.6)	6.2	3.5	(3.3)
Other long-term employee benefits	(0.1)	0.1	-	-

(Unit: Million Baht)

	Consolidated financial statements/		Separate financial statements	
	As at 31 December 2022			
	Discount rate		Salary increase rate	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Employee retirement benefits	(5.9)	6.6	3.2	(3.1)
Other long-term employee benefits	(0.2)	0.2	-	-

## 18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 19. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Dividend income from investments	21,969	16,243	21,969	16,243
Gain on sales of FVOCI debt instruments	2,445	-	2,445	-
Other income	32,822	25,866	38,672	29,083
<b>Total</b>	<u>57,236</u>	<u>42,109</u>	<u>63,086</u>	<u>45,326</u>

## 20. Finance income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest income on debt instruments measured				
at amortised cost	66,060	30,077	65,887	30,077
Interest received from debt instruments at FVOCI	39,548	25,704	39,548	25,704
<b>Total</b>	<u>105,608</u>	<u>55,781</u>	<u>105,435</u>	<u>55,781</u>

## 21. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
	Interest expenses on lease liabilities	1,396
<b>Total</b>	<u>1,396</u>	<u>890</u>

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
	Raw materials and consumables used	5,516,073
Changes in inventories of finished goods and work in process	(35)	(1,742)
Salaries and wages and other employee benefits	1,541,445	1,500,235
Depreciation and amortisation	375,430	378,981
Fuel and vehicle related expenses	280,436	290,006
Water and electricity expenses	212,419	188,516
Natural gas expenses	70,580	74,505

## 23. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Current income tax:</b>				
Current income tax charge	265,568	244,325	265,551	244,325
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,852	(2,836)	3,852	(2,836)
<b>Income tax expenses reported in the profit or loss</b>	<u>269,420</u>	<u>241,489</u>	<u>269,403</u>	<u>241,489</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax relating to:				
Actuarial loss	-	(2,400)	-	(2,400)
Gain (loss) on changes in value of financial asset measured at FVOCI	1,578	(10,308)	1,578	(10,308)
	<u>1,578</u>	<u>(12,708)</u>	<u>1,578</u>	<u>(12,708)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit before tax	1,977,190	1,948,461	1,976,260	1,944,897
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	395,438	389,692	395,252	388,979
Effects of:				
Promotional privileges (Note 26)	(122,182)	(143,045)	(122,182)	(143,045)
Non-deductible expenses	627	500	625	500
Additional expense deductions allowed	(1,592)	(3,132)	(1,592)	(3,132)
Income not subject to tax	(2,871)	(2,526)	(2,700)	(1,813)
Total	(126,018)	(148,203)	(125,849)	(147,490)
Income tax expenses reported in the profit or loss	269,420	241,489	269,403	241,489

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<b>Deferred tax assets</b>		
Lease	-	83
Provision for long-term employee benefits	12,016	12,555
Accumulated depreciation - plant and equipment	353	158
Loss on changes in value of financial asset measured at FVTPL	-	1,807
Total	12,369	14,603
<b>Deferred tax liabilities</b>		
Lease	22	-
Gain on changes in value of financial asset measured at FVOCI	21,152	19,574
Total	21,174	19,574
<b>Deferred tax liabilities - net</b>	(8,805)	(4,971)

## 24. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the year (Thousand Baht)	1,707,771	1,706,973	1,706,858	1,703,409
Weighted average number of ordinary shares (Thousand shares)	450,000	450,000	450,000	450,000
Basic earnings per share (Baht)	3.80	3.79	3.79	3.79

## 25. Dividend payments

During the years ended 31 December 2023 and 2022, the Company had dividend payments as follows:

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
<b>For the year 2023</b>				
Final dividends for 2022	Annual General Meeting of the shareholders on 28 April 2023	513,000	1.14	24 May 2023
Interim dividend on the profit for the six-month period ended 30 June 2023	The meeting of the Group's Board of directors No. 8/2023 on 21 August 2023	387,000	0.86	19 September 2023
Total dividend payments for 2023		<u>900,000</u>	<u>2.00</u>	
<b>For the year 2022</b>				
Final dividends for 2021	Annual General Meeting of the shareholders on 28 April 2022	477,000	1.06	26 May 2022
Interim dividend on the profit for the six-month period ended 30 June 2022	The meeting of the Group's Board of directors No. 8/2021 on 22 August 2022	387,000	0.86	19 September 2022
Total dividend payments for 2022		<u>864,000</u>	<u>1.92</u>	

