

President Rice Products Public Company Limited
Report and interim financial statements
For the three-month and nine-month periods ended
30 September 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of President Rice Products Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of President Rice Products Public Company Limited as at 30 September 2017, the related statements of comprehensive income, in which the equity method is applied, for the three-month and nine-month periods ended 30 September 2017, and the related statements of changes in shareholders' equity and cash flows, in which the equity method is applied, for the nine-month period ended 30 September 2017, as well as the condensed notes to the financial statements. I have also reviewed the separate financial information of President Rice Products 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: 10 November 2017

President Rice Products Public Company Limited

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		66,543	15,341	66,543	15,341
Current investments	2	585,620	603,400	585,620	603,400
Trade accounts receivable	3, 5	242,754	206,589	242,754	206,589
Short-term loan to associated company	5	1,000	1,000	1,000	1,000
Inventories	4	124,980	92,976	124,980	92,976
Other current assets		17,792	15,029	17,792	15,029
Total current assets		1,038,689	934,335	1,038,689	934,335
Non-current assets					
Investment in associated companies	6	2,397,848	2,304,396	440,170	446,670
Other long-term investments	7	106,307	86,566	106,307	86,566
Investment properties		9,200	9,200	9,200	9,200
Property, plant and equipment	8	787,857	829,933	787,857	829,933
Advances for construction and equipment		3,139	7,670	3,139	7,670
Intangible assets		10,117	13,761	10,117	13,761
Deferred tax assets		13,777	11,265	13,777	11,265
Other non-current assets		341	298	341	298
Total non-current assets		3,328,586	3,263,089	1,370,908	1,405,363
Total assets		4,367,275	4,197,424	2,409,597	2,339,698

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

President Rice Products Public Company Limited
Statement of financial position (continued)
As at 30 September 2017

(Unit: Thousand Baht)

Note	Financial statements in which				
	the equity method is applied		Separate financial statements		
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	5, 9	151,612	117,016	151,612	117,016
Current portion of liabilities under finance lease agreements	5, 10	1,432	1,954	1,432	1,954
Income tax payable		5,129	8,608	5,129	8,608
Other current liabilities		15,795	9,522	15,795	9,522
Total current liabilities		173,968	137,100	173,968	137,100
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion	5, 10	1,248	1,789	1,248	1,789
Provision for long-term employee benefits	11	79,171	71,430	79,171	71,430
Total non-current liabilities		80,419	73,219	80,419	73,219
Total liabilities		254,387	210,319	254,387	210,319
Shareholders' equity					
Share capital					
Registered					
149,704,014 ordinary shares of Baht 1 each		149,704	149,704	149,704	149,704
Issued and fully paid up					
149,704,014 ordinary shares of Baht 1 each		149,704	149,704	149,704	149,704
Share premium		427,715	427,715	427,715	427,715
Retained earnings					
Appropriated - statutory reserve		15,000	15,000	15,000	15,000
Unappropriated		3,519,917	3,398,064	1,560,876	1,535,980
Other components of shareholders' equity		552	(3,378)	1,915	980
Total shareholders' equity		4,112,888	3,987,105	2,155,210	2,129,379
Total liabilities and shareholders' equity		4,367,275	4,197,424	2,409,597	2,339,698

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

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Directors
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President Rice Products Public Company Limited
Statement of comprehensive income
For the three-month period ended 30 September 2017

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

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales	5, 14	398,765	337,662	398,765	337,662
Dividend income from associated company	5	-	-	119,860	124,925
Other income		7,034	8,188	7,034	8,188
Total revenues		405,799	345,850	525,659	470,775
Expenses					
Cost of sales	5	312,054	270,767	312,054	270,767
Selling expenses		12,059	10,007	12,059	10,007
Administrative expenses		44,112	38,530	50,612	38,530
Total expenses		368,225	319,304	374,725	319,304
Profit before share of profit from investments in associated companies, finance cost and income tax expenses					
		37,574	26,546	150,934	151,471
Share of profit from investments in associated companies		126,965	159,185	-	-
Profit before finance cost and income tax expenses					
		164,539	185,731	150,934	151,471
Finance cost		(86)	(86)	(86)	(86)
Profit before income tax expenses					
		164,453	185,645	150,848	151,385
Income tax expenses	12	(3,611)	(4,256)	(3,611)	(4,256)
Profit for the period		160,842	181,389	147,237	147,129
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale investments		4,470	65	1,271	(344)
Less: Income tax effect		(894)	(13)	(255)	69
Other comprehensive income to be classified to profit or loss in subsequent periods - net of income tax		3,576	52	1,016	(275)
Other comprehensive income for the period		3,576	52	1,016	(275)
Total comprehensive income for the period		164,418	181,441	148,253	146,854
Basic earnings per share					
Profit for the period (Baht)	13	1.07	1.21	0.98	0.98
Weighted average number of ordinary shares (Thousand shares)		149,704	149,704	149,704	149,704

