

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 2022

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Lam Soon (Thailand) Public Company Limited and its subsidiaries as at 30 September 2022, 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. Ratanamrak .

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753

EY Office Limited
Bangkok: 11 November 2022

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	<u>Note</u> <u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	433,887	178,193	175,862	21,348
Trade and other receivables	2, 3 1,260,008	1,584,137	1,039,398	1,362,400
Current portion of finance lease receivables	1,059	1,545	-	-
Inventories	4 2,358,581	1,505,253	1,626,014	948,808
Biological assets	115,011	112,273	-	-
Value added tax refundable	27,016	12,268	-	-
Other current assets	27,042	34,053	7,292	12,730
Total current assets	4,222,604	3,427,722	2,848,566	2,345,286
Non-current assets				
Financial lease receivables - long-term portion	46	896	-	-
Investments in subsidiaries	5 -	-	1,334,158	1,334,158
Investment in joint venture	49,909	26,571	-	-
Investment in associated company	6 -	-	-	-
Long-term loan to other company	7 16,560	17,480	-	-
Investment properties	60,713	61,020	5,615	5,615
Property, plant and equipment	8 2,420,341	2,413,490	870,783	863,247
Right-of-use assets	9 47,759	34,982	-	-
Bearer plants	10 173,424	176,606	145	154
Goodwill	196,376	196,376	-	-
Intangible assets	5,946	6,214	5,610	5,173
Deferred tax assets	47,426	47,733	24,525	22,793
Other non-current financial assets	23	23	23	23
Other non-current assets	5,444	8,631	735	537
Total non-current assets	3,023,967	2,990,022	2,241,594	2,231,700
Total assets	7,246,571	6,417,744	5,090,160	4,576,986

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note 30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	30 September 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	11	1,185,000	526,000	895,000	231,000
Trade and other payables	2, 12	822,033	609,770	579,198	643,254
Current portion of long-term loans	13	36,667	87,067	-	-
Current portion of leases liabilities		4,944	345	-	-
Income tax payable		27,012	49,872	3,579	34,964
Advance received from customers		26,024	26,417	99	228
Other current financial liabilities		9,743	7,001	5,105	3,148
Other current liabilities		663	6,231	-	965
Total current liabilities		2,112,086	1,312,703	1,482,981	913,559
Non-current liabilities					
Long-term loans - net of current portion	13	30,833	95,733	-	-
Lease liabilities - net of current portion		53,813	42,647	-	-
Deferred tax liabilities		5,742	31,752	-	-
Provision for long-term employee benefits		214,626	201,452	110,249	103,308
Total non-current liabilities		305,014	371,584	110,249	103,308
Total liabilities		2,417,100	1,684,287	1,593,230	1,016,867

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 30 September 2022 (Unaudited but reviewed)	As at 31 December 2021 (Audited)	As at 30 September 2022 (Unaudited but reviewed)	As at 31 December 2021 (Audited)
Shareholders' equity				
Share capital				
Registered				
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000
Issued and fully paid-up				
820,000,000 ordinary shares of Baht 1 each	820,000	820,000	820,000	820,000
Share premium	241,970	241,970	241,970	241,970
Other surpluses (deficits)				
Premium on treasury stock	5,269	5,269	5,269	5,269
Deficit on changes in shareholding in subsidiary	(6,593)	(6,593)	-	-
Retained earnings				
Appropriated - statutory reserve	130,377	130,377	82,000	82,000
Unappropriated	3,187,456	3,116,907	2,347,691	2,410,880
Equity attributable to owners of the Company	4,378,479	4,307,930	3,496,930	3,560,119
Non-controlling interests of the subsidiaries	450,992	425,527	-	-
Total shareholders' equity	4,829,471	4,733,457	3,496,930	3,560,119
Total liabilities and shareholders' equity	7,246,571	6,417,744	5,090,160	4,576,986
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2022

