

President Bakery Public Company Limited  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2020

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of President Bakery Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of President Bakery Public Company Limited as at 30 September 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviewed the separate financial information of President Bakery Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

**Emphasis of Matter**

I draw attention to Note 1.4 to the interim financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Siriwan Nitdamrong  
Certified Public Accountant (Thailand) No. 5906

EY Office Limited  
Bangkok: 10 November 2020

**President Bakery Public Company Limited**

**Statements of financial position**

**As at 30 September 2020**

(Unit: Thousand Baht)

Note	Financial statements in which				
	the equity method is applied		Separate financial statements		
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
<b>Assets</b>					
<b>Current assets</b>					
		374,852	366,620	374,852	366,620
Cash and cash equivalents					
Trade and other receivables	3, 4	774,174	925,397	774,174	925,397
Inventories		182,331	174,251	182,331	174,251
Short-term investments		-	2,493,595	-	2,493,595
Other current financial assets	6	3,494,132	-	3,494,132	-
Other current assets		41,848	33,495	41,848	33,495
<b>Total current assets</b>		<b>4,867,337</b>	<b>3,993,358</b>	<b>4,867,337</b>	<b>3,993,358</b>
<b>Non-current assets</b>					
Restricted bank deposit	16.5	36,348	36,348	36,348	36,348
Investment in joint venture	5.1	28,009	28,424	5,850	5,850
Long-term investments		-	1,270,805	-	1,270,805
Other long-term investments		-	129,500	-	129,500
Other non-current financial assets	6	1,158,896	-	1,158,896	-
Property, plant and equipment	7	3,685,641	3,995,534	3,685,641	3,995,534
Right-of-use assets	8	51,035	-	51,035	-
Advance payments for purchase of assets		1,151	1,113	1,151	1,113
Intangible assets		10,782	10,667	10,782	10,667
Deferred tax assets		-	9,647	-	9,647
Other non-current assets		4,064	4,696	4,064	4,696
<b>Total non-current assets</b>		<b>4,975,926</b>	<b>5,486,734</b>	<b>4,953,767</b>	<b>5,464,160</b>
<b>Total assets</b>		<b>9,843,263</b>	<b>9,480,092</b>	<b>9,821,104</b>	<b>9,457,518</b>

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

**President Bakery Public Company Limited**  
**Statements of financial position (continued)**  
**As at 30 September 2020**

(Unit: Thousand Baht)

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	4, 9	547,375	627,747	547,375	627,747
Current portion of liabilities under finance lease agreements	10	-	11,173	-	11,173
Current portion of lease liabilities	10	10,694	-	10,694	-
Corporate income tax payable		59,839	118,973	59,839	118,973
Accrued expenses		254,754	246,000	254,754	246,000
Other current liabilities		2,115	3,480	2,115	3,480
<b>Total current liabilities</b>		<b>874,777</b>	<b>1,007,373</b>	<b>874,777</b>	<b>1,007,373</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements, net of current portion	10	-	101	-	101
Lease liabilities, net of current portion	10	8,804	-	8,804	-
Deferred tax liabilities		20,073	-	20,073	-
Provision for long-term employee benefits	11	98,288	99,415	98,288	99,415
Other non-current liabilities		3,972	3,830	3,972	3,830
<b>Total non-current liabilities</b>		<b>131,137</b>	<b>103,346</b>	<b>131,137</b>	<b>103,346</b>
<b>Total liabilities</b>		<b>1,005,914</b>	<b>1,110,719</b>	<b>1,005,914</b>	<b>1,110,719</b>

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

**President Bakery Public Company Limited**  
**Statements of financial position (continued)**  
**As at 30 September 2020**

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>30 September 2020</u>	<u>31 December 2019</u>	<u>30 September 2020</u>	<u>31 December 2019</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity (continued)</b>				
<b>Shareholders' equity</b>				
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	7,541,304	7,189,820	7,519,145	7,167,246
Other components of shareholders' equity	<u>126,665</u>	<u>10,173</u>	<u>126,665</u>	<u>10,173</u>
<b>Total shareholders' equity</b>	<u>8,837,349</u>	<u>8,369,373</u>	<u>8,815,190</u>	<u>8,346,799</u>
<b>Total liabilities and shareholders' equity</b>	<u>9,843,263</u>	<u>9,480,092</u>	<u>9,821,104</u>	<u>9,457,518</u>

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

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Directors  
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**President Bakery Public Company Limited**  
**Statements of comprehensive income**  
**For the three-month period ended 30 September 2020**

