

Thai President Foods Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2019

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 June 2019, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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: 13 August 2019

Thai President Foods Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2019

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	2	3,184,803	3,876,093	1,740,880	2,536,359
Current investments	3	5,432,552	4,111,481	2,835,098	1,983,526
Trade and other receivables	4, 5	3,977,948	3,693,643	2,306,799	2,227,967
Short-term loan to related parties	5	1,000	47,636	1,000	1,000
Short-term loan to unrelated party	6	-	250,000	-	250,000
Inventories		1,707,527	1,375,926	631,351	577,417
Other current assets		41,809	38,499	1,607	818
Total current assets		14,345,639	13,393,278	7,516,735	7,577,087
Non-current assets					
Restricted bank deposit	20.5	36,348	53,399	-	-
Investments in subsidiaries	7	-	-	3,432,280	3,426,593
Investments in associates	8	2,710,222	2,669,541	250,591	252,096
Investment in joint venture	9	26,421	29,357	-	-
Investments in other companies	10	196,956	194,446	81,456	78,946
Other long-term investments	11	6,574,387	5,601,377	4,848,940	4,045,394
Advance payment for investments in related parties	7	-	-	96,280	295
Investment properties	12	101,882	98,258	125,977	123,228
Property, plant and equipment	13	8,473,016	8,564,574	2,624,369	2,375,785
Downpayment for purchase of machinery		38,549	52,884	-	-
Other intangible assets		34,175	36,747	15,848	17,105
Leasehold rights		535	617	-	-
Goodwill		43,071	45,824	-	-
Deferred tax assets		66,832	63,877	38,538	33,641
Other non-current assets		34,136	37,395	6,816	10,954
Total non-current assets		18,336,530	17,448,296	11,521,095	10,364,037
Total assets		32,682,169	30,841,574	19,037,830	17,941,124

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 June 2019

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	5, 14	2,054,523	1,933,285	1,369,395	1,213,637
Current portion of liabilities under finance lease agreements	5	52,390	65,883	-	1,254
Income tax payable		362,165	306,751	191,325	170,834
Accrued bonus		247,363	312,920	124,616	169,286
Advance receipt from non-controlling interests for investments in a subsidiary	5	79,476	42	-	-
Other accrued expenses	5	359,309	332,579	143,668	137,422
Other current liabilities		39,620	52,012	15,148	22,750
Total current liabilities		3,194,846	3,003,472	1,844,152	1,715,183
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion	5	43,849	45,826	-	-
Long-term loans from directors	5	59,683	71,392	-	-
Long-term loans from employees		40,416	39,547	-	-
Provision for long-term employee benefits	15	942,454	797,541	645,488	558,968
Other non-current liabilities		61,000	60,838	57,341	57,341
Total non-current liabilities		1,147,402	1,015,144	702,829	616,309
Total liabilities		4,342,248	4,018,616	2,546,981	2,331,492

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 June 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered share capital				
329,704,014 ordinary shares of Baht 1 each	329,704	329,704	329,704	329,704
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
Surplus of investment over book value of subsidiary	(1,377,292)	(1,377,292)	-	-
Retained earnings				
Appropriated - statutory reserve	39,000	39,000	39,000	39,000
Unappropriated	22,154,689	20,995,298	15,075,687	14,265,218
Other components of shareholders' equity	258,503	200,129	333,495	262,747
Equity attributable to owners of the Company	22,117,567	20,899,802	16,490,849	15,609,632
Non-controlling interests of the subsidiaries	6,222,354	5,923,156	-	-
Total shareholders' equity	28,339,921	26,822,958	16,490,849	15,609,632
Total liabilities and shareholders' equity	32,682,169	30,841,574	19,037,830	17,941,124

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 June 2019**

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

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales	5	5,925,668	5,538,854	3,359,340	3,066,224
Other income					
Interest income		56,170	54,887	34,054	38,107
Dividend income	5	39,040	17,375	347,123	258,453
Gain on exchange		-	18,043	-	17,322
Gain on disposals of property, plant and equipment		219,717	2,966	155	36
Others	5	47,093	28,936	24,552	16,532
Total other income		362,020	122,207	405,884	330,450
Total revenues		6,287,688	5,661,061	3,765,224	3,396,674
Expenses					
Cost of sales	5	3,781,864	3,567,101	2,405,839	2,220,102
Selling and distribution expenses	5	444,574	381,713	59,527	62,599
Administrative expenses	5	593,176	532,086	328,430	250,225
Loss on exchange		3,986	-	5,944	-
Total expenses		4,823,600	4,480,900	2,799,740	2,532,926
Profit before share of profit from investments in associates and joint venture, finance cost and income tax expenses		1,464,088	1,180,161	965,484	863,748
Share of profit from investments in associates and joint venture		56,420	54,445	-	-
Profit before finance cost and income tax expenses		1,520,508	1,234,606	965,484	863,748
Finance cost		(3,022)	(3,467)	(520)	(738)
Profit before income tax expenses		1,517,486	1,231,139	964,964	863,010
Income tax expenses	16	(206,578)	(149,180)	(93,812)	(82,616)
Profit for the period		1,310,908	1,081,959	871,152	780,394

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 June 2019**

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

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2019	2018	2019	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		(29,010)	(3,226)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax	16	52,053	(119,368)	34,390	(89,054)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		23,043	(122,594)	34,390	(89,054)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	16	(22,700)	(31)	(12,286)	(31)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(22,700)	(31)	(12,286)	(31)
Other comprehensive income for the period		343	(122,625)	22,104	(89,085)
Total comprehensive income for the period		1,311,251	959,334	893,256	691,309
Profit attributable to:					
Equity holders of the Company		974,176	845,703	871,152	780,394
Non-controlling interests of the subsidiaries		336,732	236,256		
		1,310,908	1,081,959		
Total comprehensive income attributable to:					
Equity holders of the Company		979,411	740,094	893,256	691,309
Non-controlling interests of the subsidiaries		331,840	219,240		
		1,311,251	959,334		
Earnings per share (Baht)					
17					
Basic earnings per share					
Profit attributable to equity holders of the Company		2.95	2.57	2.64	2.37
Weighted average number of ordinary shares (Thousand shares)		329,704	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 six-month period ended 30 June 2019**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Sales	5	11,543,145	10,712,473	6,438,408	5,796,528
Other income					
Interest income		109,778	103,809	69,003	72,026
Dividend income	5	64,381	30,623	436,394	333,317
Gain on exchange		294	15,564	226	14,854
Gain on disposals of property, plant and equipment		224,008	5,742	1,625	152
Others	5	77,408	81,804	39,630	51,709
Total other income		475,869	237,542	546,878	472,058
Total revenues		12,019,014	10,950,015	6,985,286	6,268,586
Expenses					
Cost of sales	5	7,435,397	6,943,721	4,632,601	4,231,243
Selling and distribution expenses	5	859,320	747,560	102,683	115,908
Administrative expenses	5	1,086,412	1,055,489	592,191	503,773
Total expenses		9,381,129	8,746,770	5,327,475	4,850,924
Profit before share of profit from investments in associates and joint venture, finance cost and income tax expenses		2,637,885	2,203,245	1,657,811	1,417,662
Share of profit from investments in associates and joint venture	8, 9	122,933	104,562	-	-
Profit before finance cost and income tax expenses		2,760,818	2,307,807	1,657,811	1,417,662
Finance cost		(5,945)	(6,773)	(1,094)	(1,375)
Profit before income tax expenses		2,754,873	2,301,034	1,656,717	1,416,287
Income tax expenses	16	(347,646)	(290,674)	(171,231)	(162,112)
Profit for the period		2,407,227	2,010,360	1,485,486	1,254,175

