

United Palm Oil Industry 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 United Palm Oil Industry Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of United Palm Oil Industry Public Company Limited and its subsidiaries as at 31 March 2021, and 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 United Palm Oil Industry 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.



Vilailak Laohasrisakul

Certified Public Accountant (Thailand) No. 6140

EY Office Limited

Bangkok: 13 May 2021

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2021	31 December 2020	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		56,294	39,840	43,263	27,104
Trade and other receivables	4	105,686	38,605	105,628	38,545
Current portion of financial lease receivables		1,576	1,567	1,576	1,567
Advance to employees		90	79	90	79
Inventories	5	77,165	123,014	77,165	123,014
Biological assets		104,234	95,620	104,234	95,620
Other current assets		24,173	20,417	20,317	16,827
Total current assets		369,218	319,142	352,273	302,756
Non-current assets					
Financial lease receivables - long-term portion		2,044	2,441	2,044	2,441
Investment in subsidiary	6	-	-	307,895	307,895
Investment in joint venture	7	22,040	22,997	25,000	25,000
Long-term loan to other company	8	17,940	18,400	-	-
Property, plant and equipment	9	885,725	887,736	885,725	887,736
Right-of-use assets	10	36,015	36,397	58,113	58,729
Bearer plants	11	194,470	196,333	194,470	196,333
Intangible assets		146	166	146	166
Other non-current assets		770	1,047	770	1,047
Total non-current assets		1,159,150	1,165,517	1,474,163	1,479,347
Total assets		1,528,368	1,484,659	1,826,436	1,782,103

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

United Palm Oil Industry 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	
		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 financial institutions	12	235,000	245,000	235,000	245,000
Trade and other payables	13	37,179	18,304	316,286	295,819
Current portion of long-term lease liabilities		79	308	468	462
Income tax payable		23,442	19,336	22,497	18,875
Other current liabilities		4,580	2,959	4,580	2,959
Total current liabilities		300,280	285,907	578,831	563,115
Non-current liabilities					
Long-term lease liabilities, net of current portion		42,700	42,546	64,072	64,191
Deferred tax liabilities		3,787	2,611	3,855	2,717
Provision for long-term employee benefits	14	17,613	18,423	17,613	18,423
Total non-current liabilities		64,100	63,580	85,540	85,331
Total liabilities		364,380	349,487	664,371	648,446
Shareholders' equity					
Share capital					
Registered					
324,050,000 ordinary shares of Baht 1 each		324,050	324,050	324,050	324,050
Issued and fully paid up					
324,050,000 ordinary shares of Baht 1 each		324,050	324,050	324,050	324,050
Share premium		321,545	321,545	321,545	321,545
Retained earnings					
Appropriated - statutory reserve		60,805	60,805	32,405	32,405
Unappropriated		457,588	428,772	484,065	455,657
Total shareholders' equity		1,163,988	1,135,172	1,162,065	1,133,657
Total liabilities and shareholders' equity		1,528,368	1,484,659	1,826,436	1,782,103
		-	-	-	-

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

Directors

(Unaudited but reviewed)

United Palm Oil Industry 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)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Revenue		462,472	290,492	462,472	290,492
Gain arising from change in fair value of biological assets		7,067	-	7,067	-
Other income					
Compensation from insurance		7,642	-	7,642	-
Others		9,697	4,751	9,622	4,751
Total revenues		486,878	295,243	486,803	295,243
Expenses					
Cost of sales		427,484	272,173	427,873	272,680
Selling and distribution expenses		10,171	7,259	10,171	7,259
Administrative expenses		12,819	9,537	12,774	9,481
Loss arising from change in fair value of biological assets		-	4,604	-	4,604
Total expenses		450,474	293,573	450,818	294,024
Profit from operating activities		36,404	1,670	35,985	1,219
Share of profit (loss) of a joint venture	7.2	(957)	4,173	-	-
Finance income		79	101	20	8
Finance cost		(779)	(1,802)	(2,340)	(3,405)
Profit (loss) before income tax benefits (expenses)		34,747	4,142	33,665	(2,178)
Income tax benefits (expenses)	15	(5,931)	184	(5,257)	618
Profit (loss) for the period		28,816	4,326	28,408	(1,560)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Share of other comprehensive income of a joint venture					
- actuarial gain	7.2	-	39	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax					
		-	39	-	-
Other comprehensive income for the period		-	39	-	-
Total comprehensive income for the period		28,816	4,365	28,408	(1,560)
Basic earnings per share					
Profit (loss) per share	16	0.09	0.01	0.09	(0.00)

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

(Unaudited but reviewed)

