

S. Khonkaen Foods Public Company Limited
and its subsidiaries

Review report and interim financial statements

For the three-month and six-month periods ended
30 June 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of S. Khonkaen Foods Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of S. Khonkaen Foods Public Company Limited and its subsidiaries as at 30 June 2020, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of S. Khonkaen Foods Public Company Limited for the same periods (collectively "Interim financial information"). 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*.

Emphasis of Matter

I draw attention to Note 1.2 to the interim financial statements, regarding the Covid-19 pandemic, which is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation might affect the business activities of the Group's business operations. The Group's management will continuously monitor the ongoing developments and assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact (if any) when it is possible to do so. My conclusion is not modified in respect of this matter.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 10 August 2020

S. Khonkaen Foods Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		121,074	152,251	72,005	108,747
Trade and other receivables	4, 5	436,886	469,544	339,509	376,875
Short-term loans to subsidiaries	4	-	-	-	6,445
Inventories	6	225,689	250,920	134,002	179,989
Current biological assets	11	70,411	74,001	-	-
Other current assets		19,636	24,792	4,977	5,300
Total current assets		873,696	971,508	550,493	677,356
Non-current assets					
Restricted bank deposits		1,491	1,490	-	-
Long-term loans to subsidiaries	4	-	-	85,766	83,000
Investments in subsidiaries	7	-	-	297,689	298,115
Investment properties	8	638,419	640,306	370,908	372,765
Property, plant and equipment	9	937,639	919,876	413,647	394,342
Right of use assets	10	113,801	-	97,880	-
Non-current biological assets	11	11,161	9,214	-	-
Intangible assets	12	11,973	13,214	8,502	9,916
Deferred tax assets		66	66	-	-
Other non-current assets		10,428	10,456	8,066	8,662
Total non-current assets		1,724,978	1,594,622	1,282,458	1,166,800
Total assets		2,598,674	2,566,130	1,832,951	1,844,156

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

S. Khonkaen Foods Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	13	477,335	514,494	401,301	428,054
Trade and other payables	4, 14	301,605	296,966	208,876	216,520
Current portion of long-term lease liabilities	15	11,247	1,617	9,370	525
Current portion of long-term loans	16	81,589	95,168	35,641	37,201
Income tax payable		20,886	14,344	3,988	6,612
Other current liabilities		20,599	24,149	15,162	17,112
Total current liabilities		913,261	946,738	674,338	706,024
Non-current liabilities					
Long-term lease liabilities, net of current portion	15	102,219	2,317	86,255	1,219
Long-term loans, net of current portion	16	374,449	411,312	234,690	254,109
Deferred tax liabilities		25,654	26,996	16,006	16,949
Provisions for long-term employee benefits		95,622	90,508	68,013	64,597
Other non-current liabilities		1,779	2,696	1,389	2,192
Total non-current liabilities		599,723	533,829	406,353	339,066
Total liabilities		1,512,984	1,480,567	1,080,691	1,045,090

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

S. Khonkaen Foods Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
32,340,000 ordinary shares of Baht 10 each	323,400	323,400	323,400	323,400
Issued and paid-up				
32,340,000 ordinary shares of Baht 10 each	323,400	323,400	323,400	323,400
Share premium	50,281	50,281	50,281	50,281
Share premium on treasury stock	37,552	37,552	-	-
Retained earnings				
Appropriated - statutory reserve	32,340	32,340	32,340	32,340
Unappropriated	478,836	479,014	226,887	273,693
Other components of shareholders' equity	161,575	161,397	119,352	119,352
Equity attributable to owners of the Company	1,083,984	1,083,984	752,260	799,066
Non-controlling interests of the subsidiaries	1,706	1,579	-	-
Total shareholders' equity	1,085,690	1,085,563	752,260	799,066
Total liabilities and shareholders' equity	2,598,674	2,566,130	1,832,951	1,844,156
	-	-	-	-

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

Director

Director

(Unaudited but reviewed)

S. Khonkaen Foods Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Sales		690,402	719,584	400,849	432,685
Revenue from rental and service		2,146	2,066	2,146	2,066
Other income		1,939	7,148	2,320	7,827
Gain on change in fair value less cost to sale of biological assets		5,427	-	-	-
Total revenues		699,914	728,798	405,315	442,578
Expenses					
Cost of sales		508,136	533,770	283,032	314,102
Cost of rental and service		4,015	3,537	4,015	3,537
Selling and distribution expenses		63,931	71,682	45,898	52,819
Administrative expenses		78,683	86,897	60,159	58,711
Loss on change in fair value less cost to sale of biological assets		-	1,218	-	-
Total expenses		654,765	697,104	393,104	429,169
Profit before finance cost and tax expense		45,149	31,694	12,211	13,409
Finance cost		(8,145)	(8,544)	(5,753)	(7,146)
Profit before tax expense		37,004	23,150	6,458	6,263
Income tax expenses	17	(5,801)	(3,510)	(320)	(472)
Profit for the period		31,203	19,640	6,138	5,791
Profit attributable to:					
Equity holders of the Company		31,096	19,560	6,138	5,791
Non-controlling interests of the subsidiaries		107	80		
		31,203	19,640		
					(Unit: Baht)
Earnings per share	18				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.10	0.06	0.02	0.02

