

Thai President Foods Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thai President Foods Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thai President Foods Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Thai President Foods Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Sarinda Hirunprasurtwutti
Certified Public Accountant (Thailand) No. 4799

EY Office Limited
Bangkok: 12 November 2018

Thai President Foods Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Assets					
Current assets					
Cash and cash equivalents	2	4,772,224	2,777,379	3,478,118	1,283,164
Current investments	3	5,130,621	5,515,714	3,194,282	4,521,982
Trade and other receivables	4, 5	3,448,930	3,625,820	2,079,087	2,261,713
Short-term loan to related parties	5	47,455	1,000	1,000	1,000
Short-term loan to unrelated party	6	250,000	-	250,000	-
Inventories		1,655,638	1,352,541	605,919	481,497
Other current assets		36,124	61,119	480	672
Total current assets		15,340,992	13,333,573	9,608,886	8,550,028
Non-current assets					
Restricted bank deposit	19.5	53,399	36,348	-	-
Investments in subsidiaries	7	-	-	2,027,181	1,365,829
Investments in associates	8	2,616,332	1,533,502	252,680	255,273
Investment in joint venture	9	27,353	28,832	-	-
Investments in other companies	10	196,567	206,777	81,067	91,277
Other long-term investments	11	4,803,863	5,133,556	3,333,998	3,330,687
Advance payment for investments in related parties		-	77,359	295	295
Investment properties	12	98,258	98,258	123,673	124,993
Property, plant and equipment	13	8,514,500	8,790,564	2,395,509	2,530,651
Downpayment for purchase of machinery		43,545	16,804	-	-
Other intangible assets		36,506	40,306	18,478	22,430
Leasehold rights		660	930	-	-
Goodwill		45,651	5,535	-	-
Deferred tax assets		53,234	31,200	28,133	15,392
Other non-current assets		39,666	29,625	11,181	3,159
Total non-current assets		16,529,534	16,029,596	8,272,195	7,739,986
Total assets		31,870,526	29,363,169	17,881,081	16,290,014

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

Thai President Foods Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	5, 14	2,216,152	1,787,564	1,189,089	1,080,584
Current portion of liabilities under finance lease agreements	5	76,347	82,665	1,627	1,547
Income tax payable		159,765	242,659	88,051	131,741
Accrued bonus		329,257	159,252	166,824	31,205
Advance receipt from non-controlling interests for investments in a subsidiary		42	3	-	-
Other accrued expenses	5	896,177	285,023	739,288	98,038
Other current liabilities		37,319	70,377	14,967	45,166
Total current liabilities		3,715,059	2,627,543	2,199,846	1,388,281
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion	5	56,603	93,827	-	1,254
Long-term loans from directors	5	52,087	77,984	-	-
Long-term loans from employees		38,064	39,627	-	-
Provision for long-term employee benefits		849,803	806,610	589,653	564,145
Other non-current liabilities		60,784	60,370	57,341	57,341
Total non-current liabilities		1,057,341	1,078,418	646,994	622,740
Total liabilities		4,772,400	3,705,961	2,846,840	2,011,021

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

Thai President Foods Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered share capital				
329,704,014 ordinary shares of Baht 1 each	<u>329,704</u>	<u>329,704</u>	<u>329,704</u>	<u>329,704</u>
Issued and fully paid-up share capital				
329,704,014 ordinary shares of Baht 1 each	329,704	329,704	329,704	329,704
Share premium	712,963	712,963	712,963	712,963
Retained earnings				
Appropriated - statutory reserve	39,000	39,000	39,000	39,000
Unappropriated	19,717,467	18,459,463	13,658,026	12,849,640
Other components of shareholders' equity	<u>244,028</u>	<u>336,109</u>	<u>294,548</u>	<u>347,686</u>
Equity attributable to owners of the Company	21,043,162	19,877,239	15,034,241	14,278,993
Non-controlling interests of the subsidiaries	<u>6,054,964</u>	<u>5,779,969</u>	-	-
Total shareholders' equity	<u>27,098,126</u>	<u>25,657,208</u>	<u>15,034,241</u>	<u>14,278,993</u>
Total liabilities and shareholders' equity	<u>31,870,526</u>	<u>29,363,169</u>	<u>17,881,081</u>	<u>16,290,014</u>
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2018

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

		Consolidated		Separate
		financial statements		financial statements
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Profit or loss:				
Revenues				
Sales	5	5,702,166	5,588,525	3,233,341
Other income				
Interest income		57,506	42,363	40,183
Rental income	5	700	377	2,955
Dividend income	5	8,436	6,903	190,768
Exchange gain		-	922	-
Others	5	35,919	32,441	13,823
Total other income		102,561	83,006	247,729
Total revenues		5,804,727	5,671,531	3,481,070
Expenses				
Cost of sales	5	3,696,474	3,674,116	2,318,903
Selling expenses	5	345,578	379,162	63,333
Administrative expenses	5	528,412	556,626	298,036
Total expenses		4,570,464	4,609,904	2,680,272
Profit before share of profit from investments in associates and joint venture, finance cost and income tax expenses		1,234,263	1,061,627	800,798
Share of profit from investments in associates and joint venture		60,175	63,143	-
Profit before finance cost and income tax expenses		1,294,438	1,124,770	800,798
Finance cost		(3,113)	(3,818)	(632)
Profit before income tax expenses		1,291,325	1,120,952	800,166
Income tax expenses	15	(143,974)	(114,233)	(79,461)
Profit for the period		1,147,351	1,006,719	720,705

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the three-month period ended 30 September 2018

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

Note	Consolidated		Separate
	financial statements		financial statements
	2018	2017	2018
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of financial statements in foreign currency	(14,627)	(9,340)	-
Gain on change in value of available-for-sale investments - net of income tax	15 62,507	143,321	46,666
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	47,880	133,981	46,666
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain (loss) - net of income tax	15 (20)	28	(20)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(20)	28	(20)
Other comprehensive income for the period	47,860	134,009	46,646
Total comprehensive income for the period	1,195,211	1,140,728	767,351
Profit attributable to:			
Equity holders of the Company	889,361	765,328	720,705
Non-controlling interests of the subsidiaries	257,990	241,391	
	1,147,351	1,006,719	
Total comprehensive income attributable to:			
Equity holders of the Company	931,501	893,454	767,351
Non-controlling interests of the subsidiaries	263,710	247,274	
	1,195,211	1,140,728	
Earnings per share (Baht)			
16			
Basic earnings per share			
Profit attributable to equity holders of the Company	2.70	2.32	2.19
Weighted average number of ordinary shares (Thousand shares)	329,704	329,704	329,704