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 six-month period ended 30 June 2019**

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

	Note	Consolidated		Separate	
		2019	2018	2019	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		(45,759)	(24,718)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax	16	108,370	(136,357)	70,748	(99,804)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		62,611	(161,075)	70,748	(99,804)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	16	(22,726)	678	(12,312)	678
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(22,726)	678	(12,312)	678
Other comprehensive income for the period		39,885	(160,397)	58,436	(99,126)
Total comprehensive income for the period		2,447,112	1,849,963	1,543,922	1,155,049
Profit attributable to:					
Equity holders of the Company		1,839,832	1,535,137	1,485,486	1,254,175
Non-controlling interests of the subsidiaries		567,395	475,223		
		<u>2,407,227</u>	<u>2,010,360</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,880,470	1,401,574	1,543,922	1,155,049
Non-controlling interests of the subsidiaries		566,642	448,389		
		<u>2,447,112</u>	<u>1,849,963</u>		
Earnings per share (Baht)	17				
Basic earnings per share					
Profit attributable to equity holders of the Company		5.58	4.66	4.51	3.80
Weighted average number of ordinary shares (Thousand shares)		329,704	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 six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities				
Profit before tax	2,754,873	2,301,034	1,656,717	1,416,287
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	593,278	606,517	206,086	204,337
Amortisation	5,043	4,477	2,751	2,694
Gain on disposals of property, plant and equipment	(224,008)	(5,742)	(1,625)	(152)
Gain on disposals of other long-term investments	(9,169)	(33,210)	(4,060)	(20,427)
Allowance for deteriorated inventories	2,558	978	-	-
Allowance for impairment loss on investments in subsidiary company	-	-	3,937	-
Allowance for impairment loss on investments in associated company	1,505	2,039	1,505	2,039
Allowance for impairment loss on investments in other companies	4,242	20,153	4,242	20,153
Allowance for doubtful accounts	3,264	-	3,371	-
Reversal of allowance for impairment loss on investment properties	(3,624)	-	(3,624)	-
Share of profit from investments in associates	(120,662)	(102,553)	-	-
Share of profit from investments in joint venture	(2,271)	(2,009)	-	-
Dividend received from subsidiary companies	-	-	(315,187)	(246,903)
Dividend received from associated companies	-	-	(68,775)	(66,300)
Dividend received from other companies and other long-term investments	(64,381)	(30,623)	(52,432)	(20,114)
Interest income	(109,778)	(103,809)	(69,003)	(72,026)
Interest expenses	2,863	3,615	23	59
Provision for long-term employee benefits	115,235	39,536	87,488	22,405
Profit from operating activities before changes in operating assets and liabilities	2,948,968	2,700,403	1,451,414	1,242,052
Operating assets (increase) decrease				
Trade and other receivables	(262,598)	195,367	(64,030)	241,874
Inventories	(334,159)	(861)	(53,934)	(90,789)
Other current assets	(1,988)	8,006	(789)	85
Other non-current assets	(398)	(5,610)	4,138	(4,557)
Operating liabilities increase (decrease)				
Trade and other payables	(16,260)	106,563	53,837	186,510
Other current liabilities	(12,392)	(34,508)	(7,602)	(29,507)
Other non-current liabilities	18,454	131	-	-
Provision for long-term employee benefits	(15,464)	(7,972)	(14,801)	(6,906)
Cash flows from operating activities	2,324,163	2,961,519	1,368,233	1,538,762
Cash paid for income tax	(314,442)	(244,598)	(171,803)	(132,397)
Net cash flows from operating activities	2,009,721	2,716,921	1,196,430	1,406,365

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 six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
Increase in current investments	(3,294,928)	(2,706,404)	(2,502,153)	(1,086,888)
Decrease in current investments	1,973,857	1,717,569	1,650,581	1,065,330
Decrease in restricted bank deposit	17,051	-	-	-
Increase in short-term loan to related parties	-	(49,437)	-	-
Decrease in short-term loan to related parties	46,636	-	-	-
Increase in short-term loan to unrelated party	-	(250,000)	-	(250,000)
Decrease in short-term loan to unrelated party	250,000	-	250,000	-
Increase in other long-term investments	(3,975,283)	(2,533,233)	(2,886,412)	(1,412,952)
Decrease in other long-term investments	3,146,904	2,969,723	2,175,361	1,643,043
Increase in investments in subsidiary	-	-	(9,624)	-
Increase in investments in other company	(6,752)	-	(6,752)	-
Dividend received from subsidiary companies	-	-	315,187	246,903
Dividend received from associated companies	68,775	66,300	68,775	66,300
Dividend received from joint venture	5,207	4,680	-	-
Dividend received from other companies and other long-term investments	42,057	26,449	34,261	20,093
Dividend received by non-controlling interests of the subsidiary	(274,723)	(248,400)	-	-
Decrease (increase) in advance payment for investments in related party	-	76,907	(95,985)	-
Increase in goodwill	-	(41,272)	-	-
Purchase of property, plant and equipment	(575,944)	(321,697)	(390,827)	(73,488)
Decrease (increase) in downpayment for purchase of machinery	14,335	(31,728)	-	-
Proceed from disposals of property, plant and equipment	400,187	5,978	1,805	153
Purchase of intangible assets	(2,396)	(2,386)	(1,494)	-
Proceed received for non-controlling interest of the subsidiary	7,279	-	-	-
Increase in advance receipt of non-controlling interests for investments in a subsidiary	79,434	-	-	-
Interest income	107,130	95,446	69,001	65,643
Net cash flows from (used in) investing activities	<u>(1,971,174)</u>	<u>(1,221,505)</u>	<u>(1,328,276)</u>	<u>284,137</u>