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

(Unaudited but reviewed)

S. Khonkaen Foods Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the period	31,203	19,640	6,138	5,791
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	(51)	(51)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain (loss) - net of income tax	-	(1,974)	-	1,058
Other comprehensive income for the period	(51)	(2,025)	-	1,058
Total comprehensive income for the period	31,152	17,615	6,138	6,849
Total comprehensive income attributable to:				
Equity holders of the Company	31,045	17,535	6,138	6,849
Non-controlling interests of the subsidiaries	107	80		
	31,152	17,615		

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

S. Khonkaen Foods Public Company Limited and its subsidiaries

For the six-month period ended 30 June 2020

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Sales		1,409,344	1,407,908	823,382	856,024
Revenue from rental and service		4,205	4,434	4,205	4,434
Other income		7,346	10,680	8,962	13,550
Gain on change in fair value less cost to sale of biological assets		-	1,183	-	-
Total revenues		1,420,895	1,424,205	836,549	874,008
Expenses					
Cost of sales		1,032,213	1,031,623	586,108	617,896
Cost of rental and service		7,982	7,443	7,982	7,443
Selling and distribution expenses		134,921	143,839	96,755	105,741
Administrative expenses		150,829	157,834	112,215	106,407
Loss on change in fair value less cost to sale of biological assets		292	-	-	-
Total expenses		1,326,237	1,340,739	803,060	837,487
Profit before finance cost and tax expense		94,658	83,466	33,489	36,521
Finance cost		(17,374)	(16,559)	(12,332)	(13,588)
Profit before tax expense		77,284	66,907	21,157	22,933
Income tax expenses	17	(12,549)	(10,079)	(3,283)	(3,027)
Profit for the period		64,735	56,828	17,874	19,906
Profit attributable to:					
Equity holders of the Company		64,502	56,656	17,874	19,906
Non-controlling interests of the subsidiaries		233	172		
		64,735	56,828		
					(Unit: Baht)
Earnings per share	18				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.20	0.18	0.06	0.06

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

(Unaudited but reviewed)

S. Khonkaen Foods Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit for the period	64,735	56,828	17,874	19,906
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	178	(97)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain (loss) - net of income tax	-	(1,974)	-	1,058
Other comprehensive income for the period	178	(2,071)	-	1,058
Total comprehensive income for the period	64,913	54,757	17,874	20,964
Total comprehensive income attributable to:				
Equity holders of the Company	64,680	54,585	17,874	20,964
Non-controlling interests of the subsidiaries	233	172		
	64,913	54,757		

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

S. Khonkaen Foods Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax expense	77,284	66,907	21,157	22,933
Adjustments to reconcile profit before tax expense to net cash provided by (paid from) operating activities:				
Depreciation	53,867	44,516	26,736	20,076
Depreciation of biological assets	2,757	3,516	-	-
Amortisation of intangible assets	1,626	1,668	1,410	1,531
Amortisation of deferred rental expense (reversal)	1,013	74	(1,125)	(401)
Reversal of allowance for doubtful accounts of trade and other receivables	(383)	(49)	(312)	(17)
Reduction of inventories to net realisable value (reversal)	1,330	(1,117)	1,361	(968)
Loss on sales of investment property	8	-	-	-
Loss (gain) on sales of equipment and computer software	21	(648)	17	(510)
Write-off of building, equipment and computer software	3,814	651	3,814	636
Increase in right of use assets	(308)	-	(308)	-
Gain on sale of stud swine	(2,160)	(2,292)	-	-
Long-term employee benefit expense	5,114	15,771	3,416	11,128
Unrealised loss on exchange	501	315	379	659
Loss (gain) on changes in fair value less cost to sell of biological assets	292	(1,182)	-	-
Loss on changes in fair value of interest rate exchanges	229	-	229	-
Interest income	(101)	(79)	(1,630)	(4,085)
Interest expenses	17,374	16,559	12,332	13,588
Profit from operating activities before changes in operating assets and liabilities	162,278	144,610	67,476	64,570
Operating assets (increase) decrease				
Trade and other receivables	32,540	17,865	37,648	79,438
Inventories	23,901	5,155	44,626	(4,652)
Biological assets	(700)	(1,226)	-	-
Other current assets	5,156	(4,086)	323	(1,146)
Other non-current assets	28	(167)	596	140
Operating liabilities increase (decrease)				
Trade and other payables	2,459	(33,705)	(8,693)	(39,012)
Other current liabilities	(3,779)	(815)	(2,179)	(1,313)
Other non-current liabilities	(1,930)	409	322	1,063
Cash flows from operating activities	219,953	128,040	140,119	99,088
Cash paid for corporate income tax	(6,851)	(17,037)	(6,850)	(9,849)
Net cash flows from operating activities	213,102	111,003	133,269	89,239