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2018

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

		Consolidated		Separate
		financial statements		financial statements
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Profit or loss:				
Revenues				
Sales	5	16,414,639	15,919,137	9,029,869
Other income				
Interest income		161,315	129,229	112,209
Rental income	5	2,020	1,161	8,785
Dividend income	5	39,059	30,141	524,085
Gain on exchange rate		18,043	2,006	9,056
Others	5	122,145	191,941	59,854
Total other income		342,582	354,478	713,989
Total revenues		16,757,221	16,273,615	9,743,858
Expenses				
Cost of sales	5	10,640,195	10,564,233	6,550,146
Selling expenses	5	1,093,138	1,082,160	179,241
Administrative expenses	5	1,586,380	1,621,767	796,011
Total expenses		13,319,713	13,268,160	7,525,398
Profit before share of profit from investments in associates and joint venture, finance cost and income tax expenses		3,437,508	3,005,455	2,218,460
Share of profit from investments in associates and joint venture	8, 9	164,737	154,923	-
Profit before finance cost and income tax expenses		3,602,245	3,160,378	2,218,460
Finance cost		(9,886)	(12,107)	(2,007)
Profit before income tax expenses		3,592,359	3,148,271	2,216,453
Income tax expenses	15	(434,648)	(320,830)	(241,573)
Profit for the period		3,157,711	2,827,441	1,974,880

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the nine-month period ended 30 September 2018

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

Note	Consolidated		Separate
	financial statements		financial statements
	2018	2017	2018
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of financial statements in foreign currency	(39,345)	(17,136)	-
Gain (loss) on change in value of available-for-sale investments - net of income tax	15 (73,850)	176,502	(53,138)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(113,195)	159,366	(53,138)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain (loss) - net of income tax	15 658	(13,011)	658
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	658	(13,011)	658
Other comprehensive income for the period	(112,537)	146,355	(52,480)
Total comprehensive income for the period	3,045,174	2,973,796	1,922,400
Profit attributable to:			
Equity holders of the Company	2,424,498	2,124,174	1,974,880
Non-controlling interests of the subsidiaries	733,213	703,267	
	3,157,711	2,827,441	
Total comprehensive income attributable to:			
Equity holders of the Company	2,333,075	2,271,015	1,922,400
Non-controlling interests of the subsidiaries	712,099	702,781	
	3,045,174	2,973,796	
Earnings per share (Baht)			
16			
Basic earnings per share			
Profit attributable to equity holders of the Company	7.35	6.44	5.99
Weighted average number of ordinary shares (Thousand shares)	329,704	329,704	329,704

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries**Statement of cash flows****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated		Separate
	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Cash flows from operating activities			
Profit before tax	3,592,359	3,148,271	2,216,453
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation	910,043	875,135	307,891
Amortisation	6,820	7,548	4,073
Gain on disposals of property, plant and equipment	(8,922)	(6,069)	(370)
Loss on write-off of property, plant and equipment	-	3,859	240
Gain on disposal of other intangible assets	(18)	-	-
Gain on disposals of other long-term investments	(38,949)	(33,771)	(20,451)
Allowance for deteriorated inventories	2,308	3,249	-
Allowance for impairment loss on investments in subsidiary company	-	-	45,648
Allowance for impairment loss on investments in associated company	2,593	-	2,593
Allowance for impairment loss on investments in other companies	10,210	15,609	10,210
Allowance for doubtful accounts	-	13,931	-
Share of profit from investments in associates	(161,536)	(151,573)	-
Share of profit from investments in joint venture	(3,201)	(3,350)	-
Dividend received from subsidiary companies	-	-	(425,600)
Dividend received from associated companies	-	-	(74,684)
Dividend received from other companies and other long-term investments	(39,059)	(30,141)	(23,801)
Surplus on treasury shares/restructuring	-	(89,457)	-
Cumulative effect of changes in classification of investments from amalgamation	-	9,181	-
Interest income	(161,315)	(129,229)	(112,209)
Interest expenses	5,100	8,001	81
Provision for long-term employee benefits	59,304	82,807	33,607
Profit from operating activities before changes in operating assets and liabilities	4,175,737	3,724,001	1,963,681
Operating assets (increase) decrease			
Trade and other receivables	197,695	(344,506)	195,160
Inventories	(305,405)	(470,587)	(124,422)
Other current assets	26,037	(21,838)	192
Other non-current assets	(10,041)	(15,397)	(8,022)
Operating liabilities increase (decrease)			
Trade and other payables	508,981	483,011	226,004
Other current liabilities	(33,058)	2,002	(30,199)
Other non-current liabilities	414	95	-
Provision for long-term employee benefits	(16,111)	(33,336)	(8,099)
Cash flows from operating activities	4,544,249	3,323,445	2,214,295
Cash paid for income tax	(520,370)	(462,918)	(284,063)
Net cash flows from operating activities	4,023,879	2,860,527	1,930,232

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated		Separate
	financial statements		financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Cash flows from investing activities			
Increase in current investments	(2,855,202)	(2,403,132)	(1,092,016)
Decrease in current investments	3,240,295	3,609,346	2,419,716
Increase in restricted bank deposit	(17,051)	-	-
Increase in short-term loan to related party	(46,455)	-	-
Increase in short-term loan to unrelated party	(250,000)	-	(250,000)
Increase in investments in subsidiaries companies	-	-	(707,000)
Increase in investments in associated companies	(1,009,444)	-	-
Increase in other long-term investments	(4,231,832)	(3,222,264)	(2,496,992)
Decrease in other long-term investments	4,508,162	2,997,167	2,447,709
Increase in investments in other company	-	(17,412)	-
Dividend received from subsidiary companies	-	-	425,600
Dividend received from associated companies	74,684	76,732	74,684
Dividend received from joint venture	4,680	819	-
Dividend received from other companies and other long-term investments	32,614	30,092	23,646
Dividend received by non-controlling interests of the subsidiaries	(447,204)	(451,193)	-
Decrease (increase) in advance payment for investments in related parties	76,907	(1,967)	-
Increase in goodwill	(41,272)	-	-
Purchase of property, plant and equipment	(563,006)	(495,460)	(142,315)
Decrease (increase) in downpayment for purchase of machinery	(26,741)	8,774	-
Proceeds from disposals of property, plant and equipment	9,606	8,240	566
Proceed from disposals of investment property	-	54,000	-
Proceed from disposals of other intangible assets	56	-	-
Purchase of intangible assets	(2,788)	(4,718)	(121)
Proceed received for non-controlling interest of the subsidiaries	10,100	-	-
Decrease in advance receipt of non-controlling interests for investments in a subsidiary	-	20,819	-
Interest income	146,955	144,366	99,832
Net cash flows from (used in) investing activities	(1,386,936)	354,209	803,309

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated		Separate
	financial statements		financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Cash flows from financing activities			
Increase (decrease) in long-term loans from directors	(25,897)	10,958	-
Decrease in long-term loans from employees	(1,563)	(3,367)	-
Repayment of liabilities under finance lease agreements	(58,768)	(85,580)	(1,174)
Dividend paid	(537,332)	(1,220,988)	(537,332)
Cash paid for interest expense	(5,100)	(8,001)	(81)
Net cash flows used in financing activities	<u>(628,660)</u>	<u>(1,306,978)</u>	<u>(538,587)</u>
Increase (decrease) in translation adjustments	(13,438)	6,017	-
Net increase in cash and cash equivalents	1,994,845	1,913,775	2,194,954
Cash and cash equivalents at beginning of period	<u>2,777,379</u>	<u>2,444,963</u>	<u>1,283,164</u>
Cash and cash equivalents at end of period (Note 2)	<u><u>4,772,224</u></u>	<u><u>4,358,738</u></u>	<u><u>3,478,118</u></u>