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenue from contracts with customers		2,748,144	2,078,201	1,987,066	1,606,863
Gain arising from change in fair value of biological assets		-	1,096	-	-
Compensation from insurance	20	12,262	-	-	-
Other income		29,912	32,453	6,222	14,688
Total revenues		2,790,318	2,111,750	1,993,288	1,621,551
Expenses					
Cost of sales		2,503,437	1,720,834	1,866,168	1,439,123
Selling and distribution expenses		133,786	143,349	73,785	78,680
Administrative expenses		58,719	67,909	31,190	29,749
Loss from change in fair value of biological assets		25,452	-	-	-
Total expenses		2,721,394	1,932,092	1,971,143	1,547,552
Operating profit		68,924	179,658	22,145	73,999
Share of profit from investment in joint venture		9,476	2,381	-	-
Finance income		151	116	65	35
Finance cost		(4,863)	(3,337)	(3,566)	(1,216)
Profit before income tax		73,688	178,818	18,644	72,818
Income tax	14	(9,626)	(8,238)	(2,773)	(14,616)
Profit for the period		64,062	170,580	15,871	58,202
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		64,062	170,580	15,871	58,202

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 2022

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit or loss attributable to:				
Equity holders of the Company	59,359	143,962	<u>15,871</u>	<u>58,202</u>
Non-controlling interests of the subsidiaries	<u>4,703</u>	<u>26,618</u>		
	<u>64,062</u>	<u>170,580</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	59,359	143,962	<u>15,871</u>	<u>58,202</u>
Non-controlling interests of the subsidiaries	<u>4,703</u>	<u>26,618</u>		
	<u>64,062</u>	<u>170,580</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.07</u>	<u>0.18</u>	<u>0.02</u>	<u>0.07</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 2022

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit or loss:					
Revenues					
Revenue from contracts with customers		8,765,899	6,626,339	6,888,496	5,295,889
Gain arising from change in fair value of biological assets		1,330	-	-	-
Compensation from insurance	20	12,262	7,642	-	-
Dividend income		-	-	134,115	66,097
Other income		120,877	93,664	38,686	40,529
Total revenues		8,900,368	6,727,645	7,061,297	5,402,515
Expenses					
Cost of sales		7,885,211	5,578,518	6,564,942	4,728,869
Selling and distribution expenses		425,159	420,358	245,915	253,519
Administrative expenses		178,644	178,120	99,504	88,304
Loss from change in fair value of biological assets		-	35,879	-	-
Total expenses		8,489,014	6,212,875	6,910,361	5,070,692
Operating profit		411,354	514,770	150,936	331,823
Share of profit from investment in joint venture		23,338	458	-	-
Finance income		511	493	130	116
Finance cost		(11,174)	(8,903)	(7,459)	(2,836)
Profit before income tax		424,029	506,818	143,607	329,103
Income tax	14	(74,157)	(56,571)	(1,847)	(53,267)
Profit for the period		349,872	450,247	141,760	275,836
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		349,872	450,247	141,760	275,836

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 2022

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit or loss attributable to:				
Equity holders of the Company	275,498	393,856	<u>141,760</u>	<u>275,836</u>
Non-controlling interests of the subsidiaries	<u>74,374</u>	<u>56,391</u>		
	<u>349,872</u>	<u>450,247</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	275,498	393,856	<u>141,760</u>	<u>275,836</u>
Non-controlling interests of the subsidiaries	<u>74,374</u>	<u>56,391</u>		
	<u>349,872</u>	<u>450,247</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.34</u>	<u>0.48</u>	<u>0.17</u>	<u>0.34</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 2022

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to the owners of the Company						Equity			
Issued and	Share	Premium on	Deficit	Retained earnings		Total equity	Equity	Total	
paid up	premium	treasury stock	on change in	Appropriated -	Unappropriated	attributable to	attributable to	shareholders'	
share capital			shareholding	statutory reserve		shareholders of	non-controlling	shareholders'	
			in subsidiary			the Company	interests of	equity	
							the subsidiaries		
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 16)	-	-	-	-	-	(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 2022

