

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Lam Soon (Thailand) Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Lam Soon (Thailand) Public Company Limited and its subsidiaries as at 31 March 2022, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Lam Soon (Thailand) Public Company Limited for the same period (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.

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Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 13 May 2022

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	<u>Note</u> <u>31 March 2022</u> (Unaudited but reviewed)	<u>31 December 2021</u> (Audited)	<u>31 March 2022</u> (Unaudited but reviewed)	<u>31 December 2021</u> (Audited)
Assets				
Current assets				
Cash and cash equivalents	345,048	178,193	61,390	21,348
Trade and other receivables	2, 3 1,609,708	1,584,137	1,420,640	1,362,400
Current portion of finance lease receivables	1,463	1,545	-	-
Inventories	4 1,702,462	1,505,253	1,171,605	948,808
Biological assets	152,255	112,273	-	-
Value added tax refundable	12,475	12,268	-	-
Other current financial assets	209	-	209	-
Other current assets	41,437	34,053	16,716	12,730
Total current assets	3,865,057	3,427,722	2,670,560	2,345,286
Non-current assets				
Financial lease receivables - long-term portion	581	896	-	-
Investments in subsidiaries	5 -	-	1,334,158	1,334,158
Investment in joint venture	26,874	26,571	-	-
Investment in associated company	6 -	-	-	-
Long-term loan to other company	7 17,020	17,480	-	-
Investment properties	60,833	61,020	5,615	5,615
Property, plant and equipment	8 2,451,654	2,413,490	889,298	863,247
Right-of-use assets	9 35,114	34,982	-	-
Bearer plants	10 175,408	176,606	151	154
Goodwill	196,376	196,376	-	-
Intangible assets	5,695	6,214	5,260	5,173
Deferred tax assets	49,591	47,733	23,494	22,793
Other non-current financial assets	23	23	23	23
Other non-current assets	5,773	8,631	750	537
Total non-current assets	3,024,942	2,990,022	2,258,749	2,231,700
Total assets	6,889,999	6,417,744	4,929,309	4,576,986

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	11	671,000	526,000	501,000	231,000
Trade and other payables	2, 12	705,089	609,770	679,514	643,254
Current portion of long-term loans	13	87,067	87,067	-	-
Current portion of leases liabilities		100	345	-	-
Income tax payable		96,248	49,872	42,691	34,964
Advance received from customers		59,882	26,417	9,603	228
Other current financial liabilities		6,411	7,001	2,730	3,148
Other current liabilities		976	6,231	292	965
Total current liabilities		1,626,773	1,312,703	1,235,830	913,559
Non-current liabilities					
Long-term loans - net of current portion	13	73,967	95,733	-	-
Lease liabilities - net of current portion		43,412	42,647	-	-
Deferred tax liabilities		26,234	31,752	-	-
Provision for long-term employee benefits		205,634	201,452	105,622	103,308
Total non-current liabilities		349,247	371,584	105,622	103,308
Total liabilities		1,976,020	1,684,287	1,341,452	1,016,867

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 March 2022 (Unaudited but reviewed)	As at 31 December 2021 (Audited)	As at 31 March 2022 (Unaudited but reviewed)	As at 31 December 2021 (Audited)
Shareholders' equity				
Share capital				
Registered				
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000
Issued and fully paid-up				
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000
Share premium	241,970	241,970	241,970	241,970
Other surpluses (deficits)				
Premium on treasury stock	5,269	5,269	5,269	5,269
Deficit on changes in shareholding in subsidiary	(6,593)	(6,593)	-	-
Retained earnings				
Appropriated - statutory reserve	130,377	130,377	82,000	82,000
Unappropriated	3,256,686	3,116,907	2,438,618	2,410,880
Equity attributable to owners of the Company	4,447,709	4,307,930	3,587,857	3,560,119
Non-controlling interests of the subsidiaries	466,270	425,527	-	-
Total shareholders' equity	4,913,979	4,733,457	3,587,857	3,560,119
Total liabilities and shareholders' equity	6,889,999	6,417,744	4,929,309	4,576,986
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2022

