

Lam Soon (Thailand) Public Company Limited
and its subsidiaries

Review report and interim financial information
For the three-month period ended 31 March 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 31 March 2021, 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.

S. Ratananurak .

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 13 May 2021

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Assets					
Current assets					
Cash and cash equivalents	3	278,194	238,286	90,123	84,605
Trade and other receivables	2, 4	1,287,616	885,362	1,186,354	811,218
Current portion of finance lease receivables		1,576	1,567	-	-
Short-term loans to related parties	2	-	-	-	-
Inventories	5	1,207,897	1,389,108	803,838	909,143
Biological assets		104,234	95,620	-	-
Value added tax refundable		5,676	5,118	-	-
Other current assets		47,852	37,099	15,438	11,488
Total current assets		2,933,045	2,652,160	2,095,753	1,816,454
Non-current assets					
Financial lease receivables - long-term portion		2,044	2,441	-	-
Investments in subsidiaries	6	-	-	1,333,969	1,333,969
Investment in joint venture	7	22,040	22,998	-	-
Investment in associated company	8	-	-	-	-
Long-term loan to other company	9	17,940	18,400	-	-
Investment properties	10	61,386	61,506	5,615	5,615
Property, plant and equipment	11	2,427,855	2,452,937	835,048	847,104
Right-of-use assets	12	36,721	39,222	-	-
Bearer plants	13	194,632	196,499	162	166
Goodwill		196,376	196,376	-	-
Intangible assets		7,063	7,541	5,727	5,994
Deferred tax assets		52,693	51,626	21,862	21,484
Other non-current financial assets		23	23	23	23
Other non-current assets		5,643	3,992	533	474
Total non-current assets		3,024,416	3,053,561	2,202,939	2,214,829
Total assets		5,957,461	5,705,721	4,298,692	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 31 March 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	14	465,000	460,000	80,000	65,000
Trade and other payables	2, 15	596,169	471,049	580,932	429,549
Current portion of long-term loans	16	50,400	50,400	-	-
Current portion of leases liabilities	17	816	3,237	-	-
Income tax payable		95,814	69,176	71,335	49,813
Advance received from customers		22,699	35,856	246	4,118
Other current financial liabilities		6,697	5,815	1,857	1,788
Other current liabilities		2,982	1,772	369	779
Total current liabilities		1,240,577	1,097,305	734,739	551,047
Non-current liabilities					
Long-term loans - net of current portion	16	70,200	82,800	-	-
Lease liabilities - net of current portion	17	42,699	42,546	-	-
Deferred tax liabilities		3,787	2,611	-	-
Provision for long-term employee benefits		194,707	191,856	98,429	96,541
Total non-current liabilities		311,393	319,813	98,429	96,541
Total liabilities		1,551,970	1,417,118	833,168	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 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 March 2021 (Unaudited but reviewed)	As at 31 December 2020 (Audited)	As at 31 March 2021 (Unaudited but reviewed)	As at 31 December 2020 (Audited)
Shareholders' equity				
Share capital				
Registered				
820,000,000 ordinary shares of Baht 1 each	<u>820,000</u>	<u>820,000</u>	<u>820,000</u>	<u>820,000</u>
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	(6,578)	(6,578)	-	-
Retained earnings				
Appropriated - statutory reserve	127,688	127,688	82,000	82,000
Unappropriated	<u>2,852,657</u>	<u>2,744,369</u>	<u>2,316,285</u>	<u>2,234,456</u>
Equity attributable to owners of the Company	4,041,006	3,932,718	3,465,524	3,383,695
Non-controlling interests of the subsidiaries	<u>364,485</u>	<u>355,885</u>	-	-
Total shareholders' equity	<u>4,405,491</u>	<u>4,288,603</u>	<u>3,465,524</u>	<u>3,383,695</u>
Total liabilities and shareholders' equity	<u>5,957,461</u>	<u>5,705,721</u>	<u>4,298,692</u>	<u>4,031,283</u>
	-	-	-	-

