

Tipco Foods Public Company Limited and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month period ended 31 March 2019

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

To the Shareholders of Tipco Foods Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Tipco Foods Public Company Limited and its subsidiaries as at 31 March 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Tipco Foods Public Company Limited for the same period. 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*.

Supachai Phanyawattano  
Certified Public Accountant (Thailand) No. 3930

EY Office Limited  
Bangkok: 13 May 2019

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 March 2019**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		95,847	105,836	19,439	21,595
Current investment		4,972	4,951	-	-
Trade and other receivables	2, 3	441,385	562,332	50,784	45,474
Short-term loans to related parties	2	-	-	97,000	90,000
Inventories	4	1,012,140	986,475	62,490	61,973
Biological assets		738	659	-	-
Advanced payments		14,847	12,268	3,942	4,205
Other current assets		75,347	75,393	13,336	13,036
<b>Total current assets</b>		<u>1,645,276</u>	<u>1,747,914</u>	<u>246,991</u>	<u>236,283</u>
<b>Non-current assets</b>					
Investments in subsidiaries	5	-	-	1,765,337	1,765,337
Investment in associate	6	2,927,984	2,910,063	644,930	644,930
Investment property - Land awaiting sale		7,270	7,270	7,270	7,270
Property, plant and equipment	7	2,237,655	2,287,283	729,752	742,168
Intangible assets		50,457	56,194	29,380	30,237
Deferred tax assets - net	11	49,515	47,379	3,831	3,588
Other non-current assets		21,559	20,471	3,305	3,089
<b>Total non-current assets</b>		<u>5,294,440</u>	<u>5,328,660</u>	<u>3,183,805</u>	<u>3,196,619</u>
<b>Total assets</b>		<u><u>6,939,716</u></u>	<u><u>7,076,574</u></u>	<u><u>3,430,796</u></u>	<u><u>3,432,902</u></u>

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

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 March 2019**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions		432,152	770,000	235,477	240,000
Trade and other payables	2, 8	731,426	790,129	48,186	76,869
Current portion of long-term loans					
from financial institutions	9	390,000	312,500	208,700	201,200
Income tax payable		14,231	10,693	-	-
Other current liabilities		58,818	79,005	4,693	3,163
<b>Total current liabilities</b>		<u>1,626,627</u>	<u>1,962,327</u>	<u>497,056</u>	<u>521,232</u>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions -					
net of current portion	9	1,091,325	840,203	728,445	729,498
Provision for dismantling cost		2,285	2,280	-	-
Provision for long-term employee benefits		99,217	98,360	26,147	25,109
<b>Total non-current liabilities</b>		<u>1,192,827</u>	<u>940,843</u>	<u>754,592</u>	<u>754,607</u>
<b>Total liabilities</b>		<u>2,819,454</u>	<u>2,903,170</u>	<u>1,251,648</u>	<u>1,275,839</u>

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

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 March 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
500,000,000 ordinary shares of Baht 1 each		500,000	500,000	500,000	500,000
Issued and fully paid					
482,579,640 ordinary shares of Baht 1 each		482,580	482,580	482,580	482,580
Non-controlling interests of subsidiary acquired by					
the Company at price higher than book value		(80,767)	(80,767)	-	-
Non-controlling interest in subsidiary of					
the associated company acquired at price					
lower than book value		1,494	1,494	-	-
Change in the interest in subsidiaries of					
the associated company which did not result					
in a loss of control of the associate		(135,833)	(135,833)	-	-
Capital reserve for share-based payment transactions					
of the associate		41,045	41,071	-	-
Retained earnings					
Appropriated - statutory reserve		50,000	50,000	50,000	50,000
Unappropriated		3,974,142	3,876,971	1,646,568	1,624,483
Other components of shareholders' equity		(212,399)	(62,112)	-	-
<b>Total shareholders' equity</b>		<b>4,120,262</b>	<b>4,173,404</b>	<b>2,179,148</b>	<b>2,157,063</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,939,716</b>	<b>7,076,574</b>	<b>3,430,796</b>	<b>3,432,902</b>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