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

(Unaudited but reviewed)

S. Khonkaen Foods Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in restricted bank deposits	(1)	(1)	-	-
Decrease in current investment	-	874	-	-
Decrease in investment in subsidiary	-	-	426	-
Decrease (increase) in loans to subsidiaries	-	-	3,801	(26,700)
Return investments to shareholders	(106)	-	-	-
Acquisition of investment property	-	(200)	-	-
Acquisition of equipment	(65,055)	(30,021)	(40,521)	(19,305)
Acquisition of stud swine and raising cost	(2,162)	-	-	-
Acquisition of computer software	(389)	(1,621)	-	(76)
Proceeds from sales of investment properties	22	-	-	-
Proceeds from sales of equipment	99	983	23	546
Proceeds from sales of stud swine	3,616	3,436	-	-
Cash received from interest income	101	79	1,159	3,999
Net cash flows used in investing activities	(63,875)	(26,471)	(35,112)	(41,536)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(37,159)	64,779	(26,753)	72,580
Cash receipt from long-term loans	-	13,881	-	-
Cash paid for long-term loans	(50,442)	(50,154)	(20,979)	(23,345)
Decrease in lease payables	(11,028)	(710)	(10,209)	(186)
Cash paid for interest expenses	(17,273)	(16,650)	(12,278)	(13,630)
Dividend paid	(64,680)	(80,850)	(64,680)	(80,850)
Net cash flows used in financing activities	(180,582)	(69,704)	(134,899)	(45,431)
Net increase (decrease) in cash and cash equivalents	(31,355)	14,828	(36,742)	2,272
Translation adjustments	178	(97)	-	-
Cash and cash equivalents at beginning of period	152,251	78,308	108,747	50,052
Cash and cash equivalents at end of period	121,074	93,039	72,005	52,324
	-	-	-	-
Supplemental cash flows information				
Non-cash items transaction				
Purchases of vehicle under financial lease agreements	-	2,690	-	2,184
Acquisition of equipment under installment payment	4,699	5,500	2,521	2,301
Lease liabilities	110,349	-	94,141	-

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

(Unaudited but reviewed)

S. Khonkaen Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

Consolidated financial statements

Equity attributable to owners of the Company

	Other components of equity holders												
	Other comprehensive income												
	Exchange differences					Total other			Total equity	Equity attributable	Total		
	Issued and	Share premium	Retained earnings	on translation of	Surplus on	Surplus on changes	components of	attributable to	to non-controlling	Total			
paid-up	financial statements										revaluation	in proportion in	shareholders'
	share capital	Share premium	on treasury stock	Statutory reserve	Unappropriated	in foreign currency	revaluation of assets	of subsidiary's assets	interest of subsidiary	equity	the Company	the subsidiaries	equity
Balance as at 1 January 2019	323,400	50,281	37,552	32,340	451,562	(4)	119,352	41,755	502	161,605	1,056,740	1,420	1,058,160
Profit for the period	-	-	-	-	56,656	-	-	-	-	-	56,656	172	56,828
Other comprehensive income for the period	-	-	-	-	(1,974)	(97)	-	-	-	(97)	(2,071)	-	(2,071)
Total comprehensive income for the period	-	-	-	-	54,682	(97)	-	-	-	(97)	54,585	172	54,757
Dividends paid (Note 20)	-	-	-	-	(80,850)	-	-	-	-	-	(80,850)	-	(80,850)
Increase in equity attributable to non - controlling													
interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(30)	(30)
Balance as at 30 June 2019	323,400	50,281	37,552	32,340	425,394	(101)	119,352	41,755	502	161,508	1,030,475	1,562	1,032,037
Balance as at 1 January 2020	323,400	50,281	37,552	32,340	479,014	(212)	119,352	41,755	502	161,397	1,083,984	1,579	1,085,563
Profit for the period	-	-	-	-	64,502	-	-	-	-	-	64,502	233	64,735
Other comprehensive income for the period	-	-	-	-	-	178	-	-	-	178	178	-	178
Total comprehensive income for the period	-	-	-	-	64,502	178	-	-	-	178	64,680	233	64,913
Dividends paid (Note 20)	-	-	-	-	(64,680)	-	-	-	-	-	(64,680)	-	(64,680)
Increase in equity attributable to non - controlling													
interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(106)	(106)
Balance as at 30 June 2020	323,400	50,281	37,552	32,340	478,836	(34)	119,352	41,755	502	161,575	1,083,984	1,706	1,085,690
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