Supplementary disclosures of cash flows information

Non-cash related transactions

Other payable from purchase of property, plant and equipment	57,210	27,658	29,550
Liabilities under finance lease agreements - net of deferred interest	13,775	51,155	-
Dividend payable	629,820	7,181	629,820
Dividend receivable	6,445	49	155

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders									
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity			
Balance as at 31 December 2016	329,704	713,015	39,000	16,842,665	(16,357)	86,349	69,992	17,994,376	5,256,794	23,251,170
Profit for the period	-	-	-	2,124,174	-	-	-	2,124,174	703,267	2,827,441
Other comprehensive income for the period	-	-	-	(6,790)	(11,935)	165,566	153,631	146,841	(486)	146,355
Total comprehensive income for the period	-	-	-	2,117,384	(11,935)	165,566	153,631	2,271,015	702,781	2,973,796
Net decrease in the Company's equity from change in the Company's investment	-	-	-	(142)	-	-	-	(142)	142	-
Net increase in non-controlling interests of the subsidiary from change in investments of subsidiary	-	-	-	-	-	-	-	-	20,678	20,678
Net decrease in the Company's equity from surplus on treasury shares/restructuring	-	-	-	(89,457)	-	-	-	(89,457)	-	(89,457)
Adjustment from amalgamation	-	-	-	142	-	-	-	142	-	142
Cumulative effect of changes in classification of investments from amalgamation	-	-	-	9,182	-	-	-	9,182	-	9,182
Dividend paid	-	-	-	(1,228,169)	-	-	-	(1,228,169)	(451,194)	(1,679,363)
Balance as at 30 September 2017	329,704	713,015	39,000	17,651,605	(28,292)	251,915	223,623	18,956,947	5,529,201	24,486,148

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders									
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity			
Balance as at 31 December 2017	329,704	712,963	39,000	18,459,463	(31,966)	368,075	336,109	19,877,239	5,779,969	25,657,208
Profit for the period	-	-	-	2,424,498	-	-	-	2,424,498	733,213	3,157,711
Other comprehensive income for the period	-	-	-	658	(28,982)	(63,099)	(92,081)	(91,423)	(21,114)	(112,537)
Total comprehensive income for the period	-	-	-	2,425,156	(28,982)	(63,099)	(92,081)	2,333,075	712,099	3,045,174
Net increase in non-controlling interests of the subsidiary from change in investments of subsidiary	-	-	-	-	-	-	-	-	10,100	10,100
Dividend paid (Note 17)	-	-	-	(1,167,152)	-	-	-	(1,167,152)	(447,204)	(1,614,356)
Balance as at 30 September 2018	329,704	712,963	39,000	19,717,467	(60,948)	304,976	244,028	21,043,162	6,054,964	27,098,126

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

(Unaudited but reviewed)

Thai President Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (Continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total
			Appropriated	Unappropriated	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	shareholders' equity
Balance as at 31 December 2017	329,704	712,963	39,000	12,849,640	347,686	347,686	14,278,993
Profit for the period	-	-	-	1,974,880	-	-	1,974,880
Other comprehensive income for the period	-	-	-	658	(53,138)	(53,138)	(52,480)
Total comprehensive income for the period	-	-	-	1,975,538	(53,138)	(53,138)	1,922,400
Dividend paid (Note 17)	-	-	-	(1,167,152)	-	-	(1,167,152)
Balance as at 30 September 2018	329,704	712,963	39,000	13,658,026	294,548	294,548	15,034,241

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

Thai President Foods Public Company Limited and its subsidiary companies

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 Corporate information

Thai President Foods Public Company Limited (“the Company”) is a public company incorporated from an amalgamation on 16 October 2017 and domiciled in Thailand. Its major shareholder is Sahapathana Inter-holding Public Company Limited which is a public company incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of instant noodles, semi-instant foods and biscuit products. The registered office and head office of the Company is at No. 304, TF Group Building, Srinakarin Road, Huamark Sub-district, Bangkapi District, Bangkok. There are five plants, located at Chonburi Province, Lamphoon Province, Rayong Province and another 2 plants at Ratchaburi Province.

1.2 Amalgamation

The Company was formed as a result of the amalgamation in accordance with the Public Limited Companies Act B.E. 2535 on 16 October 2017. The amalgamating companies were as follows:

- 1) Thai President Foods Public Company Limited
- 2) President Rice Products Public Company Limited

As a result of the amalgamation, the Company received the assets, liabilities, rights and obligations of these companies and therefore presented beginning account balances based on the total net book values presented in the financial statements as of 15 October 2017 of both companies. This amalgamation was thus considered to be a business combination under common control, and the Company presented information in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2017 to reflect the financial position, operating results, and cash flows of the group of companies under common control on the basis of economic substance, even though the legal form of the Company was established subsequent to 30 September 2017.

1.3 Basis of 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 Basis of consolidation

The interim consolidated financial statements included the financial statements of Thai President Foods Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. There have been changes in the composition of its subsidiaries during the current period from the incorporation of new subsidiary, as discussed in Note 7 to interim financial statements.

On 20 August 2018, the Company submitted the announcement of intention to make a tender offer to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, expressing its intention to increase its investment in President Bakery Public Company Limited to over 50 percent of the total issued and paid-up share capital of President Bakery Public Company Limited, which will result in President Bakery Public Company Limited becoming a clear and complete subsidiary of the Company. The Company therefore made a voluntary tender offer for all of the securities of President Bakery Public Company Limited. The voluntary tender offer was completed on 6 November 2018 in which the Company holds 51.99 percent interest in President Bakery Public Company Limited's ordinary shares.

1.5 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

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

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

2. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Cash in hand	9,727	5,287	1,301	1,589
Bank deposits	4,321,987	2,548,565	3,112,972	1,172,005
Cash and cash equivalents - in private fund	440,510	223,527	363,845	109,570
Total	4,772,224	2,777,379	3,478,118	1,283,164

As at 30 September 2018, bank deposits in savings accounts, fixed deposits, promissory notes and bills of exchange carried interests at the rates between 0.1% and 5.0% per annum (31 December 2017: 0.1% and 1.8% per annum).

3. Current investments

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Fixed deposits	3,284,012	4,006,833	2,905,964	3,971,384
Bills of exchange and deposit receipt	1,015,000	-	-	-
Short-term fund	136,105	50,405	-	-
Current investments – in private fund	695,504	1,458,476	288,318	550,598
Total	5,130,621	5,515,714	3,194,282	4,521,982

As at 30 September 2018, bank deposits in fixed account, bill of exchange and deposit receipt, short-term fund and current investments (in private fund) carried interests at the rates between 0.4% and 5.2% per annum (31 December 2017: 0.6% and 5.0% per annum).