## Tipco Foods Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 31 March 2019

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		938,857	978,345	104,750	95,069
Other income					
Dividend income from subsidiaries	5	-	-	19,800	27,392
Management income	2	-	-	17,583	19,032
Others		23,737	24,373	3,374	3,657
<b>Total revenues</b>		<u>962,594</u>	<u>1,002,718</u>	<u>145,507</u>	<u>145,150</u>
<b>Expenses</b>					
Cost of sales and services		814,706	761,301	76,619	62,342
Selling and distribution expenses		110,610	160,171	680	5,561
Administrative expenses		90,845	109,280	35,557	44,113
Other expenses					
Reversal of allowance for impairment loss on machinery		-	(29,000)	-	-
Loss on fair value of biological assets		-	1,906	-	-
<b>Total expenses</b>		<u>1,016,161</u>	<u>1,003,658</u>	<u>112,856</u>	<u>112,016</u>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax</b>					
Share of profit from investment in associate	6	168,563	71,904	-	-
<b>Profit before finance cost and income tax</b>		114,996	70,964	32,651	33,134
Finance cost		(16,423)	(11,472)	(10,808)	(6,129)
<b>Profit before income tax</b>		98,573	59,492	21,843	27,005
Income tax	11	(1,402)	(9,728)	242	(1,578)
<b>Profit for the period</b>		<u>97,171</u>	<u>49,764</u>	<u>22,085</u>	<u>25,427</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Share of comprehensive income in associate		(150,287)	(70,803)	-	-
<b>Other comprehensive income for the period</b>		<u>(150,287)</u>	<u>(70,803)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>(53,116)</u>	<u>(21,039)</u>	<u>22,085</u>	<u>25,427</u>

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the three-month period ended 31 March 2019**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	<u>97,171</u>	<u>49,764</u>	<u>22,085</u>	<u>25,427</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>(53,195)</u>	<u>(21,039)</u>	<u>22,085</u>	<u>25,427</u>
<b>Earnings per share</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.20</u>	<u>0.10</u>	<u>0.05</u>	<u>0.05</u>

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

(Unaudited but reviewed)

## Tipco Foods Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>											
Equity attributable to owners of the Company											
	Non-controlling interests of subsidiary acquired		Non-controlling interest of subsidiary of the associated company acquired		Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate		Capital reserve for share-based payment transactions of the associate		Other components of equity		
	Issued and paid-up share capital	by the Company at price higher than book value	company acquired at price lower than book value	company acquired at price lower than book value	of the associate	the associate	statutory reserve	Unappropriated	Share of comprehensive income in associate	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company
<b>Balance as at 1 January 2018</b>	482,580	(80,767)	1,494	(135,833)	36,872	50,000	4,155,881	(139,611)	(139,611)	4,370,616	4,370,616
Profit for the period	-	-	-	-	-	-	49,764	-	-	49,764	49,764
Other comprehensive income for the period	-	-	-	-	-	-	-	(70,803)	(70,803)	(70,803)	(70,803)
Total comprehensive income for the period	-	-	-	-	-	-	49,764	(70,803)	(70,803)	(21,039)	(21,039)
Share-based payment transactions of associate	-	-	-	-	1,912	-	-	-	-	1,912	1,912
<b>Balance as at 31 March 2018</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>38,784</u>	<u>50,000</u>	<u>4,205,645</u>	<u>(210,414)</u>	<u>(210,414)</u>	<u>4,351,489</u>	<u>4,351,489</u>
											-
<b>Balance as at 1 January 2019</b>	482,580	(80,767)	1,494	(135,833)	41,071	50,000	3,876,971	(62,112)	(62,112)	4,173,404	4,173,404
Profit for the period	-	-	-	-	-	-	97,171	-	-	97,171	97,171
Other comprehensive income for the period	-	-	-	-	-	-	-	(150,287)	(150,287)	(150,287)	(150,287)
Total comprehensive income for the period	-	-	-	-	-	-	97,171	(150,287)	(150,287)	(53,116)	(53,116)
Share-based payment transactions of associate	-	-	-	-	(26)	-	-	-	-	(26)	(26)
<b>Balance as at 31 March 2019</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>41,045</u>	<u>50,000</u>	<u>3,974,142</u>	<u>(212,399)</u>	<u>(212,399)</u>	<u>4,120,262</u>	<u>4,120,262</u>