S. Khonkaen Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity holders	
					Other comprehensive income	
					Surplus on revaluation of assets	
			Statutory reserve	Unappropriated		
Balance as at 1 January 2019	323,400	50,281	32,340	269,707	119,352	795,080
Profit for the period	-	-	-	19,906	-	19,906
Other comprehensive income for the period	-	-	-	1,058	-	1,058
Total comprehensive income for the period	-	-	-	20,964	-	20,964
Dividends paid (Note 20)	-	-	-	(80,850)	-	(80,850)
Balance as at 30 June 2019	323,400	50,281	32,340	209,821	119,352	735,194
Balance as at 1 January 2020	323,400	50,281	32,340	273,693	119,352	799,066
Profit for the period	-	-	-	17,874	-	17,874
Total comprehensive income for the period	-	-	-	17,874	-	17,874
Dividends paid (Note 20)	-	-	-	(64,680)	-	(64,680)
Balance as at 30 June 2020	323,400	50,281	32,340	226,887	119,352	752,260
	-	-	-	-	-	-
	-	-	-	-	-	-

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

S. Khonkaen Foods Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 The Company's general information

S. Khonkaen Foods Public Company Limited ("the Company") is a public company limited incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of processed food products from meat, restaurants and swine farm.

The registered office of the Company is at 259/13 Soi Pridi Banomyong 13, Sukhumvit 71 Road (Pridi Banomyong), Phrakonong Nuer, Vadhana, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management will continuously monitor ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will use estimates and judgement in respect of various issues as the situation has evolved.

1.3 Basis of preparation of interim financial information

These interim financial information 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, statements of income, 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 information 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 information.

1.4 Basis of consolidation

These consolidated interim financial statements include the financial statements of S. Khonkaen 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 2019. There have been no changes in the composition of the group during the current period.

Details of subsidiaries included in the consolidated financial statements are as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2020	31 December 2019
			%	%
S. Pasusat Company Limited	Breeding and sales of finishing swine	Thailand	100	100
S.K.K. Food Company Limited	Distribution of processed products	Thailand	99	99
Mahachai Foods Company Limited	Manufacture and distribution of processed food products	Thailand	99	99
3D Food and Beverage Company Limited	Restaurant and beverage business	Thailand	100	100
S. Training Center Company Limited	Training and seminar service	Thailand	100	100
Thai Home Food (Bangkok) Company Limited	Restaurant business and franchise business	Thailand	-	80
S. Khonkaen Foods (Netherlands) B.V.	Distribution of processed food products	The Netherlands	100	100

1.5 New financial reporting standards

During the period, the Group has adopted the revised (revised 2019) and new 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves 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
--------	-------------------------------------

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.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

These set of standards do not have any significant impact on the Group's financial statements.

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.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which is recognised as an adjustment to the statement of financial position and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

2. Effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 1.5, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16.

The impacts on the beginning balance from changes in accounting policies due to the adoption of TFRS 16 are presented as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	119,330	119,330
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	1,617	9,782	11,399
Non-current liabilities			
Lease liabilities, net of current portion	2,317	109,548	111,865
	(Unit: Thousand Baht)		
	Separate financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	104,090	104,090
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	525	9,246	9,771
Non-current liabilities			
Lease liabilities, net of current portion	1,219	94,844	96,063

Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	149,549	135,677
Less: Short-term leases and leases of low-value assets	(14,255)	(13,073)
Less: Option to terminate lease term	(710)	(710)
Less: Contracts reassessed as service agreements	(70)	(70)
Add : Others	23,471	14,815
Less: Deferred interest expenses	(38,655)	(32,549)
Increase in lease liabilities due to TFRS 16 adoption	119,330	104,090
Liabilities under finance lease agreements as at 31 December 2019	3,934	1,744
Lease liabilities as at 1 January 2020	123,264	105,834
Comprise of:		
Current lease liabilities	11,399	9,771
Non-current lease liabilities	111,865	96,063
	123,264	105,834

The adjustments of right of use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Land and land improvement	104,282	89,042
Buildings and building improvement	13,550	13,550
Machinery and equipment	1,498	1,498
Total right of use	119,330	104,090

3. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

3.1 Financial instruments

Classification and measurement

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component and lease receivables, the Group applies a simplified approach to determine the lifetime expected credit losses.

