

Lam Soon (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2024

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 2024, 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.



Sarinda Hirunprasurtwutti

Certified Public Accountant (Thailand) No. 4799

EY Office Limited

Bangkok: 10 May 2024

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		479,284	427,365	189,970	155,928
Trade and other receivables	2, 3	1,546,851	1,347,339	1,210,996	1,113,196
Current portion of finance lease receivables		105	119	-	-
Inventories	4	1,843,411	1,874,851	1,293,047	1,270,272
Biological assets		229,419	195,368	-	-
Value added tax refundable		7,819	7,470	-	-
Other current assets		49,585	28,125	21,391	9,646
Total current assets		4,156,474	3,880,637	2,715,404	2,549,042
Non-current assets					
Financial lease receivables - long-term portion		353	378	-	-
Investments in subsidiaries	5	-	-	1,334,158	1,334,158
Investment in joint venture		96,998	94,968	-	-
Investment in associated company	6	-	-	-	-
Long-term loan to other company	7	15,180	15,640	-	-
Investment properties		61,728	61,769	5,615	5,615
Property, plant and equipment	8	2,528,036	2,538,415	953,965	956,446
Right-of-use assets	9	53,897	56,019	6,065	5,737
Bearer plants	10	165,691	166,346	127	130
Goodwill		196,376	196,376	-	-
Intangible assets		5,718	5,706	5,008	5,249
Deferred tax assets		43,345	43,227	23,767	23,812
Other non-current financial assets		23	23	23	23
Other non-current assets		84,574	2,903	81,701	608
Total non-current assets		3,251,919	3,181,770	2,410,429	2,331,778
Total assets		7,408,393	7,062,407	5,125,833	4,880,820

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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	<u>Note</u> <u>31 March 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)	<u>31 March 2024</u> (Unaudited but reviewed)	<u>31 December 2023</u> (Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	11	545,000	519,000	425,000	319,000
Trade and other payables	2, 12	908,499	756,533	703,356	606,598
Current portion of leases liabilities		10,245	9,943	1,088	976
Income tax payable		86,062	56,925	25,697	17,665
Advance received from customers		42,413	39,855	614	3,669
Other current financial liabilities		4,845	5,040	1,722	1,921
Other current liabilities		1,214	771	5	5
Total current liabilities		1,598,278	1,388,067	1,157,482	949,834
Non-current liabilities					
Long-term loans	13	5,000	5,000	5,000	5,000
Lease liabilities - net of current portion		55,636	57,645	5,524	5,183
Deferred tax liabilities		26,055	21,495	-	-
Provision for long-term employee benefits		202,120	204,624	111,090	108,175
Total non-current liabilities		288,811	288,764	121,614	118,358
Total liabilities		1,887,089	1,676,831	1,279,096	1,068,192

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 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at <u>31 March 2024</u> (Unaudited but reviewed)	As at <u>31 December 2023</u> (Audited)	As at <u>31 March 2024</u> (Unaudited but reviewed)	As at <u>31 December 2023</u> (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	(6,593)	(6,593)	-	-
Retained earnings				
Appropriated - statutory reserve	144,683	144,683	82,000	82,000
Unappropriated	<u>3,805,062</u>	<u>3,685,602</u>	<u>2,697,498</u>	<u>2,663,389</u>
Equity attributable to owners of the Company	5,010,391	4,890,931	3,846,737	3,812,628
Non-controlling interests of the subsidiaries	<u>510,913</u>	<u>494,645</u>	-	-
Total shareholders' equity	<u>5,521,304</u>	<u>5,385,576</u>	<u>3,846,737</u>	<u>3,812,628</u>
Total liabilities and shareholders' equity	<u>7,408,393</u>	<u>7,062,407</u>	<u>5,125,833</u>	<u>4,880,820</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 2024