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 six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from financing activities				
Decrease in long-term loans from directors	(17,179)	(55,780)	-	-
Increase in long-term loans from directors	5,470	27,705	-	-
Increase (decrease) in long-term loans from employees	869	(193)	-	-
Repayment of liabilities under finance lease agreements	(34,791)	(38,853)	(1,254)	(806)
Cash paid for dividend	(662,356)	(537,240)	(662,356)	(537,240)
Cash paid for interest expense	<u>(2,863)</u>	<u>(3,615)</u>	<u>(23)</u>	<u>(59)</u>
Net cash flows used in financing activities	<u>(710,850)</u>	<u>(607,976)</u>	<u>(663,633)</u>	<u>(538,105)</u>
Decrease in translation adjustments	<u>(18,987)</u>	<u>(11,626)</u>	-	-
Net increase (decrease) in cash and cash equivalents	<u>(691,290)</u>	<u>875,814</u>	<u>(795,479)</u>	<u>1,152,397</u>
Cash and cash equivalents at beginning of period	<u>3,876,093</u>	<u>2,777,379</u>	<u>2,536,359</u>	<u>1,283,164</u>
Cash and cash equivalents at end of period (Note 2)	<u><u>3,184,803</u></u>	<u><u>3,653,193</u></u>	<u><u>1,740,880</u></u>	<u><u>2,435,561</u></u>

Supplementary disclosures of cash flows information

Non-cash related transactions

Other payable from purchase of property, plant and equipment	98,322	38,347	63,148	17,393
Liabilities under finance lease agreements - net of deferred interest	17,149	4,424	-	-
Dividend payable	349	178	349	178
Dividend receivable	22,324	4,174	18,171	21

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 six-month period ended 30 June 2019

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders										
						Other components of equity					
						Other comprehensive income			Total other components of shareholders' equity	Total equity attributable to the Company	Equity attributable to non-controlling interests of the subsidiaries
	Issued and paid-up share capital	Share premium	Surplus of investment over book value of subsidiary	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments				
Appropriated				Unappropriated							
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	-	-	-	-	1,535,137	-	-	-	1,535,137	475,223	2,010,360
Other comprehensive income for the period	-	-	-	-	678	(16,777)	(117,464)	(134,241)	(133,563)	(26,834)	(160,397)
Total comprehensive income for the period	-	-	-	-	1,535,815	(16,777)	(117,464)	(134,241)	1,401,574	448,389	1,849,963
Dividend paid (Note 18)	-	-	-	-	(537,418)	-	-	-	(537,418)	(248,400)	(785,818)
Balance as at 30 June 2018	<u>329,704</u>	<u>712,963</u>	<u>-</u>	<u>39,000</u>	<u>19,457,860</u>	<u>(48,743)</u>	<u>250,611</u>	<u>201,868</u>	<u>20,741,395</u>	<u>5,979,958</u>	<u>26,721,353</u>
Balance as at 31 December 2018	329,704	712,963	(1,377,292)	39,000	20,995,298	(59,380)	259,509	200,129	20,899,802	5,923,156	26,822,958
Profit for the period	-	-	-	-	1,839,832	-	-	-	1,839,832	567,395	2,407,227
Other comprehensive income for the period	-	-	-	-	(17,736)	(31,429)	89,803	58,374	40,638	(753)	39,885
Total comprehensive income for the period	-	-	-	-	1,822,096	(31,429)	89,803	58,374	1,880,470	566,642	2,447,112
Net increase in non-controlling interests of the subsidiary from change in investments of subsidiary	-	-	-	-	-	-	-	-	-	7,279	7,279
Dividend paid (Note 18)	-	-	-	-	(662,705)	-	-	-	(662,705)	(274,723)	(937,428)
Balance as at 30 June 2019	<u>329,704</u>	<u>712,963</u>	<u>(1,377,292)</u>	<u>39,000</u>	<u>22,154,689</u>	<u>(90,809)</u>	<u>349,312</u>	<u>258,503</u>	<u>22,117,567</u>	<u>6,222,354</u>	<u>28,339,921</u>

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 six-month period ended 30 June 2019

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	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	12,849,640	347,686	347,686	14,278,993
Profit for the period	-	-	-	1,254,175	-	-	1,254,175
Other comprehensive income for the period	-	-	-	678	(99,804)	(99,804)	(99,126)
Total comprehensive income for the period	-	-	-	1,254,853	(99,804)	(99,804)	1,155,049
Dividend paid (Note 18)	-	-	-	(537,418)	-	-	(537,418)
Balance as at 30 June 2018	<u>329,704</u>	<u>712,963</u>	<u>39,000</u>	<u>13,567,075</u>	<u>247,882</u>	<u>247,882</u>	<u>14,896,624</u>
Balance as at 31 December 2018	329,704	712,963	39,000	14,265,218	262,747	262,747	15,609,632
Profit for the period	-	-	-	1,485,486	-	-	1,485,486
Other comprehensive income for the period	-	-	-	(12,312)	70,748	70,748	58,436
Total comprehensive income for the period	-	-	-	1,473,174	70,748	70,748	1,543,922
Dividend paid (Note 18)	-	-	-	(662,705)	-	-	(662,705)
Balance as at 30 June 2019	<u>329,704</u>	<u>712,963</u>	<u>39,000</u>	<u>15,075,687</u>	<u>333,495</u>	<u>333,495</u>	<u>16,490,849</u>

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 six-month periods ended 30 June 2019

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 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.

1.3 Basis of consolidation

The interim consolidated financial statements included the financials 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 2018. There have been changes in the composition of its subsidiaries during the current period from the investment in new subsidiaries, as discussed in Note 7 to interim financial statements.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. 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 and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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 recognised 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.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve 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. 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.

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 using similar principles to those used under TAS 17.