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

President Rice Products Public Company Limited
Statement of comprehensive income
For the nine-month period ended 30 September 2017

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

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales	5, 14	1,106,997	984,220	1,106,997	984,220
Dividend income from associated company	5, 6.2	-	-	273,484	265,043
Other income		17,543	18,151	17,543	18,151
Total revenues		1,124,540	1,002,371	1,398,024	1,267,414
Expenses					
Cost of sales	5	869,752	792,973	869,752	792,973
Selling expenses		28,170	27,319	28,170	27,319
Administrative expenses		127,574	115,431	134,074	115,431
Total expenses		1,025,496	935,723	1,031,996	935,723
Profit before share of profit from investments in associated companies, finance cost and income tax expenses					
Share of profit from investments in associated companies	6.2	363,941	404,853	-	-
Profit before finance cost and income tax expenses					
Finance cost		(270)	(297)	(270)	(297)
Profit before income tax expenses		462,715	471,204	365,758	331,394
Income tax expenses	12	(11,793)	(11,790)	(11,793)	(11,790)
Profit for the period		450,922	459,414	353,965	319,604
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain on change in value of available-for-sale investments	7	4,912	5,784	1,168	1,454
Less: Income tax effect		(982)	(1,157)	(233)	(291)
Other comprehensive income to be classified to profit or loss in subsequent periods - net of income tax		3,930	4,627	935	1,163
Other comprehensive income for the period		3,930	4,627	935	1,163
Total comprehensive income for the period		454,852	464,041	354,900	320,767
Basic earnings per share					
Profit for the period (Baht)	13	3.01	3.07	2.36	2.13
Weighted average number of ordinary shares (Thousand shares)		149,704	149,704	149,704	149,704

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

President Rice Products Public Company Limited
Statement of cash flows
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	462,715	471,204	365,758	331,394
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	73,355	69,770	73,355	69,770
Allowance for diminution in inventory value (reversal)	(42)	1,769	(42)	1,769
(Gain) loss from disposal/write-off of equipment and intangible assets	3,035	(1,151)	3,035	(1,151)
Allowance for impairment of investments in associated company	-	-	6,500	-
Share of profit from investments in associated companies	(363,941)	(404,853)	-	-
Gain on sales of other long-term investments	(792)	(1,653)	(792)	(1,653)
Dividend income from other long-term investments	(732)	(586)	(732)	(586)
Dividend income from associated company	-	-	(273,484)	(265,043)
Provision for long-term employee benefits	7,741	8,980	7,741	8,980
Unrealised (gain) loss on exchange	(201)	77	(201)	77
Interest income	(8,932)	(9,059)	(8,932)	(9,059)
Interest expenses	117	175	117	175
Profit from operating activities before changes in operating assets and liabilities	172,323	134,673	172,323	134,673
Operating assets (increase) decrease				
Trade accounts receivable	(35,999)	21,949	(35,999)	21,949
Inventories	(31,962)	(37,094)	(31,962)	(37,094)
Other current assets	(3,778)	2,341	(3,778)	2,341
Other non-current assets	(44)	52	(44)	52
Operating liabilities increase (decrease)				
Trade and other payables	30,092	29,620	30,092	29,620
Other current liabilities	6,209	(6,611)	6,209	(6,611)
Cash from operating activities	136,841	144,930	136,841	144,930
Cash paid for interest expenses	(117)	(175)	(117)	(175)
Cash paid for income tax	(18,018)	(20,143)	(18,018)	(20,143)
Net cash from operating activities	118,706	124,612	118,706	124,612