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

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		1,803,243	2,065,003	1,803,243	2,065,003
Other income		24,274	27,324	24,274	27,324
<b>Total revenues</b>		<b>1,827,517</b>	<b>2,092,327</b>	<b>1,827,517</b>	<b>2,092,327</b>
<b>Expenses</b>					
Cost of sales		941,753	1,076,048	941,753	1,076,048
Selling and distribution expenses		332,727	376,297	332,727	376,297
Administrative expenses		62,706	64,834	62,706	64,834
<b>Total expenses</b>		<b>1,337,186</b>	<b>1,517,179</b>	<b>1,337,186</b>	<b>1,517,179</b>
<b>Profit from operating activities</b>		<b>490,331</b>	<b>575,148</b>	<b>490,331</b>	<b>575,148</b>
Share of profit from investment in joint venture		1,657	515	-	-
Finance cost		(968)	(1,511)	(968)	(1,511)
<b>Profit before income tax expenses</b>		<b>491,020</b>	<b>574,152</b>	<b>489,363</b>	<b>573,637</b>
Income tax expenses	12	(60,208)	(63,341)	(60,208)	(63,341)
<b>Profit for the period</b>		<b>430,812</b>	<b>510,811</b>	<b>429,155</b>	<b>510,296</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on debt investment designated at fair value through other comprehensive income - net of income tax		(2,985)	-	(2,985)	-
Gain on changes in value of available-for-sale investments - net of income tax		-	2,514	-	2,514
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(2,985)	2,514	(2,985)	2,514
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Loss on equity investment designated at fair value through other comprehensive income - net of income tax		(5,076)	-	(5,076)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(5,076)	-	(5,076)	-
<b>Other comprehensive income for the period</b>		<b>(8,061)</b>	<b>2,514</b>	<b>(8,061)</b>	<b>2,514</b>
<b>Total comprehensive income for the period</b>		<b>422,751</b>	<b>513,325</b>	<b>421,094</b>	<b>512,810</b>
<b>Earnings per share</b>					
Basic earnings per share (Baht)	14	0.96	1.14	0.95	1.13

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

## President Bakery Public Company Limited

## Statements of comprehensive income

For the nine-month period ended 30 September 2020

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

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		5,387,848	5,750,243	5,387,848	5,750,243
Other income		81,770	79,754	83,818	84,960
<b>Total revenues</b>		<b>5,469,618</b>	<b>5,829,997</b>	<b>5,471,666</b>	<b>5,835,203</b>
<b>Expenses</b>					
Cost of sales		2,804,903	3,111,884	2,804,903	3,111,884
Selling and distribution expenses		1,029,481	1,118,654	1,029,481	1,118,654
Administrative expenses		192,325	210,877	192,325	210,877
<b>Total expenses</b>		<b>4,026,709</b>	<b>4,441,415</b>	<b>4,026,709</b>	<b>4,441,415</b>
<b>Profit from operating activities</b>		<b>1,442,909</b>	<b>1,388,582</b>	<b>1,444,957</b>	<b>1,393,788</b>
Share of profit from investment in joint venture	5.2	1,633	2,786	-	-
Finance cost		(2,864)	(4,972)	(2,864)	(4,972)
<b>Profit before income tax expenses</b>		<b>1,441,678</b>	<b>1,386,396</b>	<b>1,442,093</b>	<b>1,388,816</b>
Income tax expenses	12	(158,342)	(152,520)	(158,342)	(152,520)
<b>Profit for the period</b>		<b>1,283,336</b>	<b>1,233,876</b>	<b>1,283,751</b>	<b>1,236,296</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Loss on equity investment designated at fair value through other comprehensive income - net of income tax		(9,885)	-	(9,885)	-
Gain on changes in value of available-for-sale investments - net of income tax		-	13,400	-	13,400
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(9,885)	13,400	(9,885)	13,400
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Loss on equity investment designated at fair value through other comprehensive income - net of income tax		(15,470)	-	(15,470)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(15,470)	-	(15,470)	-
<b>Other comprehensive income for the period</b>		<b>(25,355)</b>	<b>13,400</b>	<b>(25,355)</b>	<b>13,400</b>
<b>Total comprehensive income for the period</b>		<b>1,257,981</b>	<b>1,247,276</b>	<b>1,258,396</b>	<b>1,249,696</b>
<b>Earnings per share</b>					
Basic earnings per share (Baht)	14	2.85	2.74	2.85	2.75