3.2 Leases

Right of use assets

The Group recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

4. Related party transactions

During the three-month and six-month periods ended 30 June 2020 and 2019, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	Pricing Policy
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	3,592	6,596	Cost plus margin
Service income	-	-	1,529	448	As stipulated in agreements
Sales equipment and supplies	-	-	-	27	Cost plus margin
Interest income	-	-	739	2,138	Average cost of debt 3.25% - 4.50% per annum (2019: 3.574% - 4.50% per annum)
Purchases of goods	-	-	19,886	15,626	Cost plus margin
Other expenses	-	-	127	188	Cost plus margin

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		
	2020	2019	2020	2019	Pricing Policy
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	8,739	12,923	Cost plus margin
Service income	-	-	3,200	2,823	As stipulated in agreements
Sales equipment and supplies	-	-	3	56	Cost plus margin
Interest income	-	-	1,618	4,026	Average cost of debt 3.25% - 4.50% per annum (2019: 3.574% - 4.50% per annum)
Purchases of goods	-	-	39,265	53,710	Cost plus margin
Other expenses	-	-	282	554	Cost plus margin

Balances of the accounts as at 30 June 2020 and 31 December 2019 between the Company and those subsidiaries are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Trade and other receivables (Note 5)</u>				
Subsidiaries	-	-	1,642	2,714
<u>Trade and other payables (Note 14)</u>				
Subsidiaries	-	-	1,265	4,671

Loans to the subsidiaries

As at 30 June 2020 and 31 December 2019, the balances of loans to the subsidiaries and the movements are as follows:

	(Unit: Thousand Baht)				
	Separate financial statements				
	Balance as at 31 December 2019	Increase during the period	Decrease during the period	Unrealised gain on exchange	Balance as at 30 June 2020
Loans to subsidiaries					
S. Pasusat Co., Ltd.	83,000	-	-	-	83,000
S. Khonkaen Foods (Netherlands) B.V.	3,445	-	(801)	122	2,766
3D Food and Beverage Co., Ltd.	3,000	-	(3,000)	-	-
Total	89,445	-	(3,801)	122	85,766

Those loans bear interest at rates of 3.25% - 4.50% per annum (31 December 2019: 3.697% - 4.50% per annum). The due date for repayment of principal and by 30 January 2024.

Loans to S. Khonkaen Foods (Netherlands) B.V. were denominated in Euro. The due date for repayment of principal and interests by 30 December 2022.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	10,288	9,746	5,613	6,076
Post-employment benefits	1,060	947	670	604
Total	11,348	10,693	6,283	6,680

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	21,183	20,109	11,440	13,202
Post-employment benefits	2,121	1,669	1,340	1,203
Total	23,304	21,778	12,780	14,405

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as discussed in Note 21.3 (2).

5. Trade and other receivables

Balances of trade and other receivables as at 30 June 2020 and 31 December 2019, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	867	1,847
Total trade accounts receivable - related parties	-	-	867	1,847
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	421,206	443,354	324,480	349,666
Past due				
Up to 3 months	10,788	14,209	9,677	12,923
3 - 6 months	350	597	324	592
6 - 12 months	30	3,992	-	3,971
Over 12 months	603	1,563	255	1,242
Total	432,977	463,715	334,736	368,394
Less: Allowance for doubtful debts	(1,139)	(1,382)	(733)	(1,045)
Total trade accounts receivable - unrelated parties, net	431,838	462,333	334,003	367,349
Total trade accounts receivable - net	431,838	462,333	334,870	369,196
<u>Other receivables</u>				
Other receivables - related parties	-	-	775	867
Other receivables - unrelated parties	5,203	931	4,287	601
Others	448	7,023	9	6,643
Total	5,651	7,954	5,071	8,111
Less: Allowance for doubtful debts	(603)	(743)	(432)	(432)
Total other receivables - net	5,048	7,211	4,639	7,679
Total trade and other receivables - net	436,886	469,544	339,509	376,875

6. Allowance for diminution in value of inventories

Movement in the allowance for diminution in value of inventories account during the six-month period ended 30 June 2020 is summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	2,109	1,260
Add: Allowance made during the period	2,949	2,840
Less: Allowance reversed during the period	(1,619)	(1,479)
Balance as at 30 June 2020	3,439	2,621