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

President Rice Products Public Company Limited
Statement of cash flows (continued)
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Increase in current investments	(849,646)	(553,102)	(849,646)	(553,102)
Decrease in current investments	867,421	481,499	867,421	481,499
Increase in other long-term investments	(74,306)	(97,133)	(74,306)	(97,133)
Decrease in other long-term investments	56,532	102,712	56,532	102,712
Increase in short-term loan to associated company	(1,000)	(1,000)	(1,000)	(1,000)
Decrease in short-term loan to associated company	1,000	1,000	1,000	1,000
Dividend income from other long-term investments	731	597	731	597
Dividend received from associated company	273,484	265,043	273,484	265,043
Proceeds from disposal of equipment	924	1,311	924	1,311
Cash paid for acquisitions of plant, equipment and intangible assets	(27,054)	(41,296)	(27,054)	(41,296)
Decrease in advances for construction and purchases of equipment	4,531	2,872	4,531	2,872
Interest income	9,948	8,628	9,948	8,628
Net cash from investing activities	<u>262,565</u>	<u>171,131</u>	<u>262,565</u>	<u>171,131</u>
Cash flows from financing activities				
Dividend paid	(329,006)	(164,541)	(329,006)	(164,541)
Repayment of liabilities under finance lease agreements	(1,063)	(1,000)	(1,063)	(1,000)
Net cash used in financing activities	<u>(330,069)</u>	<u>(165,541)</u>	<u>(330,069)</u>	<u>(165,541)</u>
Net increase in cash and cash equivalents	51,202	130,202	51,202	130,202
Cash and cash equivalents at beginning of the period	15,341	25,122	15,341	25,122
Cash and cash equivalents at end of the period	<u>66,543</u>	<u>155,324</u>	<u>66,543</u>	<u>155,324</u>
Supplementary disclosures of cash flows information				
Non-cash transactions from investing activities				
Increase (decrease) in payables for construction and purchases of equipment	4,540	(781)	4,540	(781)
Non-cash transactions from financing activities				
Increase in dividend payable	63	140,855	63	140,855

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

(Unaudited but reviewed)

President Rice Products Public Company Limited
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

		Financial statements in which the equity method is applied								
				Retained earnings		Other components of shareholders' equity				
		Issued and paid up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Deficit from change in interests in associated company	Other comprehensive income	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total
Note										
	Balance as at 1 January 2016	149,704	427,715	15,000	3,066,098	(6,966)	(1,443)	(8,409)	3,650,108	
	Profit for the period	-	-	-	459,414	-	-	-	459,414	
	Other comprehensive income for the period	-	-	-	-	-	4,627	4,627	4,627	
	Total comprehensive income for the period	-	-	-	459,414	-	4,627	4,627	464,041	
	Dividend paid	15	-	-	(305,396)	-	-	-	(305,396)	
	Balance as at 30 September 2016	<u>149,704</u>	<u>427,715</u>	<u>15,000</u>	<u>3,220,116</u>	<u>(6,966)</u>	<u>3,184</u>	<u>(3,782)</u>	<u>3,808,753</u>	
	Balance as at 1 January 2017	149,704	427,715	15,000	3,398,064	(6,965)	3,587	(3,378)	3,987,105	
	Profit for the period	-	-	-	450,922	-	-	-	450,922	
	Other comprehensive income for the period	-	-	-	-	-	3,930	3,930	3,930	
	Total comprehensive income for the period	-	-	-	450,922	-	3,930	3,930	454,852	
	Dividend paid	15	-	-	(329,069)	-	-	-	(329,069)	
	Balance as at 30 September 2017	<u>149,704</u>	<u>427,715</u>	<u>15,000</u>	<u>3,519,917</u>	<u>(6,965)</u>	<u>7,517</u>	<u>552</u>	<u>4,112,888</u>	

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

(Unaudited but reviewed)

President Rice Products Public Company Limited
Statement of changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