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

1.5 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 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follows:

Revenue recognition

Sale of goods

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

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

(Unaudited but reviewed)

2. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Cash in hand	11,213	6,830	1,129	2,049
Bank deposits	1,746,341	2,817,744	868,420	1,829,038
Promissory notes and bills of exchange	1,025,000	520,000	650,000	500,000
Cash and cash equivalents - in private fund	402,249	531,519	221,331	205,272
Total	3,184,803	3,876,093	1,740,880	2,536,359

As at 30 June 2019, bank deposits in savings accounts, fixed deposits, promissory notes and bills of exchange carried interests at the rates between 0.1% and 4.3% per annum (31 December 2018: 0.1% and 4.3% per annum).

3. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Fixed deposits	2,933,161	2,424,116	2,375,969	1,850,964
Bills of exchange	1,482,000	1,170,000	248,000	-
Short-term fund	391,893	40,614	-	-
Current investments - (in private fund)	625,498	476,751	211,129	132,562
Total	5,432,552	4,111,481	2,835,098	1,983,526

As at 30 June 2019, bank deposits in fixed account, bill of exchange short-term fund and current investments (in private fund) carried interests at the rates between 0.6% and 5.1% per annum (31 December 2018: 0.6% and 4.8% per annum).

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,366,603	1,284,789	1,456,992	1,386,004
Past due				
Not over 3 months	161,253	198,763	161,132	200,268
Total trade receivables - related parties	<u>1,527,856</u>	<u>1,483,552</u>	<u>1,618,124</u>	<u>1,586,272</u>
<u>Other receivables - related parties</u>				
Accrued income and interest receivable	1,220	4,195	8,923	10,473
Total other receivables - related parties	<u>1,220</u>	<u>4,195</u>	<u>8,923</u>	<u>10,473</u>
Total trade and other receivables - related parties (Note 5)	<u>1,529,076</u>	<u>1,487,747</u>	<u>1,627,047</u>	<u>1,596,745</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,393,680	1,312,956	475,667	451,298
Past due				
Not over 3 months	652,815	685,969	88,410	99,122
3 - 6 months	126,245	20,091	2,714	2
6 - 12 months	3	10,206	-	1,442
Over 12 months	14,100	15,221	12,269	14,610
Total	<u>2,186,843</u>	<u>2,044,443</u>	<u>579,060</u>	<u>566,474</u>
Less: Allowance for doubtful accounts	<u>(20,744)</u>	<u>(16,272)</u>	<u>(17,001)</u>	<u>(14,287)</u>
Total trade receivables - unrelated parties, net	<u>2,166,099</u>	<u>2,028,171</u>	<u>562,059</u>	<u>552,187</u>
<u>Other receivables - unrelated parties</u>				
Accrued income and interest receivable	150,361	136,014	76,102	69,191
Prepayments	89,385	30,183	8,648	5,526
Advances	43,027	11,528	32,943	4,318
Total other receivables - unrelated parties	<u>282,773</u>	<u>177,725</u>	<u>117,693</u>	<u>79,035</u>
Total trade and other receivables - unrelated parties - net	<u>2,448,872</u>	<u>2,205,896</u>	<u>679,752</u>	<u>631,222</u>
Total trade and other receivables - net	<u>3,977,948</u>	<u>3,693,643</u>	<u>2,306,799</u>	<u>2,227,967</u>

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 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales	-	-	109,748	103,301	Cost plus margin
Dividend income	-	-	315,187	246,903	At the announced rate
Rental and other income	-	-	6,854	6,234	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	-	-	736,009	662,292	Approximately market price with reference to purchase volume
Other expenses (included in selling and administrative expenses)	-	-	13,696	11,722	Agreed price
Transactions with associated companies					
Sales	15,676	28,192	15,676	28,190	Cost plus margin
Dividend income	-	-	525	-	At the announced rate
Rental and other income	1,611	1,904	1,611	1,904	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	147,546	143,829	40,815	30,558	Approximately market price with reference to purchase volume
Purchase of machinery and equipment	-	7	-	7	Agreed price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Transactions with joint venture					
Sales	798	625	-	-	Agreed price which approximates the market price
Rental and other income	845	679	-	-	Agreed price which approximates the market price
Transactions with related companies					
Sales	2,304,522	2,098,548	2,294,053	2,088,058	Cost plus margin
Dividend income	3,505	6,647	3,505	6,647	At the announced rate
Rental and other income	2,288	4,473	1,204	3,367	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	100,300	120,091	79,130	74,649	Approximately market price with reference to purchase volume
Commission and other expenses (included in selling and administrative expenses)	35,616	31,523	10,621	18,875	Contract price
Purchase of machinery and equipment	20,415	2,532	20,415	2,230	Agreed price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales	-	-	215,976	216,947	Cost plus margin
Dividend income (Note 7)	-	-	315,187	246,903	At the announced rate
Rental and other income	-	-	13,464	12,908	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	-	-	1,398,514	1,296,961	Approximately market price with reference to purchase volume
Other expenses (included in selling and administrative expenses)	-	-	23,858	22,427	Agreed price
Transactions with associated companies					
Sales	35,838	49,948	35,838	49,946	Cost plus margin
Dividend income (Note 8)	-	-	68,775	66,300	At the announced rate
Rental and other income	4,053	3,910	4,053	3,910	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	295,149	275,169	85,142	58,799	Approximately market price with reference to purchase volume
Purchase of machinery and equipment	97	5,159	97	5,158	Agreed price

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Transactions with joint venture					
Sales	1,560	1,271	-	-	Agreed price which approximates the market price
Dividend income (Note 9)	5,207	4,680	-	-	At the announced rate
Service income	1,525	1,417	-	-	Agreed price which approximates the market price
Transactions with related companies					
Sales	4,342,425	3,985,548	4,319,696	3,963,323	Cost plus margin
Dividend income	10,005	12,367	10,005	12,367	At the announced rate
Rental and other income	7,546	11,095	4,539	8,601	Contract price
Purchase of goods and raw material, and production cost (included in cost of sales)	192,785	233,064	153,006	144,110	Approximately market price with reference to purchase volume
Commission and other expenses (included in selling and administrative expenses)	54,459	55,708	13,558	35,338	Contract price
Purchase of machinery and equipment	26,159	3,478	26,159	2,925	Agreed price

5.2 Outstanding balance at end of period

As at 30 June 2019 and 31 December 2018, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade and other receivables - related parties (Note 4)				
Subsidiaries	-	-	102,907	118,064
Associated companies	35,438	41,567	34,986	41,169
Related companies (related by common shareholders)	1,493,638	1,446,180	1,489,154	1,437,512
Total trade and other receivables - related parties	1,529,076	1,487,747	1,627,047	1,596,745