## 26. Promotional privileges

The Company has received the promotional privileges from the Board of Investment under the Investment Promotion Act B.E. 2520 as follows:

Certificate No.	1343(2)/2555	66-1455-2-00-1-0	66-1637-2-04-1-0
Date	22 March 2012	20 October 2023	20 November 2023
1. Promotional privileges for	Manufacture of bakery products	Manufacture of sliced bread	Manufacture of whole grain products
2. Significant privileges			
2.1 Exemption from import duty on approved machinery	Granted	Granted	Granted
2.2 Exemption from corporate income tax on net income from promoted operation (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the operations on which the corporate income tax is exempted throughout the corporate income tax exemption period	8 years (not over 100 percent of investment excluding land and working capital)	6 years (not over 100 percent of investment excluding land and working capital)	3 years (not over Baht 8.8 million or equivalent to 50 percent of investment in the improvement the production efficiency for the use of alternative energy excluding land and working capital)
2.3 Allowance to deduct operating loss incurred during the corporate income tax exemption period from net income incurred thereafter (after exemption period in 2.2)	5 years	5 years	5 years
3. Commencing date	1 June 2017	Not yet commenced	Not yet commenced

Sales of the Company are derived from domestic sales which could be segregated between promoted and non-promoted operations as follows:

	(Unit: Million Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Sales		
Promoted operations	2,352	2,721
Non-promoted operations	5,218	4,808
Total sales	<u>7,570</u>	<u>7,529</u>

## **27. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent and 3 - 15 percent of basic salary, respectively. The fund, which is managed by Tisco Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2023, the Company recognised the contributions of Baht 23.4 million (2022: Baht 25.0 million) as expenses.

## **28. Operating 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. The chief operating decision maker has been identified as Managing Director.

The one main reportable operating segment of the Company is manufacture and sales of bakery products and the single geographical area of its operations is Thailand. The distribution channels are through wholesale and retail. The wholesale for the year ended 31 December 2023 amounted to approximately Baht 6,593 million, or 87.4% of total sales (2022: Baht 6,844 million, or 90.9% of total sales). The Company's sales were from a main local customer, representing about 52.1% of total sales (2022: 51.7 % of total sales). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets 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.

## **29. Commitments and contingent liabilities**

### **29.1 Capital commitments**

As at 31 December 2023, the Company had capital commitments in respect of procurement agreements for production machinery and equipment of approximately Euro 9.8 million, USD 0.1 million and AUD 0.03 million, totaling approximately Baht 391.1 million (2022: AUD 0.03 million and USD 0.07 million, totaling approximately Baht 5.4 million).

## 29.2 Short-term lease and other service commitments

The Company and the joint venture have entered into several short-term lease contracts and related services. The terms of the agreements are generally between 3 months and 3 years.

As at 31 December 2023, future lease and service fees payables under these lease and service contracts were as follows:

	(Unit: Million Baht)	
	The Group	Joint venture
<u>Payable:</u>		
Within 1 year	5.0	4.7
1 to 3 years	0.3	2.9
Total	5.3	7.6

## 29.3 Long-term service commitments

The joint venture entered into the license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to operation and management of restaurants. Under the conditions of the agreement, the joint venture is to pay an annual license fee as stipulated in the agreement. The license fees for the year 2023 amounted to approximately Baht 2.9 million (2022: Baht 2.4 million).

## 29.4 Long-term purchase commitments

The Company has commitments under natural gas purchase agreement for a period of 1 - 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	Expired date	Average minimum quantity purchase
	(Years)		(Million BTU)
1.	1	31 December 2024	282 per day
2.	7	30 November 2029	22,211 per annum
3.	7	30 November 2029	43,859 per annum

## 29.5 Guarantees

As at 31 December 2023, there were bank guarantees of approximately Baht 32.9 million (2022: Baht 31.4 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of the Company's business. These included letters of guarantee amounting to Baht 26.0 million (2022: Baht 25.9 million) to guarantee electricity use, Baht 3.5 million (2022: Baht 3.5 million) to guarantee contractual performance under the natural gas purchase agreement, Baht 3.2 million (2022: Baht 1.8 million) to guarantee sales, and Baht 0.2 million for land rental (2022: Baht 0.2 million).