		Separate financial statements						
				Retained earnings		Other components of shareholders' equity		
		Issued and paid up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total
Note								
	Balance as at 1 January 2016	149,704	427,715	15,000	1,485,023	343	343	2,077,785
	Profit for the period	-	-	-	319,604	-	-	319,604
	Other comprehensive income for the period	-	-	-	-	1,163	1,163	1,163
	Total comprehensive income for the period	-	-	-	319,604	1,163	1,163	320,767
15	Dividend paid	-	-	-	(305,396)	-	-	(305,396)
	Balance as at 30 September 2016	<u>149,704</u>	<u>427,715</u>	<u>15,000</u>	<u>1,499,231</u>	<u>1,506</u>	<u>1,506</u>	<u>2,093,156</u>
	Balance as at 1 January 2017	149,704	427,715	15,000	1,535,980	980	980	2,129,379
	Profit for the period	-	-	-	353,965	-	-	353,965
	Other comprehensive income for the period	-	-	-	-	935	935	935
	Total comprehensive income for the period	-	-	-	353,965	935	935	354,900
15	Dividend paid	-	-	-	(329,069)	-	-	(329,069)
	Balance as at 30 September 2017	<u>149,704</u>	<u>427,715</u>	<u>15,000</u>	<u>1,560,876</u>	<u>1,915</u>	<u>1,915</u>	<u>2,155,210</u>

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

President Rice Products Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2017

1. General information

1.1 Corporate information

President Rice Products Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company’s major shareholder is Saha Pathana Inter-Holding Public Company Limited, which is a public company incorporated in Thailand. The Company is principally engaged in the manufacture and sales of semi-instant foods both in local and overseas markets. Its registered address and head office is at 304, Srinakarin Road, Huamark, Bangkok, and 2 factories located in upcountry.

On 8 June 2017, Saha Pathana Inter-Holding Public Company Limited completed the entire business transfer (“EBT”) of President Holding Co., Ltd., which was the former major shareholder of the Company, (including ordinary shares of the Company held by President Holding Co., Ltd.). Saha Pathana Inter-Holding Public Company Limited therefore become the major shareholder of the Company.

1.2 Amalgamation

On 25 April 2017, the Annual General Meeting of the Company's shareholders No. 1/2017 passed a resolution regarding the following:

- a) Approved an amalgamation between the Company and Thai President Foods Public Company Limited through the allocation of the merged company’s shares to the shareholders in accordance with the ratio and method proposed.
- b) Approved the transfer of the Company’s investment promotion certificates to the new company arising from amalgamation.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) 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 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 has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which is 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 directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believes that the revised financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied.

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 2016.

(Unaudited but reviewed)

2. Current investments

(Unit: Thousand Baht)

	30 September 2017	31 December 2016
Fixed deposit	330,000	521,000
Certificate of deposit from financial institutions	250,000	61,000
Current investments - in private fund (Note 7)	5,620	21,400
Total current investments	<u>585,620</u>	<u>603,400</u>

As at 30 September 2017, fixed deposit and certificate of deposit from financial institutions carried interests between 1.40 and 1.75 percent per annum (31 December 2016: 1.35 and 2.25 percent per annum).

3. Trade accounts receivable

The balances of trade accounts receivable as at 30 September 2017 and 31 December 2016, aged on the basis of due date, are summarised below.

(Unit: Thousand Baht)

	30 September 2017	31 December 2016
<u>Related parties (Note 5)</u>		
Not yet due	122,077	115,194
Past due - Less than 3 months	10,992	9,556
Trade accounts receivable - related parties	<u>133,069</u>	<u>124,750</u>
<u>Unrelated parties</u>		
Not yet due	63,364	56,994
Past due		
- Less than 3 months	40,687	20,439
- 3 - 6 months	5,363	-
- 6 - 12 months	271	4,406
Trade accounts receivable - unrelated parties	<u>109,685</u>	<u>81,839</u>
Total trade accounts receivable	<u>242,754</u>	<u>206,589</u>

4. Reduction of inventories to net realisable value

Movements in the reduction of inventories to net realisable value during the nine-month period ended 30 September 2017 are summarised below.

