

Tipco Foods Public Company Limited and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and nine-month periods ended 30 September 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 30 September 2019, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statement of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of 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*.

Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 13 November 2019

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

**Statements of financial position**

**As at 30 September 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		59,215	105,836	23,399	21,595
Current investment		4,994	4,951	-	-
Trade and other receivables	2, 3	399,874	562,332	29,075	45,474
Short-term loans to related parties	2	-	-	121,000	90,000
Inventories	4	754,614	986,475	60,762	61,973
Biological assets		1,650	659	-	-
Advance payments		39,342	12,268	4,515	4,205
Other current assets		64,090	75,393	8,264	13,036
<b>Total current assets</b>		<u>1,323,779</u>	<u>1,747,914</u>	<u>247,015</u>	<u>236,283</u>
<b>Non-current assets</b>					
Investments in subsidiaries	5	-	-	1,765,337	1,765,337
Investment in associate	6	3,046,225	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	2,208,666	2,287,283	714,203	742,168
Intangible assets		39,774	56,194	27,832	30,237
Deferred tax assets - net		54,833	47,379	5,295	3,588
Other non-current assets		15,240	20,471	3,446	3,089
<b>Total non-current assets</b>		<u>5,372,008</u>	<u>5,328,660</u>	<u>3,168,313</u>	<u>3,196,619</u>
<b>Total assets</b>		<u>6,695,787</u>	<u>7,076,574</u>	<u>3,415,328</u>	<u>3,432,902</u>

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

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

**Statements of financial position (continued)**

**As at 30 September 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions		685,154	770,000	300,000	240,000
Trade and other payables	2, 8	539,521	790,129	52,359	76,869
Current portion of liabilities under finance lease agreement		653	-	653	-
Current portion of long-term loans from financial institutions	9	405,000	312,500	223,700	201,200
Income tax payable		-	10,693	-	-
Other current liabilities		66,429	79,005	15,043	3,163
<b>Total current liabilities</b>		<u>1,696,757</u>	<u>1,962,327</u>	<u>591,755</u>	<u>521,232</u>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreement - net of current portion		3,540	-	3,540	-
Long-term loans from financial institutions - net of current portion	9	885,075	840,203	612,845	729,498
Provision for dismantling cost		990	2,280	-	-
Provision for long-term employee benefits	11	129,270	98,360	33,592	25,109
<b>Total non-current liabilities</b>		<u>1,018,875</u>	<u>940,843</u>	<u>649,977</u>	<u>754,607</u>
<b>Total liabilities</b>		<u>2,715,632</u>	<u>2,903,170</u>	<u>1,241,732</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**

**Statements of financial position (continued)**

**As at 30 September 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 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	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
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	41,004	41,071	-	-
Retained earnings				
Appropriated - statutory reserve	50,000	50,000	50,000	50,000
Unappropriated	3,870,479	3,876,971	1,641,016	1,624,483
Other components of shareholders' equity	<u>(248,802)</u>	<u>(62,112)</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>	<u>3,980,155</u>	<u>4,173,404</u>	<u>2,173,596</u>	<u>2,157,063</u>
<b>Total liabilities and shareholders' equity</b>	<u>6,695,787</u>	<u>7,076,574</u>	<u>3,415,328</u>	<u>3,432,902</u>
	-	-	-	-

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

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Directors  
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(Unaudited but reviewed)

## Tipco Foods Public Company Limited and its subsidiaries

## Statements of comprehensive income

For the three-month period ended 30 September 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		857,789	1,087,627	76,114	99,478
Other income					
Dividend income from subsidiaries	5	-	-	-	36,896
Dividend income from associate	6	-	-	147,953	-
Management income	2	-	-	19,605	19,032
Gain on changes in fair value of biological assets		1,385	976	-	-
Others		27,281	37,623	1,620	2,267
<b>Total revenues</b>		<b>886,455</b>	<b>1,126,226</b>	<b>245,292</b>	<b>157,673</b>
<b>Expenses</b>					
Cost of sales		745,003	821,077	47,997	79,467
Selling and distribution expenses		120,492	148,606	-	2,833
Administrative expenses		114,057	107,485	49,436	48,691
<b>Total expenses</b>		<b>979,552</b>	<b>1,077,168</b>	<b>97,433</b>	<b>130,991</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax expenses</b>					
Share of profit from investment in associate	6	166,872	1,165	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>73,775</b>	<b>50,223</b>	<b>147,859</b>	<b>26,682</b>
Finance cost		(18,086)	(16,294)	(10,849)	(8,921)
<b>Profit before income tax expenses</b>		<b>55,689</b>	<b>33,929</b>	<b>137,010</b>	<b>17,761</b>
Income tax benefit (expenses)	12	3,675	(4,069)	91	379
<b>Profit for the period</b>		<b>59,364</b>	<b>29,860</b>	<b>137,101</b>	<b>18,140</b>
<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		(6,136)	(74,313)	-	-
<b>Other comprehensive income for the period</b>		<b>(6,136)</b>	<b>(74,313)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>53,228</b>	<b>(44,453)</b>	<b>137,101</b>	<b>18,140</b>