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



(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>			<b>Total</b>	
	<b>Issued and paid-up</b>	<b>Retained earnings</b>			<b>shareholders' equity</b>
		<b>Appropriated</b>	<b>Unappropriated</b>		
<b>share capital</b>	<b>statutory reserve</b>				
<b>Balance as at 1 January 2018</b>	482,580	50,000	1,513,204	2,045,784	
Profit for the period	-	-	25,427	25,427	
Other comprehensive income for the period	-	-	-	-	
Total comprehensive income for the period	-	-	25,427	25,427	
<b>Balance as at 31 March 2018</b>	<u>482,580</u>	<u>50,000</u>	<u>1,538,631</u>	<u>2,071,211</u>	
<b>Balance as at 1 January 2019</b>	482,580	50,000	1,624,483	2,157,063	
Profit for the period	-	-	22,085	22,085	
Other comprehensive income for the period	-	-	-	-	
Total comprehensive income for the period	-	-	22,085	22,085	
<b>Balance as at 31 March 2019</b>	<u>482,580</u>	<u>50,000</u>	<u>1,646,568</u>	<u>2,179,148</u>	

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries****Cash flow statement****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>				
Profit before income tax	98,573	59,492	21,843	27,005
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	63,083	64,595	15,516	8,133
Reversal of allowance for doubtful account	(17)	-	-	-
Reduction of cost of inventories to net realisable value (reversal)	41,571	(2,038)	474	(232)
Loss from inventory destruction	2,196	2,161	-	-
Change in fair value of biological assets	(79)	1,906	-	-
Unrealised (gain) loss on exchange	(368)	(1,507)	12	23
Changes in fair value of forward exchange contracts	1,580	2,063	-	224
Changes in fair value of interest rate swap contract	66	(276)	66	(276)
(Gain) loss on sales of machinery and equipment	(87)	13	-	31
Loss on written-off of intangible assets	27	-	-	-
Reversal of allowance for impairment loss on machinery	-	(29,000)	-	-
Provision for long-term employee benefits	3,092	2,575	1,038	756
Provision for dismantling cost	87	44	-	-
Dividend income from subsidiaries	-	-	(19,800)	(27,392)
Share of profit from investment in associate	(168,563)	(71,904)	-	-
Interest income	(26)	(34)	(596)	(169)
Interest expenses	16,077	11,526	10,486	6,191
Profit from operating activities before changes in operating assets and liabilities	57,212	39,616	29,039	14,294
(Increase) decrease in operating assets				
Trade and other receivables	121,283	110,953	(5,322)	(4,293)
Inventories	(69,432)	(212,167)	(991)	4,619
Other current assets	(3,053)	(27,375)	515	14,406
Other non-current assets	(4,626)	(24,082)	(215)	(20,067)
Increase (decrease) in operating liabilities				
Trade and other payables	(40,828)	(42,717)	(20,573)	(54,852)
Other current liabilities	(16,667)	29,918	1,464	6,813
Other non-current liabilities	(82)	356	-	-
Cash paid for long-term employee benefits	(2,235)	(2,484)	-	(1,985)
<b>Cash flows from (used in) operating activities</b>	<b>41,572</b>	<b>(127,982)</b>	<b>3,917</b>	<b>(41,065)</b>
Cash paid for interest expenses	(16,151)	(11,478)	(10,439)	(6,098)
Cash paid for corporate income tax	(731)	(806)	(552)	(452)
<b>Net cash flows from (used in) operating activities</b>	<b>24,690</b>	<b>(140,266)</b>	<b>(7,074)</b>	<b>(47,615)</b>