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

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Profit or loss:					
Revenues					
Revenues from sales and service income		2,814,392	2,877,417	2,051,771	1,999,670
Gain arising from change in fair value of biological assets		29,935	-	-	-
Other income		41,075	29,542	10,906	8,316
Total revenues		2,885,402	2,906,959	2,062,677	2,007,986
Expenses					
Cost of sales		2,507,495	2,474,197	1,895,631	1,776,242
Selling and distribution expenses		143,847	139,917	91,249	89,002
Administrative expenses		62,307	61,537	30,804	32,911
Loss from change in fair value of biological assets		-	28,139	-	-
Total expenses		2,713,649	2,703,790	2,017,684	1,898,155
Operating profit		171,753	203,169	44,993	109,831
Share of profit from investment in joint venture		2,030	12,229	-	-
Finance income		384	234	235	120
Finance cost		(4,676)	(5,199)	(3,042)	(3,111)
Profit before income tax expenses		169,491	210,433	42,186	106,840
Income tax expenses	14	(33,763)	(34,460)	(8,077)	(21,294)
Profit for the period		135,728	175,973	34,109	85,546
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		135,728	175,973	34,109	85,546

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 2024

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit or loss attributable to:				
Equity holders of the Company	119,460	157,620	<u>34,109</u>	<u>85,546</u>
Non-controlling interests of the subsidiaries	<u>16,268</u>	<u>18,353</u>		
	<u>135,728</u>	<u>175,973</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	119,460	157,620	<u>34,109</u>	<u>85,546</u>
Non-controlling interests of the subsidiaries	<u>16,268</u>	<u>18,353</u>		
	<u>135,728</u>	<u>175,973</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.15</u>	<u>0.19</u>	<u>0.04</u>	<u>0.10</u>

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

(Unaudited but reviewed)

Lam Soon (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2024

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to the owners of the Company						Equity			
Issued and paid up share capital	Share premium	Premium on treasury stock	Deficit on change in shareholding in subsidiary	Retained earnings Appropriated - statutory reserve	Unappropriated	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Balance as at 1 January 2023	820,000	241,970	5,269	(6,593)	135,953	3,344,988	4,541,587	478,070	5,019,657
Profit for the period	-	-	-	-	-	157,620	157,620	18,353	175,973
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	157,620	157,620	18,353	175,973
Reversal of prior year dividend	-	-	-	-	-	58	58	-	58
Balance as at 31 March 2023	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>(6,593)</u>	<u>135,953</u>	<u>3,502,666</u>	<u>4,699,265</u>	<u>496,423</u>	<u>5,195,688</u>
Balance as at 1 January 2024	820,000	241,970	5,269	(6,593)	144,683	3,685,602	4,890,931	494,645	5,385,576
Profit for the period	-	-	-	-	-	119,460	119,460	16,268	135,728
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	119,460	119,460	16,268	135,728
Balance as at 31 March 2024	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>(6,593)</u>	<u>144,683</u>	<u>3,805,062</u>	<u>5,010,391</u>	<u>510,913</u>	<u>5,521,304</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 (continued)

For the three-month period ended 31 March 2024

(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 2023	820,000	241,970	5,269	82,000	2,471,697	3,620,936
Profit for the period	-	-	-	-	85,546	85,546
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	85,546	85,546
Reversal of prior year dividend	-	-	-	-	58	58
Balance as at 31 March 2023	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>2,557,301</u>	<u>3,706,540</u>
Balance as at 1 January 2024	820,000	241,970	5,269	82,000	2,663,389	3,812,628
Profit for the period	-	-	-	-	34,109	34,109
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	34,109	34,109
Balance as at 31 March 2024	<u>820,000</u>	<u>241,970</u>	<u>5,269</u>	<u>82,000</u>	<u>2,697,498</u>	<u>3,846,737</u>