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

(Unaudited but reviewed)

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

**Statements of comprehensive income (continued)**

**For the three-month period ended 30 September 2019**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	<u>59,364</u>	<u>29,860</u>	<u>137,101</u>	<u>18,140</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>53,228</u>	<u>(44,453)</u>	<u>137,101</u>	<u>18,140</u>
<b>Earnings per share (Baht)</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.12</u>	<u>0.06</u>	<u>0.28</u>	<u>0.04</u>

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

(Unaudited but reviewed)

## Tipco Foods Public Company Limited and its subsidiaries

## Statements of comprehensive income

For the nine-month period ended 30 September 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		2,776,608	3,124,915	278,172	278,144
Other income					
Dividend income from subsidiaries	5	-	-	19,800	64,288
Dividend income from associate	6	-	-	258,917	332,893
Management income	2	-	-	53,129	57,096
Gain on changes in fair value of biological assets		990	-	-	-
Others		106,656	94,666	12,660	8,332
<b>Total revenues</b>		<b>2,884,254</b>	<b>3,219,581</b>	<b>622,678</b>	<b>740,753</b>
<b>Expenses</b>					
Cost of sales		2,480,980	2,458,740	195,864	198,442
Selling and distribution expenses		364,398	465,822	5	14,031
Administrative expenses		342,317	333,996	142,130	133,090
Other expenses					
Reversal of impairment loss on machinery		-	(29,000)	-	-
Loss on changes in fair value of biological assets		-	1,799	-	-
<b>Total expenses</b>		<b>3,187,695</b>	<b>3,231,357</b>	<b>337,999</b>	<b>345,563</b>
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax expenses</b>					
Share of profit from investment in associate	6	582,530	101,684	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>279,089</b>	<b>89,908</b>	<b>284,679</b>	<b>395,190</b>
Finance cost		(53,187)	(40,573)	(33,391)	(20,845)
<b>Profit before income tax expenses</b>		<b>225,902</b>	<b>49,335</b>	<b>251,288</b>	<b>374,345</b>
Income tax benefit (expenses)	12	4,067	(39,716)	1,706	(1,125)
<b>Profit for the period</b>		<b>229,969</b>	<b>9,619</b>	<b>252,994</b>	<b>373,220</b>
<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		(186,690)	(64,475)	-	-
<b>Other comprehensive income for the period</b>		<b>(186,690)</b>	<b>(64,475)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>43,279</b>	<b>(54,856)</b>	<b>252,994</b>	<b>373,220</b>

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



(Unaudited but reviewed)

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

**Statements of comprehensive income (continued)**

**For the nine-month period ended 30 September 2019**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit attributable to:</b>				
Equity holders of the Company	<u>229,969</u>	<u>9,619</u>	<u>252,994</u>	<u>373,220</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>43,279</u>	<u>(54,856)</u>	<u>252,994</u>	<u>373,220</u>
<b>Earnings per share (Baht)</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.48</u>	<u>0.02</u>	<u>0.52</u>	<u>0.77</u>

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

(Unaudited but reviewed)

