

President Bakery Public Company Limited
Review report and interim financial information
For the three-month period ended
31 March 2021

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of President Bakery Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of President Bakery Public Company Limited as at 31 March 2021, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviewed the separate financial information of President Bakery Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Siriwan Nitdamrong

Certified Public Accountant (Thailand) No. 5906

EY Office Limited

Bangkok: 12 May 2021

President Bakery Public Company Limited

Statements of financial position

As at 31 March 2021

(Unit: Thousand Baht)

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		559,657	368,353	559,657	368,353
Trade and other receivables	2, 3	657,425	747,076	657,425	747,076
Inventories		177,947	168,312	177,947	168,312
Other current financial assets	5	4,110,458	3,826,171	4,110,458	3,826,171
Other current assets		18,941	13,768	18,941	13,768
Total current assets		5,524,428	5,123,680	5,524,428	5,123,680
Non-current assets					
Investment in joint venture	4.1	29,201	29,819	5,850	5,850
Other non-current financial assets	5	1,455,602	1,492,899	1,455,602	1,492,899
Property, plant and equipment	6	3,558,839	3,621,434	3,558,839	3,621,434
Right-of-use assets	7	13,308	15,298	13,308	15,298
Advance payments for purchase of assets		1,597	542	1,597	542
Intangible assets		11,437	11,154	11,437	11,154
Other non-current assets		3,803	4,061	3,803	4,061
Total non-current assets		5,073,787	5,175,207	5,050,436	5,151,238
Total assets		10,598,215	10,298,887	10,574,864	10,274,918

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

President Bakery Public Company Limited
Statements of financial position (continued)
As at 31 March 2021

(Unit: Thousand Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 8	550,265	574,305	550,265	574,305
Current portion of lease liabilities	9	8,638	9,537	8,638	9,537
Corporate income tax payable		149,169	109,301	149,169	109,301
Accrued expenses		142,875	223,742	142,875	223,742
Other current liabilities		1,995	2,527	1,995	2,527
Total current liabilities		852,942	919,412	852,942	919,412
Non-current liabilities					
Lease liabilities, net of current portion	9	4,951	6,082	4,951	6,082
Deferred tax liabilities		26,472	23,593	26,472	23,593
Provision for long-term employee benefits	10	94,635	96,102	94,635	96,102
Other non-current liabilities		3,840	3,830	3,840	3,830
Total non-current liabilities		129,898	129,607	129,898	129,607
Total liabilities		982,840	1,049,019	982,840	1,049,019

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

President Bakery Public Company Limited
Statements of financial position (continued)
As at 31 March 2021

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>31 March 2021</u> (Unaudited but reviewed)	<u>31 December 2020</u> (Audited)	<u>31 March 2021</u> (Unaudited but reviewed)	<u>31 December 2020</u> (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
450,000,000 ordinary shares of Baht 1 each	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Issued and fully paid-up				
450,000,000 ordinary shares of Baht 1 each	450,000	450,000	450,000	450,000
Share premium	674,380	674,380	674,380	674,380
Retained earnings				
Appropriated - statutory reserve	45,000	45,000	45,000	45,000
Unappropriated	8,295,089	7,940,817	8,271,738	7,916,848
Other components of shareholders' equity	<u>150,906</u>	<u>139,671</u>	<u>150,906</u>	<u>139,671</u>
Total shareholders' equity	<u>9,615,375</u>	<u>9,249,868</u>	<u>9,592,024</u>	<u>9,225,899</u>
Total liabilities and shareholders' equity	<u>10,598,215</u>	<u>10,298,887</u>	<u>10,574,864</u>	<u>10,274,918</u>

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

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Directors
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President Bakery Public Company Limited
Statements of comprehensive income
For the three-month period ended 31 March 2021

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

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Sales		1,581,891	1,792,913	1,581,891	1,792,913
Other income		13,494	6,130	15,220	8,178
Total revenues		1,595,385	1,799,043	1,597,111	1,801,091
Expenses					
Cost of sales		843,700	937,725	843,700	937,725
Selling and distribution expenses		321,801	352,891	321,801	352,891
Administrative expenses		60,346	63,779	60,346	63,779
Total expenses		1,225,847	1,354,395	1,225,847	1,354,395
Operating profit		369,538	444,648	371,264	446,696
Share of profit (loss) from investment in joint venture	4.2	1,108	(381)	-	-
Finance income		11,322	17,672	11,322	17,672
Finance cost		(197)	(198)	(197)	(198)
Profit before income tax expenses		381,771	461,741	382,389	464,170
Income tax expenses	11	(42,559)	(48,418)	(42,559)	(48,418)
Profit for the period		339,212	413,323	339,830	415,752
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of debt investment designated at fair value through other comprehensive income - net of income tax		(2,605)	1,293	(2,605)	1,293
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(2,605)	1,293	(2,605)	1,293
<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		28,900	(18,768)	28,900	(18,768)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		28,900	(18,768)	28,900	(18,768)
Other comprehensive income for the period		26,295	(17,475)	26,295	(17,475)
Total comprehensive income for the period		365,507	395,848	366,125	398,277
Earnings per share					
Basic earnings per share (Baht)	13	0.75	0.92	0.76	0.92