4. Trade and other receivables

The outstanding balances of trade and other receivables as at 30 September 2018 and 31 December 2017 are aged, based on due date, as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,249,679	1,339,221	1,349,789	1,439,174
Past due				
Not over 3 months	91,193	148,841	96,541	162,951
3 - 6 months	238	889	238	889
6 - 12 months	1,628	1,039	1,628	1,039
Over 12 months	848	-	848	-
Total trade receivables - related parties	1,343,586	1,489,990	1,449,044	1,604,053
<u>Other receivables - related parties</u>				
Accrued income and interest receivable	5,123	576	11,218	6,638
Total other receivables - related parties	5,123	576	11,218	6,638
Total trade and other receivables - related parties (Note 5)	1,348,709	1,490,566	1,460,262	1,610,691

(Unaudited but reviewed)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,262,775	1,182,935	447,851	407,994
Past due				
Not over 3 months	690,436	683,458	111,174	117,981
3 - 6 months	1,704	108,177	334	8,815
6 - 12 months	57	2,707	57	1,895
Over 12 months	13,550	13,096	12,900	13,082
Total	1,968,522	1,990,373	572,316	549,767
Less: Allowance for doubtful accounts	(16,379)	(16,379)	(14,287)	(14,287)
Total trade receivables - unrelated parties, net	1,952,143	1,973,994	558,029	535,480
<u>Other receivables - unrelated parties</u>				
Accrued income and interest receivable				
	91,166	56,074	46,749	31,245
Prepayments	38,044	20,708	6,891	6,739
Advance payment for goods	-	73,157	-	73,157
Advances	18,868	11,321	7,156	4,401
Total other receivables - unrelated parties	148,078	161,260	60,796	115,542
Total trade and other receivables - unrelated parties - net	2,100,221	2,135,254	618,825	651,022
Total trade and other receivables - net	3,448,930	3,625,820	2,079,087	2,261,713

5. Related party transactions

5.1 Transactions incurred during the period

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

(Unit: Thousand Baht)

	For the three-month periods ended			Transfer pricing policy
	30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales	-	-	125,507	Cost plus margin
Dividend income	-	-	178,697	At the announced rate
Rental and other income	-	-	6,330	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	-	-	678,573	Approximately market price with reference to purchase volume
Other expenses (included in selling and administrative expenses)	-	-	13,456	Agreed price which approximates the market price
Transactions with associated companies				
Sales	17,679	28,028	17,680	Cost plus margin
Dividend income	-	-	8,384	At the announced rate
Rental and other income	1,591	4,318	1,591	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	174,354	176,588	31,398	Approximately market price with reference to purchase volume
Other expenses (included in selling and administrative expenses)	-	104	-	Agreed price
Purchase of machinery and equipment	265	597	265	Agreed price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended			Transfer pricing policy
	30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Transactions with joint venture				
Sales	722	607	-	Agreed price which approximates the market price
Rental and other income	623	858	-	Agreed price which approximates the market price
Transactions with related companies				
Sales	2,187,042	2,094,670	2,175,009	Cost plus margin
Rental and other income	7,494	5,691	3,496	Contract price and agreed price
Purchase of goods and raw material, and production cost (included in cost of sales)	121,576	102,396	80,294	Approximately market price with reference to purchase volume
Commission and other expenses (included in selling and administrative expenses)	29,551	53,963	20,454	Contract price
Purchase of machinery and equipment	2,333	870	2,312	Agreed price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended			Transfer pricing policy
	30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales	-	-	342,454	Cost plus margin
Dividend income (Note 7)	-	-	425,600	At the announced rate
Rental and other income	-	-	19,238	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	-	-	1,975,534	Approximately market price with reference to purchase volume
Other expenses (included in selling and administrative expenses)	-	-	35,883	Agreed price which approximates the market price
Transactions with associated companies				
Sales	67,627	80,053	67,626	Cost plus margin
Dividend income (Note 8)	-	-	74,684	At the announced rate
Rental and other income	5,501	11,673	5,501	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	449,523	490,147	90,197	Approximately market price with reference to purchase volume
Other expenses (included in selling and administrative expenses)	-	435	-	Agreed price
Purchase of machinery and equipment	5,424	687	5,424	Agreed price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			Transfer pricing policy
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	
Transactions with joint venture				
Sales	1,933	1,819	-	Agreed price which approximates the market price
Dividend income (Note 9)	4,680	819	-	At the announced rate
Rental and other income	2,040	2,205	-	Agreed price which approximates the market price
Transactions with related companies				
Sales	6,172,590	5,995,337	6,138,332	Cost plus margin
Dividend income	12,367	7,669	12,367	At the announced rate
Rental and other income	18,590	17,247	12,097	Contract price and agreed price
Purchase of goods and raw material, and production cost (included in cost of sales)	354,641	356,183	224,404	Approximately market price with reference to purchase volume
Commission and other expenses (included in selling and administrative expenses)	85,259	117,239	55,792	Contract price
Purchase of machinery and equipment	5,811	2,969	5,237	Agreed price

5.2 Outstanding balance at end of period

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Trade and other receivables - related parties (Note 4)				
Subsidiaries	-	-	120,537	128,376
Associated companies	27,464	33,793	27,125	33,457
Related companies (related by common shareholders or directors)	1,321,245	1,456,773	1,312,600	1,448,858
Total trade and other receivables - related parties	<u>1,348,709</u>	<u>1,490,566</u>	<u>1,460,262</u>	<u>1,610,691</u>
Trade and other payables - related parties (Note 14)				
Subsidiaries	-	-	389,644	370,143
Associated companies	167,285	164,650	15,294	17,527
Related companies (related by common shareholders or directors)	90,073	94,841	24,391	22,528
Total trade and other payables - related parties	<u>257,358</u>	<u>259,491</u>	<u>429,329</u>	<u>410,198</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Liabilities under finance lease agreements - related party				
<i>Major shareholder</i>				
Liabilities under finance lease agreements	89,547	117,028	1,284	84
Less: Current portion	(49,521)	(53,181)	(1,284)	(84)
Liabilities under finance lease agreements - net of current portion	40,026	63,847	-	-
Other accrued expenses - related parties				
<i>Related companies</i>	18,662	18,235	18,662	18,235
Total other accrued expenses - related parties	18,662	18,235	18,662	18,235

Short-term loans to related parties

As at 30 September 2018 and 31 December 2017, the balances of short-term loans to related parties and the movements were as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Balance as at 31 December 2017	Increase during the period	Decrease during the period	Balance as at 30 September 2018
	<u>Associated companies</u>			
Thai Instant Products Company Limited	1,000	-	-	1,000
Anbao Environmental Science & Technology Company Limited (formerly known as "Chongqing Taibao Paper Products Company Limited")	-	46,455	-	46,455
Total	1,000	46,455	-	47,455