## Tipco Foods Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements									
	Issued and paid-up share capital	Non-controlling interests of subsidiary acquired by the Company at price higher than book value	Non-controlling interest of subsidiary of the associated company acquired at price lower than book value	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 component of shareholder's equity				
		Retained earnings		Other comprehensive income		Total other components of shareholders' equity		Total shareholders' equity		
		Appropriated - statutory reserve	Unappropriated	Share of comprehensive income in associate						
<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
Profit for the period	-	-	-	-	-	-	9,619	-	-	9,619
Other comprehensive income for the period	-	-	-	-	-	-	-	(64,475)	(64,475)	(64,475)
Total comprehensive income for the period	-	-	-	-	-	-	9,619	(64,475)	(64,475)	(54,856)
Share-based payment transactions of the associate	-	-	-	-	3,009	-	-	-	-	3,009
Dividend paid (Note 13)	-	-	-	-	-	-	(241,287)	-	-	(241,287)
<b>Balance as at 30 September 2018</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>39,881</u>	<u>50,000</u>	<u>3,924,213</u>	<u>(204,086)</u>	<u>(204,086)</u>	<u>4,077,482</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
Profit for the period	-	-	-	-	-	-	229,969	-	-	229,969
Other comprehensive income for the period	-	-	-	-	-	-	-	(186,690)	(186,690)	(186,690)
Total comprehensive income for the period	-	-	-	-	-	-	229,969	(186,690)	(186,690)	43,279
Share-based payment transactions of the associate	-	-	-	-	(67)	-	-	-	-	(67)
Dividend paid (Note 13)	-	-	-	-	-	-	(236,461)	-	-	(236,461)
<b>Balance as at 30 September 2019</b>	<u>482,580</u>	<u>(80,767)</u>	<u>1,494</u>	<u>(135,833)</u>	<u>41,004</u>	<u>50,000</u>	<u>3,870,479</u>	<u>(248,802)</u>	<u>(248,802)</u>	<u>3,980,155</u>

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

(Unaudited but reviewed)

**Tipco Foods Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Separate financial statements			Total shareholders'equity
	Issued and paid-up share capital	Retained earnings		
		Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018</b>	482,580	50,000	1,513,204	2,045,784
Profit for the period	-	-	373,220	373,220
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	373,220	373,220
Dividend paid (Note 13)	-	-	(241,287)	(241,287)
<b>Balance as at 30 September 2018</b>	<u>482,580</u>	<u>50,000</u>	<u>1,645,137</u>	<u>2,177,717</u>
<b>Balance as at 1 January 2019</b>	482,580	50,000	1,624,483	2,157,063
Profit for the period	-	-	252,994	252,994
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	252,994	252,994
Dividend paid (Note 13)	-	-	(236,461)	(236,461)
<b>Balance as at 30 September 2019</b>	<u>482,580</u>	<u>50,000</u>	<u>1,641,016</u>	<u>2,173,596</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 statements****For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>				
Profit before income tax	225,902	49,335	251,288	374,345
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	187,913	205,422	47,725	35,539
Allowance for doubtful account (reversal)	(501)	28	-	-
Reduction of cost of inventories to net realisable value (reversal)	20,922	(56,442)	887	(255)
Loss from stock destruction	16,020	4,755	1,721	-
(Gain) loss on changes in fair value of biological assets	(990)	1,799	-	-
Unrealised (gain) loss on exchange	(924)	3	19	162
(Gain) loss on changes in fair value of forward exchange contracts	4,219	(1,008)	-	(1)
(Gain) loss on changes in fair value of interest rate swap contract	264	(628)	264	(628)
(Gain) loss on sales and written-off of property, plant and equipment	16,537	(1,265)	(87)	105
(Gain) loss on sales and written-off of intangible assets	838	28	-	(28)
Reversal of impairment loss on machinery	-	(29,000)	-	-
Provision for long-term employee benefits	34,803	7,714	8,823	2,268
Provision for dismantling cost	209	120	-	-
Dividend income from subsidiaries	-	-	(19,800)	(64,288)
Dividend income from associate	-	-	(258,917)	(332,893)
Share of profit from investment in associate	(582,530)	(101,684)	-	-
Interest income	(63)	(73)	(2,602)	(1,287)
Interest expenses	52,026	40,450	32,359	20,747
Profit (loss) from operating activities before changes in operating assets and liabilities	(25,355)	119,554	61,680	33,786
(Increase) decrease in operating assets				
Trade and other receivables	162,266	57,373	16,380	(5,124)
Inventories	194,918	(11,554)	(1,397)	(14,194)
Other current assets	(7,581)	(34,520)	(8)	17,514
Other non-current assets	1,845	(29,210)	(357)	935
Increase (decrease) in operating liabilities				
Trade and other payables	(233,324)	(178,238)	(14,969)	(38,850)
Other current liabilities	(21,919)	47,212	11,614	14,461
Other non-current liabilities	(1,498)	400	-	-
Cash paid for long-term employee benefits	(3,893)	-	(340)	-
<b>Cash flows from (used in) operating activities</b>	<b>65,459</b>	<b>(28,983)</b>	<b>72,603</b>	<b>8,528</b>
Cash paid for interest expenses	(52,343)	(40,324)	(32,424)	(20,641)
Cash paid for corporate income tax	(17,821)	(39,460)	(1,637)	(1,611)
Cash received for withholding tax	6,107	-	6,107	-
<b>Net cash flows from (used in) operating activities</b>	<b>1,402</b>	<b>(108,767)</b>	<b>44,649</b>	<b>(13,724)</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 statements (continued)**