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

President Bakery Public Company Limited

Statements of changes in shareholders' equity

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

Financial statements in which the equity method is applied						
			Retained earnings		Other components of shareholders' equity	
	Issued and paid-up	Share premium	Appropriated -		Other comprehensive income -	
Note	share capital		statutory reserve	Unappropriated	Fair value reserve of financial assets at FVOCI	Total
Balance as at 1 January 2020	450,000	674,380	45,000	7,189,820	142,668	8,501,868
Profit for the period	-	-	-	413,323	-	413,323
Other comprehensive income for the period	-	-	-	-	(17,475)	(17,475)
Total comprehensive income for the period	-	-	-	413,323	(17,475)	395,848
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	(9,533)	9,533	-
Balance as at 31 March 2020	450,000	674,380	45,000	7,593,610	134,726	8,897,716
Balance as at 1 January 2021	450,000	674,380	45,000	7,940,817	139,671	9,249,868
Profit for the period	-	-	-	339,212	-	339,212
Other comprehensive income for the period	-	-	-	-	26,295	26,295
Total comprehensive income for the period	-	-	-	339,212	26,295	365,507
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	15,060	(15,060)	-
Balance as at 31 March 2021	450,000	674,380	45,000	8,295,089	150,906	9,615,375

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

President Bakery Public Company Limited

Statements of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	Fair value reserve of financial assets at FVOCI	Other comprehensive income - Total
Note						
Balance as at 1 January 2020	450,000	674,380	45,000	7,167,246	142,668	8,479,294
Profit for the period	-	-	-	415,752	-	415,752
Other comprehensive income for the period	-	-	-	-	(17,475)	(17,475)
Total comprehensive income for the period	-	-	-	415,752	(17,475)	398,277
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	(9,533)	9,533	-
Balance as at 31 March 2020	450,000	674,380	45,000	7,573,465	134,726	8,877,571
Balance as at 1 January 2021	450,000	674,380	45,000	7,916,848	139,671	9,225,899
Profit for the period	-	-	-	339,830	-	339,830
Other comprehensive income for the period	-	-	-	-	26,295	26,295
Total comprehensive income for the period	-	-	-	339,830	26,295	366,125
Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	15,060	(15,060)	-
Balance as at 31 March 2021	450,000	674,380	45,000	8,271,738	150,906	9,592,024

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

President Bakery Public Company Limited

Statements of cash flows

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Financial statements in which		Separate financial statements	
	the equity method is applied			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	381,771	461,741	382,389	464,170
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	113,370	124,820	113,370	124,820
Loss (gain) from disposals of property, plant and equipment	(77)	651	(77)	651
Provision for litigation	-	4,500	-	4,500
Share of (profit) loss from investment in joint venture	(1,108)	381	-	-
Gain on sales of other current financial assets	(78)	(151)	(78)	(151)
Loss (gain) on sales of other non-current financial assets	(14,940)	6,061	(14,940)	6,061
Gain (loss) from sales of equity investment not recognised in profit or loss	15,060	(9,533)	15,060	(9,533)
Unrealised loss on exchange	968	956	968	956
Provision for long-term employee benefits	2,021	2,206	2,021	2,206
Dividend income from listed equity investments	(1,943)	(782)	(1,943)	(782)
Dividend income from joint venture	-	-	(1,726)	(2,048)
Dividend income from non-listed equity investment	(7,350)	-	(7,350)	-
Interest income	(11,322)	(17,672)	(11,322)	(17,672)
Interest expenses	197	198	197	198
Profit from operating activities before changes in operating assets and liabilities	476,569	573,376	476,569	573,376
Decrease (increase) in operating assets				
Trade and other receivables	120,203	82,558	120,203	82,558
Inventories	(9,635)	(3,170)	(9,635)	(3,170)
Other current assets	(5,173)	(1,944)	(5,173)	(1,944)
Other non-current assets	217	83	217	83
Increase (decrease) in operating liabilities				
Trade and other payables	(39,968)	(92,205)	(39,968)	(92,205)
Other current liabilities	(80,245)	(51,359)	(80,245)	(51,359)
Provision for long-term employee benefits	(3,488)	(1,003)	(3,488)	(1,003)
Other non-current liabilities	10	34	10	34
Cash from operating activities	458,490	506,370	458,490	506,370
Cash paid for income tax	(2,621)	(243)	(2,621)	(243)
Net cash from operating activities	455,869	506,127	455,869	506,127