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to the owners of the Company						Equity			
Issued and	Share	Premium on	Deficit	Retained earnings		Total equity	Equity	Total	
paid up	premium	treasury stock	on change in	Appropriated -	Unappropriated	attributable to	attributable to	shareholders'	
share capital			shareholding	statutory reserve		shareholders of	non-controlling	shareholders'	
			in subsidiary			the Company	interests of	equity	
							the subsidiaries		
Balance as at 1 January 2022	820,000	241,970	5,269	(6,593)	130,377	3,116,907	4,307,930	425,527	4,733,457
Profit for the period	-	-	-	-	-	275,498	275,498	74,374	349,872
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	275,498	275,498	74,374	349,872
Reversal of prior year dividend	-	-	-	-	-	50	50	-	50
Dividend paid (Note 16)	-	-	-	-	-	(204,999)	(204,999)	-	(204,999)
Decrease in non-controlling interests from dividend payment of subsidiary	-	-	-	-	-	-	-	(48,909)	(48,909)
Balance as at 30 September 2022	820,000	241,970	5,269	(6,593)	130,377	3,187,456	4,378,479	450,992	4,829,471

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 2022

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid up share capital	Share premium	Premium on treasury stock	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2021	820,000	241,970	5,269	82,000	2,234,456	3,383,695
Profit for the period	-	-	-	-	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 16)	-	-	-	-	(180,400)	(180,400)
Balance as at 30 September 2021	820,000	241,970	5,269	82,000	2,329,936	3,479,175
Balance as at 1 January 2022	820,000	241,970	5,269	82,000	2,410,880	3,560,119
Profit for the period	-	-	-	-	141,760	141,760
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	141,760	141,760
Reversal of prior year dividend	-	-	-	-	50	50
Dividend paid (Note 16)	-	-	-	-	(204,999)	(204,999)
Balance as at 30 September 2022	820,000	241,970	5,269	82,000	2,347,691	3,496,930

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 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	424,029	506,818	143,607	329,103
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	182,262	186,374	87,493	83,248
Loss (gain) from change in fair value of biological assets	(1,330)	35,879	-	-
Share of gain from investment in joint venture	(23,338)	(458)	-	-
Adjustment of last year corporate income tax	(59)	-	(59)	-
Bad debt	-	99,876	-	-
Increase (decrease) in allowance for expected credit losses	1	(99,876)	1	-
Increase in allowance for diminution in inventory value	22,028	44,482	1,718	369
Loss on write-off bearers plants	14	117	-	-
Loss (gain) on write-off/disposals of property, plant and equipment	(1,799)	4,655	(1,567)	1,383
Loss on impairment of assets	-	18,449	-	-
Unrealised loss (gain) on exchange	(4,284)	(2,760)	2,431	(539)
Unrealised loss (gain) on fair value of derivatives	3,059	82	1,757	(1,329)
Provision for termination benefits and long-term employee benefits	13,582	14,121	6,941	6,407
Dividend income from subsidiaries	-	-	(134,115)	(66,097)
Finance income	(511)	(493)	(130)	(116)
Finance cost	10,130	7,691	6,413	1,624
Profit from operating activities before changes in operating assets and liabilities	623,784	814,957	114,490	354,053
Decrease (increase) in operating assets				
Trade and other receivables	330,968	(183,186)	323,126	(124,716)
Cash received from financial lease receivables	1,336	1,172	-	-
Inventories	(875,356)	(1,026,077)	(678,924)	(475,008)
Biological assets	(1,408)	10,307	-	-
Other current assets	(6,984)	685	6,282	4,709
Other non-current assets	3,187	(2,862)	(198)	(55)
Increase (decrease) in operating liabilities				
Trade and other payables	211,206	203,413	(63,499)	71,263
Other current financial liabilities	(396)	(599)	121	(331)
Other current liabilities	(5,961)	(8,458)	(1,094)	1,956
Provision for termination benefits and long-term employee benefits	(408)	(3,650)	-	(267)
Cash from (used in) operating activities	279,968	(194,298)	(299,696)	(168,396)
Cash received from interest income	445	458	64	81
Cash paid for interest expenses	(10,184)	(7,415)	(6,450)	(1,625)
Income tax refund	202	4,097	-	-
Cash paid for corporate income tax	(123,616)	(120,782)	(35,749)	(89,560)
Net cash from (used in) operating activities	146,815	(317,940)	(341,831)	(259,500)