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Balance as at 31 December 2017	Increase during the period	Decrease during the period	Balance as at 30 September 2018
<u>Associated company</u>				
Thai Instant Products Company Limited	1,000	-	-	1,000
Total	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>

Long-term loans from directors

During the period, movements of long-term loans from directors (including interest payable) of a subsidiary are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2017	During the period		Balance as at 30 September 2018
		Increase	Decrease	
Long-term loans from directors	<u>77,984</u>	<u>61,068</u>	<u>(86,965)</u>	<u>52,087</u>

(Unaudited but reviewed)

5.3 Directors and management's remuneration

During the periods ended 30 September 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

For the three-month periods ended
30 September

	Consolidated financial statements		Separate financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Short-term employee benefits	39	45	15
Post-employment benefits and other long-term benefits	1	2	-
Total	<u>40</u>	<u>47</u>	<u>15</u>

(Unit: Million Baht)

For the nine-month periods ended
30 September

	Consolidated financial statements		Separate financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Short-term employee benefits	117	136	47
Post-employment benefits and other long-term benefits	3	8	-
Total	<u>120</u>	<u>144</u>	<u>47</u>

6. Short-term loans to unrelated party

As at 30 September 2018, the Company had short-term loans in the form of loan agreement of Baht 250 million to a local unrelated party. The loan carries interest of 10 percent per annum and is due for repayment within one year from the contract date but not later than 22 May 2019. The loan was secured by mortgages of the borrower's land and construction thereon and guaranteed by the borrower's directors and the parent company of the borrower.

(Unaudited but reviewed)

7. Investments in subsidiary companies

Company's name (Nature of business)	Paid up capital	(Unit: Thousand Baht)					Dividend received during the nine-month period ended
		Separate financial statements					
		Shareholding percentage		Cost		30 September 2018	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017		
		(Percent)	(Percent)				
Tai Sun Foods Company Limited (Manufacture and distribution of fruit juice and distribution of biscuit products)	Baht 50 million	52.08	52.08	26,038	26,038	781	
Thai Anbao Paper Products Company Limited (Manufacture and distribution of paper packaging)	Baht 20 million	51.00	51.00	10,200	10,200	25,500	
Dai-Ichi Packaging Company Limited (Manufacture and distribution of packaging printing products and provide packaging service for consumable products)	Baht 150 million	50.10	50.10	75,721	75,721	31,187	
Kallol Thai President Foods (BD) Limited (Manufacture and distribution of instant noodles)	Taka 630 million	55.00	55.00	142,150	142,150	-	
President Flour Mills Company Limited (Manufacture and distribution of wheat flour)	Baht 600 million	60.00	60.00	360,000	360,000	25,200	
Thai President Foods (Hungary) Company Limited (Manufacture and distribution of instant noodles)	Forint 2,350 million	65.00	65.00	209,185	209,185	17,895	
President Kourakuen Company Limited (Restaurant and drink)	Baht 25 million	70.00	70.00	17,500	17,500	-	
President Bakery Public Company Limited (Manufacture and distribution of bakery products)	Baht 450 million	46.90	46.90	525,035	525,035	325,037	
President D Venture Company Limited (Investing and/or lending in real estate business)	Baht 1,010 million	70.00	-	707,000	-	-	
				<u>2,072,829</u>	<u>1,365,829</u>	<u>425,600</u>	
Less: Allowance for loss on impairment of investments				(45,648)	-		
Total				<u>2,027,181</u>	<u>1,365,829</u>		

On 23 July 2018, the meeting of the Company's Board of Directors No. 7/2018 passed a resolution approving the establishment of a new company in Thailand within August 2018, named President D Venture Co., Ltd., to engage in investing and/or lending in real estate business with a registered share capital of Baht 1,010 million. The Company and a subsidiary will hold 70 percent interest and 29 percent interest, respectively. This company was incorporated as a limited company with the Ministry of Commerce on 3 August 2018.

(Unaudited but reviewed)

8. Investments in associated companies

		(Unit: Thousand Baht)												
		Consolidated financial statements								Separate financial statements				
Company's name	Country of incorporation	Paid up capital	Shareholding percentage		Carrying amount based on cost method		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the nine-month periods ended		Carrying amount based on cost method		Dividend received during the nine-month period ended	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017	30 September 2018	31 December 2017	30 September 2018	
Kerry Flour Mills Company Limited (Manufacture of wheat flour)	Thailand	Baht 200 million	39.00	39.00	92,630	92,630	1,306,779	1,227,053	146,026	131,543	92,630	92,630	66,300	
Anbao Environmental Science & Technology Company Limited (formerly known as "Chongqing Taibao Paper Products Company Limited") (Manufacture of paper products)	China	RMB 50 million	35.00	35.00	87,324	87,324	167,246	162,496	13,134	17,294	87,324	87,324	8,384	
Thai-Myanmar Success Venture Company Limited (Investment holding)	Thailand	Baht 100 million	35.00	35.00	35,040	35,040	41,081	40,463	618	628	35,040	35,040	-	
Sanko Machinery (Thailand) Company Limited (Assembly of automatic packaging machines)	Thailand	Baht 15 million	35.00	35.00	5,587	5,587	61,251	56,888	4,363	1,700	5,587	5,587	-	
President Foods (Cambodia) Company Limited (Manufacture of instant noodles)	Cambodia	USD 1.5 million	30.00	30.00	19,692	19,692	54,461	51,584	2,877	1,520	19,692	19,692	-	

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name (Nature of business)	Country of incorporation	Paid up capital	Consolidated financial statements						Separate financial statements				
			Shareholding percentage		Carrying amount based on cost method		Carrying amount based on equity method		Share of profit (loss) from investments in associates during the nine-month periods ended		Dividend received during the nine-month period ended		
			30	31	30	31	30	31	30	30	30	31	30
			September 2018	December 2017	September 2018	December 2017	September 2018	December 2017	September 2018	September 2017	September 2018	December 2017	September 2018
			(Percent)	(Percent)									
Thai Instant Products Co., Ltd. (Manufacturing and sales of products from rice, tapioca, corn and other agriculture crops)	Thailand	Baht 240 million	25.00	25.00	21,500	21,500	12,337	13,487	(1,150)	(1,112)	21,500	21,500	-
IDEO Mobi Rangnam (Real estate development and lending)	Thailand	Baht 718.86 million	49.00	-	390,035	-	388,046	-	(1,989)	-	-	-	-
IDEO Q Sukhumvit 36 Company Limited (Real estate development and lending)	Thailand	Baht 555.99 million	49.00	-	325,571	-	324,251	-	(1,320)	-	-	-	-
IDEO New Rama 9 (Real estate development and lending)	Thailand	Baht 544.62 million	49.00	-	293,838	-	292,815	-	(1,023)	-	-	-	-
					<u>1,271,217</u>	<u>261,773</u>	<u>2,648,267</u>	<u>1,551,971</u>	<u>161,536</u>	<u>151,573</u>	<u>261,773</u>	<u>261,773</u>	<u>74,684</u>
Less: Allowance for loss on impairment of investments							(9,093)	(6,500)			(9,093)	(6,500)	
Translation adjustments							(22,842)	(11,969)			-	-	
Total investments in associates - net					<u>2,616,332</u>	<u>1,533,502</u>					<u>252,680</u>	<u>255,273</u>	

(Unaudited but reviewed)

Share of profit from investments in four associated companies accounted for under the equity method for the three-month and nine-month periods ended 30 September 2018, totaling approximately Baht 7.4 million and Baht 15.5 million or 0.6% and 0.5% of consolidated net profit for the periods (2017: Baht 11.7 million and Baht 18.3 million or 1.0% and 0.6%) was calculated from interim financial statements which had not been reviewed by the auditors of those associated companies.