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

President Bakery Public Company Limited**Statements of cash flows (continued)****For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Cash paid for other current financial assets	(1,540,646)	(1,023,819)	(1,540,646)	(1,023,819)
Cash paid for other non-current financial assets	(514,696)	(689,765)	(514,696)	(689,765)
Cash received from sales of other current financial assets	1,344,747	1,002,442	1,344,747	1,002,442
Cash received from sales of other non-current financial assets	486,951	542,191	486,951	542,191
Acquisitions of property, plant and equipment	(48,427)	(41,211)	(48,427)	(41,211)
Proceeds from disposals of property, plant and equipment	267	239	267	239
Decrease (increase) in advance payments for purchase of assets	(1,055)	197	(1,055)	197
Increase in intangible assets	(690)	(886)	(690)	(886)
Interest income	11,345	17,313	11,345	17,313
Dividend income from investments	391	317	391	317
Net cash used in investing activities	(261,813)	(192,982)	(261,813)	(192,982)
Cash flows from financing activities				
Decrease in liabilities under lease agreements	(2,555)	(10,335)	(2,555)	(10,335)
Cash paid for interest expenses	(197)	(198)	(197)	(198)
Net cash used in financing activities	(2,752)	(10,533)	(2,752)	(10,533)
Net increase in cash and cash equivalents	191,304	302,612	191,304	302,612
Cash and cash equivalents at beginning of period	368,353	366,620	368,353	366,620
Cash and cash equivalents at end of period	559,657	669,232	559,657	669,232
Supplementary disclosures of cash flows information				
Non-cash related transactions				
Other payables for purchases of machinery and equipment, construction and retention	15,207	8,704	15,207	8,704
Dividend receivable	10,671	2,048	10,671	2,048
Acquisition of right-of-use assets under lease contracts	525	-	525	-

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

President Bakery Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2021

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic results in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis for preparation of interim financial statements

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

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

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

1.4 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 Company's financial statements.

Furthermore, the Company elected to adopt the amendments to TFRS 16 Leases relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2021; and there is no substantive change to other terms and conditions of the lease.

The Company applies the practical expedient to rent concessions that meet the above conditions. The adoption of this practical expedient does not have any significant impact on the Company's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

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

1.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

2. Trade and other receivables

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
<u>Trade receivables - related party</u>		
Aged on the basis of due dates		
Not yet due	254	354
Total trade receivables - related party	254	354
<u>Trade receivables - unrelated parties</u>		
Not yet due	363,963	431,796
Past due		
Up to 3 months	261,734	311,692
6 - 12 months	5	13
Over 12 months	8	-
Total trade receivables - unrelated parties	625,710	743,501
Total trade receivables	625,964	743,855
<u>Other receivables</u>		
Other receivables - related party	187	180
Other receivables - unrelated parties	20,603	3,041
Dividend receivable	10,671	-
Total other receivables	31,461	3,221
Total trade and other receivables	657,425	747,076

3. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended		Pricing and lending policy
	31 March		
	<u>2021</u>	<u>2020</u>	
Transactions with related companies			
Purchase of goods	112.5	115.1	Agreed price which approximates the market price by reference to purchase volume
Dividend income	7.4	-	At the declared rate
Transactions with joint venture			
Sales of goods	0.6	0.6	Agreed price which approximates the market price
Service income	0.7	0.8	Agreed rate which approximates the market rate
Rental income	0.1	0.1	Agreed rate which approximates the market rate
Dividend income	1.7	2.0	At the declared rate

The balances of the accounts as at 31 March 2021 and 31 December 2020 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	31 March	31 December
	<u>2021</u>	<u>2020</u>
Trade and other receivables - related party (Note 2)		
Joint venture (related by the Company holding interest in that company and by common shareholders and common directors)	441	534
Total trade and other receivables - related party	<u>441</u>	<u>534</u>
Trade and other payables - related parties (Note 8)		
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	111,202	128,411
Connected companies (related by connected directors)	<u>5,265</u>	<u>4,799</u>
Total trade and other payables - related parties	<u>116,467</u>	<u>133,210</u>

Directors' and management's remuneration

During the three-month periods ended 31 March 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	12.1	11.6
Post-employment benefits and other long-term benefits	0.3	0.4
Total	<u>12.4</u>	<u>12.0</u>

4. Investment in joint venture

4.1 Details of investment in joint venture

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

Joint venture	Nature of business	Paid-up capital	Shareholding percentage		Financial statements in which the equity method is applied - carrying amount based on equity method		Separate financial statements - carrying amount based on cost method	
			31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
President Green House Foods Co., Ltd.	Operating the Japanese restaurant	15	39	39	29,201	29,819	5,850	5,850
Total investment in joint venture					29,201	29,819	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.