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Trade and other payables - related parties (Note 14)				
Subsidiaries	-	-	446,174	417,523
Associated companies	135,342	164,355	21,980	23,739
Related companies (related by common shareholders)	31,810	79,681	21,840	30,649
Total trade and other payables - related parties	<u>167,152</u>	<u>244,036</u>	<u>489,994</u>	<u>471,911</u>
Liabilities under finance lease agreements - related party				
<i>Related company</i>				
Liabilities under finance lease agreements	72,032	75,764	-	1,063
Less: Current portion	(32,506)	(42,986)	-	(1,063)
Liabilities under finance lease agreements - net of current portion	<u>39,526</u>	<u>32,778</u>	<u>-</u>	<u>-</u>
Advance receipt from non- controlling interests for investments in subsidiary - related parties				
<i>Related companies</i>	45,185	-	-	-
Total advance receipt from non- controlling interests for investments in subsidiary - related parties	<u>45,185</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other accrued expenses - related parties				
<i>Related companies</i>	19,677	19,596	19,677	19,596
Total other accrued expenses - related parties	<u>19,677</u>	<u>19,596</u>	<u>19,677</u>	<u>19,596</u>

(Unaudited but reviewed)

Short-term loans to related parties

As at 30 June 2019 and 31 December 2018, 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	During the period		Balance
	as at 31 December 2018	Increase	Increase	as at 30 June 2019
<u>Associated companies</u>				
Thai Instant Products Company Limited	1,000	1,000	(1,000)	1,000
Anbao Environmental Science & Technology Company Limited	46,636	-	(46,636)	-
Total	<u>47,636</u>	<u>1,000</u>	<u>(47,636)</u>	<u>1,000</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements			
	Balance	During the period		Balance
	as at 31 December 2018	Increase	Increase	as at 30 June 2019
<u>Associated company</u>				
Thai Instant Products Company Limited	1,000	1,000	(1,000)	1,000
Total	<u>1,000</u>	<u>1,000</u>	<u>(1,000)</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)

Long-term loans from directors	Consolidated financial statements			
	Balance	During the period		Balance
	as at 31 December 2018	Increase	Decrease	as at 30 June 2019
	<u>71,392</u>	<u>5,469</u>	<u>(17,178)</u>	<u>59,683</u>

5.3 Directors and management's remuneration

During the periods ended 30 June 2019 and 2018, 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 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	36	38	13	16
Post-employment benefits and other long-term benefits	2	1	1	-
Total	38	39	14	16

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	74	78	26	32
Post-employment benefits and other long-term benefits	3	2	1	-
Total	77	80	27	32

6. Short-term loans to unrelated party

As at 31 December 2018, the Company had short-term loans in the form of loan agreement of Baht 250 million to a local unrelated party. The loan carried 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. The Company received loan repayment in full amount on 22 May 2019.

(Unaudited but reviewed)

7. Investments in subsidiary companies

(Unit: Thousand Baht)

Company's name (Nature of business)	Paid up capital	Separate financial statements					
		Shareholding percentage		Cost		Dividend received during the six-month periods ended	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018
		(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	781
Thai Anbao Paper Products Company Limited (Manufacture and distribution of paper packaging)	Baht 20 million	51.00	51.00	10,200	10,200	20,400	5,100
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	39,078	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	39,600	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	16,465	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	51.99	51.99	1,925,221	1,925,221	198,863	166,740
President D Venture Company Limited (Investing and/or lending in real estate business)	Baht 1,010 million	70.00	70.00	707,000	707,000	-	-
Ayeyarwaddy Success Venture Foods Co., Ltd (Manufacture and distribution of instant noodles)	USD 100	51.00	-	2	-	-	-
President Interfood Company Limited (Agency)	Baht 3 million	59.67	-	9,622	-	-	-
				<u>3,482,639</u>	<u>3,473,015</u>	<u>315,187</u>	<u>246,903</u>
Less: Allowance for loss on impairment of investments				<u>(50,359)</u>	<u>(46,422)</u>		
Total				<u><u>3,432,280</u></u>	<u><u>3,426,593</u></u>		

During the six-month period 30 June 2019, the Company has invested in the following subsidiaries:

- a. On 21 September 2016, the meeting of the Company's Board of Directors No.9/2016 passed a resolution approving the investment in a new company in Myanmar, i.e. Ayeyarwaddy Success Venture Foods Co., Ltd, who has the registered share capital of USD 10 million (or equivalent to approximately Baht 350 million), with 51 percent interest of registered capital. As at 30 June 2019, that company called for share subscription of USD 100 and the Company paid USD 51 (or equivalent to Baht 2 thousand), according to the Company's interest. In addition, the Company has paid USD 3,059,949 (or equivalent to Baht 96 million) for advance payments and included in "Advance payment for investments in related parties" in the statement of financial position as at 30 June 2019.
- b. On 19 June 2019, the meeting of the Company's Board of Directors No. 6/2019 passed a resolution approving the additional investment in ordinary shares of President Interfood Company Limited, of 153,000 shares (at the value of Baht 60 each) from a former shareholder, amounting to Baht 9.18 million. As a result, the shareholding percentage in such company changed from 8.67 percent to 59.67 percent.

Fair value of the assets acquired and liabilities assumed of President Interfood Company Limited at the acquisition date were set out below:

	(Unit: Thousand Baht)
Cash and cash equivalents	4,517
Current investments	24,001
Trade and other receivables	8,119
Property, plant and equipment	1,982
Deferred tax assets	3,658
Other non-current assets	945
Trade and other payables	(6,887)
Provision for long-term employee benefits	(18,291)
Fair value of net assets at acquisition date	<u>18,044</u>
Less: Cash paid for acquisition of investment in subsidiary	(9,180)
Fair value of investment held by the Company before acquisition	(442)
Fair value of non-controlling interests	(7,277)
Gain from acquisition	<u>1,145</u>

(Unaudited but reviewed)

