

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2021

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 30 September 2021, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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.

S. Ratananurak

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 11 November 2021

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	181,113	238,286	63,494	84,605
Trade and other receivables	2, 4	1,071,361	885,362	936,526	811,218
Current portion of finance lease receivables		1,593	1,567	-	-
Short-term loans to related parties	2	-	-	-	-
Inventories	5	2,370,703	1,389,108	1,383,782	909,143
Biological assets		49,434	95,620	-	-
Value added tax refundable		8,838	5,118	-	-
Other current financial assets		1,329	-	1,329	-
Other current assets		29,114	37,099	7,073	11,488
Total current assets		3,713,485	2,652,160	2,392,204	1,816,454
Non-current assets					
Financial lease receivables - long-term portion		1,243	2,441	-	-
Investments in subsidiaries	6	-	-	1,334,158	1,333,969
Investment in joint venture	7	23,456	22,998	-	-
Investment in associated company	8	-	-	-	-
Long-term loan to other company	9	17,480	18,400	-	-
Investment properties	10	61,143	61,506	5,615	5,615
Property, plant and equipment	11	2,406,633	2,452,937	853,338	847,104
Right-of-use assets	12	35,373	39,222	-	-
Bearer plants	13	178,191	196,499	157	166
Goodwill		196,376	196,376	-	-
Intangible assets		6,554	7,541	5,443	5,994
Deferred tax assets		64,544	51,626	22,786	21,484
Other non-current financial assets		23	23	23	23
Other non-current assets		6,793	3,992	529	474
Total non-current assets		2,997,809	3,053,561	2,222,049	2,214,829
Total assets		6,711,294	5,705,721	4,614,253	4,031,283

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 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note 30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	14	1,078,000	460,000	538,000	65,000
Trade and other payables	2, 15	642,106	471,049	470,915	429,549
Current portion of long-term loans	16	70,400	50,400	-	-
Current portion of leases liabilities	17	257	3,237	-	-
Income tax payable		21,011	69,176	15,116	49,813
Advance received from customers		27,292	35,856	6,478	4,118
Other current financial liabilities		6,696	5,815	1,513	1,788
Other current liabilities		1,878	1,772	375	779
Total current liabilities		1,847,640	1,097,305	1,032,397	551,047
Non-current liabilities					
Long-term loans - net of current portion	16	80,000	82,800	-	-
Lease liabilities - net of current portion	17	42,735	42,546	-	-
Deferred tax liabilities		-	2,611	-	-
Provision for long-term employee benefits		202,327	191,856	102,681	96,541
Total non-current liabilities		325,062	319,813	102,681	96,541
Total liabilities		2,172,702	1,417,118	1,135,078	647,588

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 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 September 2021 (Unaudited but reviewed)	As at 31 December 2020 (Audited)	As at 30 September 2021 (Unaudited but reviewed)	As at 31 December 2020 (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)	(6,578)	-	-
Retained earnings				
Appropriated - statutory reserve	127,688	127,688	82,000	82,000
Unappropriated	2,957,869	2,744,369	2,329,936	2,234,456
Equity attributable to owners of the Company	4,146,203	3,932,718	3,479,175	3,383,695
Non-controlling interests of the subsidiaries	392,389	355,885	-	-
Total shareholders' equity	4,538,592	4,288,603	3,479,175	3,383,695
Total liabilities and shareholders' equity	6,711,294	5,705,721	4,614,253	4,031,283
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Revenue from contracts with customers	18	2,078,201	1,595,942	1,606,863	1,199,839
Gain from change in fair value of biological assets		1,096	-	-	-
Other income		32,453	15,549	14,688	7,462
Total revenues		<u>2,111,750</u>	<u>1,611,491</u>	<u>1,621,551</u>	<u>1,207,301</u>
Expenses					
Cost of sales		1,720,834	1,251,779	1,439,123	967,732
Selling and distribution expenses		143,349	120,222	78,680	79,513
Administrative expenses		67,909	50,219	29,749	27,339
Loss from change in fair value of biological assets		-	6,434	-	-
Total expenses		<u>1,932,092</u>	<u>1,428,654</u>	<u>1,547,552</u>	<u>1,074,584</u>
Operating profit		179,658	182,837	73,999	132,717
Share of gain (loss) from investment in joint venture	7	2,381	(2,225)	-	-
Finance income		116	267	35	164
Finance cost		(3,337)	(3,680)	(1,216)	(351)
Profit before income tax expenses		178,818	177,199	72,818	132,530
Income tax expenses	19	(8,238)	(38,772)	(14,616)	(26,558)
Profit for the period		<u>170,580</u>	<u>138,427</u>	<u>58,202</u>	<u>105,972</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 comprehensive income (continued)

For the three-month period ended 30 September 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other comprehensive income:					
Other comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>170,580</u>	<u>138,427</u>	<u>58,202</u>	<u>105,972</u>
Profit or loss attributable to:					
Equity holders of the Company		143,962	131,172	<u>58,202</u>	<u>105,972</u>
Non-controlling interests of the subsidiaries		<u>26,618</u>	<u>7,255</u>		
		<u>170,580</u>	<u>138,427</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		143,962	131,172	<u>58,202</u>	<u>105,972</u>
Non-controlling interests of the subsidiaries		<u>26,618</u>	<u>7,255</u>		
		<u>170,580</u>	<u>138,427</u>		
Basic earnings per share	<i>20</i>				
Profit attributable to equity holders of the Company		<u>0.18</u>	<u>0.16</u>	<u>0.07</u>	<u>0.13</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 comprehensive income