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 31 March 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	2,399,323	1,677,715	1,984,159	1,248,149
Gain from change in fair value of biological assets		7,067	-	-	-
Compensation from insurance		7,642	-	-	-
Other income		30,255	17,812	14,310	8,720
Total revenues		2,444,287	1,695,527	1,998,469	1,256,869
Expenses					
Cost of sales		2,100,031	1,492,214	1,773,169	1,141,630
Selling and distribution expenses		142,593	113,408	92,411	71,474
Administrative expenses		54,157	55,947	29,538	32,781
Loss from change in fair value of biological assets		-	4,604	-	-
Total expenses		2,296,781	1,666,173	1,895,118	1,245,885
Operating profit		147,506	29,354	103,351	10,984
Share of gain (loss) from investment in joint venture	7	(958)	4,173	-	-
Finance income		216	1,090	131	980
Finance cost		(2,504)	(3,267)	(553)	(357)
Profit before income tax expenses		144,260	31,350	102,929	11,607
Income tax expenses	19	(27,416)	(6,970)	(21,144)	(2,394)
Profit for the period		116,844	24,380	81,785	9,213

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 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		-	(6,462)	-	(6,462)
Income tax effect	19	-	1,292	-	1,292
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 - net of income tax</i>					
		-	(5,131)	-	(5,170)
Other comprehensive income for the period		-	(5,131)	-	(5,170)
Total comprehensive income for the period		<u>116,844</u>	<u>19,249</u>	<u>81,785</u>	<u>4,043</u>
Profit or loss attributable to:					
Equity holders of the Company		108,244	22,841	<u>81,785</u>	<u>9,213</u>
Non-controlling interests of the subsidiaries		<u>8,600</u>	<u>1,539</u>		
		<u>116,844</u>	<u>24,380</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		108,244	17,699	<u>81,785</u>	<u>4,043</u>
Non-controlling interests of the subsidiaries		<u>8,600</u>	<u>1,550</u>		
		<u>116,844</u>	<u>19,249</u>		
Basic earnings per share					
	20				
Profit attributable to equity holders of the Company		<u>0.13</u>	<u>0.03</u>	<u>0.10</u>	<u>0.01</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 2021

(Unit: Thousand Baht)

	Consolidated financial statements						Equity	
	Equity attributable to the owners of the Company						Equity attributable to non-controlling interests of the subsidiaries	
	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	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	-	-	-	-	-	22,841	22,841	24,380
Other comprehensive income for the period	-	-	-	-	-	(5,142)	(5,142)	(5,131)
Total comprehensive income for the period	-	-	-	-	-	17,699	17,699	19,249
Reversal of prior year dividend	-	-	-	-	-	65	65	65
Balance as at 31 March 2020	820,000	241,970	5,269	(6,579)	125,248	2,715,318	3,901,226	4,224,754
Balance as at 1 January 2021	820,000	241,970	5,269	(6,578)	127,688	2,744,369	3,932,718	4,288,603
Profit for the period	-	-	-	-	-	108,244	108,244	116,844
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	108,244	108,244	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	4,405,491

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 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	-	-	-	-	9,213	9,213
Other comprehensive income for the period	-	-	-	-	(5,170)	(5,170)
Total comprehensive income for the period	-	-	-	-	4,043	4,043
Reversal of prior year dividend	-	-	-	-	65	65
Balance as at 31 March 2020	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>2,295,519</u>	<u>3,444,758</u>
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>