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 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Increase in investments in subsidiary	-	(189)	-	(189)
Dividend received from subsidiaries	-	-	134,115	66,097
Decrease in long-term loan to other company	920	920	-	-
Acquisitions of property, plant and equipment	(179,710)	(173,056)	(97,329)	(120,800)
Advance payments for equipment	-	(139)	-	-
Proceeds from disposals of property, plant and equipment	3,634	4,615	1,697	831
Increase in bearer plants	(4,599)	(3,357)	-	-
Acquisitions of intangible assets	(1,287)	(298)	(1,268)	(250)
Net cash from (used in) investing activities	(181,042)	(171,504)	37,215	(54,311)
Cash flows from financing activities				
Increase in short-term loans from banks	659,000	618,000	664,000	473,000
Cash received from long-term loans	-	60,000	-	-
Repayment of long-term loans	(115,300)	(42,800)	-	-
Payment of lease liabilities	-	(2,929)	-	-
Dividend paid	(253,779)	(200,000)	(204,870)	(180,300)
Net cash from financing activities	289,921	432,271	459,130	292,700
Net increase (decrease) in cash and cash equivalents	255,694	(57,173)	154,514	(21,111)
Cash and cash equivalents at beginning of the period	178,193	238,286	21,348	84,605
Cash and cash equivalents at end of the period	433,887	181,113	175,862	63,494

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment

that have not been paid 10,622 16,498 5,272 11,868

Increase in right-of-use assets and lease liabilities 15,505 138 - -

Transfer of deposits for equipment to equipment - 200 - -

Dividend payable 813 2,486 813 738

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 2022

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

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

1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

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

2. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month period ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	147	263	Market price on the contract date
Purchase of goods	-	-	95	109	Market price less fixed margin
Rental income	-	-	1	1	Contract price
Administrative service income	-	-	-	1	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	72	64	-	-	Price approximates market price
Purchase of goods	1	4	1	4	Selling price less marketing expenses and gross margin
<u>Transactions with joint venture of subsidiary</u>					
Purchase of oil palm seeds and fresh fruit bunch	7	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	financial statements	financial statements	
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	1,457	1,153	Market price on the contract date
Purchase of goods	-	-	300	322	Market price less fixed margin
Dividend income	-	-	134	66	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	196	151	-	-	Price approximates market price
Purchase of goods	5	9	5	8	Selling price less marketing expenses and gross margin
<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	11	-	-	Market price

The balances of accounts as at 30 September 2022 and 31 December 2021 between the Company and the related parties are detailed as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
<u>Trade and other receivables - related parties</u> (Note 3)				
Subsidiaries	-	-	31,280	26,121
Related companies (related by common shareholders)	54,362	68,252	-	-
Total trade and other receivables - related parties	54,362	68,252	31,280	26,121
<u>Trade and other payables - related parties</u> (Note 12)				
Subsidiaries	-	-	94,516	238,388
Related companies (related by common shareholders)	29,402	16,679	-	-
Total trade and other payables - related parties	29,402	16,679	94,516	238,388

Selling and administrative service income

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

Directors and management’s benefits

During the three-month and nine-month periods ended 30 September 2022 and 2021, the Group had short-term employee benefits, post-employment benefits and other long-term benefits payable to their directors and management totaling Baht 35 million and Baht 110 million, respectively (2021: Baht 38 million and Baht 113 million, respectively) and the Company only totaling Baht 21 million and Baht 67 million, respectively (2021: Baht 23 million and Baht 67 million, respectively).