**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities:</b>				
Increase in current investment	(43)	(43)	-	-
Increase in short-term loans to related parties	-	-	(31,000)	(88,500)
Cash received from sales of property, plant and equipment	3,453	3,101	87	1,078
Cash paid for acquisition of property, plant and equipment	(124,775)	(492,868)	(22,410)	(396,448)
Cash paid for acquisition of intangible assets	(1,494)	(5,022)	(18)	(13)
Dividend received from subsidiaries	-	-	19,800	64,288
Dividend received from associate	258,917	332,893	258,917	332,893
Interest received	63	73	2,602	1,287
<b>Net cash flows from (used in) investing activities</b>	<u>136,121</u>	<u>(161,866)</u>	<u>227,978</u>	<u>(85,415)</u>
<b>Cash flows from financing activities:</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(84,846)	182,925	60,000	5,000
Cash paid under finance lease agreements	(209)	-	(209)	-
Cash receipts from long-term loans from financial institutions	406,747	372,686	56,747	372,686
Repayment of long-term loans from financial institutions	(269,375)	(144,375)	(150,900)	(60,900)
Dividend paid	<u>(236,461)</u>	<u>(241,287)</u>	<u>(236,461)</u>	<u>(241,287)</u>
<b>Net cash flows from (used in) financing activities</b>	<u>(184,144)</u>	<u>169,949</u>	<u>(270,823)</u>	<u>75,499</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(46,621)</u>	<u>(100,684)</u>	<u>1,804</u>	<u>(23,640)</u>
Cash and cash equivalents at beginning of period	<u>105,836</u>	<u>199,464</u>	<u>21,595</u>	<u>64,661</u>
<b>Cash and cash equivalents at end of period</b>	<u>59,215</u>	<u>98,780</u>	<u>23,399</u>	<u>41,021</u>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions:				
Acquisition of equipment which cash has not been paid	3,486	14,387	526	9,075
Acquisition of intangible assets which cash has not been paid	52	651	-	-
Acquisition of asset under finance lease agreement	4,402	-	4,402	-

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 and nine-month periods ended 30 September 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 adopted the revised (revised 2018) and new financial reporting standards and interpretations which were 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 did not have any significant impact on the financial statements of the Company and its subsidiaries. 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 did not have any effect on profit or loss of the Company and its subsidiaries and resulted only in the reclassifications of the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2019 as described below.

(Unit: Million Baht)

	For the three-month period ended 30 September 2019		
	Consolidated financial statements		
	Previous financial reporting standard	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Sales	881	(23)	858
Cost of sales	742	3	745
Selling and distribution expenses	146	(26)	120

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2019

Consolidated financial statements

	Previous financial reporting standard	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Sales	2,851	(74)	2,777
Cost of sales	2,471	10	2,481
Selling and distribution expenses	448	(84)	364

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

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which 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



(Unaudited but reviewed)

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 entities'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.

(Unaudited but reviewed)

## 2. Related party transactions

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 commercial terms and bases agreed upon among the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	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	-	-	76	101	Cost plus certain margin
Management income	-	-	20	19	As agreed
Interest income	-	-	1	1	At rates of 2.3 - 3.7% per annum
Dividend income	-	-	-	37	Announced rate
<b><u>Transactions with associate</u></b>					
Rental and service expenses	1	1	-	-	Market price
Dividend income	-	-	148	-	Announced rate
<b><u>Transactions with related companies</u></b>					
Sales of goods	-	1	1	-	Market price
Rental and service expenses	10	12	5	4	Market price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	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	-	-	277	278	Cost plus certain margin
Management income	-	-	53	57	As agreed
Interest income	-	-	3	1	At rates of 2.3 - 3.7% per annum
Dividend income	-	-	20	64	Announced rate