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 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	144,260	31,350	102,929	11,607
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	61,780	62,188	26,241	24,584
Loss (gain) from change in fair value of biological assets	(7,067)	4,604	-	-
Share of loss (gain) from investment in joint venture	958	(4,173)	-	-
Increase in allowance for expected credit losses	260	2,283	-	1,999
Increase (decrease) in allowance for diminution in inventory value	56	(3,780)	-	-
Loss (gain) on disposals/write-off of property, plant and equipment	3,234	(372)	392	(2)
Loss on write-off bearers plants	94	-	-	-
Unrealised loss (gain) on exchange	(2,111)	(1,273)	(398)	91
Unrealised loss (gain) on fair value of derivatives	1,236	1,650	393	-
Decrease in lease liabilities	(76)	-	-	-
Provision for termination benefits and long-term employee benefits	5,461	4,361	2,155	2,126
Finance income	(216)	(1,090)	(131)	(980)
Finance cost	2,057	2,909	106	-
Profit from operating activities before changes in operating assets and liabilities	209,926	98,657	131,687	39,425
Decrease (increase) in operating assets				
Trade and other receivables	(400,360)	(106,555)	(374,695)	(107,693)
Cash received from financial lease receivables	388	82	-	-
Inventories	181,155	(144,651)	105,305	(214,231)
Biological assets	(1,547)	(1,672)	-	-
Other current assets	(10,841)	(17,310)	(3,543)	(6,460)
Other non-current assets	(218)	(945)	(59)	(903)
Increase (decrease) in operating liabilities				
Trade and other payables	147,650	101,911	177,740	127,896
Other current financial liabilities	(310)	-	(280)	-
Other current liabilities	(11,947)	1,315	(4,282)	(280)
Provision for termination benefits and long-term employee benefits	(2,610)	-	(267)	-
Cash from (used in) operating activities	111,286	(69,168)	31,606	(162,246)
Cash received from interest income	216	1,090	131	980
Cash paid for interest expenses	(2,075)	(2,956)	(111)	-
Income tax refund	-	89	-	-
Cash paid for corporate income tax	(1,139)	(1,135)	(407)	(379)
Net cash from (used in) operating activities	108,288	(72,080)	31,219	(161,645)

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 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				
Decrease in long-term loan to other company	460	460	-	-
Acquisitions of property, plant and equipment	(56,929)	(63,712)	(41,245)	(27,737)
Advance payments for equipment	(1,633)	(420)	-	-
Proceeds from disposals of equipment	544	885	544	40
Increase in bearer plants	(1,030)	(643)	-	-
Acquisitions of intangible assets	-	(2,260)	-	(2,260)
Increase in investments in subsidiaries	-	-	-	(2)
Net cash used in investing activities	(58,588)	(65,690)	(40,701)	(29,959)
Cash flows from financing activities				
Increase in short-term loans from banks	5,000	115,000	15,000	-
Payment of lease liabilities	(2,192)	(6,005)	-	-
Repayment of long-term loans	(12,600)	(12,510)	-	-
Net cash from (used in) financing activities	(9,792)	96,485	15,000	-
Net increase (decrease) in cash and cash equivalents				
	39,908	(41,285)	5,518	(191,604)
Cash and cash equivalents at beginning of the period	238,286	664,167	84,605	589,021
Cash and cash equivalents at end of the period				
(Note 3)	278,194	622,882	90,123	397,417

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment

that have not been paid

26,593 19,693 15,387 9,359

Transfer of deposits for equipment to equipment

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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 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 amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

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 periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	434	258	Market price on the contract date
Purchase of goods	-	-	107	112	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	37	35	-	-	Price approximates market price
Purchase of goods	1	4	1	3	Selling price less marketing expenses and profit margin
Selling expenses	4	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 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	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Trade and other receivables - related parties</u> (Note 4)				
Subsidiaries	-	-	27,648	27,259
Associated company	452	452	-	-
Related companies (related by common shareholders)	44,218	36,171	-	-
Total trade and other receivables - related parties	44,670	36,623	27,648	27,259
Less: Allowance for expected credit losses	(20,780)	(20,780)	-	-
Total trade and other receivables - related parties - net	23,890	15,843	27,648	27,259
<u>Short-term loans to related parties</u>				
Associated company	40,286	40,286	-	-
Related companies (related by common shareholders)	5,325	5,325	-	-
Total short-term loans - related parties	45,611	45,611	-	-
Less: Allowance for expected credit losses	(45,611)	(45,611)	-	-
Total short-term loans to related parties - net	-	-	-	-
<u>Trade and other payables - related parties</u> (Note 15)				
Subsidiaries	-	-	182,600	109,516
Related companies (related by common shareholders)	9,131	9,500	1,399	1,209
Total trade and other payables - related parties	9,131	9,500	183,999	110,725

Short-term loans to related parties

Short-term loans to associated and related companies of subsidiary carry interest at a rate of 7 percent per annum and are repayable on demand. Recognition of interest on these loans as income on an accrual basis has ceased from the date the Central Bankruptcy Court accepted the bankruptcy suits. The Central Bankruptcy Court ordered the closing of the Union Fresh Co., Ltd. (associated company of subsidiary) on 7 January 2016 and the case of Siam Unizon co., Ltd. (related company of subsidiary) on 24 February 2017.