8. Investments in associated companies

(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 six-month periods ended		Carrying amount based on cost method		Dividend received during the six-month periods ended	
			30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018
			(Percent)	(Percent)										
Kerry Flour Mills Company Limited (Manufacture of wheat flour)	Thailand	Baht 200 million	39.00	39.00	92,630	92,630	1,375,136	1,353,821	89,565	94,027	92,630	92,630	68,250	66,300
Anbao Environmental Science & Technology Company Limited (Manufacture of paper products)	China	RMB 50 million	35.00	35.00	87,324	87,324	175,230	173,276	1,954	6,250	87,324	87,324	-	-
Thai-Myanmar Success Venture Company Limited (Investment holding)	Thailand	Baht 100 million	35.00	35.00	35,040	35,040	41,701	41,289	412	412	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	65,247	62,249	3,523	1,238	5,587	5,587	525	-
President Foods (Cambodia) Company Limited (Manufacture of instant noodles)	Cambodia	USD 1.5 million	30.00	30.00	19,692	19,692	58,136	55,988	2,148	1,446	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 six-month periods ended		Carrying amount based on cost method		Dividend received during the six-month periods ended	
			30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018	30 June 2019	31 December 2018	30 June 2019	30 June 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	9,601	11,365	(1,764)	(820)	21,500	21,500	-	-
IDEO Mobi Rangnam (Real estate development and lending)	Thailand	Baht 718.86 million	49.00	49.00	390,035	390,035	384,603	385,710	(1,107)	-	-	-	-	-
IDEO Q Sukhumvit 36 Company Limited (Real estate development and lending)	Thailand	Baht 664.43 million	49.00	49.00	325,571	325,571	320,993	322,751	(1,758)	-	-	-	-	-
IDEO New Rama 9 (Real estate development and lending)	Thailand	Baht 599.67 million	49.00	49.00	293,838	293,838	320,130	292,441	27,689	-	-	-	-	-
					<u>1,271,217</u>	<u>1,271,217</u>	<u>2,750,777</u>	<u>2,698,890</u>	<u>120,662</u>	<u>102,553</u>	<u>261,773</u>	<u>261,773</u>	<u>68,775</u>	<u>66,300</u>
Less: Allowance for loss on impairment of investments							(11,182)	(9,678)			(11,182)	(9,677)		
Translation adjustments							(29,373)	(19,671)			-	-		
Total investments in associates - net							<u>2,710,222</u>	<u>2,669,541</u>			<u>250,591</u>	<u>252,096</u>		

Share of profit from investments in four associated companies accounted for under the equity method for the three-month and six-month periods ended 30 June 2019, totaling approximately Baht (1.21) million and Baht 3 million or (0.09)% and 0.11% of consolidated net profit for the periods (2018: Baht 1.6 million and Baht 8.1 million or 0.2% and 0.4%) was calculated from interim financial statements which had not been reviewed by the auditors of those associated companies.

(Unaudited but reviewed)

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 six-month periods ended		Dividend received during the six-month periods ended	
			30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
		Million Baht	(Percent)	(Percent)						
President Green House Foods Co., Ltd.	Operating the Japanese restaurant	15	39	39	26,421	29,357	2,271	2,009	5,207	4,680
Total investment in joint venture					<u>26,421</u>	<u>29,357</u>	<u>2,271</u>	<u>2,009</u>	<u>5,207</u>	<u>4,680</u>

(Unaudited but reviewed)

10. Investments in other companies

(Unit: Thousand Baht)

Company's name (Nature of business)	Paid up capital (Million Baht)	Consolidated financial statements						Separate financial statements					
		Shareholding percentage		Carrying amounts based on cost method		Dividend received during the six-month periods ended		Shareholding percentage		Carrying amounts based on cost method		Dividend received during the six-month periods ended	
		30	31	30	31	30	30	30	31	30	31	30	30
		June 2019	December 2018	June 2019	December 2018	June 2019	June 2018	June 2019	December 2018	June 2019	December 2018	June 2019	June 2018
		(Percent)	(Percent)					(Percent)	(Percent)				
Kewpie (Thailand) Company Limited (Manufacture of sauce and dried vegetables)	263.00	10.00	10.00	26,300	26,000	6,500	5,720	10.00	10.00	26,300	26,000	6,500	5,720
President Interfood Company Limited (Agency)	3.00	-	8.67	-	442	-	3,380	-	8.67	-	442	-	3,380
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	-	-
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)	1,367.00	7.66	7.66	104,724	97,830	-	-	7.66	7.66	104,724	97,830	-	-
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)	Paid up capital (Million Baht)	Consolidated financial statements						Separate financial statements					
		Shareholding percentage		Carrying amounts based on cost method		Dividend received during the six-month periods ended		Shareholding percentage		Carrying amounts based on cost method		Dividend received during the six-month periods ended	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018
		(Percent)	(Percent)					(Percent)	(Percent)				
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	-	-
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	6.00	6.00	75,000	75,000	3,310	3,310	-	-	-	-	-	-
IDEO Q Victory Company Limited (Real estate development)	510.00	4.00	4.00	20,000	20,000	843	843	-	-	-	-	-	-
				<u>293,999</u>	<u>287,247</u>	<u>10,653</u>	<u>13,253</u>			<u>176,499</u>	<u>169,747</u>	<u>6,500</u>	<u>9,100</u>
Total													
Less: Allowance for loss on impairment of investments				(97,043)	(92,801)					(95,043)	(90,801)		
Total investments in other company - net				<u>196,956</u>	<u>194,446</u>					<u>81,456</u>	<u>78,946</u>		

(Unaudited but reviewed)

11. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	30 June 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
<u>Available-for-sale investments</u>				
Local marketable equity securities	190,353	518,559	190,353	554,668
Local quoted bonds	125,000	125,000	105,000	105,000
Government bonds	46,000	46,000	86,000	86,000
Long-term funds	199,759	207,472	103,450	101,212
Available-for-sale investments (in private fund)	<u>4,703,244</u>	<u>4,823,356</u>	<u>4,436,006</u>	<u>4,394,497</u>
	5,264,356	5,720,387	4,920,809	5,241,377
Add: Surplus on changes in value of available-for-sale investments	<u>456,031</u>		<u>320,568</u>	
Total investment in available-for-sale securities	<u>5,720,387</u>		<u>5,241,377</u>	
<u>Others</u>				
Subordinated bond	850,000	850,000	350,000	350,000
Fixed deposit (in private fund)	<u>4,000</u>	<u>4,000</u>	<u>10,000</u>	<u>10,000</u>
Total	<u>854,000</u>	<u>854,000</u>	<u>360,000</u>	<u>360,000</u>
Total other long-term investments in the consolidated financial statements	<u><u>6,574,387</u></u>	<u><u>6,574,387</u></u>	<u><u>5,601,377</u></u>	<u><u>5,601,377</u></u>