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenue from contracts with customers		2,803,003	2,399,323	2,306,028	1,984,159
Gain arising from change in fair value of biological assets		38,582	7,067	-	-
Compensation from insurance		-	7,642	-	-
Other income		40,280	30,255	15,886	14,310
Total revenues		2,881,865	2,444,287	2,321,914	1,998,469
Expenses					
Cost of sales		2,448,713	2,100,031	2,165,187	1,773,169
Selling and distribution expenses		151,974	142,593	86,567	92,411
Administrative expenses		59,250	54,157	34,323	29,538
Total expenses		2,659,937	2,296,781	2,286,077	1,895,118
Operating profit		221,928	147,506	35,837	103,351
Share of gain (loss) from investment in joint venture		303	(958)	-	-
Finance income		180	216	109	131
Finance cost		(2,720)	(2,504)	(1,232)	(553)
Profit before income tax expenses		219,691	144,260	34,714	102,929
Income tax expenses	14	(39,219)	(27,416)	(7,026)	(21,144)
Profit for the period		180,472	116,844	27,688	81,785
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		180,472	116,844	27,688	81,785

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2022

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit or loss attributable to:				
Equity holders of the Company	139,729	108,244	<u>27,688</u>	<u>81,785</u>
Non-controlling interests of the subsidiaries	<u>40,743</u>	<u>8,600</u>		
	<u>180,472</u>	<u>116,844</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	139,729	108,244	<u>27,688</u>	<u>81,785</u>
Non-controlling interests of the subsidiaries	<u>40,743</u>	<u>8,600</u>		
	<u>180,472</u>	<u>116,844</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.17</u>	<u>0.13</u>	<u>0.03</u>	<u>0.10</u>

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to the owners of the Company						Equity			
Issued and paid up share capital	Share premium	Premium on treasury stock	Deficit on change in shareholding in subsidiary	Retained earnings Appropriated - statutory reserve	Unappropriated	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Balance as at 1 January 2021	820,000	241,970	5,269	(6,578)	127,688	2,744,369	3,932,718	355,885	4,288,603
Profit for the period	-	-	-	-	-	108,244	108,244	8,600	116,844
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	108,244	108,244	8,600	116,844
Reversal of prior year dividend	-	-	-	-	-	44	44	-	44
Balance as at 31 March 2021	820,000	241,970	5,269	(6,578)	127,688	2,852,657	4,041,006	364,485	4,405,491
Balance as at 1 January 2022	820,000	241,970	5,269	(6,593)	130,377	3,116,907	4,307,930	425,527	4,733,457
Profit for the period	-	-	-	-	-	139,729	139,729	40,743	180,472
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	139,729	139,729	40,743	180,472
Reversal of prior year dividend	-	-	-	-	-	50	50	-	50
Balance as at 31 March 2022	820,000	241,970	5,269	(6,593)	130,377	3,256,686	4,447,709	466,270	4,913,979

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2021	820,000	241,970	5,269	82,000	2,234,456	3,383,695
Profit for the period	-	-	-	-	81,785	81,785
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	81,785	81,785
Reversal of prior year dividend	-	-	-	-	44	44
Balance as at 31 March 2021	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>2,316,285</u>	<u>3,465,524</u>
Balance as at 1 January 2022	820,000	241,970	5,269	82,000	2,410,880	3,560,119
Profit for the period	-	-	-	-	27,688	27,688
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	27,688	27,688
Reversal of prior year dividend	-	-	-	-	50	50
Balance as at 31 March 2022	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>2,438,618</u>	<u>3,587,857</u>

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	219,691	144,260	34,714	102,929
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	60,398	61,780	28,426	26,241
Gain from change in fair value of biological assets	(38,582)	(7,067)	-	-
Share of loss (gain) from investment in joint venture	(303)	958	-	-
Increase in allowance for expected credit losses	-	260	-	-
Increase in allowance for diminution in inventory value	29,359	56	-	-
Loss on write-off bearers plants	14	94	-	-
Loss (gain) on write-off/disposals of property, plant and equipment	(7)	3,234	(7)	392
Unrealised gain on exchange	(754)	(2,111)	(84)	(398)
Unrealised loss (gain) on fair value of derivatives	(153)	1,236	(209)	393
Gain on finance lease agreements	-	(76)	-	-
Provision for termination benefits and long-term employee benefits	4,389	5,461	2,314	2,155
Finance income	(180)	(216)	(109)	(131)
Finance cost	2,349	2,057	861	106
Profit from operating activities before changes in operating assets and liabilities	276,221	209,926	65,906	131,687
Decrease (increase) in operating assets				
Trade and other receivables	(24,815)	(400,360)	(58,045)	(374,695)
Cash received from financial lease receivables	397	388	-	-
Inventories	(226,568)	181,155	(222,797)	105,305
Biological assets	(1,400)	(1,547)	-	-
Other current assets	(7,471)	(10,841)	(3,702)	(3,543)
Other non-current assets	2,858	(218)	(213)	(59)
Increase (decrease) in operating liabilities				
Trade and other payables	98,398	147,650	38,902	177,740
Other current financial liabilities	(592)	(310)	(364)	(280)
Other current liabilities	28,210	(11,947)	8,702	(4,282)
Provision for termination benefits and long-term employee benefits	(207)	(2,610)	-	(267)
Cash from (used in) operating activities	145,031	111,286	(171,611)	31,606
Cash received from interest income	180	216	-	131
Cash paid for interest expenses	(2,446)	(2,075)	(909)	(111)
Income tax refund	202	-	-	-
Cash paid for corporate income tax	(541)	(1,139)	(284)	(407)
Net cash from (used in) operating activities	142,426	108,288	(172,804)	31,219