For the nine-month period ended 30 September 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Revenue from contracts with customers	18	6,626,339	4,979,800	5,295,889	3,628,403
Compensation from insurance		7,642	-	-	-
Dividend income		-	-	66,097	26,422
Other income		93,664	55,964	40,529	29,385
Total revenues		6,727,645	5,035,764	5,402,515	3,684,210
Expenses					
Cost of sales		5,578,518	4,174,266	4,728,869	3,158,164
Selling and distribution expenses		420,358	350,366	253,519	222,764
Administrative expenses		178,120	156,040	88,304	86,961
Loss from change in fair value of biological assets		35,879	32,542	-	-
Total expenses		6,212,875	4,713,214	5,070,692	3,467,889
Operating profit		514,770	322,550	331,823	216,321
Share of gain (loss) from investment in joint venture	7	458	(3,139)	-	-
Finance income		493	1,788	116	1,337
Finance cost		(8,903)	(10,133)	(2,836)	(1,275)
Profit before income tax expenses		506,818	311,066	329,103	216,383
Income tax expenses	19	(56,571)	(70,161)	(53,267)	(38,190)
Profit for the period		450,247	240,905	275,836	178,193

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 nine-month period ended 30 September 2021

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		-	(6,038)	-	(6,038)
Income tax effect	19	-	1,208	-	1,208
Share of other comprehensive income of investment in joint venture - actuarial gain	7	-	39	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
- net of income tax		-	(4,791)	-	(4,830)
Other comprehensive income for the period		-	(4,791)	-	(4,830)
Total comprehensive income for the period		<u>450,247</u>	<u>236,114</u>	<u>275,836</u>	<u>173,363</u>
Profit or loss attributable to:					
Equity holders of the Company		393,856	228,205	<u>275,836</u>	<u>178,193</u>
Non-controlling interests of the subsidiaries		<u>56,391</u>	<u>12,700</u>		
		<u>450,247</u>	<u>240,905</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		393,856	223,403	<u>275,836</u>	<u>173,363</u>
Non-controlling interests of the subsidiaries		<u>56,391</u>	<u>12,711</u>		
		<u>450,247</u>	<u>236,114</u>		
Basic earnings per share					
	20				
Profit attributable to equity holders of the Company		<u>0.48</u>	<u>0.28</u>	<u>0.34</u>	<u>0.22</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 nine-month period ended 30 September 2021

(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	Surplus (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 2020	820,000	241,970	5,269	(6,579)	125,248	2,697,554	3,883,462	4,205,440
Profit for the period	-	-	-	-	-	228,205	228,205	240,905
Other comprehensive income for the period	-	-	-	-	-	(4,802)	(4,802)	(4,791)
Total comprehensive income for the period	-	-	-	-	-	223,403	223,403	236,114
Reversal of prior year dividend	-	-	-	-	-	65	65	65
Dividend paid (Note 22)	-	-	-	-	-	(328,000)	(328,000)	(328,000)
Acquisition of investment in subsidiary from non-controlling interests	-	-	-	2	-	-	2	(2)
Decrease in non-controlling interests from dividend payment of subsidiary	-	-	-	-	-	-	(2,679)	(2,679)
Balance as at 30 September 2020	820,000	241,970	5,269	(6,577)	125,248	2,593,022	3,778,932	4,110,938

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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements						Equity		
	Equity attributable to the owners of the Company						attributable to non-controlling interests of the subsidiaries		Total shareholders' 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		
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	-	-	-	-	-	393,856	393,856	56,391	450,247
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	393,856	393,856	56,391	450,247
Reversal of prior year dividend	-	-	-	-	-	44	44	-	44
Dividend paid (Note 22)	-	-	-	-	-	(180,400)	(180,400)	-	(180,400)
Acquisition of investment in subsidiary from non-controlling interests	-	-	-	(15)	-	-	(15)	(174)	(189)
Decrease in non-controlling interests from dividend payment of subsidiary	-	-	-	-	-	-	-	(19,713)	(19,713)
Balance as at 30 September 2021	820,000	241,970	5,269	(6,593)	127,688	2,957,869	4,146,203	392,389	4,538,592

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 nine-month period ended 30 September 2021

(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 2020	820,000	241,970	5,269	82,000	2,291,411	3,440,650
Profit for the period	-	-	-	-	178,193	178,193
Other comprehensive income for the period	-	-	-	-	(4,830)	(4,830)
Total comprehensive income for the period	-	-	-	-	173,363	173,363
Reversal of prior year dividend	-	-	-	-	65	65
Dividend paid (Note 22)	-	-	-	-	(328,000)	(328,000)
Balance as at 30 September 2020	820,000	241,970	5,269	82,000	2,136,839	3,286,078
Balance as at 1 January 2021	820,000	241,970	5,269	82,000	2,234,456	3,383,695
Profit for the period	-	-	-	-	275,836	275,836
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	275,836	275,836
Reversal of prior year dividend	-	-	-	-	44	44
Dividend paid (Note 22)	-	-	-	-	(180,400)	(180,400)
Balance as at 30 September 2021	820,000	241,970	5,269	82,000	2,329,936	3,479,175

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 nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Profit before tax	506,818	311,066	329,103	216,383
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	186,374	190,074	83,248	75,139
Loss from change in fair value of biological assets	35,879	32,542	-	-
Share of loss (gain) from investment in joint venture	(458)	3,139	-	-
Bad debt	99,876	-	-	-
Increase (decrease) in allowance for expected credit losses	(99,876)	4,008	-	1,999
Increase in allowance for diminution in inventory value (reversal)	44,482	(152)	369	2,459
Loss on write-off assets	-	2,084	-	-
Loss on write-off bearers plants	117	-	-	-
Loss on write-off/disposals of property, plant and equipment	4,655	2,312	1,383	1,565
Loss on impairment of assets	18,449	-	-	-
Unrealised gain on exchange	(2,760)	(184)	(539)	(70)
Unrealised loss (gain) on fair value of derivatives	82	274	(1,329)	-
Gain on finance lease agreements	-	(2,669)	-	-
Provision for termination benefits and long-term employee benefits	14,121	19,171	6,407	6,802
Dividend income from subsidiaries	-	-	(66,097)	(26,422)
Finance income	(493)	(1,788)	(116)	(1,337)
Finance cost	7,691	9,084	1,624	225
Profit from operating activities before changes in operating assets and liabilities	814,957	568,961	354,053	276,743
Decrease (increase) in operating assets				
Trade and other receivables	(183,186)	32,003	(124,716)	15,462
Cash received from financial lease receivables	1,172	373	-	-
Inventories	(1,026,077)	(386,391)	(475,008)	(177,470)
Biological assets	10,307	13,933	-	-
Other current assets	685	(15,241)	4,709	(487)
Other non-current assets	(2,862)	(38)	(55)	35
Increase (decrease) in operating liabilities				
Trade and other payables	203,413	110,532	71,263	77,987
Other current financial liabilities	(599)	(3,672)	(331)	(349)
Other current liabilities	(8,458)	11,671	1,956	(357)
Provision for termination benefits and long-term employee benefits	(3,650)	(10,557)	(267)	(2,019)
Cash from (used in) operating activities	(194,298)	321,574	(168,396)	189,545
Cash received from interest income	458	1,788	81	1,337
Cash paid for interest expenses	(7,415)	(9,130)	(1,625)	(225)
Income tax refund	4,097	2,389	-	-
Cash paid for corporate income tax	(120,782)	(84,609)	(89,560)	(63,699)
Net cash from (used in) operating activities	(317,940)	232,012	(259,500)	126,958