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	54,019	65,047	300	128
Past due				
Up to 3 months	343	3,205	-	-
Total trade receivables - related parties	54,362	68,252	300	128

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	19,828	26,045	19,828	26,045
Cheque returned	7,048	7,668	7,048	7,668
Not yet due	1,002,293	1,234,012	841,715	1,091,619
Past due				
Up to 3 months	173,002	241,343	139,545	205,761
3 - 6 months	323	4,259	323	4,257
6 - 12 months	2,242	2,625	1,130	2,610
Over 12 months	3,876	3,356	3,876	3,356
Total	1,208,612	1,519,308	1,013,465	1,341,316
Less: Allowance for expected credit losses	(9,737)	(9,736)	(9,737)	(9,736)
Total trade receivables - unrelated parties - net	1,198,875	1,509,572	1,003,728	1,331,580
Total trade receivables - net	1,253,237	1,577,824	1,004,028	1,331,708
<u>Other receivables</u>				
Other receivables - related parties	-	-	3,527	2,673
Other receivables - unrelated parties	5,250	6,233	5,099	5,408
Accrued income - related parties	-	-	27,453	23,320
Accrued income - unrelated parties	1,931	55	-	-
Advances - unrelated parties	364	799	-	-
Total	7,545	7,087	36,079	31,401
Less: Allowance for expected credit losses	(774)	(774)	(709)	(709)
Total other receivables - net	6,771	6,313	35,370	30,692
Total trade and other receivables - net	1,260,008	1,584,137	1,039,398	1,362,400

4. 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 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2021	20,229	-
The reduction of inventory value recorded during the period	22,028	1,718
Balance as at 30 September 2022	<u>42,257</u>	<u>1,718</u>

5. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
			Percent	Percent		
United Palm Oil Industry Public Company Limited	324,050	324,050	69.96	69.96	748,344	748,344
Universal Food Public Company Limited	525,000	525,000	98.85	98.85	585,814	585,814
Total					<u>1,334,158</u>	<u>1,334,158</u>

As at 30 September 2022, the fair value of the investment in United Palm Oil Industry Public Company Limited, calculated based on the latest bid price of the shares on the last trading day of the period as quoted on the Stock Exchange of Thailand and in proportion to the Company's shareholding, was approximately Baht 1,451 million (31 December 2021: Baht 1,474 million).

6. Investment in associated company

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements							
	Cost		Allowance for diminution in value of investment		Carrying amounts based on cost method - net		Carrying amounts based on equity method	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2022	2021	2022	2021	2022	2021	2022	2021
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

7. Long-term loan to other company

As at 30 September 2022, a subsidiary of subsidiary had unsecured loan to other company, amounting to approximately Baht 16.6 million (31 December 2021: Baht 17.5 million). The loan carries interest at a rate of THBFIX plus 1% per annum and is due for repayment end of June and December of every year with the last payment in June 2040.

8. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2021	2,413,490	863,247
Acquisitions during the period - at cost	178,531	94,319
Write-off during the period - net book value at write-off date	(1,835)	(130)
Depreciation for the period	(169,905)	(86,653)
Interest capitalised to assets	60	-
Net book value as at 30 September 2022	2,420,341	870,783

9. Right-of-use assets

Movements in the right-of-use assets account during the nine-month period ended 30 September 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<hr/>
Net book value as at 31 December 2021	34,982
Increase from contract modification	15,505
Depreciation for the period	(2,728)
Net book value as at 30 September 2022	<hr/> 47,759 <hr/>

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

10. Bearer plants

Movements in bearer plants account during the nine-month period ended 30 September 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Net book value as at 31 December 2021	176,606	154
Acquisitions during the period - at cost	4,599	-
Write-off during the period - net book value at write-off date	(14)	-
Amortisation for the period	(7,767)	(9)
Net book value as at 30 September 2022	<hr/> 173,424 <hr/>	<hr/> 145 <hr/>

(Unaudited but reviewed)

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

11. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2022	2021	2022	2021	2022	2021
Short-term loans from banks	0.90 - 1.90	0.85 - 1.10	1,185,000	526,000	895,000	231,000
Total			1,185,000	526,000	895,000	231,000

Movement in short-term loans from banks during the nine-month period ended 30 September 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2021	526,000	231,000
Additions during the period	4,208,000	3,668,000
Repayments during the period	(3,549,000)	(3,004,000)
Balance as at 30 September 2022	1,185,000	895,000

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

12. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
Trade payables - related parties	-	179	94,515	238,265
Trade payables - unrelated parties	431,998	287,041	287,508	202,323
Other payables - related parties	29,402	16,500	-	-
Other payables - unrelated parties	119,656	116,460	78,294	82,633
Advance received from related parties	-	-	1	123
Other payables for purchases of machinery	10,622	11,741	5,272	8,282
Accrued expenses	230,355	177,849	113,608	111,628
Total trade and other payables	822,033	609,770	579,198	643,254