9. Investment in joint venture

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

(Unit: Thousand Baht)

Joint venture	Nature of business	Paid-up capital	Shareholding percentage		Carrying amount		Share of profit from investment in joint venture during the nine-month periods ended		Dividend received during the nine-month periods ended	
			30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017
		Million Baht	Percent	Percent						
President Green House Foods Co., Ltd.	Operating the Japanese restaurant	15	39	39	27,353	28,832	3,201	3,350	4,680	819
Total investment in joint venture					27,353	28,832	3,201	3,350	4,680	819

In May 2008, a subsidiary company, together with a foreign company and a local company, jointly established President Green House Foods Company Limited to operate a Japanese restaurant. A subsidiary 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.

(Unaudited but reviewed)

10. Investments in other companies

(Unit: Thousand Baht)

Company's name (Nature of business)	Consolidated financial statements						Separate financial statements						Dividend received during the nine-month period ended
	Paid up capital (Million Baht)	Shareholding percentage		Carrying amounts based on cost method		Dividend received during the nine-month periods ended		Shareholding percentage		Carrying amounts based on cost method		30	
		30	31	30	31	30	31	30	30	30	31		
		September 2018	December 2017	September 2018	December 2017	September 2018	December 2017	September 2018	September 2017	September 2018	December 2017		
		(Percent)	(Percent)			(Percent)	(Percent)						
Kewpie (Thailand) Company Limited (Manufacture of sauce and dried vegetables)	260.00	10.00	10.00	26,000	26,000	5,720	5,200	10.00	10.00	26,000	26,000	5,720	
President Interfood Company Limited (Agency)	3.00	8.67	8.67	442	442	3,380	390	8.67	8.67	442	442	3,380	
Winstore Retail Network Company Limited (Information technology management)	62.65	0.60	0.60	2,500	2,500	-	-	0.60	0.60	2,500	2,500	-	
The Bangkok Club Company Limited (Club)	450.00	0.44	0.44	3,000	3,000	-	-	0.44	0.44	3,000	3,000	-	
Noble Place Company Limited (Real estate development)	296.25	0.08	0.08	1,500	1,500	-	-	0.08	0.08	1,500	1,500	-	
Saha Lawson Company Limited (Convenience store)	1,277.00	7.66	9.00	97,830	97,830	-	-	7.66	9.00	97,830	97,830	-	
American Food Company Limited (Manufacture of ice-cream)	140.00	18.00	18.00	25,200	25,200	-	-	9.00	9.00	12,600	12,600	-	
Sahachol Food Supplies Company Limited (Non-alcoholic beverage retailer)	325.00	6.62	6.62	28,775	28,775	-	-	4.42	4.42	21,875	21,875	-	

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name (Nature of business)	Consolidated financial statements						Separate financial statements					
	Paid up capital	Shareholding percentage		Carrying amounts based on cost method		Dividend received during the nine-month periods ended		Shareholding percentage	Carrying amounts based on cost method		Dividend received during the nine-month period ended	
		30	31	30	31	30	31		30	30		30
	(Million Baht)	September 2018	December 2017	September 2018	December 2017	September 2018	December 2017	September 2018	September 2017	September 2018	December 2017	September 2018
	(Percent)	(Percent)			(Percent)	(Percent)						
Treasure Hill Company Limited (Real estate development)	200.00	3.00	3.00	6,000	6,000	-	-	2.00	2.00	4,000	4,000	-
Maruto (Thailand) Company Limited (Trading of packaging products)	10.00	10.00	10.00	1,000	1,000	-	-	-	-	-	-	-
Ashton Asoke Praram 9 Company Limited (Real estate development)	1,170.00	6.40	6.40	75,000	75,000	4,993	-	-	-	-	-	-
IDEO Q Victory Company Limited (Real estate development)	510.00	3.90	3.90	20,000	20,000	1,272	-	-	-	-	-	-
Total				<u>287,247</u>	<u>287,247</u>	<u>15,365</u>	<u>5,590</u>			<u>169,747</u>	<u>169,747</u>	<u>9,100</u>
Less: Allowance for loss on impairment of investments				<u>(90,680)</u>	<u>(80,470)</u>					<u>(88,680)</u>	<u>(78,470)</u>	
Total investments in other company - net				<u>196,567</u>	<u>206,777</u>					<u>81,067</u>	<u>91,277</u>	

(Unaudited but reviewed)

11. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2018		31 December 2017	
	Cost	Fair value	Cost	Fair value
Fixed deposit with financial institutions				
Fixed deposit (in private fund)	10,000	10,000	35,000	35,000
Total investments in fixed deposit with financial institutions	10,000	10,000	35,000	35,000
Available-for-sale investments				
Local marketable equity securities	142,257	466,423	142,257	481,340
Local quoted bonds	153,096	173,780	153,096	178,544
Government bonds	46,000	46,000	45,500	45,500
Long-term funds	103,450	105,143	105,280	110,479
Available-for-sale investments (in private fund)	3,954,289	4,002,517	4,165,340	4,282,693
	4,399,092	4,793,863	4,611,473	5,098,556
Add: Surplus on changes in value of available-for-sale investments	394,771		487,083	
Total investment in available-for-sale securities	4,793,863		5,098,556	
Total other long-term investments in the consolidated financial statements	4,803,863	4,803,863	5,133,556	5,133,556

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2018	31 December 2017
	Revaluation surplus in available-for-sale investments	
Portion of the Company	368,185	434,607
Portion of the Subsidiary	26,586	52,476
	394,771	487,083
Less: Portion of the subsidiary attributable to non-controlling of the subsidiary	(13,551)	(26,989)
Deferred tax effect	(76,244)	(92,019)
Total revaluation surplus in available-for-sale investments in the consolidated financial statements	304,976	368,075