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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Increase in investments in subsidiary	(189)	(2)	(189)	(2)
Dividend received from subsidiaries	-	-	66,097	26,422
Decrease in long-term loan to other company	920	920	-	-
Acquisitions of property, plant and equipment	(173,056)	(281,626)	(120,800)	(108,524)
Proceeds from disposals of property, plant and equipment	4,615	4,102	831	1,843
Advance payments for equipment	(139)	-	-	-
Increase in bearer plants	(3,357)	(2,576)	-	-
Acquisitions of intangible assets	<u>(298)</u>	<u>(2,404)</u>	<u>(250)</u>	<u>(2,404)</u>
Net cash used in investing activities	<u>(171,504)</u>	<u>(281,586)</u>	<u>(54,311)</u>	<u>(82,665)</u>
Cash flows from financing activities				
Increase in short-term loans from banks	618,000	95,000	473,000	-
Cash received from long-term loans	60,000	145,800	-	-
Repayment of long-term loans	(42,800)	(17,692)	-	-
Payment of lease liabilities	(2,929)	(16,600)	-	-
Dividend paid	<u>(200,000)</u>	<u>(330,503)</u>	<u>(180,300)</u>	<u>(327,824)</u>
Net cash from (used in) financing activities	<u>432,271</u>	<u>(123,995)</u>	<u>292,700</u>	<u>(327,824)</u>
Net decrease in cash and cash equivalents	<u>(57,173)</u>	<u>(173,569)</u>	<u>(21,111)</u>	<u>(283,531)</u>
Cash and cash equivalents at beginning of the period	<u>238,286</u>	<u>664,167</u>	<u>84,605</u>	<u>589,021</u>
Cash and cash equivalents at end of the period				
(Note 3)	<u>181,113</u>	<u>490,598</u>	<u>63,494</u>	<u>305,490</u>

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment

that have not been paid 16,498 42,214 11,868 9,859

Increase in right-of-use assets and lease liabilities

from contract modification 138 - - -

Dividend payable

2,486 689 738 689

Transfer of deposits for equipment to equipment

200 650 - -

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 and nine-month periods ended 30 September 2021

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 2020. There have been no changes in the composition of the group during the current period.

1.4 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

1.5 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 2020.

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 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	263	160	Market price on the contract date
Purchase of goods	-	-	109	97	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	72	48	-	-	Price approximates market price
Purchase of goods	4	3	4	1	Selling price less marketing expenses and gross margin
Selling expenses	8	7	-	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Purchase of oil palm seeds and fresh fruit bunch	8	-	-	-	Market price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month period ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	1,153	547	Market price on the contract date
Purchase of goods	-	-	322	291	Market price less fixed margin
Dividend income	-	-	66	26	At the declared rate
Rental income	-	-	2	2	Contract price
Administrative service income	-	-	2	2	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	170	159	-	-	Price approximates market price
Purchase of goods	9	6	8	4	Selling price less marketing expenses and gross margin
Selling expenses	19	19	-	-	Actual charge
<u>Transactions with joint venture of subsidiary</u>					
Land rental income	1	1	-	-	Agreed between the parties
Purchase of oil palm seeds and fresh fruit bunch	11	3	-	-	Market price

The balances of accounts as at 30 September 2021 and 31 December 2020 between the Company and the related parties are detailed as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
<u>Trade and other receivables - related parties</u> (Note 4)				
Subsidiaries	-	-	25,841	27,259
Associated company	-	452	-	-
Related companies (related by common shareholders)	49,729	36,171	-	-
Total trade and other receivables - related parties	49,729	36,623	25,841	27,259
Less: Allowance for expected credit losses	-	(20,780)	-	-
Total trade and other receivables - related parties - net	49,729	15,843	25,841	27,259
<u>Short-term loans to related parties</u>				
Associated company	-	40,286	-	-
Related companies (related by common shareholders)	-	5,325	-	-
Total short-term loans - related parties	-	45,611	-	-
Less: Allowance for expected credit losses	-	(45,611)	-	-
Total short-term loans to related parties - net	-	-	-	-
<u>Trade and other payables - related parties</u> (Note 15)				
Subsidiaries	-	-	78,401	109,516
Related companies (related by common shareholders)	15,599	9,500	-	1,209
Total trade and other payables - related parties	15,599	9,500	78,401	110,725

Short-term loans to related parties

The subsidiary recorded the write-off of bad debts for short-term loans and advances to Union Fresh Co., Ltd. (associated company of subsidiary) and Siam Unizon Co., Ltd. (related company of subsidiary) amounting to Baht 66 million because the Central Bankruptcy Court accepted the bankruptcy suits. The Central Bankruptcy Court ordered the closing of the case of Union Fresh Co., Ltd. on 7 January 2016 and the case of Siam Unizon Co., Ltd. on 24 February 2017.

In addition, during the nine-month period ended 30 September 2021, the subsidiary recorded the write-off of bad debts for trade accounts receivable of associated company of such subsidiary amounting to Baht 0.5 million.

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 2016. The Company and UFC agreed to extend the agreement for another 5 years, starting from 1 January 2017 and expiring on 31 December 2021.