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Decrease in long-term loan to other company	460	460	-	-
Acquisitions of property, plant and equipment	(97,542)	(56,929)	(56,803)	(41,245)
Advance payments for equipment	-	(1,633)	-	-
Proceeds from disposals of property, plant and equipment	7	544	7	544
Increase in bearer plants	(1,372)	(1,030)	-	-
Acquisitions of intangible assets	(354)	-	(354)	-
Net cash used in investing activities	(98,801)	(58,588)	(57,150)	(40,701)
Cash flows from financing activities				
Increase in short-term loans from banks	145,000	5,000	270,000	15,000
Payment of lease liabilities	-	(2,192)	-	-
Repayment of long-term loans	(21,766)	(12,600)	-	-
Dividend paid	(4)	-	(4)	-
Net cash from (used in) financing activities	123,230	(9,792)	269,996	15,000
Net increase in cash and cash equivalents	166,855	39,908	40,042	5,518
Cash and cash equivalents at beginning of the period	178,193	238,286	21,348	84,605
Cash and cash equivalents at end of the period	345,048	278,194	61,390	90,123

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment

that have not been paid 8,757 26,593 5,686 15,387

Increase in right-of-use assets and lease liabilities

from contract modification 520 - - -

Transfer of deposits for equipment to equipment

Dividend payable 680 734 680 734

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2022

1. General information

1.1 Corporate information

Lam Soon (Thailand) Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Lam Soon Holding Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of palm oil. The registered office of the Company is at 64, Soi Bangna-Trad 25, Khwaeng Bangna Nuea, Khet Bangna, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

The interim consolidated financial statements include the financial statements of Lam Soon (Thailand) Public Company Limited (herein after called “the Company”) and its subsidiaries (herein after called “the subsidiaries”), which were incorporated in Thailand, and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021. There have been no changes in the composition of the group during the current period.

1.4 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

2. Related party transactions

During the periods, the Group 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 based agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month period ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	744	434	Market price on the contract date
Purchase of goods	-	-	103	107	Market price less fixed margin
Rental income	-	-	1	1	Contract price
Administrative service income	-	-	1	1	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	56	37	-	-	Price approximates market price
Purchase of goods	4	1	4	1	Selling price less marketing expenses and gross margin
Selling expenses	6	4	-	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Purchase of oil palm seeds and fresh fruit bunch	1	1	-	-	Market price

(Unaudited but reviewed)

The balances of accounts as at 31 March 2022 and 31 December 2021 between the Company and the related parties are detailed as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<u>Trade and other receivables - related parties</u> (Note 3)				
Subsidiaries	-	-	30,060	26,121
Related companies (related by common shareholders)	40,592	68,252	-	-
Total trade and other receivables - related parties	40,592	68,252	30,060	26,121
<u>Trade and other payables - related parties</u> (Note 12)				
Subsidiaries	-	-	233,342	238,388
Related companies (related by common shareholders)	15,652	16,679	-	-
Total trade and other payables - related parties	15,652	16,679	233,342	238,388

Selling and administrative service income

On 7 November 2011, the Company and Universal Food Public Company Limited (“UFC”), a subsidiary, entered into a memorandum related to the agency agreement (previous agreement was dated 27 February 2006) whereby both parties agreed to change the terms and conditions on dealer compensation to comply with the general practice in the industry. The contract expired on 31 December 2021. The Company and UFC agreed to extend the agreement for another 5 years, starting from 1 January 2022 and expiring on 31 December 2026.