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 periods ended 31 March 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 38 million, respectively and the Company only totaling Baht 22 million and Baht 24 million, respectively.

3. Cash and cash equivalents

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Cash	3,249	2,053	1,750	593
Bank deposits	274,945	236,233	88,373	84,012
Total	<u>278,194</u>	<u>238,286</u>	<u>90,123</u>	<u>84,605</u>

As at 31 March 2021, bank deposits in savings account and fixed deposits carried interest between 0.05 and 0.63 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	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	20,823	15,843	-	49
Past due				
Up to 3 months	3,067	-	-	-
Over 12 months	452	452	-	-
Total	24,342	16,295	-	49
Less: Allowance for expected credit losses	(452)	(452)	-	-
Total trade receivables - related parties - net	23,890	15,843	-	49
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	14,604	17,499	14,604	17,499
Cheque returned	12,528	12,618	7,565	7,655
Not yet due	1,059,184	712,968	984,587	656,377
Past due				
Up to 3 months	182,635	136,041	155,686	108,542
3 - 6 months	379	-	280	-
6 - 12 months	372	515	372	515
Over 12 months	31,060	30,606	2,900	2,705
Total	1,300,762	910,247	1,165,994	793,293
Less: Allowance for expected credit losses	(43,480)	(43,220)	(9,736)	(9,736)
Total trade receivables - unrelated parties - net	1,257,282	867,027	1,156,258	783,557
Total trade receivables - net	1,281,172	882,870	1,156,258	783,606
<u>Other receivables</u>				
Other receivables - related parties	-	-	4,944	6,157
Other receivables - unrelated parties	5,883	2,774	3,157	1,111
Accrued income - related parties	-	-	22,704	21,053
Accrued income - unrelated parties	869	73	-	-
Advances - related parties	20,328	20,328	-	-
Advances - unrelated parties	467	420	-	-
Total	27,547	23,595	30,805	28,321
Less: Allowance for expected credit losses	(21,103)	(21,103)	(709)	(709)
Total other receivables - net	6,444	2,492	30,096	27,612
Total trade and other receivables - net	1,287,616	885,362	1,186,354	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
Effect from foreign exchange	260	-
As at 31 March 2021	<u>65,035</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 three-month period ended 31 March 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	(56)	-
Balance as at 31 March 2021	<u>(26,928)</u>	<u>(11)</u>

6. 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 2021	31 December 2020	31 March 2021	31 December 2020	31 March 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	98.83	98.83	585,625	585,625
Total					<u>1,333,969</u>	<u>1,333,969</u>

As at 31 March 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 1,134 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	
		31	31	31	31	31	31
		March	December	March	December	March	December
		2021	2020	2021	2020	2021	2020
		Percent	Percent				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	22,040	22,998
Total				25,000	25,000	22,040	22,998

7.2 Share of comprehensive income

During the three-month periods ended 31 March 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 31 March			
	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.	(958)	4,173	-	39
Total	(958)	4,173	-	39

8. 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	
			2021	2020	2021	2020	
				(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	31	31	31	31	31	31	31
	March	December	March	December	March	December	March	December
	2021	2020	2021	2020	2021	2020	2021	2020
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

9. Long-term loan to other company

As at 31 March 2021, the subsidiary of subsidiary had long-term loan to other company of Baht 17.9 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 three-month period ended 31 March 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	(120)	-
Balance as at 31 March 2021	61,386	5,615

As at 31 March 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 three-month period ended 31 March 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	34,559	14,850
Disposals during the period - net book value at disposal date	(3,778)	(936)
Depreciation for the period	(55,878)	(25,970)
Interest capitalised to assets	15	-
Net book value as at 31 March 2021	<u>2,427,855</u>	<u>835,048</u>

During the current period, the subsidiary capitalised interest amounting to Baht 0.02 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 0.93 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 three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2020	39,222
Depreciation for the period	(2,501)
Net book value as at 31 March 2021	<u>36,721</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 three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2020	196,499	166
Acquisitions during the period - at cost	1,030	-
Write-off during the period	(94)	-
Amortisation for the period	(2,803)	(4)
Net book value as at 31 March 2021	<u>194,632</u>	<u>162</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 15 May 2020, 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 14 May 2021 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.

14. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Short-term loans from banks	0.95 - 1.76	1.00 - 1.50	<u>465,000</u>	<u>460,000</u>	<u>80,000</u>	<u>65,000</u>
Total			<u>465,000</u>	<u>460,000</u>	<u>80,000</u>	<u>65,000</u>

(Unaudited but reviewed)

Movement in short-term loans from banks during the three-month period ended 31 March 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	365,000	135,000
Less: Repayments during the period	(360,000)	(120,000)
Balance as at 31 March 2021	<u>465,000</u>	<u>80,000</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	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Trade payables - related parties	1,399	1,847	183,999	110,574
Trade payables - unrelated parties	330,322	189,282	229,891	126,489
Other payables - related parties	7,732	7,653	-	-
Other payables - unrelated parties	104,579	87,281	73,716	60,208
Advance received from related parties	-	-	-	151
Other payables for purchases of machinery	26,593	49,148	15,387	41,782
Accrued expenses	125,544	135,838	77,939	90,345
Total trade and other payables	<u>596,169</u>	<u>471,049</u>	<u>580,932</u>	<u>429,549</u>

(Unaudited but reviewed)

16. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (Percent per annum)	Repayment schedule	Consolidated financial statements	
			31 March 2021	31 December 2020
1	2.50	Repayment every month from September 2020 to August 2023	120,600	133,200
Total long-term loans			120,600	133,200
Less: Current portion			(50,400)	(50,400)
Long-term loans - net of current portion			70,200	82,800

Movements in the long-term loan account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 31 December 2020	133,200
Less: Repayments during the period	(12,600)
Balance as at 31 March 2021	120,600

The long-term loans of its subsidiary are unsecured.

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

17. Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2021	31 December 2020
Lease liabilities	76,119	78,926
Less: Deferred interest expenses	(32,604)	(33,143)
Total	43,515	45,783
Less: Portion due within one year	(816)	(3,237)
Lease liabilities - net of current portion	42,699	42,546

(Unaudited but reviewed)

Movements in lease liabilities during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 31 December 2020	45,783
Add: Recognition of interest expenses during the period	26
Less: Payments during the period	(2,218)
Less: Decrease in lease liabilities	(76)
Balance as at 31 March 2021	<u>43,515</u>

18. Revenue from contracts with customers

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Type of goods:				
Sales of goods	2,399,323	1,677,715	1,969,547	1,232,826
Revenue from distribution of goods	-	-	14,612	15,323
Total revenue from contracts with customers - revenue recognised at point in time	<u>2,399,323</u>	<u>1,677,715</u>	<u>1,984,159</u>	<u>1,248,149</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 periods ended 31 March 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	27,307	7,358	21,522	3,219
Deferred tax:				
Relating to origination and reversal of temporary differences	109	(388)	(378)	(825)
Income tax expenses reported in the profit or loss	<u>27,416</u>	<u>6,970</u>	<u>21,144</u>	<u>2,394</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial losses	-	(1,292)	-	(1,292)
	-	(1,292)	-	(1,292)

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 31 March			
	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)	108,244	22,841	81,785	9,213
Weighted average number of ordinary shares (Thousand shares)	820,000	820,000	820,000	820,000
Basic earnings per share (Baht)	0.13	0.03	0.10	0.01