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2024**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit before tax	169,491	210,433	42,186	106,840
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	69,674	67,049	36,539	32,478
Loss (gain) from change in fair value of biological assets	(29,935)	28,139	-	-
Share of gain from investment in joint venture	(2,030)	(12,229)	-	-
Bad debt	-	424	-	424
Decrease in allowance for expected credit losses	(787)	(424)	(787)	(424)
Reversal of allowance for diminution in inventory value	(796)	(7,596)	(2,255)	-
Loss on write-off bearers plants	395	-	-	-
Gain on write-off/disposals of property, plant and equipment	(2,767)	(490)	(1,619)	(38)
Unrealised loss on exchange	2,188	3,357	3,159	3,252
Unrealised loss on fair value of derivatives	-	281	-	134
Provision for termination benefits and long-term employee benefits	4,073	4,506	2,915	2,314
Finance income	(384)	(235)	(235)	(120)
Finance cost	4,676	5,199	3,042	3,111
Profit from operating activities before changes in operating assets and liabilities	213,798	298,414	82,945	147,971
Decrease (increase) in operating assets				
Trade and other receivables	(195,398)	(267,586)	(96,517)	(159,183)
Cash received from financial lease receivables	39	252	-	-
Inventories	32,236	176,030	(20,520)	118,867
Biological assets	(4,116)	(2,474)	-	-
Other current financial assets	-	784	-	784
Other current assets	(21,329)	(16,122)	(11,326)	(8,457)
Other non-current assets	(369)	579	5	128
Increase (decrease) in operating liabilities				
Trade and other payables	149,889	171,650	91,955	149,280
Other current financial liabilities	(195)	16	(199)	(15)
Other current liabilities	1,252	12,722	(3,055)	2,763
Provision for termination benefits and long-term employee benefits	(6,577)	(669)	-	-
Cash from operating activities	169,230	373,596	43,288	252,138
Cash received from interest income	149	115	-	-
Cash paid for interest expenses	(4,738)	(5,252)	(3,069)	(3,155)
Cash paid for corporate income tax	(664)	(695)	(419)	(347)
Net cash from operating activities	163,977	367,764	39,800	248,636

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

Lam Soon (Thailand) Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 2024**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash flows from investing activities				
Decrease in long-term loan to other company	460	460	-	-
Acquisitions of property, plant and equipment	(55,003)	(102,056)	(32,221)	(57,055)
Advance payments for machinery and equipment	(81,302)	(3,510)	(81,098)	-
Proceeds from disposals of property, plant and equipment	2,939	620	1,790	38
Increase in bearer plants	(2,456)	(1,474)	-	-
Acquisitions of intangible assets	(307)	(23)	-	-
Net cash used in investing activities	(135,669)	(105,983)	(111,529)	(57,017)
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	26,000	(258,000)	106,000	(218,000)
Repayment of long-term loans	-	(9,166)	-	-
Payment of lease liabilities	(2,389)	(2,178)	(229)	(112)
Dividend paid	-	(2)	-	(2)
Net cash from (used in) financing activities	23,611	(269,346)	105,771	(218,114)
Net increase (decrease) in cash and cash equivalents	51,919	(7,565)	34,042	(26,495)
Cash and cash equivalents at beginning of the period	427,365	347,588	155,928	121,063
Cash and cash equivalents at end of the period	479,284	340,023	189,970	94,568

Supplementary disclosures of cash flows information

Non-cash transactions

Acquisitions of plant and equipment that have not been paid	20,532	12,849	12,955	7,589
Increase in right-of-use assets and lease liabilities	682	13,680	682	-
Dividend payable	1,857	1,794	794	744

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 2024

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”), all of 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 2023. There have been no changes in the composition of the group during the current period.