4.2 Share of comprehensive income and dividend received

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

Joint venture	Financial statements in which the equity method is applied		Separate financial statements	
	Share of profit (loss) from investment in the joint venture during the three-month periods ended 31 March		Dividend received during the three-month periods ended 31 March	
	2021	2020	2021	2020
President Green House Foods Company Limited	1,108	(381)	1,726	2,048
Total	1,108	(381)	1,726	2,048

5. Other financial assets

As at 31 March 2021 and 31 December 2020, other financial assets, other than cash and cash equivalents, consisted of the following:

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
<u>Debt instruments at amortised cost</u>		
Special saving account, deposit receipt and fixed deposits	3,399,653	3,305,771
Total debt instruments at amortised cost	3,399,653	3,305,771
<u>Debt instruments at FVOCI</u>		
Bank of Thailand bond	1,004,235	832,612
Corporate bond, note or debt instruments	543,594	576,718
Total debt instruments at FVOCI	1,547,829	1,409,330
<u>Equity instruments designated at FVOCI</u>		
Listed equity instrument		
PTT Public Co., Ltd.	15,121	19,452
Airports of Thailand Public Co., Ltd.	11,344	11,333
Others	220,167	197,606
Non-listed equity instrument		
President Flour Mills Co., Ltd.	223,404	223,404
Saha Capital Tower Co., Ltd.	110,000	110,000
Others	23,258	23,258
Unit trust	15,284	18,916
Total equity instruments designated at FVOCI	618,578	603,969
Total other financial assets	5,566,060	5,319,070
Classified as:		
Other current financial assets	4,110,458	3,826,171
Other non-current financial assets	1,455,602	1,492,899
Total other current financial assets	5,566,060	5,319,070

(Unaudited but reviewed)

(Unit: Million Baht)

	31 March 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Financial assets				
Quoted debt investments	1,537	1,548	1,396	1,409
Non-listed equity investments	200	357	200	357
Listed equity investments	218	247	217	228
Unit trust investments	17	15	21	19
Total	1,972	2,167	1,834	2,013

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

During the three-month period ended 31 March 2021, 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 178 million and the accumulated gain recognised in other comprehensive income of Baht 15.1 million was transferred to retained earnings.

In addition, during the three-month period ended 31 March 2021, the Company received dividends in the amount of Baht 1.9 million from listed equity investments.

During the three-month period ended 31 March 2021, the Company received dividend income of Baht 7.4 million from President Flour Mills Company Limited.

6. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2021	3,621,434
Acquisitions during the period - at cost	48,002
Disposals during the period - net book value at disposal date	(190)
Depreciation for the period	(110,407)
Net book value as at 31 March 2021	<u>3,558,839</u>

7. Right-of-use assets

Movements in the right-of-use assets account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2021	15,298
Addition	525
Depreciation for the period	<u>(2,515)</u>
Net book value as at 31 March 2021	<u>13,308</u>

8. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
Trade payables - related parties	116,244	132,925
Trade payables - unrelated parties	299,151	316,623
Other payables - related party	223	285
Other payables - unrelated parties	119,936	110,156
Other payables for purchases of machinery and equipment	<u>14,711</u>	<u>14,316</u>
Total trade and other payables	<u>550,265</u>	<u>574,305</u>

9. Liabilities under lease agreements

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
Liabilities under lease agreements	14,315	16,706
Less: Deferred interest expenses	<u>(726)</u>	<u>(1,087)</u>
Net	13,589	15,619
Less: Portion due within one year	<u>(8,638)</u>	<u>(9,537)</u>
Liabilities under lease agreements - net of current portion	<u>4,951</u>	<u>6,082</u>

10. Provision for long-term employee benefits

Movements in provision for long-term employee benefits during the three-month period ended 31 March 2021 are shown as follows:

	(Unit: Thousand Baht)		
	Employee retirement benefits	Other long-term employee benefits	Total
Provision for long-term employee benefits as at 1 January 2021	90,254	5,848	96,102
Current service cost	1,392	278	1,670
Interest cost	328	23	351
Benefits paid during the period	(3,488)	-	(3,488)
Provision for long-term employee benefits as at 31 March 2021	88,486	6,149	94,635

Long-term employee benefit expenses included in the profit or loss for the three-month period ended 31 March 2021 amounted to Baht 2.0 million, respectively (2020: Baht 2.2 million).

11. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	For the three-month periods ended 31 March	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Interim corporate income tax charge	42,489	48,325
Deferred tax:		
Relating to origination and reversal of temporary differences	70	93
Income tax expenses reported in profit or loss	42,559	48,418

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	For the three-month periods ended 31 March	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to changes in value of financial asset measured at FVOCI	2,809	(1,985)

12. Operating segment information

The one main reportable operating segment of the Company is manufacture and sales of bakery products in which revenue is recognised at a point in time and the single geographical area of its operations is Thailand. The distribution channels are through wholesale, retail and export. The wholesales for the three-month period ended 31 March 2021 amounted to approximately Baht 1,452 million or 91.8% of total sales (2020: Baht 1,633.3 million or 91.1 of total sales) which were from a main customer, representing about 43.6% of total sales (2020: 48.0% 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 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.

13. Earnings per share

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

	For the three-month period ended 31 March			
	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the period (Thousand Baht)	339,212	413,323	339,830	415,752
Weighted average number of ordinary shares (Thousand shares)	450,000	450,000	450,000	450,000
Basic earnings per share (Baht)	0.75	0.92	0.76	0.92

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 31 March 2021, the Company had capital commitments in respect of procurement agreements for production equipment of approximately Baht 10.3 million.

14.2 Short-term lease and lease of the low-value assets and other service commitments

The Company and the joint venture have entered into several short-term contracts and lease of the low-value assets and related services. The terms of the agreements are generally between 1 and 3 years.

As at 31 March 2021, future lease and service fees payables under these lease and service contracts were as follows:

	(Unit: Million Baht)	
	<u>The Company</u>	<u>Joint venture</u>
<u>Payable within:</u>		
Less than 1 year	3.1	3.9
1 to 3 years	1.1	2.1

14.3 Long-term service commitments

The joint venture entered into license and technical assistance agreements 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 license agreement, the joint venture is to pay an annual license fee as stipulated in the agreement. The license fees for the three-month period ended 31 March 2021 amounted to approximately Baht 0.4 million (2020: Baht 0.4 million).

14.4 Long-term purchase commitments

The Company has commitments under natural gas purchase agreement for period of 1 - 5 years. Under the agreement, the Company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

No.	Period (Years)	Expired date	Average minimum quantity purchase (Million BTU)
1	1	30 November 2021	47,986 per annum
2	1	30 November 2021	26,256 per annum
3	5	31 December 2023	296 per day

14.5 Guarantees

As at 31 March 2021, there were outstanding bank guarantees of Baht 65.3 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 36.3 million to guarantee tax installment payments, Baht 26.0 million to guarantee electricity use, and Baht 3.0 million to guarantee contractual performance under the natural gas purchase agreement.

14.6 Litigation

In March 2020, the Company was sued by the Department of Empowerment of Persons with Disabilities seeking to have the Company pay to the fund for Empowerment of Persons with Disabilities, including interest in total amount of Baht 7.7 million. Currently, the case is in the process of consideration by the Court.

15. Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from material and machinery purchasing transactions that are denominated in foreign currencies.

The balances of financial liabilities denominated in foreign currencies as at 31 March 2021 are summarised below.

Foreign currency	Amount	Exchange rates as at 31 March 2021
	(Million)	(Baht per foreign currency unit)
US dollar	1.1	31.5052
Japanese Yen	7.8	0.2869

As at 31 March 2021, there was no outstanding balance of forward exchange contract.

16. Fair value of financial instruments

As at 31 March 2021, the Company had assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Financial statements in which the equity method is applied and			
	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed equity instrument	246,632	-	-	246,632
Debt instrument	-	1,547,829	-	1,547,829
Non-listed equity instrument	-	-	356,662	356,662
Unit trust	-	15,284	-	15,284

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

17. Event after the reporting period - dividend payment

On 19 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of dividend on the profit for the year ended 31 December 2020 to the shareholders at Baht 1.90 per share. The Company had paid interim dividend for the six-month period ended 30 June 2020 at Baht 0.96 per share, and the final dividend remains at Baht 0.94 per share or equivalent to Baht 423 million. The Company will pay such dividend on 17 May 2021.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2021.