(Unit: Thousand Baht)	
Balance as at 31 December 2016	61
Less: Reversal of allowance for diminution in inventory value during the period	(42)
Balance as at 30 September 2017	19

5. Related party transactions

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

(Unit: Thousand Baht)					
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	2017	2016	2017	2016	
<u>Transaction with associated companies</u>					
Purchases of goods and raw materials	4,671	3,617	13,491	11,473	Price is agreed periodically, with reference to purchase volume or market price
Other expenses	104	67	285	219	Agreed price
Dividend income	119,860	124,925	273,484	265,043	At the declared rate
Interest income	15	15	45	45	Contractual interest rate
<u>Transaction with related companies</u>					
Sales of goods	219,751	195,307	639,211	550,639	Mostly agreed price with agreed margin
Purchases of goods and raw materials	83,976	79,474	258,517	233,149	Price is agreed periodically, with reference to purchase volume or market price
Other expenses	7,886	2,094	15,046	6,224	Price as stipulated in the agreement and agreed price

(Unaudited but reviewed)

As at 30 September 2017 and 31 December 2016, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	30 September 2017	31 December 2016
<u>Trade accounts receivable - related parties (Note 3)</u>		
Related companies (hold the Company's shares and/or have common shareholders and directors)	133,069	124,750
Total trade accounts receivable - related parties	<u>133,069</u>	<u>124,750</u>
<u>Trade and other payables - related parties (Note 9)</u>		
Associated company	1,051	1,905
Related companies (hold the Company's shares and/or have common shareholders and directors)	43,136	50,332
Total trade and other payables - related parties	<u>44,187</u>	<u>52,237</u>
<u>Liabilities under finance lease agreements - related party (Note 10)</u>		
Major shareholder (hold the Company's shares and has common shareholders)	2,680	3,743
Total liabilities under finance lease agreements - related party	<u>2,680</u>	<u>3,743</u>

Loans to related party - Associated company

As at 30 September 2017 and 31 December 2016, the balance of loans between the Company and an associated company and the movement are as follows:

	(Unit: Thousand Baht)			
Company's name	Balance as at 31 December 2016	Increase during the period	Decrease during the period	Balance as at 30 September 2017
Thai Instant Products Co., Ltd.	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>

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2017 and 2016, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	8.9	7.1	23.3	20.9
Post-employment benefits and other long-term benefits	0.3	0.2	0.9	0.8
Total	9.2	7.3	24.2	21.7

6. Investments in associated companies**6.1 Details of investments in associated companies**

(Unit: Thousand Baht)

Company's name	Type of business	Country of incorporation	Paid-up capital	Investment					
				Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements	
				30 September	31 December	30 September	31 December	30 September	31 December
				2017	2016	2017	2016	2017	2016
				(%)	(%)				
President Bakery Public Co., Ltd.	Manufacturing and sales of bakery products	Thailand	450,000	37.515	37.515	2,383,651	2,289,087	425,170	425,170
Thai Instant Products Co., Ltd.	Manufacturing and sales of products from rice, tapioca, corn and other agriculture crops	Thailand	240,000	25	25	14,197	15,309	21,500	21,500
Total						2,397,848	2,304,396	446,670	446,670
Less: Allowance for impairment of investments - Thai Instant Products Co., Ltd.								(6,500)	-
Carrying amounts - net								440,170	446,670

6.2 Share of comprehensive income

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements	
	Share of profit (loss) from investments in associated companies for the nine-month periods ended 30		Dividend received for the nine-month periods ended 30	
	September		September	
	2017	2016	2017	2016
President Bakery Public Co., Ltd.	365,053	405,929	273,484	265,043
Thai Instant Products Co., Ltd.	(1,112)	(1,076)	-	-
Total	363,941	404,853	273,484	265,043

6.3 Fair value of investments

As at 30 September 2017, the fair value of investment in an associated company that is a listed company on the Stock Exchange of Thailand, calculated based on the closing price of the shares as quoted on the Stock Exchange of Thailand and in proportion to the Company's shareholding, was approximately Baht 10,804 million (31 December 2016: Baht 10,804 million).