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2019	31 December 2018
Revaluation surplus in available-for-sale investments		
Portion of the Company	416,869	328,434
Portion of the Subsidiary	<u>39,162</u>	<u>(7,866)</u>
	456,031	320,568
(Add) Less: Portion of the subsidiary attributable to non-controlling of the subsidiary	(19,391)	3,818
Deferred tax effect	<u>(87,328)</u>	<u>(64,877)</u>
Total revaluation surplus in available-for-sale investments in the consolidated financial statements	<u><u>349,312</u></u>	<u><u>259,509</u></u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
<u>Available-for-sale investments</u>				
Local marketable equity securities	190,353	518,559	190,353	554,668
Government bonds	40,000	40,000	80,000	80,000
Long-term funds	99,903	104,741	99,903	97,583
Available-for-sale investments (in private fund)	3,251,815	3,335,640	2,996,704	2,963,143
	3,582,071	3,998,940	3,366,960	3,695,394
Add: Surplus on changes in value of available-for-sale investments	416,869		328,434	
Total investments in available-for-sale securities	3,998,940		3,695,394	
<u>Others</u>				
Subordinated bond	850,000	850,000	350,000	350,000
Total	850,000	850,000	350,000	350,000
Total other long-term investments in the separate financial statements	4,848,940	4,848,940	4,045,394	4,045,394

(Unit: Thousand Baht)

	Separate financial statements	
	30 June 2019	31 December 2018
Revaluation surplus in available-for-sale investments	416,869	328,434
Less: Deferred tax effect	(83,374)	(65,687)
Total surplus in available-for-sale investments in the separate financial statements	333,495	262,747

As at 30 June 2019, the Company and its subsidiaries have pledged government bonds with maturity date over 1 year of approximately Baht 43 million (31 December 2018: Baht 43 million) and the Company only of Baht 37.3 million (31 December 2018: 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 six-month period ended 30 June 2019 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	98,258	123,228
Reversal of allowance for impairment loss	3,624	3,624
Depreciation for the period	-	(875)
Net book value as at 30 June 2019	<u>101,882</u>	<u>125,977</u>

13. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2019 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	8,564,574	2,375,785
Acquisitions during period at cost	692,265	453,975
Disposals during period - net book value at disposal date	(176,179)	(180)
Depreciation for period	(593,278)	(205,211)
Translation adjustment	(14,366)	-
Net book value as at 30 June 2019	<u>8,473,016</u>	<u>2,624,369</u>

(Unaudited but reviewed)

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
30 June	31 December	30 June	31 December	
2019	2018	2019	2018	
Trade payables - related parties	160,143	220,905	467,233	444,537
Other payables - related parties	7,009	23,131	22,761	27,374
Total trade and other payables - related parties (Note 5)	167,152	244,036	489,994	471,911
Trade payables - unrelated parties	1,520,221	1,372,998	728,184	642,472
Other payables - unrelated parties	358,605	303,986	142,672	86,990
Unearned revenue	8,545	12,265	8,545	12,264
Total trade and other payables - unrelated parties	1,887,371	1,689,249	879,401	741,726
Total trade and other payables	2,054,523	1,933,285	1,369,395	1,213,637

15. Provision for long-term employee benefits

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 90 million (The Company only: Baht 61 million) as a result. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the income statements for the three-month and six-month periods ended 30 June 2019.

16. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	226,220	155,103	111,752	85,726
Deferred tax:				
Relating to origination and reversal of temporary differences	(19,642)	(5,923)	(17,940)	(3,110)
Income tax expense reported in the statements of comprehensive income	<u>206,578</u>	<u>149,180</u>	<u>93,812</u>	<u>82,616</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	369,912	284,766	192,294	151,977
Deferred tax:				
Relating to origination and reversal of temporary differences	(22,266)	5,908	(21,063)	10,135
Income tax expense reported in the statements of comprehensive income	<u>347,646</u>	<u>290,674</u>	<u>171,231</u>	<u>162,112</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to				
Gain (loss) on changes in value of available-for-sale investments	(13,013)	29,842	(8,597)	22,264
Actuarial gain (loss)	4,150	(31)	1,547	(31)
Total	<u>(8,863)</u>	<u>29,811</u>	<u>(7,050)</u>	<u>22,233</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to				
Gain (loss) on changes in value of available-for-sale investments	(27,093)	34,089	(17,687)	24,951
Actuarial gain	4,124	678	1,521	678
Total	<u>(22,969)</u>	<u>34,767</u>	<u>(16,166)</u>	<u>25,629</u>

17. 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.

18. Dividend

	Dividend for 2019		
	Per share	Total	Paid date
	(Baht)	(Thousand Baht)	
The second-half period of 2018			
(Approved by the Annual General Meeting of the Company's shareholders No. 2/2019 on 24 April 2019)			
BOI-promoted operation	2.01	662,705	
Total dividend paid in 2019	2.01	662,705	23 May 2019
	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	
Total dividend paid in 2018	1.63	537,418	23 May 2018

19. 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 six-month periods ended 30 June 2019 and 2018, respectively.

(Unit: Thousand Baht)

Consolidated financial statements for the three-month periods ended 30 June																
	Instant noodles and semi-instant foods		Bakery		Packaging		Biscuits		Fruit Juice		Others		Eliminated		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sales to external customers																
Thailand	2,270,926	2,065,847	1,883,058	1,809,252	254,636	223,215	176,388	169,951	86,624	73,836	48,902	43,765	-	-	4,720,534	4,385,866
Others	986,376	905,235	-	-	485	481	12,710	7,448	205,563	239,824	-	-	-	-	1,205,134	1,152,988
Inter-segment	26,453	23,634	22	14	477,760	415,785	83,295	79,667	229	-	258,779	243,899	(846,538)	(762,999)	-	-
Total sales	3,283,755	2,994,716	1,883,080	1,809,266	732,881	639,481	272,393	257,066	292,416	313,660	307,681	287,664	(846,538)	(762,999)	5,925,668	5,538,854
Less: Cost of sales	(2,350,201)	(2,161,618)	(1,030,712)	(1,038,151)	(584,377)	(525,392)	(217,885)	(211,959)	(186,223)	(186,240)	(260,461)	(211,692)	847,995	767,951	(3,781,864)	(3,567,101)
Segment gross profit	933,554	833,098	852,368	771,115	148,504	114,089	54,508	45,107	106,193	127,420	47,220	75,972	1,457	4,952	2,143,804	1,971,753
Other income															362,020	122,207
Selling and distribution expenses															(444,574)	(381,713)
Administrative expenses															(593,176)	(532,086)
Loss on exchange															(3,986)	-
Share of profit from investments in associates and joint venture															56,420	54,445
Finance cost															(3,022)	(3,467)
Profit before income tax															1,517,486	1,231,139
Income tax															(206,578)	(149,180)
Profit for the period															1,310,908	1,081,959
Non-controlling interest of the subsidiaries															(336,732)	(236,256)
Profit for equity holders of the Company															974,176	845,703