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities:</b>				
Increase in current investment	(21)	(21)	-	-
Increase in short-term loans to related parties	-	-	(7,000)	(44,000)
Cash received from sales of machinery and equipment	451	1,076	-	1,006
Cash paid for acquisition of equipment	(25,457)	(118,213)	(10,402)	(93,017)
Cash paid for acquisition of intangible assets	(452)	(7,127)	-	(93)
Dividend received from subsidiaries	-	-	19,800	27,392
Interest received	26	34	596	169
<b>Net cash flows from (used in) investing activities</b>	<b>(25,453)</b>	<b>(124,251)</b>	<b>2,994</b>	<b>(108,543)</b>
<b>Cash flows from financing activities:</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(337,848)	39,659	(4,523)	(30,000)
Cash received from long-term loan from financial institutions	406,747	163,484	56,747	163,484
Repayment of long-term loans from financial institutions	(78,125)	(38,125)	(50,300)	(10,300)
<b>Net cash flows from (used in) financing activities</b>	<b>(9,226)</b>	<b>165,018</b>	<b>1,924</b>	<b>123,184</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(9,989)</b>	<b>(99,499)</b>	<b>(2,156)</b>	<b>(32,974)</b>
Cash and cash equivalents at beginning of period	105,836	199,464	21,595	64,661
<b>Cash and cash equivalents at end of period</b>	<b>95,847</b>	<b>99,965</b>	<b>19,439</b>	<b>31,687</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions:				
Acquisition of equipment for which cash has not been paid	2,685	3,701	1,825	1,937
Acquisition of intangible assets for which cash has not been paid	18	-	18	-

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

**Tipco Foods Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the three-month period ended 31 March 2019**

**1. General information**

**1.1 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.

**1.2 Basis of consolidation**

The consolidated interim financial statements include the financial statements of Tipco 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.

**1.3 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 were 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 effect on the Company's and its subsidiaries' profit or loss and resulted only in the reclassifications as described below.

(Unit: Million Baht)

	Consolidated financial statements		
	Previous financial reporting standard	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Sales and service income	960	(21)	939
Cost of sales and services	810	5	815
Selling and distribution expenses	137	(26)	111

**(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 were 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.

**1.4 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.

**2. Related party transactions**

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

(Unit: Million Baht)

	For the three-month periods ended 31 March				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>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	104	94	Cost plus certain margin
Management income	-	-	18	19	As agreed
Interest income	-	-	1	-	At rate of 2.6 per annum
Dividends income	-	-	20	27	Announced rate
<b><u>Transactions with related companies</u></b>					
Rental and service expenses	11	10	4	3	Market price

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2019 and 31 December 2018 between the Company and its subsidiaries and those related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Trade and other receivables - related parties</u></b> (Note 3)				
Subsidiaries	-	-	50,739	45,364
Associate	185	1,450	-	83
Related companies (common shareholders and directors)	144	1,089	-	-
<b>Total trade and other receivables - related parties</b>	<b>329</b>	<b>2,539</b>	<b>50,739</b>	<b>45,447</b>
<b><u>Short-term loans to related parties</u></b>				
Subsidiaries	-	-	97,000	90,000
<b>Total short-term loans to related parties</b>	<b>-</b>	<b>-</b>	<b>97,000</b>	<b>90,000</b>
<b><u>Prepaid expenses - related parties</u></b>				
Associate	157	224	157	224
Related companies (common shareholders and directors)	1,537	390	78	156
<b>Total prepaid expenses - related parties</b>	<b>1,694</b>	<b>614</b>	<b>235</b>	<b>380</b>
<b><u>Retentions - related parties</u></b>				
Related companies (common shareholders and directors)	8,743	8,460	3,111	2,828
<b>Total retentions - related parties</b>	<b>8,743</b>	<b>8,460</b>	<b>3,111</b>	<b>2,828</b>
<b><u>Trade and other payables - related parties</u></b> (Note 8)				
Subsidiaries	-	-	3	125
Associate	67	596	2	128
Related companies (common shareholders and directors)	3,042	1,763	563	432
<b>Total trade and other payables - related parties</b>	<b>3,109</b>	<b>2,359</b>	<b>568</b>	<b>685</b>



(Unaudited but reviewed)

### Loans to related parties

As at 31 March 2019 and 31 December 2018, the balances of loan between the Company and the related companies and the movements were as follows:

(Unit: Thousand Baht)

Short-term loans to related parties	Related by	Separate financial statements			
		Balance as at 31 December 2018	Increase during the period	Decrease during the period	Balance as at 31 March 2019
		(Audited)			
Tipco Pineapple Co., Ltd.	Subsidiary	90,000	66,000	(63,000)	93,000
Tipco Biotech Co., Ltd.	Subsidiary	-	4,000	-	4,000
Total		90,000	70,000	(63,000)	97,000