7. Other long-term investments

	(Unit: Thousand Baht)			
	30 September 2017		31 December 2016	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Other long-term investments				
Investment in debt security held to maturity				
BOT bond No. 1/2 years/2015 due A.D. 2017	-	-	4,800	4,800
Government bond FY. B.E.2550 due A.D. 2019	4,800	4,800	-	-
	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>
Investments in private fund				
Fixed deposits				
12-month fixed deposits	2,000	2,000	12,500	12,500
14-month fixed deposits	2,500	2,500	-	-
	<u>4,500</u>	<u>4,500</u>	<u>12,500</u>	<u>12,500</u>
Available-for-sale investments				
Government bond	5,865	5,894	555	575
Bank bond	2,000	2,000	4,786	4,786
Local corporate bond	68,706	69,611	55,629	56,017
Units of investments in local open-end fund	12,019	12,367	17,193	17,444
Local marketable equity securities	11,644	12,755	11,278	11,844
	<u>100,234</u>	<u>102,627</u>	<u>89,441</u>	<u>90,666</u>
Add: Revaluation surplus on changes in value of investments	2,393	-	1,225	-
	<u>102,627</u>	<u>102,627</u>	<u>90,666</u>	<u>90,666</u>
Total	107,127	107,127	103,166	103,166
Less: Classified as current investments (Note 2)	(5,620)	(5,620)	(21,400)	(21,400)
Other long-term investments in private fund	<u>101,507</u>	<u>101,507</u>	<u>81,766</u>	<u>81,766</u>
Total other long-term investments - net	<u><u>106,307</u></u>	<u><u>106,307</u></u>	<u><u>86,566</u></u>	<u><u>86,566</u></u>

(Unaudited but reviewed)

The amounts of surplus (deficit) on changes in value of available-for-sale investments in the statements of changes in shareholders' equity are summarised as follows:

	(Unit: Thousand Baht)	
	30 September 2017	31 December 2016
Surplus on changes in value of available-for-sale investments	2,393	1,225
Less: Deferred tax effect	(478)	(245)
Surplus on changes in value of available-for-sale investments in the separate financial statements	1,915	980
Surplus on changes in value of available-for-sale investments - portion of the associated company	5,602	2,607
Surplus on changes in value of available-for-sale investments in the financial statements in which the equity method is applied	7,517	3,587

As at 30 September 2017 and 31 December 2016, the Company had pledged investment in debt security held to maturity to guarantee the electricity use as required in the normal course of the Company's business.

In 2014, the Company had set up a private fund managed by asset management companies for managing its investments. During the period, such asset management companies invested in fixed deposits at financial institutions, common stocks of companies listed on the Stock Exchange of Thailand, open-end fund of an asset management company, Bank of Thailand bonds and corporate bonds. These investments are classified as available-for-sale investments. During the period, the Company recognised return on such investments of Baht 2.6 million (2016: Baht 3.4 million) in profit or loss.

As at 30 September 2017, the Company had assessed the fair value of available-for-sale securities by referring to the value quoted by the asset management companies in which the fair value had increased by approximately Baht 1.2 million (2016: increase of Baht 1.5 million). The change in the fair value of such securities is shown as other comprehensive income in the statement of comprehensive income.

8. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2016	829,933
Acquisitions during the period - at cost	29,425
Disposal during the period - net book value at disposal date	(883)
Depreciation for the period	(70,618)
Net book value as at 30 September 2017	<u>787,857</u>

(Unaudited but reviewed)

9. Trade and other payables

	(Unit: Thousand Baht)	
	30 September	31 December
	2017	2016
Related parties (Note 5)		
Trade payables	38,843	48,767
Other payables	5,344	3,470
	<u>44,187</u>	<u>52,237</u>
Unrelated parties		
Trade payables	48,293	35,039
Other payables	15,179	10,624
Payables for purchases of assets	7,869	3,329
Accrued expenses	36,084	15,787
Total trade and other payables	<u>151,612</u>	<u>117,016</u>

10. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	30 September	31 December
	2017	2016
Liabilities under finance lease agreements		
- related party (Note 5)		
Liabilities under finance lease agreements	2,795	3,959
Less: Deferred interest expenses	(115)	(216)
Net	<u>2,680</u>	<u>3,743</u>
Less: Portion due within one year	<u>(1,432)</u>	<u>(1,954)</u>
Liabilities under finance lease agreements - related party - net of current portion	<u>1,248</u>	<u>1,789</u>

During the year 2013 and 2015, the Company had entered into the finance lease agreements with a leasing company for lease of motor vehicles for use in operations, whereby it was committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years. Finance lease agreements are non-cancellable.

12. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	5,157	5,010	14,538	13,757
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,546)	(754)	(2,745)	(1,967)
Income tax expenses reported in profit or loss	<u>3,611</u>	<u>4,256</u>	<u>11,793</u>	<u>11,790</u>

13. Earnings per share

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

14. Operating segment information

The one reportable segment of the Company is manufacture and sales of semi-instant foods and the single geographical area of its operations is in Thailand. The distribution channels are both domestic and overseas markets, which could be summarised as follows:

	For the three-month periods ended 30				For the nine-month periods ended 30			
	September				September			
	<u>2017</u>		<u>2016</u>		<u>2017</u>		<u>2016</u>	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Revenue from domestic sales	223	56	198	59	649	59	557	57
Revenue from export sales	176	44	140	41	458	41	427	43
Total revenue from sales	<u>399</u>	<u>100</u>	<u>338</u>	<u>100</u>	<u>1,107</u>	<u>100</u>	<u>984</u>	<u>100</u>

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

The revenue from domestic sales for the three-month and nine-month periods ended 30 September 2017 were from a main domestic customer, in amount of Baht 208 million and Baht 604 million or representing about 93% and 93% of total revenue from domestic sales for the periods, respectively (2016: Baht 181 million and Baht 518 million or representing about 93% and 93% of total revenue from domestic sales for the periods, respectively).

15. Dividends

Dividend payment for the nine-month periods ended 30 September 2017 and 2016 consist of the following:

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Payment date
<u>Year 2017</u>				
Dividend for the second-half of 2016	Annual General Meeting of the shareholders No. 1/2017 on 25 April 2017	182,639	1.22	24 May 2017
Interim dividend for 2017	Board of Directors' Meeting No. 8/2017 on 16 August 2017	146,710	0.98	15 September 2017
		329,349	2.20	
<u>Year 2016</u>				
Dividend for the second-half of 2015	Annual General Meeting of the shareholders No. 1/2016 on 27 April 2016	164,674	1.10	26 May 2016
Interim dividend for 2016	Board of Directors' Meeting No. 9/2016 on 16 September 2016	140,722	0.94	14 October 2016
		305,396	2.04	

16. Commitments and contingent liabilities

As at 30 September 2017, the Company and its associated company had outstanding commitments and contingent liabilities as follows:

16.1 Capital commitments

The Company

As at 30 September 2017, the Company had no outstanding commitments in respect of building improvement and assembly of machinery (31 December 2016: Baht 5.5 million).

Associated company

As at 30 September 2017, the associated company had capital commitments in respect of procurement agreements for production machinery and equipment of approximately Baht 1.4 million, Yen 320 million, AUD 0.2 million and USD 0.1 million, totaling approximately Baht 105.3 million (31 December 2016: Baht 16.1 million, Yen 342 million and GBP 0.1 million, totaling approximately Baht 128.9 million).

16.2 Operating lease commitments

The Company

The Company has entered into several lease agreements in respect of the office rental and related services agreements and trademark rental agreement the Company made with a related company, which the terms of the agreements are generally 3 years, and the residence rental and security service with lessors, which the terms of the agreements are generally between 1 month and 3 years.

Future minimum lease and related service payments required under these non-cancellable operating lease and service contracts were as follows:

	(Unit: Million Baht)	
	<u>30 September 2017</u>	<u>31 December 2016</u>
Payable:		
Less than 1 year	0.6	3.3
1 to 3 years	-	1.8

Associated company

The associated company and its joint venture have entered into several lease agreements in respect of the lease of land, office building space and related services. The terms of the agreements are generally between 1 and 15 years.