Directors and management’s benefits

During the three-month and nine-month periods ended 30 September 2021 and 2020, 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 113 million, respectively (2020: Baht 34 million and Baht 109 million, respectively) and the Company only totaling Baht 23 million and Baht 67 million, respectively (2020: Baht 19 million and Baht 66 million, respectively).

3. Cash and cash equivalents

As at 30 September 2021 and 31 December 2020, cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Cash	3,705	2,053	2,126	593
Bank deposits	177,408	236,233	61,368	84,012
Total	<u>181,113</u>	<u>238,286</u>	<u>63,494</u>	<u>84,605</u>

As at 30 September 2021, bank deposits in savings account and fixed deposits carried interest between 0.05 and 0.625 percent per annum (31 December 2020: between 0.05 and 0.25 percent per annum).

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	49,729	15,843	156	49
Past due				
Over 12 months	-	452	-	-
Total	49,729	16,295	156	49
Less: Allowance for expected credit losses	-	(452)	-	-
Total trade receivables - related parties - net	49,729	15,843	156	49
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	11,159	17,499	11,159	17,499
Cheque returned	7,139	12,618	7,139	7,655
Not yet due	777,400	712,968	691,002	656,377
Past due				
Up to 3 months	223,953	136,041	200,971	108,542
3 - 6 months	2,963	-	2,786	-
6 - 12 months	664	515	664	515
Over 12 months	3,176	30,606	3,176	2,705
Total	1,026,454	910,247	916,897	793,293
Less: Allowance for expected credit losses	(9,736)	(43,220)	(9,736)	(9,736)
Total trade receivables - unrelated parties - net	1,016,718	867,027	907,161	783,557
Total trade receivables - net	1,066,447	882,870	907,317	783,606
<u>Other receivables</u>				
Other receivables - related parties	-	-	4,354	6,157
Other receivables - unrelated parties	4,492	2,774	4,233	1,111
Accrued income - related parties	-	-	21,331	21,053
Accrued income - unrelated parties	777	73	-	-
Advances - related parties	-	20,328	-	-
Advances - unrelated parties	419	420	-	-
Total	5,688	23,595	29,918	28,321
Less: Allowance for expected credit losses	(774)	(21,103)	(709)	(709)
Total other receivables - net	4,914	2,492	29,209	27,612
Total trade and other receivables - net	1,071,361	885,362	936,526	811,218

(Unaudited but reviewed)

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 31 December 2020	64,775	10,445
Decrease during the period	(54,265)	-
As at 30 September 2021	<u>10,510</u>	<u>10,445</u>

5. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2020	26,872	11
The reduction of inventory value recorded during the period	44,482	369
Balance as at 30 September 2021	<u>71,354</u>	<u>380</u>

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
			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	98.83	585,814	585,625
Total					<u>1,334,158</u>	<u>1,333,969</u>

As at 30 September 2021, 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 1,519 million (31 December 2020: Baht 966 million).

7. Investment in joint venture

7.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the subsidiary and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
		Percent	Percent				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	23,456	22,998
Total				25,000	25,000	23,456	22,998

7.2 Share of comprehensive income

During the three-month and nine-month periods ended 30 September 2021 and 2020, the subsidiary had recognised its share of gain (loss) and other comprehensive income from investment in the joint venture in the consolidated financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September			
	Share of gain (loss) from investment in joint venture		Share of other comprehensive income from investment in joint venture	
	2021	2020	2021	2020
Siam Elite Palm Co., Ltd.	2,381	(2,225)	-	-
Total	2,381	(2,225)	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the nine-month periods ended 30 September			
	Share of gain (loss) from investment in joint venture		Share of other comprehensive income from investment in joint venture	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Siam Elite Palm Co., Ltd.	458	(3,139)	-	39
Total	458	(3,139)	-	39

8. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			30 September	31 December	30 September	31 December
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(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	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

9. Long-term loan to other company

As at 30 September 2021, the subsidiary of subsidiary had long-term loan to other company of Baht 17.5 million (31 December 2020: Baht 18.4 million). The loan has no collateral and carries interest at a rate of THBFIX plus 1 percent per annum and is repayable at the end of June and December each year, with the last payment in June 2040.

10. Investment properties

Movements in the investment property account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2020	61,506	5,615
Depreciation for the period	(363)	-
Balance as at 30 September 2021	<u>61,143</u>	<u>5,615</u>

As at 30 September 2021, the subsidiary had allowance for impairment loss on investment properties of land and factory building amounting to Baht 62 million (31 December 2020: Baht 62 million).

11. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2020	2,452,937	847,104
Acquisitions during the period - at cost	140,545	90,886
Write off/disposals during the period - net book value at write off/disposal date	(9,270)	(2,214)
Depreciation for the period	(172,320)	(82,438)
Impairment loss for the period	(5,320)	-
Interest capitalised to assets	61	-
Net book value as at 30 September 2021	<u>2,406,633</u>	<u>853,338</u>

During the current period, the subsidiary capitalised interest amounting to Baht 0.06 million (31 December 2020: Baht 0.3 million) to the costs of plant enlargement and machinery installation. These borrowing costs arose on loans obtained for general purpose but used in these projects, and were determined based on the weighted average interest rate of these loans at 0.85 to 1.03 percent per annum (31 December 2020: 1.04 to 1.82 percent per annum).

12. Right-of-use assets

Movements in the right-of-use assets account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u> </u>
Net book value as at 31 December 2020	39,222
Increase from contract modification	138
Depreciation for the period	(3,987)
Net book value as at 30 September 2021	<u>35,373</u>

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.

13. Bearer plants

Movements in bearer plants account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Net book value as at 31 December 2020	196,499	166
Acquisitions during the period - at cost	3,357	-
Write-off during the period - net book value at write-off date	(117)	-
Amortisation for the period	(8,419)	(9)
Impairment loss for the period	(13,129)	-
Net book value as at 30 September 2021	<u>178,191</u>	<u>157</u>

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 12 May 2021, 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 2022 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.