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2018		31 December 2017	
	Cost	Fair value	Cost	Fair value
Fixed deposit with financial institutions				
Fixed deposit (in private fund)	-	-	5,000	5,000
Total investment in fixed deposit with financial institution	-	-	5,000	5,000
Available-for-sale investments				
Local marketable equity securities	142,257	466,423	142,257	481,340
Local quoted bonds	48,096	68,780	48,096	73,543
Government bonds	40,000	40,000	40,000	40,000
Long-term funds	99,903	101,524	99,903	104,693
Available-for-sale investments (in private fund)	2,635,557	2,657,271	2,560,824	2,626,111
	2,965,813	3,333,998	2,891,080	3,325,687
Add: Surplus on changes in value of available-for-sale investments	368,185		434,607	
Total investments in available-for-sale securities	3,333,998		3,325,687	
Total other long-term investments in the separate financial statements	3,333,998	3,333,998	3,330,687	3,330,687

(Unit: Thousand Baht)

	Separate financial statements	
	30 September 2018	31 December 2017
Revaluation surplus in available-for-sale investments	368,185	434,607
Less: Deferred tax effect	(73,637)	(86,921)
Total surplus in available-for-sale investments in the separate financial statements	294,548	347,686

(Unaudited but reviewed)

As at 30 September 2018, the Company and its subsidiaries have pledged government bonds with maturity date over 1 year of approximately Baht 43 million (31 December 2017: Baht 84 million) and the Company only of Baht 37 million (31 December 2017: Baht 37 million) as a guarantee for electricity and steam use of the Company and its subsidiaries and as a guarantee of retroactive tax assessment of the Company.

12. Investment properties

Movements in the investment property account during the nine-month periods ended 30 September 2018 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	98,258	124,993
Depreciation for the period	-	(1,320)
Net book value as at 30 September 2018	<u>98,258</u>	<u>123,673</u>

13. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month periods ended 30 September 2018 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	8,790,564	2,530,651
Acquisitions during period at cost	648,176	171,865
Disposals during period - net book value at disposal date	(684)	(436)
Depreciation for period	(910,043)	(306,571)
Translation adjustment	(13,513)	-
Net book value as at 30 September 2018	<u>8,514,500</u>	<u>2,395,509</u>

(Unaudited but reviewed)

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Trade payables - related parties	243,980	246,844	411,104	390,241
Other payables - related parties	13,378	12,647	18,225	19,957
Total trade and other payables - related parties (Note 5)	257,358	259,491	429,329	410,198
Trade payables - unrelated parties	1,692,197	1,300,964	653,529	585,217
Other payables - unrelated parties	257,978	215,043	97,612	74,163
Unearned revenue	8,619	12,066	8,619	11,006
Total trade and other payables - unrelated parties	1,958,794	1,528,073	759,760	670,386
Total trade and other payables	2,216,152	1,787,564	1,189,089	1,080,584

15. 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 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended		
	30 September		
	Consolidated financial		Separate
	statements		financial
	2018	2017	statements
			2018
Current income tax:			
Interim corporate income tax charge	152,796	118,998	88,396
Deferred tax:			
Relating to origination and reversal of temporary differences	(8,822)	(4,765)	(8,935)
Income tax expense reported in the statements of comprehensive income	143,974	114,233	79,461

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended
30 September

	Consolidated financial statements		Separate financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Current income tax:			
Interim corporate income tax charge	437,562	344,072	240,373
Deferred tax:			
Relating to origination and reversal of temporary differences	(2,914)	(23,242)	1,200
Income tax expense reported in the statements of comprehensive income	<u>434,648</u>	<u>320,830</u>	<u>241,573</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 2018 and 2017 are as follows:

(Unit: Thousand Baht)

For the three-month periods ended
30 September

	Consolidated financial statements		Separate financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>
Deferred tax relating to			
- Gain (loss) on changes in value of available-for-sale investments	(15,627)	(31,360)	(11,667)
- Actuarial gain (loss)	(20)	28	(20)
Total	<u>(15,647)</u>	<u>(31,332)</u>	<u>(11,687)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended
30 September

	Consolidated financial statements		Separate financial statements
	2018	2017	2018
Deferred tax relating to			
- Gain (loss) on changes in value of available-for-sale investments	18,462	(42,141)	13,284
- Actuarial gain (loss)	658	293	658
Total	19,120	(41,848)	13,942

16. Earnings per share

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

17. Dividend

	Dividend for 2018		
	Per share	Total	Paid date
	(Baht)	(Thousand Baht)	
The second-half period of 2017			
(Approved by the Annual General Meeting of the Company's shareholders No. 1/2018 on 25 April 2018)			
BOI-promoted operation	1.25	412,130	
Non-BOI-promoted operation	0.38	125,288	
	1.63	537,418	23 May 2018
The first-half period of 2018			
(Approved by the Meeting of the Company's Board of Directors No. 9/2018 on 26 September 2018)			
BOI-promoted operation	1.60	527,526	
Non-BOI-promoted operation	0.31	102,208	
	1.91	629,734	25 October 2018
Total dividend declared in 2018	3.54	1,167,152	

18. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017, respectively.

(Unit: Thousand Baht)

Consolidated financial statements for the three-month periods ended 30 September																
	Instant noodles and semi-instant foods		Bakery		Packaging		Biscuits		Fruit Juice		Others		Eliminated		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Sales to external customers																
Thailand	2,146,928	2,038,281	1,938,930	1,977,135	236,076	239,199	201,104	206,945	65,538	82,000	45,121	28,440	-	-	4,633,697	4,572,000
Others	941,914	889,828	-	-	497	816	18,703	22,784	107,355	103,097	-	-	-	-	1,068,469	1,016,525
Inter-segment	27,270	33,548	44	-	446,532	423,118	98,237	93,766	-	425	229,409	216,623	(801,492)	(767,480)	-	-
Total sales	3,116,112	2,961,657	1,938,974	1,977,135	683,105	663,133	318,044	323,495	172,893	185,522	274,530	245,063	(801,492)	(767,480)	5,702,166	5,588,525
Less: Cost of sales	(2,234,536)	(2,167,168)	(1,122,769)	(1,168,624)	(555,191)	(523,954)	(254,483)	(260,926)	(113,441)	(116,277)	(222,688)	(202,913)	806,634	765,746	(3,696,474)	(3,674,116)
Segment gross profit	881,576	794,489	816,205	808,511	127,914	139,179	63,561	62,569	59,452	69,245	51,842	42,150	5,142	(1,734)	2,005,692	1,914,409
Other income															102,561	83,006
Selling expenses															(345,578)	(379,162)
Administrative expenses															(528,412)	(556,626)
Share of profit from investments in associates and joint venture															60,175	63,143
Finance cost															(3,113)	(3,818)
Profit before income tax															1,291,325	1,120,952
Income tax															(143,974)	(114,233)
Profit for the period															1,147,351	1,006,719
Non-controlling interest of the subsidiaries															(257,990)	(241,391)
Profit for equity holders of the Company															889,361	765,328

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements for the nine-month periods ended 30 September