### Directors and management's benefits

For the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	13	9	10	6
Post-employment benefits	1	-	-	-
Total	14	9	10	6

(Unaudited but reviewed)

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018 (Audited)	31 March 2019	31 December 2018 (Audited)
<b><u>Trade receivables - related parties</u></b> (Note 2)				
Aged on the basis of due dates				
Not yet due	249	2,290	44,121	37,826
Past due				
Up to 3 months	80	166	-	-
Total trade receivables - related parties	329	2,456	44,121	37,826
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	363,260	390,157	-	3
Past due				
Up to 3 months	44,347	80,094	-	-
3 - 6 months	223	817	-	-
6 - 12 months	306	501	-	-
Over 12 months	866	779	-	-
Total	409,002	472,348	-	3
Less: Allowance for doubtful accounts	(870)	(887)	-	-
Total trade receivables - unrelated parties, net	408,132	471,461	-	3
Total trade receivables - net	408,461	473,917	44,121	37,829
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 2)	-	83	6,618	7,621
Amounts due from unrelated parties	30,338	87,194	10	4
Advance to employees	2,012	674	35	19
Accrued income	574	464	-	1
Total other receivables	32,924	88,415	6,663	7,645
Total trade and other receivables - net	441,385	562,332	50,784	45,474

(Unaudited but reviewed)

#### 4. Inventories

Movements in the reduction of cost to net realisable value of inventories account during the three-month period ended 31 March 2019 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2019</b>	39,326	3,066
Reversal of reduction of cost to net realisable value of inventory account during the period	41,571	474
<b>Balance as at 31 March 2019</b>	<u>80,897</u>	<u>3,540</u>

#### 5. Investments in subsidiaries

During the three-month periods ended 31 March 2019 and 2018, the Company received the following dividends from its subsidiaries:

Company's name	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2019	2018
Tipco F&B Company Limited	19,800	20,400
Tipco Biotech Company Limited	-	6,992
<b>Total dividend received during the period</b>	<u>19,800</u>	<u>27,392</u>

#### 6. Investment in associate

##### 6.1 Details of associate:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	2,927,984	2,910,063	-	-

(Unaudited but reviewed)

## 6.2 Share of profit and dividend received

During the three-month period ended 31 March 2019 and 2018, the Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the period		Dividend received during the period by the Company	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Tipco Asphalt Plc.	168,563	71,904	-	-

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2019 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2019</b>	2,287,283	742,168
Acquisitions during period - at cost	8,108	2,243
Disposals during period - net book value at disposal date	(364)	-
Depreciation for the period	(57,372)	(14,659)
<b>Net book value as at 31 March 2019</b>	<b>2,237,655</b>	<b>729,752</b>

## 8. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	-	-	-	85
Trade payables - unrelated parties	288,062	274,251	23,062	29,755
Amounts due to related parties (Note 2)	3,109	2,359	568	600
Accrued expenses	331,461	372,249	20,719	33,043
Others	108,794	141,270	3,837	13,386
<b>Total trade and other payables</b>	<b>731,426</b>	<b>790,129</b>	<b>48,186</b>	<b>76,869</b>

## 9. Long-term loans from financial institutions

Movements in the long-term loan account during the three-month period ended 31 March 2019 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2019</b>	1,152,703	930,698
Addition	406,747	56,747
Repayments	(78,125)	(50,300)
<b>Balance as at 31 March 2019</b>	1,481,325	937,145
Less: Current portion	(390,000)	(208,700)
<b>Long-term loans - net of current portion</b>	<b>1,091,325</b>	<b>728,445</b>

During the current quarter, a subsidiary entered into a credit facility agreement for a long-term loan with a bank amounting to Baht 350 million to repay its short-term loans from banks. Such loan carries interest at a rate with reference to THBFIX and repayable on a quarterly basis starting from March 2019 until March 2024.

The loan is secured by the mortgage of the subsidiary's land and structuring thereon.

The loan agreement of the subsidiary contains certain restrictive covenants pertaining to, among other things, the maintenance of debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreement.

### Loan covenants

The loan agreements of the Company and its subsidiaries contained certain restrictive covenants as were disclosed in the financial statements for the year ended 31 December 2018 except the additional covenants under the new loan agreement as described above.