(Unaudited but reviewed)

14. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2021	2020	2021	2020	2021	2020
Short-term loans from banks	0.85 - 1.25	1.00 - 1.50	1,078,000	460,000	538,000	65,000
Total			<u>1,078,000</u>	<u>460,000</u>	<u>538,000</u>	<u>65,000</u>

Movement in short-term loans from banks during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2020	460,000	65,000
Add: Additions during the period	1,707,000	921,000
Less: Repayments during the period	(1,089,000)	(448,000)
Balance as at 30 September 2021	<u>1,078,000</u>	<u>538,000</u>

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

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Trade payables - related parties	-	1,847	78,399	110,574
Trade payables - unrelated parties	347,845	189,282	229,642	126,489
Other payables - related parties	15,599	7,653	-	-
Other payables - unrelated parties	80,708	87,281	49,709	60,208
Advance received from related parties	-	-	2	151
Other payables for purchases of machinery	16,498	49,148	11,868	41,782
Accrued expenses	181,456	135,838	101,295	90,345
Total trade and other payables	<u>642,106</u>	<u>471,049</u>	<u>470,915</u>	<u>429,549</u>

(Unaudited but reviewed)

16. Long-term loans

Loan	Interest rate (Percent per annum)	Repayment schedule	(Unit: Thousand Baht)	
			Consolidated financial statements	
			30 September 2021	31 December 2020
Universal Food Public Company Limited	2.50	Repayment every month from September 2020 to August 2023	95,400	133,200
United Palm Oil Industry Public Company Limited	3M BIBOR + 1.5	Repayment in 12 quarterly installments, starting July 2021	55,000	-
Total long-term loans			150,400	133,200
Less: Current portion			(70,400)	(50,400)
Long-term loans - net of current portion			80,000	82,800

Movements in the long-term loan account during the nine-month period ended 30 September 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 31 December 2020	133,200
Add: Addition during the period	60,000
Less: Repayments during the period	(42,800)
Balance as at 30 September 2021	150,400

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

Long-term loan of United Palm Oil Industry Public Company Limited 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).

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.

(Unaudited but reviewed)

17. Lease liabilities

(Unit: Thousand Baht)

Consolidated
financial statements

	30 September 2021	31 December 2020
Lease liabilities	74,127	78,926
Less: Deferred interest expenses	(31,135)	(33,143)
Total	42,992	45,783
Less: Portion due within one year	(257)	(3,237)
Lease liabilities - net of current portion	<u>42,735</u>	<u>42,546</u>

Movements in lease liabilities during the nine-month period ended 30 September 2021 are summarised below.

(Unit: Thousand Baht)

Consolidated
financial
statements

Balance as at 31 December 2020	45,783
Add: Increase from contract modification	138
Add: Recognition of interest expenses during the period	52
Less: Payments during the period	(2,981)
Balance as at 30 September 2021	<u>42,992</u>

18. Revenue from contracts with customers

(Unit: Thousand Baht)

For the three-month period ended 30 September

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Type of goods:				
Sales of goods	2,078,201	1,595,942	1,591,912	1,186,604
Revenue from distribution of goods	-	-	14,951	13,235
Total revenue from contracts with customers - revenue recognised at point in time	<u>2,078,201</u>	<u>1,595,942</u>	<u>1,606,863</u>	<u>1,199,839</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Type of goods:				
Sales of goods	6,626,339	4,979,800	5,251,967	3,588,752
Revenue from distribution of goods	-	-	43,922	39,651
Total revenue from contracts with customers - revenue recognised at point in time	<u>6,626,339</u>	<u>4,979,800</u>	<u>5,295,889</u>	<u>3,628,403</u>

19. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	12,303	32,750	15,115	27,003
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(4,065)</u>	<u>6,022</u>	<u>(499)</u>	<u>(445)</u>
Income tax expenses reported in the profit or loss	<u>8,238</u>	<u>38,772</u>	<u>14,616</u>	<u>26,558</u>

	(Unit: Thousand Baht)			
	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	72,100	61,567	54,569	40,038
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(15,529)</u>	<u>8,594</u>	<u>(1,302)</u>	<u>(1,848)</u>
Income tax expenses reported in the profit or loss	<u>56,571</u>	<u>70,161</u>	<u>53,267</u>	<u>38,190</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the nine-month periods ended 30 September 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	For the nine-month period ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial losses	-	(1,208)	-	(1,208)
	-	(1,208)	-	(1,208)

20. Earnings per share

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

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the period attributable to equity holders of the Company (Thousand Baht)	143,962	131,172	58,202	105,972
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.18	0.16	0.07	0.13

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the period attributable to equity holders of the Company (Thousand Baht)	393,856	228,205	275,836	178,193
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.48	0.28	0.34	0.22

21. 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 and nine-month periods ended 30 September 2021 and 2020.

(Unit: Million Baht)

	Consolidated for the three-month periods ended 30 September									
	Manufacture and distribution									
	Palm oil products		Processed fruits and vegetables		Total segments		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue										
External customers	1,505	1,129	573	467	2,078	1,596	-	-	2,078	1,596
Inter-segment	263	160	-	-	263	160	(263)	(160)	-	-
Total revenue	<u>1,768</u>	<u>1,289</u>	<u>573</u>	<u>467</u>	<u>2,341</u>	<u>1,756</u>	<u>(263)</u>	<u>(160)</u>	<u>2,078</u>	<u>1,596</u>
Operating results										
Segment profit	232	276	111	72	343	348	14	(4)	357	344
Unallocated income and expenses:										
Other income									33	16
Gain (loss) from change in fair value of biological assets									1	(7)
Selling and distribution expenses									(143)	(120)
Administrative expenses									(68)	(50)
Share of gain (loss) from investment in joint venture									2	(2)
Finance cost									(3)	(4)
Profit before income tax expenses									179	177
Income tax expenses									(8)	(39)
Profit for the period									<u>171</u>	<u>138</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated for the nine-month periods ended 30 September