As at 30 September 2017, future minimum lease and related service payments under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Associated company		Associated company's joint venture	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Payable:				
Less than 1 year	16.1	15.4	10.9	9.2
1 to 5 years	8.9	9.9	10.3	8.1
Over 5 years	-	0.3	-	-

16.3 Long-term service commitments

Associated company

The associated company entered into a consulting service agreement with an overseas company for consulting service in respect of the manufacture and marketing of products for a period of 1 year, commencing from 1 November 2015 to 31 October 2016. The agreement is automatically renewed for every 1 year. The associated company is committed to pay service fee on the basis and at the rate as stipulated under the agreement. The service fees for the three-month and nine-month periods ended 30 September 2017 amounted to approximately Baht 0.2 million and Baht 0.5 million, respectively (2016: Baht 0.2 million and Baht 0.5 million, respectively).

Moreover, the associated company's joint venture entered into license and technical assistance agreements with an overseas related company for the use of a trademark and the receipt of information related to operation and management of restaurants. Under the conditions of the license agreement, its 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 2017 amounted to approximately Baht 0.5 million and Bath 1.6 million, respectively (2016: Baht 0.5 million and Baht 1.7 million, respectively).

16.4 Long-term purchase commitments**Associated company**

The associated company has commitments under natural gas purchase agreement for periods of 5 - 7 years. Under the agreement, the associated company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

No.	Period (Years)	Expiry date	Average minimum purchase quantity (Million BTU)
1	7	30 November 2017	39,273 per annum
2	5	31 December 2018	245 per day
3	7	30 November 2020	23,385 per annum

16.5 Guarantees**The Company**

As at 30 September 2017, the Company had commitment to pay a guarantee fee to the local branch of a foreign bank for bank guarantee issued by bank to guarantee an AEO class importer and exporter in the amount of Baht 1 million (31 December 2016: Baht 1 million).

Associated company

As at 30 September 2017, the associated company had outstanding bank guarantees of approximately Baht 27.3 million issued by the banks on behalf of the associated company in respect of certain performance bonds as required in the normal course of the associated company's business. These included letters of guarantee amounting to 23.3 million to guarantee electricity use, Baht 4 million to guarantee contractual performance under the natural gas purchase agreement.

Moreover, the associated company had pledged its fixed deposit of Baht 36.3 million as a guarantee of retroactive tax assessment of the associated company.

16.6 Litigation**Associated company**

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

Currently, petitions for the Court of First Instance to consider civil cases are in the process of being filed and in some case is waiting for appeal. Settlements have been negotiated for some of the cases. In which compensation being paid by the insurance company. As at 30 September 2017, total claims had decreased to be Baht 4.9 million.

- b) In 2016, the associated 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. The Civil court ordered the Company to pay such claim amount. Currently, the case is in the appeal process of the Court of appeal.

The management of the associated company 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.

17. Assets and liabilities denominated in foreign currencies

As at 30 September 2017, there were financial assets and liabilities denominated in foreign currencies as follows:

Foreign currency	Financial assets (Thousand)	Financial liabilities (Thousand)	Average exchange rate as at 30 September 2017	
			Buying	Selling
			(Baht per 1 foreign currency unit)	
US dollar	1,292	49	33.1237	33.5324
Singapore dollar	186	-	24.2139	-
Japanese Yen	-	5,382	-	0.300127
Euro	-	5	-	39.6762

As at 30 September 2017, the Company had no outstanding forward exchange contracts.

18. Fair value of financial instruments

As of 30 September 2017, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied and separate financial statements		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Available-for-sale investments			
Equity instruments	12,755	10,426	23,181
Debt instruments	-	79,446	79,446

Valuation techniques and inputs to Level 2 valuation

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

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

19. Events after the reporting period

On 11 October 2017, the joint shareholders meeting No. 1/2017 between the shareholders of the Company and the shareholders of Thai President Foods Public Company Limited passed a resolution approving several matters relating to the new company.

On 16 October 2017, the Company and Thai President Foods Public Company Limited registered their amalgamation with the Ministry of Commerce under the new name of “Thai President Foods Public Company Limited”. The Company and Thai President Foods Public Company Limited were therefore dissolved on that date and the new company has assumed all assets, liabilities, rights, duties, and obligations of both companies by law. The transferred assets and liabilities are based on the net book value as at 15 October 2017.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of Thai President Foods Public Company Limited on 10 November 2017.