1.4 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 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, 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 arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

Summaries significant business transactions with related parties as follows.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Purchase of raw material	-	-	184	169	Market price on the contract date
Purchase of goods	-	-	117	111	Market price less fixed margin
Rental income	-	-	1	1	Contract price
Selling and administrative service income	-	-	12	11	Actual charge
<u>Transactions with related companies</u>					
Sales of goods	52	39	-	-	Price approximates market price
Selling expenses	5	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 2024 and 31 December 2023 between the Company and the related parties are detailed as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
<u>Trade and other receivables - related parties</u> (Note 3)				
Subsidiaries	-	-	33,820	32,801
Related companies (related by common shareholders)	28,036	21,543	-	-
Total trade and other receivables - related parties	28,036	21,543	33,820	32,801
<u>Trade and other payables - related parties</u> (Note 12)				
Subsidiaries	-	-	123,052	114,950
Related companies (related by common shareholders)	11,992	14,093	-	-
Total trade and other payables - related parties	11,992	14,093	123,052	114,950

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 2023. The Company and UFC agreed to extend the agreement for 6 months, starting from 1 January 2024 and expiring on 30 June 2024.

Directors and management’s benefits

During the three-month periods ended 31 March 2024 and 2023, the Group had short-term employee benefits, post-employment benefits and other long-term benefits payable to their directors and management totaling Baht 34 million (2023: Baht 35 million) and the Company only totaling Baht 18 million (2023: Baht 21 million).

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Audited)		(Audited)	
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	28,036	9,338	236	236
Past due				
Up to 3 months	-	12,205	-	-
Total trade receivables - related parties	<u>28,036</u>	<u>21,543</u>	<u>236</u>	<u>236</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Post dated cheques receivable	18,244	26,164	18,244	26,164
Cheque returned	5,593	5,891	5,593	5,891
Not yet due	1,213,821	1,015,905	902,616	793,591
Past due				
Up to 3 months	275,729	267,825	249,578	256,795
3 - 6 months	3,025	38	1,236	38
6 - 12 months	240	325	240	325
Over 12 months	2,337	2,451	2,337	2,451
Total	1,518,989	1,318,599	1,179,844	1,085,255
Less: Allowance for expected credit losses	(6,066)	(6,853)	(6,066)	(6,853)
Total trade receivables - unrelated parties - net	<u>1,512,923</u>	<u>1,311,746</u>	<u>1,173,778</u>	<u>1,078,402</u>
Total trade receivables - net	<u>1,540,959</u>	<u>1,333,289</u>	<u>1,174,014</u>	<u>1,078,638</u>
<u>Other receivables</u>				
Other receivables - related parties	-	-	3,790	3,919
Other receivables - unrelated parties	4,271	13,785	4,107	2,702
Accrued income - related parties	-	-	29,794	28,646
Accrued income - unrelated parties	1,964	521	-	-
Advances - unrelated parties	431	518	-	-
Total	6,666	14,824	37,691	35,267
Less: Allowance for expected credit losses	(774)	(774)	(709)	(709)
Total other receivables - net	<u>5,892</u>	<u>14,050</u>	<u>36,982</u>	<u>34,558</u>
Total trade and other receivables - net	<u>1,546,851</u>	<u>1,347,339</u>	<u>1,210,996</u>	<u>1,113,196</u>

4. Reduction of inventory to net realisable value

Movements in the reduction of inventory to net realisable value account during the three-month period ended 31 March 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2023	15,837	2,255
Reversal of the reduction of inventory value reversed during the period	(796)	(2,255)
Balance as at 31 March 2024	15,041	-

5. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Audited)		(Audited)		(Audited)	
		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 31 March 2024, 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 1,417 million (31 December 2023: Baht 1,417 million).

6. Investment in associated company

Company's name	Nature of business	Country of incorporation	Consolidated financial statements			
			Paid-up capital		Shareholding percentage	
			31 March 2024	31 December 2023	31 March 2024	31 December 2023
			(Audited)	(Audited)		
			Million Baht	Million Baht	Percent	Percent
Union Fresh Co., Ltd.	Dormant	Thailand	30	30	40	40

(Unit: Thousand Baht)

Company's name	Consolidated financial statements							
	Cost		Allowance for diminution in value of investment		Carrying amounts based on cost method - net		Carrying amounts based on equity method	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
		(Audited)		(Audited)		(Audited)		(Audited)
Union Fresh Co., Ltd.	12,000	12,000	(12,000)	(12,000)	-	-	-	-

7. Long-term loan to other company

As at 31 March 2024, a subsidiary of subsidiary had unsecured loan to other company, amounting to approximately Baht 15.2 million (31 December 2023: Baht 15.6 million). The loan carries interest at a rate of BIBOR plus 1% per annum (31 December 2023: BIBOR plus 1% per annum) and is due for repayment end of June and December of every year with the last payment in June 2040.

8. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2023	2,538,415	956,446
Acquisitions during the period - at cost	53,330	33,579
Write-off during the period - net book value at write-off date	(172)	(171)
Depreciation for the period	(63,818)	(35,941)
Interest capitalised to assets	281	52
Net book value as at 31 March 2024	2,528,036	953,965

9. Right-of-use assets

Movements in the right-of-use assets account during the three-month period ended 31 March 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2023	56,019	5,737
Addition during the period	682	682
Depreciation for the period	(2,804)	(354)
Net book value as at 31 March 2024	<u>53,897</u>	<u>6,065</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 of subsidiary is required to comply with prescribed terms and conditions.

10. Bearer plants

Movements in bearer plants account during the three-month period ended 31 March 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2023	166,346	130
Acquisitions during the period - at cost	2,456	-
Write-off during the period - net book value at write-off date	(395)	-
Amortisation for the period	(2,716)	(3)
Net book value as at 31 March 2024	<u>165,691</u>	<u>127</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 9 May 2024, 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 9 May 2025 and the subsidiary of subsidiary is required to pay official royalty fees at the rate of 10% of the market price of oil palm and forest maintenance fees, at a rate of double the official royalty fees, when harvesting the oil palm crops planted.

(Unaudited but reviewed)

11. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	31	31	31	31	31	31
March	December	March	December	March	December	
2024	2023	2024	2023	2024	2023	
		(Audited)		(Audited)		
Short-term loans from banks	2.65 - 3.10	2.70 - 3.15	545,000	519,000	425,000	319,000
Total			545,000	519,000	425,000	319,000

Movement in short-term loans from banks during the three-month period ended 31 March 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 31 December 2023	519,000	319,000
Additions during the period	505,000	455,000
Repayments during the period	(479,000)	(349,000)
Balance as at 31 March 2024	545,000	425,000

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

12. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
2024	2023	2024	2023	
		(Audited)		
Trade payables - related parties	-	-	123,051	114,804
Trade payables - unrelated parties	534,866	382,819	389,403	282,543
Other payables - related parties	11,842	14,093	-	-
Other payables - unrelated parties	119,792	123,347	90,130	80,156
Advance received from related parties	150	-	1	146
Other payables for purchases of machinery	20,532	21,924	12,955	11,545
Accrued expenses	221,317	214,350	87,816	117,404
Total trade and other payables	908,499	756,533	703,356	606,598

13. Long-term loans

On 21 April 2023, the Company entered into long-term loan agreement with a bank for the purpose of investing in machineries and upgrade facilities of existing plant. The long-term loan facilities of the Company carries interest at a rate of 1M BIBOR or 2M BIBOR or 3M BIBOR plus 1.50% per annum. The principal is repayable every 3 months for a period of 3 years. The first installment will be made in 27 months after the last drawdown. The loan agreements contain several covenants which require the Company to maintain certain financial 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 and the amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Interim corporate income tax charge	29,321	43,653	8,032	21,697
Deferred tax:				
Relating to origination and reversal of temporary differences	4,442	(9,193)	45	(403)
Income tax expenses reported in the profit or loss	<u>33,763</u>	<u>34,460</u>	<u>8,077</u>	<u>21,294</u>

15. Operating segment information

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

The following tables present revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2024 and 2023.