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 periods ended 31 March 2021 and 2020.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated for the three-month periods ended 31 March										
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	1,891	1,281	508	397	2,399	1,678	-	-	2,399	1,678
Inter-segment	434	258	-	-	434	258	(434)	(258)	-	-
Total revenue	<u>2,325</u>	<u>1,539</u>	<u>508</u>	<u>397</u>	<u>2,833</u>	<u>1,936</u>	<u>(434)</u>	<u>(258)</u>	<u>2,399</u>	<u>1,678</u>
Operating results										
Segment profit	231	125	68	60	299	185	-	-	299	185
Unallocated income and expenses:										
Compensation from insurance									8	-
Other income									30	18
Gain (loss) from change in fair value of biological assets									7	(5)
Selling and distribution expenses									(143)	(113)
Administrative expenses									(54)	(56)
Share of gain (loss) from investment in joint venture									(1)	4
Finance income									-	1
Finance cost									(2)	(3)
Profit before income tax expenses									144	31
Income tax expenses									(27)	(7)
Profit for the period									<u>117</u>	<u>24</u>

22. Commitments and contingent liabilities

22.1 Capital commitments

As at 31 March 2021, the Group had capital commitments relating to construction of buildings, building improvement and purchase of machineries and equipment amounting to Baht 43.7 million (31 December 2020: Baht 37.1 million), the Company only: Baht 21.0 million (31 December 2020: Baht 23.4 million).

22.2 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 2021	
	Consolidated financial statements	Separate financial statements
Payable:		
Within 1 year	18.0	7.5
In over 1 year and up to 5 years	0.5	0.4
Total	<u>18.5</u>	<u>7.9</u>

22.3 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 1.2 million.

22.4 Guarantees

As at 31 March 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 11.6 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).

22.5 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.

23. 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 targeted area for land reform which is not incorporated in a land reform program. Land owner is required to clarify evidence and documentation regarding land rights under the Land Code or other 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 land owner, 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. The subsidiary is in process of filing a lawsuit against the ALRO and the ALRO in Krabi, and applying 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.

However, if the land plots become a designated area for land reform, the cost of land and net book value of oil palm plantation developments on the land of the subsidiary as at 31 March 2021 are to decrease by Baht 5 million.

- (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 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 land owner 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 LARO 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.

However, if the land plots become a designed area for land reform, the cost of land and net book value of oil palm plantation developments on the land of the subsidiary as at 31 March 2021 are to decrease by Baht 14 million.

24. 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 and Section 108 Bis of the Land Code B.E. 2497, Revolutionary Council Decree 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. The case is currently under consideration of Krabi chief public prosecutor.
- (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 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.

25. 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.

26. Fair value hierarchy

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

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	Level 2			
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	1,236	545	393	469

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

27. Financial instruments**27.1 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.

27.2 Foreign currency assets and liabilities

As at 31 March 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	4.0	2.9	0.1	0.2	31.3394	30.0371
Euro	0.1	-	-	0.8	36.7091	37.2578

(Unaudited but reviewed)

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.7	-	0.1	-	31.3394	-
Euro	-	-	-	0.8	36.7091	37.2578

27.3 Derivatives

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
(Unit: Thousand Baht)				
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1,236	545	393	469
Total derivative liabilities	1,236	545	393	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 31 March 2021 and 31 December 2020, the Group had outstanding forward exchange contracts, of which detail are presented below.

As at 31 March 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	1.73	1.33	30.07 - 31.20	April - September 2021

As at 31 March 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	1.24	1.24	30.62 - 30.81	April - June 2021

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

28. Events after the reporting period

28.1 On 23 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend payment in respect of the 2020 profit to the Company's shareholders at Baht 0.22 per share, totaling Baht 180.4 million, which will be paid to the shareholders on 10 May 2021.

28.2 On 23 April 2021, the Annual General Meeting of United Palm Oil Industry Public Company Limited's ("the subsidiary") shareholders passed a resolution to approve a dividend payment in respect of 2020 profit to the shareholders at Baht 0.20 per share, totaling Baht 65 million, which will be paid to the shareholders on 21 May 2021.

28.3 On 22 April 2021, the Annual General Meeting of Universal Food Public Company Limited's ("the subsidiary") shareholders passed a resolution to approve a dividend payment in respect of 2020 profit to the shareholders at Baht 0.40 per share, totaling Baht 21 million, which will be paid to the shareholders on 20 May 2021.

The dividends of the Company and its subsidiaries will be recorded in the second quarter of 2021.

29. Approval of interim financial statements

These interim financial statements were authorised for issue on 13 May 2021 by the Company's Audit and Corporate Governance Committee under authority delegated by the Board of Directors of the Company.