## 29.6 Investment commitments

As at 31 December 2023, the Company has commitment to invest in additional issued ordinary shares of KingBridge Tower Co., Ltd. (formerly known as "Saha Capital Tower Company Limited") in proportion to the Company's shareholding in total balance of Baht 75 million (31 December 2022: Baht 225 million).

## 29.7 Loan guarantee

As at 31 December 2023, the Company has 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.

## 30. Fair value hierarchy

As at 31 December 2023 and 2022, the Company had the assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	2023			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed equity instruments	210,504	-	-	210,504
Debt instruments	-	2,284,660	-	2,284,660
Non-listed equity instruments	-	-	713,281	713,281
Mutual funds and unit trusts	-	205,970	-	205,970
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at FVTPL				
Derivatives liabilities				
Foreign currency forward contracts	-	353	-	353

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed equity instruments	390,950	-	-	390,950
Debt instruments	-	2,100,731	-	2,100,731
Non-listed equity instruments	-	-	502,427	502,427
Mutual funds and unit trusts	-	207,390	-	207,390
Financial assets measured at FVTPL				
Open-end fund	-	13,520	-	13,520
<b>Liabilities measured at fair value</b>				
Financial liabilities measured at FVTPL				
Derivatives liabilities				
Foreign currency forward contracts	-	151	-	151

**31. Financial instruments****31.1 Derivatives**

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
<b>Derivatives liabilities</b>		
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	353	151
<b>Total derivatives liabilities</b>	<b>353</b>	<b>151</b>

**Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 - 2 months.

## **31.2 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable and investments in debt and equity instruments. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. The normal credit term is 7 days to 60 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are past due not more than one year.

#### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on a monthly basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks and companies with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

There are two types of market risk comprising interest rate risk and currency risk. The Group enters into derivatives to manage its risk exposure that are foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods and equipment.

## Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its purchase of goods and equipment transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements/ Separate financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	<u>2023</u> (Thousand)	<u>2022</u> (Thousand)	<u>2023</u> (Baht per 1 foreign currency unit)	<u>2022</u>
Japanese yen	23,846	12,452	0.2457	0.2645
Yuan renminbi	917	1,249	4.8747	5.0375
US dollar	696	768	34.3876	34.7335

## Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Company's exposure to foreign currency changes for all other currencies is not material.

Currency	Consolidated financial statements/Separate financial statements			
	2023		2022	
	Change in foreign currency rate (%)	Effect on profit before tax (Thousand Baht)	Change in foreign currency rate (%)	Effect on profit before tax (Thousand Baht)
US dollar	+13.5	(3,229)	+19.2	(5,124)
	-13.5	3,229	-19.2	5,124

The information is not a forecast or prediction of future market conditions.

## Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks. Financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2023						
Fixed interest rates						
Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	552	17	569	0.10 - 1.05
Trade and other receivables	-	-	-	1,030	1,030	-
Other current financial assets	5,290	-	86	-	5,376	0.50 - 4.80
Other non-current financial assets	-	1,030	-	1,130	2,160	0.95 - 5.05
	<u>5,290</u>	<u>1,030</u>	<u>638</u>	<u>2,177</u>	<u>9,135</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	697	697	-
Liabilities under lease agreements	12	8	-	-	20	5.24 - 6.97
	<u>12</u>	<u>8</u>	<u>-</u>	<u>697</u>	<u>717</u>	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2022						
Fixed interest rates						
Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)	
<b>Financial assets</b>						
Cash and cash equivalents	400	-	236	13	649	0.10 - 1.50
Trade and other receivables	-	-	-	1,003	1,003	-
Other current financial assets	4,663	-	56	-	4,719	0.15 - 5.35
Other non-current financial assets	-	1,073	-	1,114	2,187	0.75 - 5.05
	<u>5,063</u>	<u>1,073</u>	<u>292</u>	<u>2,130</u>	<u>8,558</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	782	782	-
Liabilities under lease agreements	12	16	-	-	28	5.24 - 6.01
	<u>12</u>	<u>16</u>	<u>-</u>	<u>782</u>	<u>810</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2023						
Fixed interest rates						
Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	427	17	444	0.10 - 1.05
Trade and other receivables	-	-	-	1,030	1,030	-
Other current financial assets	5,290	-	86	-	5,376	0.50 - 4.80
Other non-current financial assets	-	1,030	-	1,130	2,160	0.95 - 5.05
	<u>5,290</u>	<u>1,030</u>	<u>513</u>	<u>2,177</u>	<u>9,010</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	697	697	-
Liabilities under lease agreements	12	8	-	-	20	5.24 - 6.97
	<u>12</u>	<u>8</u>	<u>-</u>	<u>697</u>	<u>717</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2022						
Fixed interest rates						
Within 1 year	1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)	
<b>Financial assets</b>						
Cash and cash equivalents	400	-	236	13	649	0.10 - 1.50
Trade and other receivables	-	-	-	1,003	1,003	-
Other current financial assets	4,663	-	56	-	4,719	0.15 - 5.35
Other non-current financial assets	-	1,073	-	1,114	2,187	0.75 - 5.05
	<u>5,063</u>	<u>1,073</u>	<u>292</u>	<u>2,130</u>	<u>8,558</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	782	782	-
Liabilities under lease agreements	12	16	-	-	28	5.24 - 6.01
	<u>12</u>	<u>16</u>	<u>-</u>	<u>782</u>	<u>810</u>	

### Liquidity risk

The Group manages liquidity risk to meet its obligations and maintain cash balances to cover the liquidity needs. The Group has assessed that the Group has sufficient working capital to settle financial liabilities and concluded the risk to be low.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2023		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	696,937	-	696,937
Lease liabilities	13,277	8,801	22,078
<b>Total non-derivatives</b>	<b>710,214</b>	<b>8,801</b>	<b>719,015</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	353	-	353

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	782,498	-	782,498
Lease liabilities	13,646	16,377	30,023
<b>Total non-derivatives</b>	<b>796,144</b>	<b>16,377</b>	<b>812,521</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	151	-	151

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2023		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	696,857	-	696,857
Lease liabilities	13,277	8,801	22,078
<b>Total non-derivatives</b>	<b>710,134</b>	<b>8,801</b>	<b>718,935</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	353	-	353

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	782,498	-	782,498
Lease liabilities	13,646	16,377	30,023
<b>Total non-derivatives</b>	<u>796,144</u>	<u>16,377</u>	<u>812,521</u>
<b>Derivatives</b>			
Derivative liabilities: net settled	<u>151</u>	<u>-</u>	<u>151</u>

### 31.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- d) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company considers to counterparty credit risk when determining the fair value of derivatives.

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

### 31.4 Reconciliation of recurring fair value measurements, of financial assets, categorised within Level 3 of the fair value hierarchy.

	(Unit: Thousand Baht)
	Consolidated financial statements and Separate financial statement Non-listed equity instrument
<b>Balance as of 1 January 2022</b>	488,593
Acquired during the year	35,387
Net loss recognised into other comprehensive income	(21,553)
<b>Balance as of 31 December 2022</b>	502,427
Acquired during the year	155,000
Net gain recognised into other comprehensive income	55,854
<b>Balance as of 31 December 2023</b>	713,281

Key assumptions used in the valuation are summarised below.

Financial instrument	Valuation technique	Significant unobservable output	Rates
Non-listed equity instrument	Discounted cash flow	Weighted average cost of capital	10.57% - 10.71%

(Unit: Million Baht)

	Sensitivity of the input to fair value			
	Increase	Decrease	Increase	Decrease
	0.05%	0.05%	0.10%	0.10%
Fair value	(0.9)	0.9	(1.9)	1.9

### 32. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group's debt-to-equity ratio was 0.10:1 (2022: 0.12:1) and the Company's debt-to-equity ratio was 0.10:1 (2022: 0.12:1).

### 33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2024.