Directors and management’s benefits

During the three-month periods ended 31 March 2022 and 2021, the Group had short-term employee benefits, post-employment benefits and other long-term benefits payable to their directors and management totaling Baht 38 million and Baht 38 million, respectively (the Company only: Baht 24 million and Baht 22 million, respectively).

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	37,475	65,047	467	128
Past due				
Up to 3 months	3,117	3,205	-	-
Total trade receivables - related parties	40,592	68,252	467	128
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	18,761	26,045	18,761	26,045
Cheque returned	7,181	7,668	7,181	7,668
Not yet due	1,272,024	1,234,012	1,136,960	1,091,619
Past due				
Up to 3 months	265,745	241,343	227,588	205,761
3 - 6 months	2,681	4,259	304	4,257
6 - 12 months	3,959	2,625	3,959	2,610
Over 12 months	3,564	3,356	3,564	3,356
Total	1,573,915	1,519,308	1,398,317	1,341,316
Less: Allowance for expected credit losses	(9,736)	(9,736)	(9,736)	(9,736)
Total trade receivables - unrelated parties - net	1,564,179	1,509,572	1,388,581	1,331,580
Total trade receivables - net	1,604,771	1,577,824	1,389,048	1,331,708
<u>Other receivables</u>				
Other receivables - related parties	-	-	4,112	2,673
Other receivables - unrelated parties	4,957	6,233	2,708	5,408
Accrued income - related parties	-	-	25,481	23,320
Accrued income - unrelated parties	337	55	-	-
Advances - unrelated parties	417	799	-	-
Total	5,711	7,087	32,301	31,401
Less: Allowance for expected credit losses	(774)	(774)	(709)	(709)
Total other receivables - net	4,937	6,313	31,592	30,692
Total trade and other receivables - net	1,609,708	1,584,137	1,420,640	1,362,400

4. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 31 December 2021	20,229
The reduction of inventory value recorded during the period	29,359
Balance as at 31 March 2022	49,588

5. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2022	2021	2022	2021	2022	2021
			Percent	Percent		
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344
Universal Food Public Company Limited	525,000	525,000	98.85	98.85	585,814	585,814
Total					1,334,158	1,334,158

As at 31 March 2022, the fair value of the investment in United Palm Oil Industry Public Company Limited, calculated based on the latest bid price of the shares on the last trading day of the period as quoted on the Stock Exchange of Thailand and in proportion to the Company's shareholding, was approximately Baht 1,655 million (31 December 2021: Baht 1,474 million).

6. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements				
			Paid-up capital		Shareholding percentage		
			31 March	31 December	31 March	31 December	
			2022	2021	2022	2021	
				(Million Baht)	(Million Baht)	(Percent)	(Percent)
Union Fresh Co., Ltd.	Dormant	Thailand	30	30	40	40	

(Unit: Thousand Baht)

Company's name	Consolidated financial statements							
	Cost		Allowance for diminution in value of investment		Carrying amounts based on cost method - net		Carrying amounts based on equity method	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2022	2021	2022	2021	2022	2021	2022	2021
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

7. Long-term loan to other company

As at 31 March 2022, a subsidiary of subsidiary had unsecured loan to other company, amounting to approximately Baht 17 million (2021: Baht 17.5 million). The loan carries interest at a rate of THBFX plus 1% per annum and is due for repayment end of June and December of every year with the last payment in June 2040.

8. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2021	2,413,490	863,247
Acquisitions during the period - at cost	94,553	54,207
Depreciation for the period	(56,394)	(28,156)
Interest capitalised to assets	5	-
Net book value as at 31 March 2022	2,451,654	889,298

9. Right-of-use assets

Movements in the right-of-use assets account during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<hr/>
Net book value as at 31 December 2021	34,982
Increase from contract modification	520
Depreciation for the period	(388)
Net book value as at 31 March 2022	<hr/> 35,114 <hr/>

The subsidiary of subsidiary entered into a lease agreement with the Treasury Department for an area of 4,294 rai for 30 years, end of contract on 8 July 2044. The leasehold right has been used to secure a credit facility of Baht 30 million and the subsidiary is required to comply with prescribed terms and conditions.