	Manufacture and distribution											
	Palm oil products				Processed fruits and vegetables		Total segments		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
Revenue												
External customers	5,010	3,461	1,616	1,519	6,626	4,980	-	-	6,626	4,980		
Inter-segment	1,153	547	-	-	1,153	547	(1,153)	(547)	-	-		
Total revenue	<u>6,163</u>	<u>4,008</u>	<u>1,616</u>	<u>1,519</u>	<u>7,779</u>	<u>5,527</u>	<u>(1,153)</u>	<u>(547)</u>	<u>6,626</u>	<u>4,980</u>		
Operating results												
Segment profit	788	561	271	252	1,059	813	(11)	(8)	1,048	805		
Unallocated income and expenses:												
Compensation from insurance									7	-		
Other income									94	56		
Loss from change in fair value of biological assets									(36)	(33)		
Selling and distribution expenses									(420)	(350)		
Administrative expenses									(178)	(156)		
Share of gain (loss) from investment in joint venture									-	(3)		
Finance income									1	2		
Finance cost									(9)	(10)		
Profit before income tax expenses									507	311		
Income tax expenses									(57)	(70)		
Profit for the period									<u>450</u>	<u>241</u>		

22. Dividend paid

During the nine-month periods ended 30 September 2021 and 2020, the Company and its subsidiaries had dividend payments as follows:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>The Company</u>			
<u>For the year 2021</u>			
Dividend on 2020 profit	Annual General Meeting of the shareholders on 23 April 2021	180.40	0.22
Total dividends for the year 2021		180.40	0.22
<u>For the year 2020</u>			
Dividend on 2019 profit	Annual General Meeting of the shareholders on 24 April 2020	328.00	0.40
Total dividends for the year 2020		328.00	0.40
<u>Subsidiaries</u>			
<u>For the year 2021</u>			
Dividend on 2020 profit	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 23 April 2021	65.00	0.20
Total dividends for the year 2021		65.00	0.20
Dividend on 2020 profit	Annual General Meeting of the shareholders of Universal Food Public Company Limited on 22 April 2021	21.00	0.40
Total dividends for the year 2021		21.00	0.40
<u>For the year 2020</u>			
Dividend on 2019 profit	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 24 April 2020	8.10	0.03
Total dividends for the year 2020		8.10	0.03
Dividend on 2019 profit	Annual General Meeting of the shareholders of Universal Food Public Company Limited on 23 April 2020	21.00	0.40
Total dividends for the year 2020		21.00	0.40

23. Commitments and contingent liabilities

23.1 Capital commitments

As at 30 September 2021, the Group had capital commitments relating to purchase of machineries and equipment and building improvement amounting to Baht 112.9 million and Euro 0.5 million or approximately Baht 21.0 million, totaling Baht 133.9 million (31 December 2020: Baht 37.1 million), the Company only: Baht 76.2 million (31 December 2020: Baht 23.4 million).

23.2 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 30 September 2021	
	Consolidated financial statements	Separate financial statements
Payable:		
Within 1 year	11.8	3.8
In over 1 year and up to 5 years	0.1	0.1
Total	<u>11.9</u>	<u>3.9</u>

23.3 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.

During the current period, the subsidiary had paid electricity charges of Baht 3.8 million. (2020: Baht 1.5 million).

23.4 Guarantees

As at 30 September 2021, 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 12 million to electricity use, among others (31 December 2020: Baht 11.3 million) and for the Company: Baht 4.3 million to guarantee electricity use, among others (31 December 2020: Baht 4.3 million).

23.5 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. On 15 September 2020, the Company submitted an appeal against the duty assessment to Customs Tariff Appeal Section. On 17 September 2020, Post-Clearance Audit Division received the Company's respite of duty payment by applying the self-guarantee, according to the respite request dated 16 September 2020. On 6 October 2020, the Customs Department approved the respite of duty payment to the earlier of 9 years of the import entry and the date of obtaining appeal result.

On 22 September 2020, the Company filed a request for deferral of VAT payments with the Revenue Department. In addition, as at 30 September 2020, the Company had bank guarantee issued by the bank amounting to Baht 23.9 million in respect of the obligation to the Revenue Department regarding the payments of VAT for the period during October 2016 to December 2016 and May 2017 to June 2017 including penalties and surcharges.

The decision on such matter is currently under consideration of the Customs Department. However, the management of the Company believes that possibility of the unfavorable result of such matter is remote. Therefore, the Company has not recorded provisions in the financial statements.

24. Rights to utilise land

- (1) On 11 April 2008, a subsidiary met with the working committee responsible for reviewing practical methods and negotiations for distributing land belonging to holders of large plots in land reform areas to farmers, which had been set up by the Surat Thani Land Reform Commission. The purpose of meeting was to find a practical solution to the land issue arising as a result of the subsidiary holding land amounting to approximately 1,210 rai in designated forest areas and another 276 rai in land reform areas. These land plots represent 3 percent of the current total planted area of the subsidiary. The 276 rai in land reform areas represents a large landholding and a holding in excess of the area that can be owned under Section 30 of the Land Reform for Agriculture Act.

On 29 August 2008, the subsidiary entered into a memorandum of negotiation, agreeing to transfer land in land reform areas to the custody of ALRO for development for agricultural use; with the subsidiary signalling its intention to allow ALRO to take approximately 80 rai of land into the land reform program. However, on 17 September 2009, the subsidiary received notice from ALRO to vacate a total of approximately 133 rai of land in land reform areas and demolish all construction thereon, within 30 days from receipt of the notice, since the subsidiary has no land ownership documents. The subsidiary has already set aside full allowance for impairment loss on the cost of this land and the net book value of the oil palm plantation development on such land in 2009. During the current period, the subsidiary reversed allowance for impairment loss and wrote off the cost of land and net book value of oil palm plantation development on the land costs.

At present, the subsidiary is in the process of negotiating with the relevant government agencies concerning the land in designated forest areas.

- (2) On 9 March 2020, the ALRO issued a notice designating on land plots No. 602 in Krabi Noi Sub-district, Muang District and Huayoong Sub-district, Nueaklong District, Krabi, covering a total area of 683 rai, as a prospective area for land reform which is not incorporated in a land reform program. A landowner is required to produce evidence and documentation regarding land rights under the Land Code or other relevant laws within 15 days from 31 March 2020 which was the date that the notice was announced at the ALRO in Krabi.