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements for the six-month periods ended 30 June

	Instant noodles and semi-instant foods		Bakery		Packaging		Biscuits		Fruit Juice		Others		Eliminated		Total		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Sales to external customers																	
Thailand	4,277,193	3,905,441	3,685,214	3,581,869	579,895	507,929	342,544	356,775	163,903	161,209	94,677	80,054	-	-	9,143,426	8,593,277	
Others	1,967,083	1,686,837	-	-	1,357	1,258	26,464	21,409	404,815	409,692	-	-	-	-	2,399,719	2,119,196	
Inter-segment	54,486	51,721	26	14	900,617	803,415	161,490	165,226	229	578	500,531	489,176	(1,617,379)	(1,510,130)	-	-	
Total sales	6,298,762	5,643,999	3,685,240	3,581,883	1,481,869	1,312,602	530,498	543,410	568,947	571,479	595,208	569,230	(1,617,379)	(1,510,130)	11,543,145	10,712,473	
Less: Cost of sales	(4,528,167)	(4,106,360)	(2,035,836)	(2,068,416)	(1,201,138)	(1,081,409)	(426,616)	(445,045)	(366,031)	(338,577)	(501,188)	(422,751)	1,623,579	1,518,837	(7,435,397)	(6,943,721)	
Segment gross profit	1,770,595	1,537,639	1,649,404	1,513,467	280,731	231,193	103,882	98,365	202,916	232,902	94,020	146,479	6,200	8,707	4,107,748	3,768,752	
Other income															475,869	237,542	
Selling and distribution expenses																(859,320)	(747,560)
Administrative expenses																(1,086,412)	(1,055,489)
Share of profit from investments in associates and joint venture																122,933	104,562
Finance cost																(5,945)	(6,773)
Profit before income tax																2,754,873	2,301,034
Income tax																(347,646)	(290,674)
Profit for the period																2,407,227	2,010,360
Non-controlling interest of the subsidiaries																(567,395)	(475,223)
Profit for equity holders of the Company																1,839,832	1,535,137

20. Commitments and contingent liabilities

20.1 Capital commitments

As at 30 June 2019, a subsidiary company had capital commitments in respect of procurement agreements for production equipment of approximately Baht 9.9 million, EURO 0.1 million and AUD 0.1 million, totaling approximately Baht 16.1 million.

20.2 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	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Payable within:				
Less than 1 year	40	44	12	3
1 to 5 years	14	25	-	-
	<u>54</u>	<u>69</u>	<u>12</u>	<u>3</u>

20.3 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 six-month periods ended 30 June 2019 amounted to approximately Baht 0.6 million and Baht 1.2 million (2018: Baht 0.5 million and Baht 1.1 million, respectively).

20.4 Long-term purchase commitments

A subsidiary company has commitments under natural gas purchase agreement for periods of 3 - 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	3	30 November 2020	72,007 per annum
2	5	31 December 2023	301 per day
3	7	30 November 2020	23,385 per annum

20.5 Guarantees

As at 30 June 2019, there were outstanding bank guarantees of approximately Baht 143 million (31 December 2018: Baht 153 million), issued by banks on behalf of the Company and its subsidiaries and separate financial statements Baht 58 million (31 December 2018: Baht 68 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:

Type of guarantee	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Payment due to creditors	31	31	-	-
Custom duty	1	11	1	11
Retroactive tax assessment	111	111	57	57
	<u>143</u>	<u>153</u>	<u>58</u>	<u>68</u>

Moreover, the subsidiary pledged a fixed deposit of Baht 36.3 million (31 December 2018: Baht 36.3 million) with the Revenue Department as a guarantee for a retroactive tax assessment made against the subsidiary. During the current period, the Court of Appeal for Specialised Cases affirmed the judgement of the Court of First Instance. Currently, the case is in the process of filing a petition with the Supreme Court. In addition, during the current period, the subsidiary has already withdrawn fixed deposit of Baht 17.1 million that had 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.

20.6 Litigation

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

Currently, settlement negotiations for some of the cases have been successful, whereby the subsidiary company and the insurance company agreed to pay the compensation. For the other cases, the Supreme Court rendered its judgment that the subsidiary company and the other three defendants are to compensate for the damage in the amount of Baht 3.3 million, including an interest of 7.5 percent per annum. Currently, the proportion of the said compensation is being assigned to each defendant.

The 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.

- b) In 2016, the subsidiary was sued by the Department of Empowerment of Persons with Disabilities seeking to have the subsidiary pay to the fund for Empowerment of Persons with Disabilities. On 20 March 2019, the subsidiary paid the debt according to the lawsuit, including interest in total amount of Baht 25.3 million.

21. 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 June 2019 are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Average exchange rate as at 30 June 2019 (Baht per 1 foreign currency unit)
	Financial assets (Thousand)	Financial liabilities (Thousand)	Financial assets (Thousand)	Financial liabilities (Thousand)	
US dollar	9,338	2,797	9,294	1,111	30.7000
Euro	311	19	311	7	34.8939
Japanese Yen	82,296	160,170	82,296	136,736	0.2850
Ringgit	504	-	504	-	7.4064

(Unaudited but reviewed)

The Company's and its subsidiaries' foreign exchange contracts outstanding at 30 June 2019 are summarised below.

Consolidated financial statements					
Foreign currency	Sold amount (Thousand)	Bought amount (Thousand)	Maturity date	Forward exchange rate (Baht per 1 foreign currency unit)	
				Sold amount	Bought amount
US dollar	7,723	8,627	1 July – 27 December 2019	30.7042 - 31.9736	30.73 - 32.42

Separate financial statements			
Foreign currency	Sold amount (Thousand)	Maturity date	Forward exchange rate (Baht per 1 foreign currency unit)
			Sold amount
US dollar	7,723	2 July - 4 September 2019	30.7042 - 31.9736

22. Fair value of financial instruments

As of 30 June 2019, 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	518,559	-	518,559
Long-term funds	-	207,472	207,472
Available-for-sale investments (in private fund)	-	4,823,356	4,823,356

(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	518,559	-	518,559
Long-term funds	-	104,741	104,741
Available-for-sale investments (in private fund)	-	3,335,640	3,335,640

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

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the authorised directors of the Company on 13 August 2019.