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



## President Bakery Public Company Limited

## Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

		Financial statements in which the equity method is applied								
				Retained earnings		Other components of shareholders' equity				
		Issued and	Share	Appropriated -		Changes in value of	Fair value reserve of	Total other		
		paid-up	premium	statutory reserve	Unappropriated	available-for-sale	financial assets at	components of		
Note		share capital				investments	FVOCI	equity	Total	
	<b>Balance as at 1 January 2019</b>	450,000	674,380	45,000	6,256,349	(4,585)	-	(4,585)	7,421,144	
	Profit for the period	-	-	-	1,233,876	-	-	-	1,233,876	
	Other comprehensive income for the period	-	-	-	-	13,400	-	13,400	13,400	
	Total comprehensive income for the period	-	-	-	1,233,876	13,400	-	13,400	1,247,276	
	Dividend payment	-	-	-	(747,000)	-	-	-	(747,000)	15
	<b>Balance as at 30 September 2019</b>	<u>450,000</u>	<u>674,380</u>	<u>45,000</u>	<u>6,743,225</u>	<u>8,815</u>	<u>-</u>	<u>8,815</u>	<u>7,921,420</u>	
	<b>Balance as at 1 January 2020</b>	450,000	674,380	45,000	7,189,820	10,173	-	10,173	8,369,373	
	Cumulative effect of change in accounting policy	-	-	-	-	(10,173)	142,668	132,495	132,495	2
	<b>Balance as at 1 January 2020 - as restated</b>	<u>450,000</u>	<u>674,380</u>	<u>45,000</u>	<u>7,189,820</u>	<u>-</u>	<u>142,668</u>	<u>142,668</u>	<u>8,501,868</u>	
	Profit for the period	-	-	-	1,283,336	-	-	-	1,283,336	
	Other comprehensive income for the period	-	-	-	-	-	(25,355)	(25,355)	(25,355)	
	Total comprehensive income for the period	-	-	-	1,283,336	-	(25,355)	(25,355)	1,257,981	
	Dividend payment	-	-	-	(922,500)	-	-	-	(922,500)	15
	Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	(9,352)	-	9,352	9,352	-	
	<b>Balance as at 30 September 2020</b>	<u>450,000</u>	<u>674,380</u>	<u>45,000</u>	<u>7,541,304</u>	<u>-</u>	<u>126,665</u>	<u>126,665</u>	<u>8,837,349</u>	

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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

		Separate financial statements							
				Retained earnings		Other components of shareholders' equity			
		Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Changes in value of available-for-sale investments	Fair value reserve of financial assets at FVOCI	Total other components of shareholders' equity	Total
Note									
	<b>Balance as at 1 January 2019</b>	450,000	674,380	45,000	6,232,842	(4,585)	-	(4,585)	7,397,637
	Profit for the period	-	-	-	1,236,296	-	-	-	1,236,296
	Other comprehensive income for the period	-	-	-	-	13,400	-	13,400	13,400
	Total comprehensive income for the period	-	-	-	1,236,296	13,400	-	13,400	1,249,696
	Dividend payment	-	-	-	(747,000)	-	-	-	(747,000)
	<b>Balance as at 30 September 2019</b>	<b>450,000</b>	<b>674,380</b>	<b>45,000</b>	<b>6,722,138</b>	<b>8,815</b>	<b>-</b>	<b>8,815</b>	<b>7,900,333</b>
	<b>Balance as at 1 January 2020</b>	450,000	674,380	45,000	7,167,246	10,173	-	10,173	8,346,799
	Cumulative effect of change in accounting policy	-	-	-	-	(10,173)	142,668	132,495	132,495
	<b>Balance as at 1 January 2020 - as restated</b>	<b>450,000</b>	<b>674,380</b>	<b>45,000</b>	<b>7,167,246</b>	<b>-</b>	<b>142,668</b>	<b>142,668</b>	<b>8,479,294</b>
	Profit for the period	-	-	-	1,283,751	-	-	-	1,283,751
	Other comprehensive income for the period	-	-	-	-	-	(25,355)	(25,355)	(25,355)
	Total comprehensive income for the period	-	-	-	1,283,751	-	(25,355)	(25,355)	1,258,396
	Dividend payment	-	-	-	(922,500)	-	-	-	(922,500)
	Transfer fair value reserve of equity instruments designated at FVOCI to retained earnings	-	-	-	(9,352)	-	9,352	9,352	-
	<b>Balance as at 30 September 2020</b>	<b>450,000</b>	<b>674,380</b>	<b>45,000</b>	<b>7,519,145</b>	<b>-</b>	<b>126,665</b>	<b>126,665</b>	<b>8,815,190</b>

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

(Unaudited but reviewed)