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b><u>Transactions with associate</u></b>					
Sales of goods	1	1	-	-	Market price
Rental and service expenses	1	1	-	-	Market price
Dividend income	-	-	259	333	Announced rate
<b><u>Transactions with related companies</u></b>					
Sales of goods	1	1	1	-	Market price
Rental and service expenses	32	33	13	11	Market price

The balances of the accounts as at 30 September 2019 and 31 December 2018 between the Company, its subsidiaries and those related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Audited)	(Audited)	
<b><u>Trade and other receivables - related parties</u></b> (Note 3)				
Subsidiaries	-	-	28,934	45,364
Associate	255	1,450	-	83
Related companies (common shareholders and directors)	146	1,089	-	-
<b>Total trade and other receivables - related parties</b>	<b>401</b>	<b>2,539</b>	<b>28,934</b>	<b>45,447</b>
<b><u>Prepaid expenses - related parties</u></b>				
Associate	-	224	-	224
Related companies (common shareholders and directors)	1,566	390	182	156
<b>Total prepaid expenses - related parties</b>	<b>1,566</b>	<b>614</b>	<b>182</b>	<b>380</b>
<b><u>Retentions - related parties</u></b>				
Related companies (common shareholders and directors)	9,610	8,460	3,409	2,828
<b>Total retentions - related parties</b>	<b>9,610</b>	<b>8,460</b>	<b>3,409</b>	<b>2,828</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	(Audited)		(Audited)	
<b><u>Trade and other payables - related parties</u></b> (Note 8)				
Subsidiaries	-	-	61	125
Associate	357	596	117	128
Related companies (common shareholders and directors)	2,495	1,763	233	432
<b>Total trade and other payables - related parties</b>	<b>2,852</b>	<b>2,359</b>	<b>411</b>	<b>685</b>

**Short-term loans to related parties**

As at 30 September 2019 and 31 December 2018, the balances of short-term loans to related parties and the movements were as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	30 September
Short-term loans to	Related by	2018	the period	the period	2019
related parties		(Audited)			
Tipco Pineapple Co., Ltd.	Subsidiary	90,000	246,000	(252,000)	84,000
Tipco Biotech Co., Ltd.	Subsidiary	-	31,000	(5,000)	26,000
Tipco Retail Co., Ltd.	Subsidiary	-	11,000	-	11,000
<b>Total</b>		<b>90,000</b>	<b>288,000</b>	<b>(257,000)</b>	<b>121,000</b>

(Unaudited but reviewed)

Directors and management's benefits

For the three-month and nine-month periods ended 30 September 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Million Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	8	9	6	6
Post-employment benefits	1	-	-	-
Total	<u>9</u>	<u>9</u>	<u>6</u>	<u>6</u>

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	30	32	22	21
Post-employment benefits	2	1	1	1
Total	<u>32</u>	<u>33</u>	<u>23</u>	<u>22</u>

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Audited)		(Audited)
<b><u>Trade receivables - related parties</u></b> (Note 2)				
Aged on the basis of due dates				
Not yet due	243	2,290	22,000	37,826
Past due				
Up to 3 months	92	166	-	-
3 - 6 months	66	-	-	-
Total trade receivables - related parties	<u>401</u>	<u>2,456</u>	<u>22,000</u>	<u>37,826</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	300,385	390,157	-	3
Past due				
Up to 3 months	37,901	80,094	-	-
3 - 6 months	506	817	-	-
6 - 12 months	-	501	-	-
Over 12 months	617	779	-	-
Total	339,409	472,348	-	3
Less: Allowance for doubtful accounts	(386)	(887)	-	-
Total trade receivables - unrelated parties, net	339,023	471,461	-	3
Total trade receivables - net	339,424	473,917	22,000	37,829
<b><u>Other receivables</u></b>				
Amounts due from related parties (Note 2)	-	83	6,934	7,621
Amounts due from unrelated parties	59,214	87,194	14	4
Advance to employees	840	674	99	19
Accrued income	396	464	28	1
Total other receivables	60,450	88,415	7,075	7,645
Total trade and other receivables - net	399,874	562,332	29,075	45,474

#### 4. Inventories

Movements in the reduction of cost to net realisable value of inventories account during the nine-month period ended 30 September 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
Reduction of cost to net realisable value of inventory account during the period	20,922	887
<b>Balance as at 30 September 2019</b>	60,248	3,953

(Unaudited but reviewed)