7. Investments in subsidiaries

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

		(Unit: Thousand Baht)							
Subsidiaries' name	Paid-up capital	Shareholding percentage		Cost		Allowance for impairment loss		Cost - net	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
			%						
S. Pasusat Co., Ltd.	Baht 45 million	100	100	44,968	44,968	-	-	44,968	44,968
S.K.K. Food Co., Ltd.	Baht 120 million	99	99	119,225	119,225	-	-	119,225	119,225
Mahachai Foods Co., Ltd.	Baht 85 million	99	99	127,992	127,992	-	-	127,992	127,992
3D Food and Beverage Co., Ltd.	Baht 10 million	100	100	10,000	10,000	(5,000)	(5,000)	5,000	5,000
S. Training Center Co., Ltd.	Baht 0.5 million	100	100	500	500	-	-	500	500
Thai Home Food (Bangkok) Co., Ltd.	Baht 5 million	-	80	-	3,999	-	(3,573)	-	426
S. Khonkaen Foods (Netherlands) B.V.	EUR 100	100	100	4	4	-	-	4	4
				302,689	306,688	(5,000)	(8,573)	297,689	298,115

Thai Home Food (Bangkok) Company Limited registered for the dissolution with the Ministry of Commerce on 14 November 2018 and registered the completeness of liquidation process on 31 March 2020. The Company had received its return on investment approximately Baht 0.43 million.

8. Investment properties

Movements of investment properties account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value at the beginning of the period	640,306	372,765
Disposals during the period	(30)	-
Depreciation for the period	(1,857)	(1,857)
Net book value at the end of the period	638,419	370,908

As at 30 June 2020, the Group has mortgaged investment properties with a total net book value of Baht 437 million as (31 December 2019: Baht 439 million) (The Company only: Baht 371 million, 31 December 2019: Baht 373 million) as collateral for credit facilities granted by bank.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	919,876	394,342
Acquisitions during the period - at cost	66,636	41,516
Disposals during the period - net book value at disposal date	(119)	(39)
Write-off during the period - net book value at write-off date	(3,811)	(3,811)
Depreciation for the period	(44,943)	(18,361)
Net book value as at 30 June 2020	937,639	413,647

As at 30 June 2020, the Group has mortgaged land and building constructed thereon and machinery with a total net book value of Baht 507 million (31 December 2019: Baht 507 million) (The Company only: Baht 182 million, 31 December 2019: Baht 182 million) as collateral for credit facilities granted by bank.

10. Right of use assets

Movement of Right of use assets for the six-month period ended 30 June 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance of right of use assets as at 1 January 2020	-	-
Adjustments Right of use assets due to TFRS 16 adoption	119,330	104,090
Increase during the period	2,777	1,547
Write-off during the period	(1,239)	(1,239)
Depreciation for the period	(7,067)	(6,518)
Balance of right of use assets as at 30 June 2020	113,801	97,880

11. Biological assets

Movements of the biological assets during the six-month period ended 30 June 2020 are as follows:

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2020	83,215
Increase due to purchases and feeding costs	119,898
Decrease due to sales	(118,492)
Depreciation for the period	(2,757)
Loss on changes in fair value less costs to sell of biological assets	(292)
Balance as at 30 June 2020	81,572
Current portion	
Breeding stocks	70,411
Total current portion	70,411
Non-current portion	
Stud swine	11,161
Total non-current portion	11,161
Total	81,572

12. Intangible assets

Movements of the intangible assets during the six-month period ended 30 June 2020 are summarised below

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	13,214	9,916
Acquisitions during the period - at cost	389	-
Disposals during the period - net book value at disposal date	(1)	(1)
Write-off during the period - net book value at write-off date	(3)	(3)
Amortisation for the period	(1,626)	(1,410)
Net book value as at 30 June 2020	11,973	8,502

13. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)					
		Consolidated		Separate	
		financial statements		financial statements	
	Interest rate	30 June	31 December	30 June	31 December
	(% per annum)	2020	2019	2020	2019
Bank overdrafts	5.84	1,355	29,494	1,301	28,054
Short-term loans from					
financial institutions	2.00 - 2.35	475,980	485,000	400,000	400,000
Total		477,335	514,494	401,301	428,054

The above credit facilities of the Company are secured by the mortgages of land and building constructed thereon and machines of the Company.

The above credit facilities of subsidiaries are secured by the mortgages of subsidiaries' land and building constructed thereon of subsidiaries and guaranteed by the Company.

14. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Trade accounts payable - related parties	-	-	1,265	4,671
Trade accounts payable - unrelated parties	164,139	166,331	101,846	108,226
Accrued sale promotions	61,896	69,500	53,368	59,744
Accrued expenses	70,241	57,222	49,503	41,861
Equipment payable	4,699	3,118	2,521	1,526
Others	630	795	373	492
Total trade and other payables	301,605	296,966	208,876	216,520

15. Lease liabilities

Movement of lease liabilities for the six-month period ended 30 June 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance of finance lease liabilities as at		
1 January 2020	3,934	1,744
Adjustments lease liabilities due to TFRS 16 adoption	119,330	104,090
Increase during the period	1,230	-
Decrease during the period	(5,971)	(5,971)
Payment for the period	(5,057)	(4,238)
Balance of lease liabilities as at 30 June 2020	113,466	95,625
Long-term lease liabilities	113,466	95,625
Less: Current portion of long-term lease liabilities	(11,247)	(9,370)
Net	102,219	86,255

16. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Loans from banks	456,038	506,480	270,331	291,310
Less: Current portion of long-term loans	(81,589)	(95,168)	(35,641)	(37,201)
Net	<u>374,449</u>	<u>411,312</u>	<u>234,690</u>	<u>254,109</u>

Movements in the long-term loan account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	506,480	291,310
Less: Repayments	<u>(50,442)</u>	<u>(20,979)</u>
Balance as at 30 June 2020	<u>456,038</u>	<u>270,331</u>

The long-term loans of the Company is secured by the mortgage of land and building constructed thereon, investment properties of the Company.

The long-term loans of the subsidiaries are secured by the mortgage of the subsidiary's land, building constructed thereon, machinery and investment properties of subsidiaries.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 30 June 2020, the long-term credit facilities the Group which have not yet been drawn down amounted to Baht 64 million (31 December 2019: Baht 64 million) (The Company only: Baht 64 million, 31 December 2019: Baht 64 million).

17. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	4,862	6,190	712	2,448
Deferred tax:				
Relating to origination and reversal of temporary differences	939	(2,680)	(392)	(1,976)
Income tax expense reported in the income statements	5,801	3,510	320	472

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	13,393	12,433	4,227	5,143
Deferred tax:				
Relating to origination and reversal of temporary differences	(844)	(2,354)	(944)	(2,116)
Income tax expense reported in the income statements	12,549	10,079	3,283	3,027

18. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of ordinary shares as a result of the change in par value from Baht 10 each to Baht 1 each, in accordance with the resolution of the Annual General Meeting of the Company's shareholders on 12 July 2020, as discussed in Note 24.

The Company adjusted the number of ordinary shares of the prior period for calculation, as presented for comparative purposes (adjusting the proportion to the change in the number of shares, as a change in par value had been issued at the beginning of the earliest period reported).

The following table sets forth the computation of basic earnings per share:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
		(Restated)		(Restated)
Profit attributable to equity holders of the Company (Thousand Baht)	31,096	19,560	6,138	5,791
Weighted average number of ordinary shares (Thousand Shares)	323,400	323,400	323,400	323,400
Earnings per share (Baht/share)	0.10	0.06	0.02	0.02
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
		(Restated)		(Restated)
Profit attributable to equity holders of the Company (Thousand Baht)	64,502	56,656	17,874	19,906
Weighted average number of ordinary shares (Thousand Shares)	323,400	323,400	323,400	323,400
Earnings per share (Baht/share)	0.20	0.18	0.06	0.06

19. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group are organised into business units based on its products and services. Their operating segments are classified into four reportable segments as follows:

1. Processed food from pork.
2. Processed seafood.
3. Restaurants.
4. Swine farm.

The revenue and profit information regarding the Group operating segments for the periods of three-month and six-month periods ended 30 June 2020 and 2019 is presented below.

(Unit: Thousand Baht)

For the three-month periods ended 30 June 2020 and 2019	Processed food		Processed seafood		Restaurants		Swine farm		Total segments		Elimination entries		Total	
	from pork													
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	369,790	387,302	235,681	233,166	20,406	38,270	64,525	60,846	690,402	719,584	-	-	690,402	719,584
Inter-segment revenue	3,592	6,597	19,886	15,626	-	-	-	-	23,478	22,223	(23,478)	(22,223)	-	-
Total sales	373,382	393,899	255,567	248,792	20,406	38,270	64,525	60,846	713,880	741,807	(23,478)	(22,223)	690,402	719,584
Gross operating profit	106,568	98,666	59,904	61,259	10,690	21,030	5,104	4,859	182,266	185,814	-	-	182,266	185,814
Other income													70	5,677
Gain (loss) on changes in fair value less cost to sell of biological assets													5,427	(1,218)
Selling and distribution expenses													(63,931)	(71,682)
Administrative expenses													(78,683)	(86,897)
Finance cost													(8,145)	(8,544)
Income tax expenses													(5,801)	(3,510)
Profit for the period													31,203	19,640