**President Bakery Public Company Limited****Statements of cash flows****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>				
Profit before tax	1,441,678	1,386,396	1,442,093	1,388,816
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	371,518	402,173	371,518	402,173
Gain from disposals of property, plant and equipment	(1,827)	(2,064)	(1,827)	(2,064)
Provision for litigation (reversal)	7,700	(12,587)	7,700	(12,587)
Share of profit from investment in joint venture	(1,633)	(2,786)	-	-
Gain on sales of short-term investments	-	(104)	-	(104)
Gain on sales of other current financial assets	(344)	-	(344)	-
Gain on sales of long-term investments	-	(4,506)	-	(4,506)
Loss on sales of other non-current financial assets	2,426	-	2,426	-
Loss from sales of equity investment not recognised in profit or loss	(9,352)	-	(9,352)	-
Unrealised loss (gain) on exchange	519	(205)	519	(205)
Provision for long-term employee benefits	6,619	8,472	6,619	8,472
Interest income	(47,585)	(46,617)	(47,585)	(46,617)
Dividend income from investments	(2,261)	(1,436)	(2,261)	(1,436)
Dividend income from joint venture	-	-	(2,048)	(5,206)
Dividend income from other investment	(4,800)	(6,600)	(4,800)	(6,600)
Interest expenses	601	3,030	601	3,030
Profit from operating activities before changes in operating assets and liabilities	1,763,259	1,723,166	1,763,259	1,723,166
Decrease (increase) in operating assets				
Trade and other receivables	154,705	20,908	154,705	20,908
Inventories	(8,080)	(11,865)	(8,080)	(11,865)
Other current assets	(5,503)	(355)	(5,503)	(355)
Other non-current assets	507	190	507	190
Increase (decrease) in operating liabilities				
Trade and other payables	(67,164)	(53,286)	(67,164)	(53,286)
Other current liabilities	7,616	28,842	7,616	28,842
Provision for long-term employee benefits	(7,746)	(16,693)	(7,746)	(16,693)
Other non-current liabilities	142	197	142	197
Cash from operating activities	1,837,736	1,691,104	1,837,736	1,691,104
Cash paid for income tax	(222,878)	(179,757)	(222,878)	(179,757)
<b>Net cash from operating activities</b>	<b>1,614,858</b>	<b>1,511,347</b>	<b>1,614,858</b>	<b>1,511,347</b>

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

(Unaudited but reviewed)

**President Bakery Public Company Limited****Statements of cash flows (continued)****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from investing activities</b>				
Cash paid for other current financial assets	(3,519,884)	-	(3,519,884)	-
Cash paid for other non-current financial assets	(1,729,641)	-	(1,729,641)	-
Cash paid for short-term investments	-	(3,377,817)	-	(3,377,817)
Cash paid for long-term investments	-	(1,096,162)	-	(1,096,162)
Cash received from sales of short-term investments	-	3,362,241	-	3,362,241
Cash received from sales of long-term investments	-	808,894	-	808,894
Cash received from sales of other current financial assets	2,675,041	-	2,675,041	-
Cash received from sales of other non-current financial assets	1,953,595	-	1,953,595	-
Decrease in restricted bank deposit	-	17,051	-	17,051
Cash paid for other long-term investments	-	(50,000)	-	(50,000)
Acquisitions of property, plant and equipment	(103,842)	(156,880)	(103,842)	(156,880)
Proceeds from disposals of property, plant and equipment	3,259	2,631	3,259	2,631
Increase in advance payments for purchase of assets	(38)	(2,496)	(38)	(2,496)
Increase in intangible assets	(1,454)	(1,022)	(1,454)	(1,022)
Interest income	48,995	41,469	48,995	41,469
Dividend income from investments	2,333	1,549	2,333	1,549
Dividend income from joint venture	2,048	5,206	2,048	5,206
Dividend income from other investment	4,800	6,600	4,800	6,600
<b>Net cash used in investing activities</b>	<u>(664,788)</u>	<u>(438,736)</u>	<u>(664,788)</u>	<u>(438,736)</u>
<b>Cash flows from financing activities</b>				
Decrease in liabilities under lease agreements	(18,737)	(34,193)	(18,737)	(34,193)
Decrease in long-term loans from directors	-	(12,599)	-	(12,599)
Decrease in long-term loans from employees	-	(7,529)	-	(7,529)
Cash paid for interest expenses	(601)	(3,030)	(601)	(3,030)
Cash paid for interest expenses	<u>(922,500)</u>	<u>(747,000)</u>	<u>(922,500)</u>	<u>(747,000)</u>
<b>Net cash used in financing activities</b>	<u>(941,838)</u>	<u>(804,351)</u>	<u>(941,838)</u>	<u>(804,351)</u>
<b>Net increase in cash and cash equivalents</b>	8,232	268,260	8,232	268,260
Cash and cash equivalents at beginning of period	<u>366,620</u>	<u>458,542</u>	<u>366,620</u>	<u>458,542</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>374,852</u></u>	<u><u>726,802</u></u>	<u><u>374,852</u></u>	<u><u>726,802</u></u>
<b>Supplementary disclosures of cash flows information</b>				
Non-cash related transactions				
Other payables for purchases of machinery and equipment, construction and retention	3,505	35,041	3,505	35,041

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

## **President Bakery Public Company Limited**

### **Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2020**

#### **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 (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below.

#### Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Company's financial statements is as follows:

- Classification and measurement of investments in equity instruments of non-listed companies - The Company measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through either profit or loss or through other comprehensive income.
- Recognition of credit losses - The Company recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Company initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Company adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on “Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020. The relief measure may affect the valuation of other non-current financial assets and other components of shareholders’ equity accounts.

#### **b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of 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 management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **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 2019 except the changes in accounting policies related to financial instruments and leases.



### **1.5.1 Financial instruments**

#### ***Classification and measurement***

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In certain cases, the Company makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss

#### ***Impairment of financial assets***

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, financial assets that are debt instruments and measured at fair value through other comprehensive income, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

### **1.5.2 Leases**

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

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company'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 modification or reassessment.

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

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 1.4 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	31 December 2019	The impacts of		1 January 2020
		Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Current investments	2,493,595	(2,493,595)	-	-
Other current financial assets	-	2,493,595	-	2,493,595
<b>Non-current assets</b>				
Long-term investments	1,270,805	(1,270,805)	-	-
Other non-current financial assets	-	1,565,924	-	1,565,924
Other long-term investments	129,500	(129,500)	-	-
Property, plant and equipment	3,995,534	-	(59,905)	3,935,629
Right-of-use assets	-	-	87,830	87,830

(Unaudited but reviewed)

(Unit: Thousand Baht)

Financial statements in which the equity method is applied  
and Separate financial statements

	The impacts of			1 January 2020
	31 December 2019	financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>(continued)</b>				
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of liabilities under finance lease agreements	11,173	-	(11,173)	-
Current portion of lease liabilities	-	-	21,888	21,888
<b>Non-current liabilities</b>				
Liabilities under finance lease agreements, net of current portion	101	-	(101)	-
Lease liabilities, net of current portion	-	-	17,311	17,311
Deferred tax liabilities	-	33,124	-	33,124
<b>Shareholders' equity</b>				
Other components of shareholders' equity	-	132,495	-	132,495

## 2.1 Financial instruments

Details of the impact on other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)
	Financial statements in which the equity method is applied and Separate financial statements
Fair value measurement of investments in equity instruments of non- listed companies	165,619
Less: Deferred tax liabilities	(33,124)
Impacts on other components of shareholders' equity due to the adoption of financial reporting standards related to financial instruments	132,495

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	366,620	-	-	366,620	366,620
Trade and other receivables	925,397	-	-	925,397	925,397
Other current financial assets	2,493,595	-	582,440	1,911,155	2,493,595
Other current assets	33,495	-	-	33,495	33,495
Restricted bank deposits	36,348	-	-	36,348	36,348
Other non-current financial assets	1,400,305	190,342	1,375,582	-	1,565,924
Other non-current assets	4,245	-	-	4,245	4,245
<b>Total financial assets</b>	<b>5,260,005</b>	<b>190,342</b>	<b>1,958,022</b>	<b>3,277,260</b>	<b>5,425,624</b>

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

## 2.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)
Operating lease commitments as at 31 December 2019	19,212
Less: Short-term leases and leases of low-value assets	(876)
Add: Option to extend lease term	14,063
Less: Contracts reassessed as service agreements	(2,679)
Less: Deferred interest expenses	(1,795)
Increase in lease liabilities due to TFRS 16 adoption	<u>27,925</u>
Liabilities under finance lease agreements as at 31 December 2019	<u>11,274</u>
Lease liabilities as at 1 January 2020	<u><u>39,199</u></u>
Comprise of:	
Current lease liabilities	21,888
Non-current lease liabilities	17,311
	<u><u>39,199</u></u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	(Unit: Thousand Baht)
Buildings and building improvement	20,642
Machinery and equipment	7,283
<b>Total right-of-use assets</b>	<u><u>27,925</u></u>

**3. Trade and other receivables**

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
<u>Trade receivables - related party</u>		
Aged on the basis of due dates		
Not yet due	239	337
Total trade receivables - related party	239	337
<u>Trade receivables - unrelated parties</u>		
Not yet due	435,822	531,943
Past due		
Up to 3 months	333,444	390,258
3 - 6 months	2	4
6 - 12 months	11	-
Total trade receivables - unrelated parties	769,279	922,205
Total trade receivables	769,518	922,542
<u>Other receivables</u>		
Other receivables - related party	225	150
Other receivables - unrelated parties	4,431	2,705
Total other receivables	4,656	2,855
Total trade and other receivables	774,174	925,397