(Unit: Million Baht)

Consolidated for the three-month periods ended 31 March										
Manufacture and distribution										
Processed										
Palm oil products		fruits and vegetables		Total segments		Adjustments and eliminations		Consolidated		
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Revenue										
External customers	2,159	2,273	655	605	2,814	2,878	-	-	2,814	2,878
Inter-segment	184	169	1	-	185	169	(185)	(169)	-	-
Total revenue	2,343	2,442	656	605	2,999	3,047	(185)	(169)	2,814	2,878
Operating results										
Segment profit	191	306	117	102	308	408	(1)	(4)	307	404
Unallocated income and expenses:										
Other income									42	29
Gain (loss) arising from change in fair value of biological assets									30	(28)
Selling and distribution expenses									(144)	(140)
Administrative expenses									(62)	(62)
Share of profit from investment in joint venture									2	12
Finance cost									(5)	(5)
Profit before income tax expenses									170	210
Income tax expenses									(34)	(34)
Profit for the period									136	176

16. Commitments and contingent liabilities

16.1 Capital commitments

As at 31 March 2024, the Group had capital commitments relating to acquisition and installation of machineries and equipment and construction of building improvement amounting to Baht 241.1 million and Euro 3.7 million or approximately Baht 148.1 million totaling of Baht 389.2 million (31 December 2023: Baht 350.6 million and Euro 3.7 million or approximately Baht 140.9 million totalling of Baht 491.5 million), the Company only: Baht 165.0 million and Euro 3.7 million or approximately Baht 148.1 million totaling of Baht 313.1 million (31 December 2023: Baht 272.9 million and Euro 3.7 million or approximately Baht 140.9 million totalling of Baht 413.8 million).

16.2 Lease and service commitments

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

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

	Consolidated		(Unit: Million Baht) Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Audited)		(Audited)	
Payable:				
Within 1 year	10.4	8.8	7.9	5.1
Over 1 and up to 5 years	1.1	1.2	1.1	1.2
Total	11.5	10.0	9.0	6.3

16.3 Long-term commitments

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

16.4 Guarantees

As at 31 March 2024, 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 14.6 million to electricity use, among others (31 December 2023: Baht 14.6 million) and for the Company: Baht 6.5 million to guarantee electricity use, among others (31 December 2023: Baht 6.5 million).

16.5 Contingent liabilities

In 2020, the Company was notified of import duty and VAT assessment by the Customs Department requiring the Company to pay import duty, VAT, penalties and surcharges totalling Baht 189.5 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 2023.

17. Rights to utilise land

During the current period, there have been no events or significant change with respect to the right to utilise land as disclosed in the notes to consolidated financial statements for the year ended 31 December 2023.

18. Litigation

During the current period, there have been no events or significant change with respect to the litigation as disclosed in the notes to consolidated financial statements for the year ended 31 December 2023.

19. Financial instruments

19.1 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.

19.2 Fair value hierarchy

As at 31 March 2024 and 31 December 2023, the Group had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 March 2024			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	56.5	172.9	229.4

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	37.6	157.8	195.4

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

20. Reclassification

The reclassifications from the alignment with the current period's account categorization are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Sales and service income	2,877,417	2,879,845	1,999,670	2,002,098
Selling and distribution expenses	139,917	142,345	89,002	91,430

The reclassifications had no effect to previously reported net profit or shareholders' equity.

21. Events after the reporting period

On 26 April 2024, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of a dividend of Baht 0.25 per share, totaling Baht 205 million, to be paid in May 2024.

On 24 April 2024, the Annual General Meeting of United Palm Oil Industry Public Company's ("the subsidiary") shareholders passed a resolution to approve the payment of a dividend of Baht 0.30 per share, totaling Baht 97 million, to be paid in May 2024.

The dividends of the Company and its subsidiaries will be recorded in the second quarter of 2024.

22. Approval of interim financial statements

These interim financial statements were authorised for issue on 10 May 2024 by the Company's Audit and Corporate Governance Committee under authority delegated by the Board of Directors of the Company.