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June 2020 and 2019	Processed food		Processed seafood		Restaurants		Swine farm		Total segments		Elimination entries		Total	
	from pork													
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external customers	749,212	741,817	481,041	464,014	51,863	74,405	127,228	127,672	1,409,344	1,407,908	-	-	1,409,344	1,407,908
Inter-segment revenue	8,739	12,923	39,265	53,710	-	-	-	-	48,004	66,633	(48,004)	(66,633)	-	-
Total sales	<u>757,951</u>	<u>754,740</u>	<u>520,306</u>	<u>517,724</u>	<u>51,863</u>	<u>74,405</u>	<u>127,228</u>	<u>127,672</u>	<u>1,457,348</u>	<u>1,474,541</u>	<u>(48,004)</u>	<u>(66,633)</u>	<u>1,409,344</u>	<u>1,407,908</u>
Gross operating profit	209,348	197,262	125,232	124,972	27,904	41,003	14,647	13,048	377,131	376,285	-	-	377,131	376,285
Other income													3,569	7,671
Gain (loss) on changes in fair value less cost to sell of biological assets													(292)	1,183
Selling and distribution expenses													(134,921)	(143,839)
Administrative expenses													(150,829)	(157,834)
Finance cost													(17,374)	(16,559)
Income tax expenses													(12,549)	(10,079)
Profit for the period													<u>64,735</u>	<u>56,828</u>

20. Dividends paid

Dividends declared in the years 2020 and 2019 are as follows.

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Interim dividend for 2019	Board of Directors Meeting of the Company on 1 April 2020	64,680	2.00
Dividend for 2018	Annual General Meeting of the shareholders on 25 April 2019	80,850	2.50

21. Commitments and contingent liabilities**21.1 Capital commitments**

As at 30 June 2020, the Group had capital commitments in respect of construction of building and acquisition of assets of approximately Baht 53 million (31 December 2019: Baht 61 million), (The Company only: Baht 43 million 31 December 2019: Baht 57 million).

21.2 Operating lease commitments

The Group has entered into several lease agreements in respect of the short-term lease and the lease of low-value equipments.

As at 30 June 2020, the Group has the future minimum lease payments required under these non-cancellable operating lease contracts are as follows.

	(Unit: Thousand Baht) Consolidated and Separate financial statements
Payable within:	
Less than 1 year	3,614
1 to 5 years	735

21.3 Guarantees

- (1) As at 30 June 2020, the subsidiaries pledged their bank deposit to secure against a fuel credit card of Baht 1 million (31 December 2019: Baht 1 million).
- (2) As at 30 June 2020, the Company had obligations in respect of guarantees provided to banks for loan facilities of the subsidiaries of Baht 347 million (31 December 2019: Baht 347 million).

- (3) As at 30 June 2020, there were outstanding bank guarantees of approximately Baht 7 million issued by the banks on behalf of the Group to guarantee utility charges (31 December 2019: Baht 8 million) (The Company only: Baht 5 million, 31 December 2019: Baht 6 million).

22. Fair value of financial instruments

As at 30 June 2020 and 31 December 2019, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 30 June 2020							
	Consolidated financial statements				Separate financial statements			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value								
Land	-	271	-	271	-	182	-	182
Biological assets	-	19	62	81	-	-	-	-
Asset for which fair value is disclosed								
Investment properties	-	911	319	1,230	-	140	319	459

(Unit: Million Baht)

	As at 31 December 2019							
	Consolidated financial statements				Separate financial statements			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value								
Land	-	271	-	271	-	182	-	182
Biological assets	-	16	67	83	-	-	-	-
Asset for which fair value is disclosed								
Investment properties	-	911	319	1,230	-	140	319	459

23. Financial instruments

Financial risk management

The Group's financial instruments, principally comprise cash and cash equivalents, trade accounts receivable, restricted bank deposits, loans, trade payables, bank overdrafts, loans from financial institutions and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

As at 30 June 2020 and 31 December 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
(Baht per 1 foreign currency unit)						
US dollar	127,053	36,203	-	42,000	30.7151	30.1540
HK dollar	3,177,604	3,021,990	-	-	3.9463	3.8328
Euro	-	-	-	44,355	-	34.0846

24. Events after the reporting period

On 14 July 2020, the Annual General Meeting of the Company's shareholders No. 26/2020 approved a change in the par value of the Company's ordinary shares from Baht 10 per share to Baht 1 per share, resulting in the number of company's shares increased from 32,340,000 ordinary shares to 323,400,000 ordinary shares. The Company registered the change in its ordinary shares' par value with the Ministry of Commerce on 20 July 2020.

25. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Director on 10 August 2020.