#### 4. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business 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 30 September		For the nine-month periods ended 30 September		Pricing and lending policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<b>Transactions with related companies</b>					
Purchase of goods	130.3	127.8	379.6	352.8	Agreed price which approximates the market price by reference to purchase volume
Interest expenses under finance lease agreements	-	0.1	-	0.4	At the agreed rate in the agreement which approximates the market rate
Dividend payment	326.1	274.7	696.3	562.6	At the declared rate
Dividend income	-	6.6	4.8	6.6	At the declared rate
<b>Transactions with joint venture</b>					
Sales of goods	0.7	0.7	1.7	2.3	Agreed price which approximates the market price
Service income	0.6	0.7	2.0	2.1	Agreed rate which approximates the market rate
Rental income	0.1	0.1	0.4	0.2	Agreed rate which approximates the market rate
Dividend income	-	-	2.0	5.2	At the declared rate
<b>Transactions with related persons</b>					
Interest expenses	-	0.4	-	1.3	Interest at the rate of 2.50% per annum

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2020 and 31 December 2019 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
<b>Trade and other receivables - related party (Note 3)</b>		
Joint venture (related by the Company holding interest in that company and by common shareholders and common directors)	464	487
Total trade and other receivables - related party	<u>464</u>	<u>487</u>
<b>Trade and other payables - related parties (Note 9)</b>		
Related companies (related by having holding interest in the Company and/or by common shareholders and common directors)	128,939	130,022
Connected companies (related by connected directors)	6,487	1,624
Total trade and other payables - related parties	<u>135,426</u>	<u>131,646</u>

### Directors' and management's remuneration

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	11.9	12.9	35.1	39.6
Post-employment benefits and other long-term benefits	0.3	0.5	1.0	1.4
Total	<u>12.2</u>	<u>13.4</u>	<u>36.1</u>	<u>41.0</u>



## 5. Investment in joint venture

### 5.1 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		Separate financial statements	
			30	31	30	31	30	31
		Million	September	December	September	December	September	December
		Baht	2020	2019	2020	2019	2020	2019
			Percent	Percent	Thousand	Thousand	Thousand	Thousand
					Baht	Baht	Baht	Baht
President Green House Foods Co., Ltd.	Operating the Japanese restaurant	15	39	39	28,009	28,424	5,850	5,850
Total investment in joint venture					28,009	28,424	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.

### 5.2 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:

(Unit: Thousand Baht)

Joint venture	Financial statements in which the equity method is applied		Separate financial statements	
	Share of profit from investment in the joint venture during the nine-month periods ended 30 September		Dividend received during the nine-month periods ended 30 September	
	2020	2019	2020	2019
President Green House Foods Company Limited	1,633	2,786	2,048	5,206
Total	1,633	2,786	2,048	5,206

**6. Other financial assets**

As at 30 September 2020, other financial assets, other than cash and cash equivalents, consisted of the following:

	(Unit: Thousand Baht)	
	30 September 2020	
	Cost/	
	Carrying value	Fair value
Bank deposits at amortised cost	2,790,945	2,790,945
Debt instruments at fair value through other comprehensive income		
Bank of Thailand bond	1,010,423	1,011,535
Corporate bonds, notes or debt instruments	412,379	411,410
Equity instruments at fair value through other comprehensive income		
Listed equity instruments	72,501	65,957
Non-listed equity instruments	199,500	365,119
Unit trust	8,950	8,062
Total	<u>4,494,698</u>	<u>4,653,028</u>

**Classified as:**

Other current financial assets	3,494,132
Other non-current financial assets	1,158,896

(Unaudited but reviewed)

Movements in the other financial assets during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

	Other current financial assets	Other non-current financial assets	Total
<b>Balance as at 1 January 2020</b>	2,493,595	1,270,805	3,764,400
Reclassification from adoption of financial reporting standards related to financial instruments	-	129,500	129,500
Adjustment from adoption of financial reporting standards related to financial instruments	-	165,619	165,619
<b>Balance as at 1 January 2020 - as adjusted</b>	2,493,595	1,565,924	4,059,519
Purchase during the period - at cost			
Cash paid for investments	3,519,884	1,729,641	5,249,525
Payable for investments	-	2,521	2,521
Total	3,519,884	1,732,162	5,252,046
Sales during the period - at cost			
Proceeds from sales	(2,675,041)	(1,953,595)	(4,628,636)
Receivable from sales	(1,999)	(1,484)	(3,483)
Gain (loss) on sales	344	(2,426)	(2,082)
Total	(2,676,696)	(1,957,505)	(4,634,201)
Transfer in (out)	157,533	(157,533)	-
Discount (surplus) on securities	695	(5,027)	(4,332)
Loss on change in value of investments	(879)	(19,125)	(20,004)
<b>Balance as at 30 September 2020</b>	3,494,132	1,158,896	4,653,028

The Company had set up private funds for investments which are managed by six asset management companies. The investments include fixed deposits at financial institution, common stocks of companies listed on the Stock Exchange of Thailand, Bank of Thailand bonds and corporate bonds.