10. Bearer plants

Movements in bearer plants account during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Net book value as at 31 December 2021	176,606	154
Acquisitions during the period - at cost	1,372	-
Write-off during the period - net book value at write-off date	(14)	-
Amortisation for the period	(2,556)	(3)
Net book value as at 31 March 2022	<hr/> 175,408 <hr/>	<hr/> 151 <hr/>

(Unaudited but reviewed)

A permit from Royal Forest Department granted to a subsidiary of subsidiary for the exploitation or inhabitation in the National Reserved Forests expired in January 2015. The subsidiary of subsidiary has leased the land of 13,030 rai to the subsidiary for utilisation. The subsidiary of subsidiary is requesting the government unit to grant a permit to exploit or inhabit in such land of 6,515 rai, which is 50% of the usable land and the request is under consideration of such government unit. However, on 11 May 2022, that subsidiary of subsidiary was granted a permit to harvest forest product in the Nation Reserved Forest. The existing permit is valid for one year, expired on 11 May 2023 and the subsidiary of subsidiary is required to pay official royalty fees at the rate of 10% of the market price of oil palm and forest maintenance fees, at a rate of double the official royalty fees, when harvesting the oil palm crops planted.

11. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	31	31	31	31	31	31
	March	December	March	December	March	December
	2022	2021	2022	2021	2022	2021
Short-term loans from banks	0.90 - 1.05	0.85 - 1.10	671,000	526,000	501,000	231,000
Total			671,000	526,000	501,000	231,000

Movement in short-term loans from banks during the three-month period ended 31 March 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2021	526,000	231,000
Additions during the period	650,000	630,000
Repayments during the period	(505,000)	(360,000)
Balance as at 31 March 2022	671,000	501,000

There is no collateral on short-term loans from banks of the Group.

12. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
Trade payables - related parties	-	179	233,341	238,265
Trade payables - unrelated parties	370,633	287,041	248,656	202,323
Other payables - related parties	15,652	16,500	-	-
Other payables - unrelated parties	151,329	116,460	108,517	82,633
Advance received from related parties	-	-	1	123
Other payables for purchases of machinery	8,757	11,741	5,686	8,282
Accrued expenses	158,718	177,849	83,313	111,628
Total trade and other payables	705,089	609,770	679,514	643,254

13. Long-term loans

Movements in the long-term loan account during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2022	182,800
Repayments during the period	(21,766)
Balance as at 31 March 2022	161,034
Less: Portion due within one year	(87,067)
Long-term loans - net of current portion	73,967

The long-term loans of Universal Food Public Company Limited are unsecured.

Long-term loan of United Palm Oil Industry Public Company Limited no.1 of Baht 45 million is long-term loan under a joint loan agreement between the Company and United Palm Oil Industry Public Company Limited and the bank. The Company and the subsidiary agree that the subsidiary, as the party that draws down the loan, is to be primarily responsible for the principal and interest thereon. Under covenants of the agreement, the Company and the subsidiary are restricted from creating encumbrances over their assets (negative pledge). Loan no.2 of Baht 45.8 million is unsecured.

(Unaudited but reviewed)

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

14. 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 periods ended 31 March 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	46,595	27,307	7,727	21,522
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(7,376)</u>	<u>109</u>	<u>(701)</u>	<u>(378)</u>
Income tax expenses reported in the profit or loss	<u>39,219</u>	<u>27,416</u>	<u>7,026</u>	<u>21,144</u>

15. Operating segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2022 and 2021.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated for the three-month periods ended 31 March										
Manufacture and distribution										
Processed										
Palm oil products		fruits and vegetables		Total segments		Adjustments and eliminations		Consolidated		
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Revenue										
External customers	2,232	1,891	571	508	2,803	2,399	-	-	2,803	2,399
Inter-segment	744	434	-	-	744	434	(744)	(434)	-	-
Total revenue	<u>2,976</u>	<u>2,325</u>	<u>571</u>	<u>508</u>	<u>3,547</u>	<u>2,833</u>	<u>(744)</u>	<u>(434)</u>	<u>2,803</u>	<u>2,399</u>
Operating results										
Segment profit	259	231	96	68	355	299	(1)	-	354	299
Unallocated income and expenses:										
Compensation from insurance									-	8
Other income									40	30
Gain from change in fair value of biological assets									39	7
Selling and distribution expenses									(152)	(143)
Administrative expenses									(59)	(54)
Share of loss from investment in joint venture									-	(1)
Finance cost									(3)	(2)
Profit before income tax expenses									219	144
Income tax expenses									(39)	(27)
Profit for the period									<u>180</u>	<u>117</u>

16. Commitments and contingent liabilities

16.1 Capital commitments

As at 31 March 2022, the Group had capital commitments relating to purchase of machineries and equipment and building improvement amounting to Baht 52.8 million (31 December 2021: Baht 112.6 million), the Company only: Baht 8.1 million (31 December 2021: Baht 56.6 million).