13. Long-term loans

Movements in the long-term loan account during the nine-month period ended 30 September 2022 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2022	182,800
Repayments during the period	(115,300)
Balance as at 30 September 2022	67,500
Less: Portion due within one year	(36,667)
Long-term loans - net of current portion	30,833

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

Long-term loan of United Palm Oil Industry Public Company Limited no.1 remaining amount of Baht 30 million is long-term loan under a joint loan agreement between the Company and United Palm Oil Industry Public Company Limited and the bank. The Company and the subsidiary agree that the subsidiary, as the party that draws down the loan, is to be primarily responsible for the principal and interest thereon. Under covenants of the agreement, the Company and the subsidiary are restricted from creating encumbrances over their assets (negative pledge). Loan no.2 remaining amount of Baht 37.5 million is unsecured.

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

14. Income tax

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

Income tax expenses for the three-month and nine-month periods ended 30 September 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	17,212	12,303	3,579	15,115
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,586)	(4,065)	(806)	(499)
Income tax reported in the profit or loss	<u>9,626</u>	<u>8,238</u>	<u>2,773</u>	<u>14,616</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	99,229	72,100	3,579	54,569
Adjustment in respect of current income tax of previous year	631	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(25,703)	(15,529)	(1,732)	(1,302)
Income tax reported in the profit or loss	<u>74,157</u>	<u>56,571</u>	<u>1,847</u>	<u>53,267</u>

15. Operating segment information

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

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and nine-month periods ended 30 September 2022 and 2021.

(Unit: Million Baht)

	Consolidated for the three-month periods ended 30 September									
	Manufacture and distribution									
	Palm oil		Processed		Total segments		Adjustments		Consolidated	
	products		fruits and	vegetables						
<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Revenue										
External customers	2,107	1,505	641	573	2,748	2,078	-	-	2,748	2,078
Inter-segment	147	263	-	-	147	263	(147)	(263)	-	-
Total revenue	<u>2,254</u>	<u>1,768</u>	<u>641</u>	<u>573</u>	<u>2,895</u>	<u>2,341</u>	<u>(147)</u>	<u>(263)</u>	<u>2,748</u>	<u>2,078</u>
Operating results										
Segment profit	110	232	116	111	226	343	19	14	245	357
Unallocated income and expenses:										
Compensation from insurance									12	-
Other income									30	33
Gain (loss) arising from change in fair value of biological assets									(25)	1
Selling and distribution expenses									(134)	(143)
Administrative expenses									(59)	(68)
Share of profit from investment in joint venture									9	2
Finance cost									(4)	(3)
Profit before income tax expenses									74	179
Income tax expenses									(10)	(8)
Profit for the period									<u>64</u>	<u>171</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		Adjustments and eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
Revenue												
External customers	6,915	5,010	1,851	1,616	8,766	6,626	-	-	8,766	6,626		
Inter-segment	1,457	1,153	-	-	1,457	1,153	(1,457)	(1,153)	-	-		
Total revenue	8,372	6,163	1,851	1,616	10,223	7,779	(1,457)	(1,153)	8,766	6,626		
Operating results												
Segment profit	534	788	330	271	864	1,059	17	(11)	881	1,048		
Unallocated income and expenses:												
Compensation from insurance									12	7		
Other income									121	94		
Gain (loss) arising from change in fair value of biological assets									1	(36)		
Selling and distribution expenses									(425)	(420)		
Administrative expenses									(179)	(178)		
Share of profit from investment in joint venture									23	-		
Finance income									1	1		
Finance cost									(11)	(9)		
Profit before income tax expenses									424	507		
Income tax expenses									(74)	(57)		
Profit for the period									350	450		

16. Dividend paid

During the nine-month periods ended 30 September 2022 and 2021, 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 2022</u>			
Dividend on 2021 profit	Annual General Meeting of the shareholders on 8 April 2022	205.00	0.25
Total dividends for the year 2022		205.00	0.25
<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