United Palm Oil Industry 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				
	Issued and	Share	Retained earnings		Total
	paid-up	premium	Appropriated	Unappropriated	
share capital	premium	Appropriated	Unappropriated	Total	
Balance as at 1 January 2020	324,050	321,545	60,805	313,167	1,019,567
Profit for the period	-	-	-	4,326	4,326
Other comprehensive income for the period	-	-	-	39	39
Total comprehensive income for the period	-	-	-	4,365	4,365
Balance as at 31 March 2020	<u>324,050</u>	<u>321,545</u>	<u>60,805</u>	<u>317,532</u>	<u>1,023,932</u>
Balance as at 1 January 2021	324,050	321,545	60,805	428,772	1,135,172
Profit for the period	-	-	-	28,816	28,816
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	28,816	28,816
Balance as at 31 March 2021	<u>324,050</u>	<u>321,545</u>	<u>60,805</u>	<u>457,588</u>	<u>1,163,988</u>

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and	Share	Retained earnings		Total
	paid-up	premium	Appropriated	Unappropriated	
share capital	premium	Appropriated	Unappropriated	Total	
Balance as at 1 January 2020	324,050	321,545	32,405	336,173	1,014,173
Loss for the period	-	-	-	(1,560)	(1,560)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,560)	(1,560)
Balance as at 31 March 2020	<u>324,050</u>	<u>321,545</u>	<u>32,405</u>	<u>334,613</u>	<u>1,012,613</u>
Balance as at 1 January 2021	324,050	321,545	32,405	455,657	1,133,657
Profit for the period	-	-	-	28,408	28,408
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	28,408	28,408
Balance as at 31 March 2021	<u>324,050</u>	<u>321,545</u>	<u>32,405</u>	<u>484,065</u>	<u>1,162,065</u>

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

(Unaudited but reviewed)

United Palm Oil Industry 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 (loss) before tax	34,747	4,142	33,665	(2,178)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	10,762	10,824	10,996	11,060
Share of loss (profit) of a joint venture	957	(4,173)	-	-
Loss (gain) arising from change in fair value of biological assets	(7,067)	4,604	(7,067)	4,604
Loss on write-off bearer plants	94	-	94	-
Reversal of reduction of inventory cost to net realisable value	(2,204)	(3,512)	(2,204)	(3,512)
Loss (gain) on disposal/write-off land and vehicles	2,842	(774)	2,842	(774)
Provision for termination benefits and provision for long-term employee benefits	1,390	341	1,390	341
Interest expenses	779	1,802	2,340	3,405
Profit from operating activities before changes in operating assets and liabilities	42,300	13,254	42,056	12,946
Operating assets (increase) decrease				
Trade and other receivables	(67,081)	(47,456)	(67,083)	(47,474)
Cash received from financial lease receivables	388	82	388	82
Advance to employees	(11)	(1,113)	(11)	(1,113)
Inventories and biological assets	46,506	35,232	46,506	35,232
Other current assets	(3,756)	(3,184)	(3,490)	(1,720)
Other non-current assets	277	(6)	277	(6)
Operating liabilities increase (decrease)				
Trade and other payables	12,663	8,422	13,546	9,268
Other current liabilities	1,621	205	1,621	205
Cash paid for termination benefits and long-term employee benefits	(2,200)	-	(2,200)	-
Cash flows from operating activities	30,707	5,436	31,610	7,420
Cash paid for interest expenses	(787)	(1,828)	(1,562)	(2,092)
Cash received from income tax	-	89	-	-
Cash paid for income tax	(648)	(687)	(498)	(526)
Net cash flows from operating activities	29,272	3,010	29,550	4,802

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

(Unaudited but reviewed)

United Palm Oil Industry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Decrease in long-term loan to other company	460	460	-	-
Proceeds from disposal of equipment and vehicles	-	845	-	845
Cash paid for acquisition of equipment	(2,248)	(15,184)	(2,248)	(15,184)
Increase in cost of bearer plants	(1,030)	(643)	(1,030)	(643)
Net cash flows used in investing activities	<u>(2,818)</u>	<u>(14,522)</u>	<u>(3,278)</u>	<u>(14,982)</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(10,000)	50,000	(10,000)	50,000
Cash paid for lease liabilities	-	(294)	(113)	(70)
Net cash flows from (used in) financing activities	<u>(10,000)</u>	<u>49,706</u>	<u>(10,113)</u>	<u>49,930</u>
Net increase in cash and cash equivalents	16,454	38,194	16,159	39,750
Cash and cash equivalents at beginning of period	<u>39,840</u>	<u>21,001</u>	<u>27,104</u>	<u>10,081</u>
Cash and cash equivalents at end of period	<u>56,294</u>	<u>59,195</u>	<u>43,263</u>	<u>49,831</u>
	-		-	
Supplemental cash flows information				
Non-cash transactions				
Purchase of equipment for which no cash has been paid	7,636	412	7,636	412
Increase in right-of-use assets	-	37,947	-	61,227

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2021

1. General information

1.1 Corporate information

United Palm Oil Industry Public Company Limited is a public company incorporated and domiciled in Thailand. Its parent company is Lam Soon (Thailand) Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture of crude palm oil and crude palm kernel oil. The registered office of the Company is at 64, Soi Bangna-Trad 25, Bangna Nuea Sub-district, Bangna District, Bangkok. Branch office and factory are located at 98 Moo 6, Nueaklong-Khao Phanom Road, Huayyoong Sub-district, Nueaklong District, Krabi.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 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

These interim consolidated financial statements include the financial statements of United Palm Oil Industry Public Company Limited (hereinafter called as "the Company") and its subsidiaries (hereinafter called as "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. During the current period, there were no changes in the composition of the Group.