16.2 Lease and service commitments

The Group has entered into several leases of the low-value assets and service agreements which are non-cancellable. The terms of the contract are generally between 1 year and 5 years.

Future minimum lease payments required under these non-cancellable contracts were as follows:

	(Unit: Million Baht)	
	As at 31 March 2022	
	Consolidated	Separate
	financial statements	financial statements
Payable:		
Within 1 year	15.0	7.3
In over 1 year and up to 5 years	0.5	0.5
Total	15.5	7.8

16.3 Long-term commitments

In 2020, the subsidiary entered into a power purchase and sale agreement with a private company for contractual terms of 15 years from the commencement date. The private company invested in construction and installation of electricity generation systems and retains ownership of all related properties. The electricity charges are calculated based on rates as specified in the agreement. However, the subsidiary has the right to purchase the electricity generation systems from the 7th year onwards at rates specified in the agreement, or at Baht 1 when the subsidiary has fulfilled the contractual terms of 15 years. Since then, the ownership of all electricity generation systems will be automatically transferred to the subsidiary.

16.4 Guarantees

As at 31 March 2022, there were outstanding bank guarantees issued by the banks in respect of certain performances bonds as required in the normal course of their businesses. These included letters of guarantee amounting to Baht 11.3 million to electricity use, among others (31 December 2021: Baht 14.2 million) and for the Company: Baht 4.3 million to guarantee electricity use, among others (31 December 2021: Baht 7.2 million).

16.5 Contingent liabilities

In 2020, the Company was notified of import duty and VAT assessment by the Customs Department requiring the Company to pay import duty, VAT, penalties and surcharges totalling Baht 186.9 million regarding the import of refined, bleached, and deodorized soybean oil exercising duty exemption and customs tariff reduction privileges for goods originated in ASEAN. The decision on such matter is currently under consideration of the Customs Department. There were no additional events as disclosed from the financial statements for the year ended 31 December 2021.

17. Rights to utilise land

The additional event from the financial statements for the year ended 31 December 2021 are summarised below.

Location	Additional event
Land plot No. 602 and 603	On 10 March 2022, the ALRO in Krabi filed an objection to United Palm Oil Industry Public Company Limited's ("the subsidiary") statement.

18. Litigation

There were no additional events as disclosed from the financial statements for the year ended 31 December 2021.

19. Fair value hierarchy

As at 31 March 2022 and 31 December 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 March 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	27	125	152

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	13	99	112
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	1	-	1

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

20. Financial instruments

20.1 Fair value of financial instrument

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

20.2 Foreign currency assets and liabilities

As at 31 March 2022 and 31 December 2021, the Group had outstanding financial assets and liabilities denominated in foreign currencies as summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	4.3	3.1	-	0.1	33.1393	33.4199
Euro	-	0.1	-	-	-	37.5083

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.4	0.1	-	-	33.1393	33.4199

21. Events after the reporting period

21.1 On 8 April 2022, the Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend payment in respect of the 2021 profit to the Company's shareholders at Baht 0.25 per share, totaling Baht 205 million, which will be paid to the shareholders on 28 April 2022.

21.2 On 8 April 2022, the Annual General Meeting of United Palm Oil Industry Public Company Limited's ("the subsidiary") shareholders passed a resolution to approve a divided payment in respect of 2021 profit to the shareholders at Baht 0.50 per share, totaling Baht 162 million, which will be paid to the shareholders on 6 May 2022.

21.3 On 7 April 2022, the Annual General Meeting of Universal Food Public Company Limited's ("the subsidiary") shareholders passed a resolution to approve a divided payment in respect of 2021 profit to the shareholders at Baht 0.40 per share, totaling Baht 21 million, which will be paid to the shareholders on 5 May 2022.

The dividends of the Company and its subsidiaries will be recorded in the second quarter of 2022.

22. Approval of interim financial statements

These interim financial statements were authorised for issue on 13 May 2022 by the Company's Audit and Corporate Governance Committee under authority delegated by the Board of Directors of the Company.