(Unaudited but reviewed)

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
<u>Subsidiaries</u>			
<u>For the year 2022</u>			
Dividend on 2021 profit	Annual General Meeting of the shareholders of United Palm Oil Industry Public Company Limited on 8 April 2022	162.00	0.50
Total dividends for the year 2022		162.00	0.50
Dividend on 2021 profit	Annual General Meeting of the shareholders of Universal Food Public Company Limited on 7 April 2022	21.00	0.40
Total dividends for the year 2022		21.00	0.40
<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

17. Commitments and contingent liabilities

17.1 Capital commitments

As at 30 September 2022, the Group had capital commitments relating to purchase of machineries and equipment and building improvement amounting to Baht 40.4 million (31 December 2021: Baht 112.6 million), the Company only: Baht 12.8 million (31 December 2021: Baht 56.6 million).

17.2 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 2022	
	Consolidated	Separate
	financial statements	financial statements
Payable:		
Within 1 year	8.1	3.9
In over 1 year and up to 5 years	0.9	0.9
Total	9.0	4.8

17.3 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.

17.4 Guarantees

As at 30 September 2022, there were outstanding bank guarantees issued by the banks in respect of certain performances bonds as required in the normal course of their businesses. These included letters of guarantee amounting to Baht 12.3 million to electricity use, among others (31 December 2021: Baht 14.2 million) and for the Company: Baht 4.3 million to guarantee electricity use, among others (31 December 2021: Baht 7.2 million).

17.5 Contingent liabilities

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

18. Rights to utilise land

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

Location	Additional event
Land plot No. 602	On 10 March 2022, the ALRO in Krabi filed an objection to United Palm Oil Industry Public Company Limited's ("the subsidiary") statement. On 29 June 2022, the Supreme Administrative Court issued an order concurring with the Administrative Court of First Instance in refusing to accept a lawsuit, clarifying that the subsidiary filed the lawsuit after the filing period. The case is therefore finalised.
Land plot No. 603	On 10 March 2022, the ALRO in Krabi filed an objection to United Palm Oil Industry Public Company Limited's ("the subsidiary") statement. On 29 June 2022, the Supreme Administrative Court issued an order concurring with the Administrative Court of First Instance in refusing to accept a lawsuit on a notice designating a targeted area for land reform because the subsidiary filed the lawsuit after the filing period. However, the Supreme Administrative Court accepted a lawsuit on a notice seeking a revocation informing them of vacating the land plots and demolishing all constructions. The Supreme Administrative Court is currently reviewing this case.

19. Litigation

A criminal action involving alleged trespass in which the ALRO in Krabi made an allegation against the subsidiary. In 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. On 12 October 2022, the Court dismissed the case.

20. Compensation from insurance

In September 2022, the subsidiary received full compensation from business interruption insurance.

21. Fair value hierarchy

As at 30 September 2022 and 31 December 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements				
As at 30 September 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	19	96	115
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	3	-	3

(Unit: Million Baht)

Separate financial statements				
As at 30 September 2022				
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	2	-	2

(Unit: Million Baht)

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

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

22. Financial instruments

22.1 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.

22.2 Foreign currency assets and liabilities

As at 30 September 2022 and 31 December 2021, the Group had outstanding financial assets and liabilities denominated in foreign currencies as summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.2	3.1	1.4	0.1	37.9067	33.4199
Euro	-	0.1	-	-	-	37.5083

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.2	0.1	1.4	-	37.9067	33.4199

23. Events after the reporting period

On 10 November 2022, the Board of Director Meeting of Universal Food Public Company Limited's ("the subsidiary") passed a resolution to approve an interim dividend payment in respect of net profit for the nine-month period ended 30 September 2022 to the shareholders at Baht 0.80 per share, totaling Baht 42 million.

The dividend of the subsidiary will be recorded in the fourth quarter of 2022.

24. Approval of interim financial statements

These interim financial statements were authorised for issue on 11 November 2022 by the Company's Audit and Corporate Governance Committee under authority delegated by the Board of Directors of the Company.