## 5. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Cost		Dividends received during the three-month periods ended 30 September		Dividends received during the nine-month periods ended 30 September	
	30 September	31 December				
	2019	2018	2019	2018	2019	2018
	(Audited)					
Tipco F&B Co., Ltd.	729,050	729,050	-	28,800	19,800	49,200
Tipco Retail Co., Ltd.	175,500	175,500	-	-	-	-
Tipco Biotech Co., Ltd.	160,787	160,787	-	8,096	-	15,088
Tipco Pineapple Co., Ltd.	700,000	700,000	-	-	-	-
Total	1,765,337	1,765,337	-	36,896	19,800	64,288

## 6. Investment in associate

### 6.1 Details of associate:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
(Audited)		(Audited)		
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,046,225	2,910,063	-	-

(Unaudited but reviewed)

## 6.2 Share of profit and dividend received

During the three-month and nine-month periods ended 30 September 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	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the period		Dividend received during the period by the Company	
	2019	2018	2019	2018
Tipco Asphalt Plc.	166,872	1,165	147,953	-

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate during the period		Dividend received during the period by the Company	
	2019	2018	2019	2018
Tipco Asphalt Plc.	582,530	101,684	258,917	332,893

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	112,629	17,355
Disposals/written-off during period - net book value at disposal/written-off date	(19,990)	-
Depreciation for the period	(171,256)	(45,320)
<b>Net book value as at 30 September 2019</b>	<b>2,208,666</b>	<b>714,203</b>



(Unaudited but reviewed)

## 8. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	-	-	23	85
Trade payables - unrelated parties	137,969	274,251	11,601	29,755
Amounts due to related parties (Note 2)	2,852	2,359	388	600
Accrued expenses	246,660	372,249	37,011	33,043
Others	152,040	141,270	3,336	13,386
Total trade and other payables	<u>539,521</u>	<u>790,129</u>	<u>52,359</u>	<u>76,869</u>

## 9. Long-term loans from financial institutions

Movements in the long-term loans from financial institutions account during the nine-month period ended 30 September 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	
Additions	406,747		56,747	
Repayments	(269,375)		(150,900)	
<b>Balance as at 30 September 2019</b>	<u>1,290,075</u>		<u>836,545</u>	
Less: Current portion	(405,000)		(223,700)	
<b>Long-term loans from financial institutions</b>				
<b>- net of current portion</b>	<u>885,075</u>		<u>612,845</u>	

On 5 February 2019, 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 2018 annual financial statements except the additional covenants under the new loan agreement as described above.

**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 and its subsidiaries of which the net book value as at 30 September 2019 and 31 December 2018 were summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
Land	105	63	17	17
Buildings and complement	377	402	278	289
Machinery and equipment	75	93	-	-

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

**11. Provision for long-term employee benefits**

Movements of the provision for long-term employee benefits account during the nine-month period ended 30 September 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Provision for long-term employee benefits as at 1 January 2019	98,360	25,109
Included in profit or loss:		
Current service cost	8,669	2,969
Interest cost	2,265	554
Past service cost	23,869	5,300
Benefits paid during the period	(3,893)	(340)
Provision for long-term employee benefits as at 30 September 2019	129,270	33,592

(Unaudited but reviewed)

During the second quarter of the current year, 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. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries reflected the effect of the change by recognising past service costs of Baht 24 million (The Company only: Baht 5 million) as expenses in the statements of comprehensive income in the second quarter of the current year.

## 12. Income tax

Income tax expenses for the three-month and nine-month periods ended 30 September 2019 and 2018 were made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	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	(2,090)	4,939	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(1,585)</u>	<u>(870)</u>	<u>(91)</u>	<u>(379)</u>
<b>Income tax expenses (benefit) reported in the statements of comprehensive income</b>	<u><u>(3,675)</u></u>	<u><u>4,069</u></u>	<u><u>(91)</u></u>	<u><u>(379)</u></u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	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	3,386	7,021	-	-
Adjustment in respect of income tax of previous year	-	30,001	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(7,453)</u>	<u>2,694</u>	<u>(1,706)</u>	<u>1,125</u>
<b>Income tax expenses (benefit) reported in the statements of comprehensive income</b>	<u><u>(4,067)</u></u>	<u><u>39,716</u></u>	<u><u>(1,706)</u></u>	<u><u>1,125</u></u>

(Unaudited but reviewed)