As at 30 September 2020, the Company had assessed the fair value of such investments by referring to the value quoted by those six asset management companies in which the fair value had decreased by Baht 20.0 million (2019: increased by Baht 16.8 million). The change in the fair value of such securities is shown as other comprehensive income in the statement of comprehensive income.

On 17 September 2019, the meeting of the Board of Directors of the Company passed a resolution approving the Company to purchase 2,000,000 ordinary shares of Saha Capital Tower Co., Ltd., which is engaged in property rental and development business at par value of Baht 100 per share, amounting to Baht 200 million, or equivalent to 10% interest, and has treated this investment as equity instruments designated at FVOCI. Saha Capital Tower Co., Ltd. called up 55 percent of its registered share capital and the Company made payment for share subscription of Baht 50 million in September 2019 and Baht 60 million in March 2020.

In June 2020, the Company purchased 1 ordinary share of XET Company Limited, which operates an international school business, at par value of Baht 100 per share, amounting to Baht 100. On 20 July 2020, the meeting of the Board of Directors of the Company passed a resolution approving the Company to purchase of additional 99,999 ordinary shares in this company at par value of Baht 100 per share, amounting to Baht 9,999,900 and the Company made payment for the shares in July 2020. As a result, the Company's total investment in this company is 100,000 ordinary shares with a par value of Baht 100 per share, amounting to Baht 10,000,000, or equivalent to 0.73% interest. The investment has been classified as an investment in equity instruments designated at fair value through other comprehensive income.

During the three-month and nine-month periods ended 30 September 2020, the Company received dividend income of Baht 4.8 million from President Flour Mills Company Limited (2019: Baht 6.6 million).

## 7. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2020	3,995,534
Reclassification to right-of-use assets	(59,905)
Net book value as at 1 January 2020 - as adjusted	<u>3,935,629</u>
Acquisitions during the period - at cost	85,667
Disposals during the period - net book value at disposal date	(1,432)
Depreciation for the period	<u>(334,223)</u>
Net book value as at 30 September 2020	<u><u>3,685,641</u></u>

## 8. Right-of-use assets

Movements in the right-of-use assets account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2020	-
Reclassification from property, plant and equipment	59,905
Adjustment of right-of-use assets due to TFRS16 adoption	<u>27,925</u>
Net book value as at 1 January 2020 - as adjusted	87,830
Addition	174
Write-off	(1,138)
Depreciation for the period	<u>(35,831)</u>
Net book value as at 30 September 2020	<u><u>51,035</u></u>

(Unaudited but reviewed)

## 9. Trade and other payables

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Trade payables - related parties	135,037	131,408
Trade payables - unrelated parties	311,453	362,755
Other payables - related party	389	238
Other payables - unrelated parties	98,240	114,842
Other payables for purchases of machinery and equipment	2,256	18,504
<b>Total trade and other payables</b>	<b>547,375</b>	<b>627,747</b>

## 10. Liabilities under lease agreements/finance lease agreements

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Liabilities under lease agreements	20,792	11,375
Less: Deferred interest expenses	(1,294)	(101)
Net	19,498	11,274
Less: Portion due within one year	(10,694)	(11,173)
Liabilities under lease agreements - net of current portion	8,804	101

## 11. Provision for long-term employee benefits

Movements in provision for long-term employee benefits during the nine-month period ended 30 September 2020 are shown as follows:

(Unit: Thousand Baht)

	Employee retirement benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits as at 1 January 2020</b>	94,267	5,148	99,415
Current service cost	4,442	1,088	5,530
Interest cost	999	90	1,089
Benefits paid during the period	(7,452)	(294)	(7,746)
<b>Provision for long-term employee benefits as at 30 September 2020</b>	<b>92,256</b>	<b>6,032</b>	<b>98,288</b>

(Unaudited but reviewed)

Long-term employee benefit expenses included in the profit or loss for the three-month and nine-month periods ended 30 September 2020 amounted to Baht 2.2 million and Baht 6.6 million, respectively (2019: Baht 2.2 million and Baht 8.5 million, respectively).

## 12. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	52,564	61,406	150,244	149,765
Adjustment in respect of income tax of previous year	7,500	-	7,500	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	144	1,935	598	2,755
<b>Income tax expenses reported in profit or loss</b>	<u>60,208</u>	<u>63,341</u>	<u>158,342</u>	<u>152,520</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to change in value of investments	<u>(1,885)</u>	<u>628</u>	<u>(4,001)</u>	<u>3,350</u>

**13. Operating segment information**

The one main reportable operating segment of the Company is manufacture and sales of bakery products in which revenue is recognised at a point in time and the single geographical area of its operations is Thailand. The distribution channels are through wholesale, retail and export. The wholesales for the three-month and nine-month periods ended 30 September 2020 amounted to approximately Baht 1,661.1 million and Baht 4,970.6 million or 90.9% and 90.9% of total revenues, respectively (2019: Baht 1,895 million and Baht 5,250 million or 90.6% and 90.1% of total revenues, respectively) which were from a main customer, representing about 45.7% and 47.7% of total revenues, respectively of total revenues (2019: 47.9% and 48.6% of total revenues, respectively). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