(Unaudited but reviewed)

## 10. Credit facilities

The credit facilities of the Company and its subsidiaries granted by financial institutions are secured by the following collaterals:

- a) The guarantees by the Company and a subsidiary.
- b) The mortgages of the assets of the Company of which the net book value as at 31 March 2019 and 31 December 2018 were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Land	105	63	17	17
Buildings and complement	394	402	286	289
Machinery and equipment	87	93	-	-

- c) The prohibition from creating lien over assets of the Company.

## 11. Income tax

Income tax for the three-month periods ended 31 March 2019 and 2018 were made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current income tax charge	(3,538)	(5,040)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	2,136	(4,688)	242	(1,578)
<b>Income tax reported in the statement of comprehensive income</b>	<u>(1,402)</u>	<u>(9,728)</u>	<u>242</u>	<u>(1,578)</u>

(Unaudited but reviewed)

## 12. Segment information

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2019 and 2018, respectively.

(Unit: Million Baht)

	Products of vegetable & fruit		Beverage		Others		Consolidation	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues from sales of goods and rendering of services	391	359	536	589	12	30	939	978
<b>Gross profit</b>	(23)	14	145	194	2	9	124	217
Other incomes							24	24
Selling and distribution expenses							(111)	(160)
Administrative expenses							(91)	(82)
<b>Loss before share of profit from investment in associate, finance cost and income tax</b>							(54)	(1)
Share of profit from investment in associate							169	72
<b>Profit before finance cost and income tax</b>							115	71
Finance cost							(17)	(11)
Income tax							(1)	(10)
<b>Profit for the period</b>							97	50

(Unaudited but reviewed)

Geographic segment information for the three-month periods 31 March 2019 and 2018 was as follows:

(Unit: Million Baht)

	Domestic sales		Export sales		Consolidation	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues from the sale of goods and the rendering of services	<u>501</u>	<u>565</u>	<u>438</u>	<u>413</u>	<u>939</u>	<u>978</u>
Gross profit	<u>135</u>	<u>193</u>	<u>(11)</u>	<u>24</u>	<u>124</u>	<u>217</u>

Transfer prices between the segments are set out in Note 2 to the interim financial statements.

### 13. Commitments and contingent liabilities

#### 13.1 Capital commitments

The Company and its subsidiaries had outstanding capital commitments relating to building complement, purchase of machinery and equipment and computer software as follows:

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Baht	33	14	15	12

#### 13.2 Operating lease commitments

The Company and its subsidiaries have entered into several agreements in respect of the lease of buildings, warehouses, motor vehicles, office equipment, and other service agreements.

Future minimum rental and service fees payable under these agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Payable within:				
1 year	76	76	24	26
2 to 5 years	93	103	27	36



**13.3 Bank guarantees**

The outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Bank guarantees	28	54	10	11

**14. Foreign currency risk**

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		31 March	31 December
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		(Audited)
US Dollar	3.8	5.1	1.2	1.1	31.81	32.45
Euro	0.7	-	0.1	0.2	35.72	37.13
Yen	-	-	1.3	-	0.29	-

The Company and its subsidiaries had outstanding forward exchange contracts which maturity date within one year were summarised below.

As at 31 March 2019

Foreign currency	Consolidated financial statements		Separate financial statements		Contractual exchange rate	
	Sold Amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3.6	-	-	-	31.09 - 33.01	-

(Unaudited but reviewed)

Foreign currency	As at 31 December 2018 (Audited)					
	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	amount	amount	amount	amount		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1.7	0.4	-	-	32.27 - 33.01	32.31 - 32.98
Euro	-	0.1	-	-	-	37.60

## 15. Events after the reporting period

### 15.1 Dividends

The Annual General Meeting of the shareholders No.1/2019 held on 4 April 2019 approved the payment of dividends for the year 2018 of Baht 0.25 per share or a total of Baht 120,644,910.

The Company already paid such dividends on 30 April 2019.

### 15.2 Amendments to the law relating to the legal severance pay rates

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 24 million (The Company only: Baht 5 million) as a result. The Company and its subsidiaries will reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

## 16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 13 May 2019.