### 13. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend</u>
		<u>(Million Baht)</u>	<u>per share</u>
			<u>(Baht per share)</u>
Final dividends for 2017	Annual General Meeting of the shareholders on 10 April 2018	241.3	0.50
Total dividends for the nine-month period ended 30 September 2018		<u>241.3</u>	<u>0.50</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 4 April 2019	120.6	0.25
Interim dividends for 2019	Board of Directors' meeting on 14 August 2019	115.8	0.24
Total dividends for the nine-month period ended 30 September 2019		<u>236.4</u>	<u>0.49</u>

(Unaudited but reviewed)

#### 14. Segment information

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2019 and 2018, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	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	366	457	484	600	8	31	858	1,088
<b>Gross profit (loss)</b>	(10)	98	121	159	1	9	112	266
Other income							28	38
Selling and distribution expenses							(120)	(149)
Administrative expenses and other expenses							(114)	(106)
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax expenses</b>							(94)	49
Share of profit from investment in associate							167	1
<b>Profit before finance cost and income tax expenses</b>							73	50
Finance cost							(18)	(16)
Income tax benefit (expenses)							4	(4)
<b>Profit for the period</b>							59	30

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Products of		Beverage		Others		Consolidation	
	vegetable & fruit							
	<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	1,186	1,270	1,561	1,760	30	95	2,777	3,125
<b>Gross profit (loss)</b>	(87)	138	378	499	4	29	295	666
Other income							107	95
Selling and distribution expenses							(364)	(466)
Administrative expenses and other expenses							(342)	(307)
<b>Loss before share of profit from investment in associate, finance cost and income tax expenses</b>							(304)	(12)
Share of profit from investment in associate							583	102
<b>Profit before finance cost and income tax expenses</b>							279	90
Finance cost							(53)	(40)
Income tax benefit (expenses)							4	(40)
<b>Profit for the period</b>							230	10

(Unaudited but reviewed)

Geographic segment information for the three-month and nine-month periods 30 September 2019 and 2018 was as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September					
	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	<u>427</u>	<u>577</u>	<u>431</u>	<u>511</u>	<u>858</u>	<u>1,088</u>
Gross profit	<u>103</u>	<u>161</u>	<u>9</u>	<u>105</u>	<u>112</u>	<u>266</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September					
	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	<u>1,415</u>	<u>1,697</u>	<u>1,362</u>	<u>1,428</u>	<u>2,777</u>	<u>3,125</u>
Gross profit (loss)	<u>344</u>	<u>481</u>	<u>(49)</u>	<u>185</u>	<u>295</u>	<u>666</u>

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

## 15. Commitments and contingent liabilities

### 15.1 Capital commitments

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

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Audited)		(Audited)
Baht	10	14	-	12

## 15.2 Operating lease commitments

The Company and its subsidiaries have entered into several agreements in respect of the lease of land, 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(Audited)		(Audited)	
Payable within:				
1 year	69	76	29	26
2 to 5 years	61	103	26	36

## 15.3 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(Audited)		(Audited)	
Bank guarantees	20	54	7	11

## 16. 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					
	Financial assets		Financial liabilities		Average exchange rate	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		(Audited)
US Dollar	4.0	5.1	0.4	1.1	30.59	32.45
Euro	1.3	-	0.1	0.2	33.43	37.13
Yen	-	-	0.2	-	0.28	-
Australian Dollar	-	-	0.1	-	20.66	-



(Unaudited but reviewed)

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

Foreign currency	As at 30 September 2019					
	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements			
	Sold	Bought	Sold	Bought	Sold	Bought
	Amount	amount	amount	amount	(Baht per 1 foreign currency unit)	
	(Million)	(Million)	(Million)	(Million)		
US Dollar	3.4	-	-	-	30.38 - 31.89	-

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	(Baht per 1 foreign currency unit)	
	(Million)	(Million)	(Million)	(Million)		
US Dollar	1.7	0.4	-	-	32.27 - 33.01	32.31 - 32.98
Euro	-	0.1	-	-	-	37.60

As at 30 September 2019, the subsidiaries had put option and call option contracts and the outstanding is summarised below.

Contracts	Sold	Bought	Contractual exchange rate		Unrealised loss on change in fair value
	amount	amount	Sold	Bought	
	(Million US Dollar)		(Baht per 1 foreign currency unit)		(Million Baht)
Put option	3.0	-	30.90 - 31.50	-	0.3
Call option	-	2.0	-	31.70	2.2

## 17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2019.