	Instant noodles and semi-instant foods		Bakery		Packaging		Biscuits		Fruit Juice		Others		Eliminated		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Sales to external customers															
Thailand	6,052,369	5,858,878	5,520,799	5,497,851	744,005	752,527	557,879	559,791	226,747	315,765	125,175	89,095	-	-	13,226,974	13,073,907
Others	2,628,751	2,426,320	-	-	1,755	2,286	40,112	47,805	517,047	368,819	-	-	-	-	3,187,665	2,845,230
Inter-segment	78,991	84,168	58	-	1,249,947	1,196,892	263,463	242,306	578	1,128	718,585	632,364	(2,311,622)	(2,156,858)	-	-
Total sales	8,760,111	8,369,366	5,520,857	5,497,851	1,995,707	1,951,705	861,454	849,902	744,372	685,712	843,760	721,459	(2,311,622)	(2,156,858)	16,414,639	15,919,137
Less: Cost of sales	(6,340,896)	(6,228,745)	(3,191,185)	(3,203,351)	(1,636,600)	(1,583,641)	(699,528)	(690,613)	(452,018)	(425,649)	(645,439)	(600,902)	2,325,471	2,168,668	(10,640,195)	(10,564,233)
Segment gross profit	2,419,215	2,140,621	2,329,672	2,294,500	359,107	368,064	161,926	159,289	292,354	260,063	198,321	120,557	13,849	11,810	5,774,444	5,354,904
Other income															342,582	354,478
Selling expenses															(1,093,138)	(1,082,160)
Administrative expenses															(1,586,380)	(1,621,767)
Share of profit from investments in associates and joint venture															164,737	154,923
Finance cost															(9,886)	(12,107)
Profit before income tax															3,592,359	3,148,271
Income tax															(434,648)	(320,830)
Profit for the period															3,157,711	2,827,441
Non-controlling interest of the subsidiaries															(733,213)	(703,267)
Profit for equity holders of the Company															2,424,498	2,124,174

19. Commitments and contingent liabilities

19.1 Capital commitments

As at 30 September 2018, a subsidiary company had capital commitments in respect of procurement agreements for production equipment of approximately Baht 1.4 million and Yen 3.2 million, totaling approximately Baht 2.3 million.

19.2 Operating lease commitments

The Company, its subsidiaries and the joint venture have entered into several lease agreements in respect of the lease of warehouse, the lease of land, office building space and related services. The terms of the agreements are generally 1 year to 5 years.

Future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Payable within:				
Less than 1 year	24	25	9	7
1 to 5 years	10	9	-	-
	<u>34</u>	<u>34</u>	<u>9</u>	<u>7</u>

19.3 Long-term service commitments

The joint venture of a subsidiary company 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 2018 amounted to approximately Baht 0.6 million and Baht 1.7 million, respectively (2017: Baht 0.5 million and Baht 1.6 million, respectively).

19.4 Long-term purchase commitments

A subsidiary company has commitments under natural gas purchase agreement for periods of 1 - 7 years. Under the agreement, a subsidiary 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 2018	72,007 per annum
2	5	31 December 2018	281 per day
3	7	30 November 2020	23,385 per annum

19.5 Guarantees

As at 30 September 2018, there were outstanding bank guarantees of approximately Baht 147 million (31 December 2017: Baht 106 million), issued by banks on behalf of the Company and its subsidiaries and separate financial statements Baht 64 million (31 December 2017: Baht 59 million) in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiaries. These included letters of guarantee as follows:

<u>Type of guarantee</u>	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Payment due to creditors	28	29	-	-
Custom duty	8	2	7	2
Retroactive tax assessment	111	75	57	57
	<u>147</u>	<u>106</u>	<u>64</u>	<u>59</u>

Moreover, the subsidiary pledged a fixed deposit of Baht 36.3 million (31 December 2017: Baht 36.3 million) with the Revenue Department as a guarantee for a retroactive tax assessment made against the subsidiary. Currently, the case is in the process of being appealed to the Central Tax Court. In addition, during the current period, the subsidiary's fixed deposit of Baht 17.1 million (31 December 2017: nil) has been pledged as a guarantee during the consideration of a lawsuit brought against the subsidiary by the Department of Empowerment of Persons with Disabilities, seeking to have the subsidiary pay contributions to the Fund for Empowerment of Persons with Disabilities.

19.6 Litigation

- a) In 2011, a subsidiary company was being sued for compensation totaling approximately Baht 30 million in connection with traffic accidents.

Currently, settlements have been negotiated for some of the cases, with compensation being paid by a subsidiary company and the insurance company and some cases are under the consideration of the Supreme Court. As at 30 September 2018, total claims had therefore decreased to be Baht 3.3 million.

- b) In 2016, a subsidiary company was sued by the Department of Empowerment of Persons with Disabilities seeking to have the Company pay Baht 21.6 million to the fund for Empowerment of Persons with Disabilities. Currently, the case is being considered by the Supreme Court.

A subsidiary's management has performed an assessment and believes that it will not suffer any material losses from the legal cases; therefore no provision for contingent liabilities is set aside.

20. Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from sales and purchases of goods in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 September 2018 are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Average exchange rate as at 30 September 2018 (Baht per 1 foreign currency unit)
	Financial assets (Thousand)	Financial liabilities (Thousand)	Financial assets (Thousand)	Financial liabilities (Thousand)	
US dollar	9,171	10,486	9,119	976	32.3619
Euro	699	163	699	156	37.6707
Japanese Yen	4,100	318,503	4,100	46,149	0.2850
Ringgit	338	-	338	-	7.8020

(Unaudited but reviewed)

The Company's and its subsidiaries' foreign exchange contracts outstanding at 30 September 2018 are summarised below.

Consolidated financial statements					
Foreign currency	Sold amount	Bought amount	Maturity date	Forward exchange rate	
	(Thousand)	(Thousand)		Sold amount	Bought amount
				(Baht per 1 foreign currency unit)	
US dollar	8,019	8,679	1 October 2018 – 21 February 2019	32.3122 – 33.3264	31.85 – 33.295
Euro	22	800	24 October 2018 – 29 March 2019	37.9451	38.12 – 38.25

Separate financial statements			
Foreign currency	Sold amount	Maturity date	Forward exchange rate
	(Thousand)		Sold amount
			(Baht per 1 foreign currency unit)
US dollar	8,019	3 October – 27 December 2018	32.3122 – 33.3264
Euro	22	24 October 2018	37.9451

21. Fair value of financial instruments

As of 30 September 2018, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Available-for-sale investments			
Local marketable equity securities	466,423	-	466,423
Local quoted bonds	-	173,780	173,780
Long-term funds	-	105,143	105,143
Available-for-sale investments (in private fund)	-	4,002,517	4,002,517

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate Financial Statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Available-for-sale investments			
Local marketable equity securities	466,423	-	466,423
Local quoted bonds	-	68,780	68,780
Long-term funds	-	101,524	101,524
Available-for-sale investments (in private fund)	-	2,657,271	2,657,271

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

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the authorised directors of the Company on 12 November 2018.