On 13 April 2020, the subsidiary as a landowner, filed a petition and submitted an evidence and documentation regarding rights over the land plots. On 14 May 2020, the subsidiary received a notice from the ALRO in Krabi, informing them of vacating the land plots and demolishing all constructions within 30 days from the date that the notice was served. On 16 June 2020, the subsidiary filed a lawsuit against the ALRO and the ALRO in Krabi and filed a petition for temporary injunction with the Phuket Administrative Court, seeking a revocation and suspension of the enforcement of the order until a final ruling is delivered or a court otherwise orders.

On 16 September 2020, the Phuket Administrative Court dismissed a lawsuit because the subsidiary failed to follow procedures and methods stipulated by the Administrative Procedure Act, B.E. 2539. The subsidiary was firstly required to submit an appeal against the order to the ALRO in Krabi, and then, after the expiration of the appeal period or after a notice about the outcome had been received, file a lawsuit to the court again. The appeal period was 1 year from the date the administrative order was served. When the court dismissed the lawsuit, there were no further considerations and orders regarding a petition for temporary injunction. On 28 October 2020, the subsidiary appealed the order of the ALRO in Krabi.

On 31 March 2021, the subsidiary filed a lawsuit against the ALRO, and the ALRO in Krabi and filed a petition for temporary injunction with the Phuket Administrative Court, seeking a revocation and suspension of the enforcement of the order until a final ruling is delivered or a court otherwise orders.

On 30 April 2021, the ALRO in Krabi used 3 excavators to remove palm trees in the land plots No. 602. The subsidiary filed a petition for a stay of execution of the order with the Phuket Administrative Court. The Court determined there were no reasons to urgently impose the order.

On 21 May 2021, the subsidiary filed a lawsuit against the ALRO, and the ALRO in Krabi and filed a petition for an emergency order for an injunction with the Civil Court, requesting the Court to consider the damage to the palm trees which were assets of the subsidiary while the final verdict of the Phuket Administrative Court has not been rendered. The Civil Court dismissed the petition, ruling that there was no emergency. The subsidiary considered and withdrew the civil lawsuit on 23 June 2021.

On 31 May 2021, the Phuket Administrative Court issued an order not to accept the petition for a stay of execution and to accept the plaint for certain charges only, clarifying that the subsidiary filed the lawsuit after the filing period. The subsidiary filed an appeal with the Phuket Administrative Court on 28 June 2021.

However, if such plot of land must be lost as a result, the amount of land area and asset value of the subsidiary will decrease. The subsidiary has set aside allowance for impairment loss on the cost of land and net book value of the cost of oil palm plantation development by Baht 5 million as expenses in second quarter of 2021.

- (3) On 21 July 2020, the ALRO issued a notice designating land plots No.603 in Krabi Noi Sub-district, Muang District and Huayyoong Sub-district, Nueaklong District, Krabi, covering a total area of 3,617 rai, as a targeted area for land reform and bringing a legal action against any illegal encroachment. Owners of the selected areas were required to submit a petition with evidence and documents regarding land rights under the Land Code or other applicable laws within 15 days from 19 August 2020, the date that the notice was announced at the ALRO in Krabi. On 3 September 2020, the subsidiary as a landowner submitted a petition with evidence and documents regarding land rights over the designated land plots.

On 21 October 2020, the ALRO in Krabi presented assessment results considering that the petition was unacceptable. On 30 October 2020, the subsidiary received a notice from the ALRO in Krabi, informing them of vacating the land plots and demolishing all constructions thereon within 30 days from the date the notice was served. On 24 November 2020, the subsidiary appealed the order of the ALRO in Krabi.

On 31 March 2021, the subsidiary filed a lawsuit against the ALRO, and the ALRO in Krabi and filed a petition for temporary injunction with the Phuket Administrative Court, seeking a revocation and suspension of the enforcement of the order until a final ruling is delivered or a court otherwise orders.

On 31 May 2021, the Phuket Administrative Court issued an order not to accept the petition for a stay of execution and to accept the plaint for certain charges, clarifying that the subsidiary filed a lawsuit after the filing period. The subsidiary filed an appeal with the Phuket Administrative Court on 28 June 2021.

On 21 October 2021, the ALRO in Krabi used excavators to remove palm trees in the land plots No. 603. However, if such plot of land must be lost as a result, the amount of land area and asset value of the subsidiary will decrease. the subsidiary has set aside allowance for impairment loss on the cost of land and net book value of the cost of oil palm plantation development by Baht 13 million as expenses in third quarter of 2021.

- (4) On 4 June 2021, the ALRO has announced that land plots No.604 in Khao Phanom. Sub-district and Phru Tiao Sub-district, Khao Phanom District, Krabi, covering a total area of 4,200 rai. is a prospective area for land reform which is not incorporated in a land reform program. A landowner is required to provide evidence and documentation regarding land rights under the Land Code or other applicable laws within 15 days from the date the announced was posted at the ALRO in Krabi.

On 18 June 2021, the subsidiary, as a landowner, filed a petition and submitted evidence and documentation regarding rights over the land plot. On 30 June 2021, the subsidiary received a letter from the ALRO in Krabi, informing the subsidiary to indicate the boundary line and location of the land according to documentations or evidence relating to possession or use of such prospective area.

However, due to the COVID-19 pandemic, the subsidiary has requested to postpone the date indicating the boundary line.

25. Litigation

- (1) In July 2018, Krabi chief public prosecutor filed a lawsuit against the subsidiary with the Court, alleging that the subsidiary utilised 4,376 rai of land reform area for oil palm plantation, which was a violation of Section 9, 108 Bis of the Land Code B.E. 2497, Revolutionary Council Announcement No. 96 dated 29 February 1972, and Section 83 of the Criminal Code. The prosecutor asked the Court to give an eviction order to the subsidiary.

In August 2019, the Court dismissed the case and gave the subsidiary an order for the handover of the land. In December 2019, the subsidiary appealed the judgement of the Court of First Instance. On 28 April 2020, the Appeals Court dismissed the case. The case is therefore finalised.