**14. Earnings per share**

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

	For the three-month periods ended 30 September			
	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period (Thousand Baht)	430,812	510,811	429,155	510,296
Weighted average number of ordinary shares (Thousand shares)	450,000	450,000	450,000	450,000
Basic earnings per share (Baht)	0.96	1.14	0.95	1.13

	For the nine-month periods ended 30 September			
	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period (Thousand Baht)	1,283,336	1,233,876	1,283,751	1,236,296
Weighted average number of ordinary shares (Thousand shares)	450,000	450,000	450,000	450,000
Basic earnings per share (Baht)	2.85	2.74	2.85	2.75

**15. Dividend payment**

During the nine-month periods ended 30 September 2020 and 2019, the Company had dividend payments as follows:

	<u>Approved by</u>	<u>Total dividends</u> (Thousand Baht)	<u>Dividend per share</u> (Baht)	<u>Paid on</u>
<b>For the year 2020</b>				
Interim dividend on the profit for the last six-month period of 2019	The meeting of the Company's Board of directors No. 4/2020 on 8 April 2020	490,500	1.09	7 May 2020
Interim dividend on the profit for the six-month period ended 30 June 2020	The meeting of the Company's Board of directors No. 9/2020 on 17 August 2020	432,000	0.96	16 September 2020
Total dividend payments for 2020		<u>922,500</u>	<u>2.05</u>	
<b>For the year 2019</b>				
Final dividends for 2018	Annual General Meeting of the shareholders on 26 April 2019	382,500	0.85	24 May 2019
Interim dividend on the profit for the six-month period ended 30 June 2019	The meeting of the Company's Board of directors No. 8/2019 on 20 August 2019	364,500	0.81	19 September 2019
Total dividend payments for 2019		<u>747,000</u>	<u>1.66</u>	

**16. Commitments and contingent liabilities****16.1 Capital commitments**

As at 30 September 2020, the Company had capital commitments in respect of procurement agreements for production equipment of approximately Baht 0.6 million.

**16.2 Lease of the low-value assets and other service commitments**

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

As at 30 September 2020, 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	2.1	5.4
1 to 3 years	0.1	1.7



**16.3 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 and nine-month periods ended 30 September 2020 amounted to approximately Baht 0.5 million and Baht 1.2 million, respectively (2019: Baht 0.6 million and Baht 1.8 million, respectively).

**16.4 Long-term purchase commitments**

The Company has commitments under natural gas purchase agreement for periods of 3 - 7 years. Under the agreement, the Company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

No.	Period (Years)	Expired date	Average minimum quantity purchase (Million BTU)
1	3	30 November 2020	72,007 per annum
2	5	31 December 2023	305 per day
3	7	30 November 2020	23,385 per annum

**16.5 Guarantees**

As at 30 September 2020, there were outstanding bank guarantees of approximately 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.

Moreover, the Company is in the process of obtaining the release of a fixed deposit of Baht 36.3 million that the Company pledged with the Revenue Department as a guarantee for a retrospective tax assessment, after the Supreme Court dismissed the petition made and refused to hear the appeal. The Company therefore has to pay tax in the amount assessed, which was Baht 36.3 million.

**16.6 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.

**17. 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 30 September 2020 are summarised below.

Foreign currency	Amount	Exchange rates as at 30 September 2020
	(Million)	(Baht per foreign currency unit)
US dollar	1.1	31.8258
Japanese Yen	1.8	0.3037

As at 30 September 2020, there was no outstanding balance of forward exchange contract.

**18. Fair value of financial instruments**

As at 30 September 2020, the Company had assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Financial statements in which the equity method is applied and separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments in equity instruments of listed companies	74,019	-	-	74,019
Investments in equity instruments of non-listed companies	-	-	365,119	365,119
Investments in debt instruments	-	1,422,945	-	1,422,945

**Valuation techniques and inputs to Level 2 and Level 3 valuation**

The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

The fair value of investments in non-listed company are estimated by discounting expected future cash flow.

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

**19. Reclassification**

The Company reclassified the following amounts in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 to conform with the current period's classification. The reclassifications had no effect to previously reported profit or shareholders' equity.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	For the three-month period ended 30 September 2019		For the nine-month period ended 30 September 2019	
	As reclassified	As previously	As reclassified	As previously
		reported		reported
Selling and distribution expenses	376,297	346,762	1,118,654	1,012,139
Administrative expenses	64,834	94,369	210,877	317,392

**20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 November 2020.