- (2) On 6 July 2020, the subsidiary was served with a summons in a criminal action involving alleged trespass. The ALRO in Krabi had made an allegation against the subsidiary. Krabi chief public prosecutor issued a letter requiring inquiry officers to follow up on and pursue the case against the subsidiary. On 20 August 2020, the subsidiary turned themselves in to the authorities and acknowledged the allegation. On 18 September 2020, the subsidiary submitted a written testimony to inquiry officers.

On 9 September 2021, Krabi chief public prosecutor filed a lawsuit against the subsidiary with the Court, alleging that the subsidiary utilised the land of 3,978-2-24 rai in land reform area for oil palm plantation in violation of section 9,108 Bis of the Land Code B.E. 2497, Revolutionary Council Announcement No. 96 dated 29 February 1972, and Section 83 of the Criminal Code. The prosecutor requested the Court to give an eviction order to the subsidiary.

- (3) The subsidiary faced a legal action brought by a group of villagers who claimed to be farmers and filed a petition to the Central Administrative Court, seeking its judicial consideration to order the Land Department to revoke the subsidiary's land title deeds of 13 plots, covering a total area of 82 rai, and 10 plots under Nor Sor 3 Kor certificates, covering a total area of 325 rai, in Bang Sawan Sub-district, Phra Saeng District, Surat Thani. The villagers alleged that land officers had issued the documentation in an unethical manner.

On 19 March 2021, the Central Administrative Court rendered judgement that the Director-General of Surat Thani Land Office and land officers Surat Thani Province, Phra Saeng Branch, shall perform duties in accordance with Section 61 of the Land Code to revoke or amend the subsidiary's land title deeds of 13 plots and 10 plots under Nor Sor 3 Kor certificates to make them legal and the Director-General of the Forest Department to conduct relevant actions under his authority to evict the subsidiary from the disputed land within 180 days from the date of the case is finalised.

On 16 April 2021, the subsidiary appealed the judgement to the Supreme Administrative Court. The management believes that the subsidiary can appeal the judgement with the available evidence.

- (4) The subsidiary faced a legal action brought by leaders of protesters who filed a petition to the Nakhon Si Thammarat Administrative Court, asking for its reconsideration in issuing the subsidiary's land title deeds of 11 plots, covering a total area of 402 rai, in Krabi Noi Sub-district, Muang District, Krabi. The leaders alleged that the issuance of the land title deeds was based on reservation certificates (Nor Sor 2) from other villages, indicating that the location of the land differed from the designated land and in the Rama IX land reform areas for agricultural purposes, which are allocated to landless farmers who are each entitled to no more than 50 rai of land for subsistence farming. Instead of land title deeds, the so-called Sor Por Kor 401 certificates were supposed to be issued. Later, the subsidiary lodged a criminal lawsuit against the plaintiffs. However, the latter put forward the case to the Nakhon Si Thammarat Administrative Court.

On 16 March 2021, the Court dismissed the case. Subsequently, the plaintiff appealed against the judgement of the Administrative Court of First Instance.

On 10 September 2021, the Supreme Administrative Court issued an order not to accept the appeal filed by the plaintiff to consider and to dispose of the case.

26. Fire incident

On 26 August 2020, a fire broke out in a subsidiary crude palm oil processing plant in Krabi. Inspection teams presented assessment results confirming that the cause was malfunctioned electrical systems in fire control panels of digester and screw press machine on the 2nd corridor. The fire was not caused by the negligence or intentional torts. This incident caused a halt in the crude palm oil production line, requiring repair and maintenance work for 82 days. The subsidiary started to bring machine into operation again on 16 November 2020. The subsidiary had insurance to cover damaged assets and business interruption. Currently, the subsidiary received compensation from assets insurance amounting to Baht 30 million. Compensation for business interruption is in the process of negotiation with insurance companies.

27. Fair value hierarchy

As at 30 September 2021 and 31 December 2020, the Group had assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	Level 2			
Assets measured at fair value				
Derivatives				
Foreign currency forward contracts	1,329	-	1,329	-
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	1,411	545	-	469

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

28. Financial instruments

28.1 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.

28.2 Foreign currency assets and liabilities

As at 30 September 2021 and 31 December 2020, the Group had outstanding financial assets and liabilities denominated in foreign currencies as summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate as at	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	3.1	2.9	-	0.2	33.7538	30.0371
Euro	0.1	-	-	0.8	38.9765	37.2578

(Unaudited but reviewed)

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	30 September 2021 (Million)	31 December 2020 (Million)	30 September 2021 (Million)	31 December 2020 (Million)	30 September 2021 (Baht per 1 foreign currency unit)	31 December 2020
US dollars	0.6	-	-	-	33.7538	-
Euro	-	-	-	0.8	-	37.2578

28.3 Derivatives

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
(Unit: Thousand Baht)				
Derivative assets				
Derivatives assets not designated as hedging instruments				
Foreign exchange forward contracts	1,329	-	1,329	-
Total derivative assets	1,329	-	1,329	-
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1,411	545	-	469
Total derivative liabilities	1,411	545	-	469

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 3 months to 6 months.

As at 30 September 2021 and 31 December 2020, the Group had outstanding forward exchange contracts, of which detail are presented below.

As at 30 September 2021				
Foreign currency	Sold amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	1.88	0.97	31.20 - 33.51	December 2021 - March 2022

As at 30 September 2021				
Foreign currency	Bought amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	1.29	1.29	31.13 - 33.14	December 2021 - March 2022
EURO	0.35	0.35	38.65 - 38.85	March 2022

As at 31 December 2020				
Foreign currency	Sold amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.20	-	29.80 - 29.90	June 2021

As at 31 December 2020				
Foreign currency	Bought amount		Contractual exchange rate of sold amount	Contractual maturity date
	Consolidated financial statements	Separate financial statements		
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.80	0.80	30.03	February - June 2021

29. Approval of interim financial statements

These interim financial statements were authorised for issue on 11 November 2021 by the Company's Audit and Corporate Governance Committee under authority delegated by the Board of Directors of the Company.