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 became 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.

2. 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.

3. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policies
	financial statements		financial statements		
	For the three-month periods ended 31 March				
	2021	2020	2021	2020	
Transactions with parent company					
Sales of crude palm oil and crude palm kernel oil	371	258	371	258	Market price on contract's date
Sales of fresh fruit bunch	63	-	63	-	Market price on contract's date

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policies
	financial statements		financial statements		
	For the three-month periods ended 31 March				
	2021	2020	2021	2020	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Palm plantation rental expenses	-	-	2	2	Contract rate
Interest expenses	-	-	1	1	THBFIX + 1% per annum
Transactions with joint venture					
Purchases of oil palm seeds and fresh fruit bunch	1	1	1	1	Market price

The balances of the accounts between the Company and those related parties as at 31 March 2021 and 31 December 2020.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
Trade and other receivables - related party (Note 4)				
Parent company	103,301	38,532	103,301	38,532
Total	103,301	38,532	103,301	38,532
Trade and other payables - related party (Note 13)				
Subsidiary	-	-	279,155	277,665
Total	-	-	279,155	277,665
Lease liabilities - related party				
Subsidiary	-	-	64,540	64,653
Total	-	-	64,540	64,653

Directors and management's benefits

During the three-month periods ended 31 March 2021, the Company had short-term employee benefits expenses and post-employment benefits expenses payable to its directors and management totaling Baht 6 million (2020: Baht 5 million).

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
Trade receivables - related party				
Aged on the basis of due dates				
Not yet due	103,301	38,532	103,301	38,532
Total trade receivables - related party (Note 3)	103,301	38,532	103,301	38,532
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,517	-	1,517	-
Total trade receivables - unrelated parties	1,517	-	1,517	-
Total trade receivables	104,818	38,532	104,818	38,532
Other receivables				
Accrued income	868	73	810	13
Total other receivables	868	73	810	13
Total trade and other receivables	105,686	38,605	105,628	38,545

5. Inventories

Movements in the allowance for reduction of cost of inventories to net realisable value account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Balance as at 1 January 2021	4,963
Reversal of reduction of inventory cost to net realisable value	(2,204)
Balance as at 31 March 2021	2,759

6. Investment in subsidiary

Detail of investment in subsidiary as presented in separate financial statements is as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2021	2020	2021	2020	2021	2020
	(Million Baht)	(Million Baht)	(%)	(%)		
Phansrivivat Co., Ltd.	274	274	100	100	307,895	307,895
Total					307,895	307,895

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 Company and other company. Details of this investment is as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		31 March	31 December	31 March	31 December	31 March	31 December
		2021	2020	2021	2020	2021	2020
		(%)	(%)				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	22,040	22,997
Total				25,000	25,000	22,040	22,997

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements			
		Shareholding percentage		Cost	
		31 March	31 December	31 March	31 December
		2021	2020	2021	2020
		(%)	(%)		
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000
Total				25,000	25,000

7.2 Share of comprehensive income

During the periods, the Company recognised its share of comprehensive income of a joint venture in the financial statements as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements			
	Share of profit (loss)		Share of other comprehensive income	
	For the three-month periods ended 31 March			
	2021	2020	2021	2020
Siam Elite Palm Co., Ltd.	(957)	4,173	-	39
Total	(957)	4,173	-	39

8. Long-term loan to other company

As at 31 March 2021 and 31 December 2020, a subsidiary had loan to other company of Baht 18 million. The loan has no collateral and carry interest at a rate of THBFIX plus 1% per annum. Principal payments are to be made at the end of June and December each year, with the final payment due in June 2040.

9. 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/Separate financial statements
Net book value as at 1 January 2021	887,736
Acquisitions during period - at cost	8,392
Write-off during the period - net book value at write-off date	(2,842)
Depreciation for the period	(7,561)
Net book value as at 31 March 2021	885,725

10. 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	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2021	36,397	58,729
Depreciation for the period	<u>(382)</u>	<u>(616)</u>
Net book value as at 31 March 2021	<u><u>36,015</u></u>	<u><u>58,113</u></u>

The subsidiary entered into a lease contract with the Treasury Department for an area of 4,294 rai, 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.

11. Bearer plants

Movements in the bearer plants account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
	<u>Consolidated/Separate</u>
	<u>financial statements</u>
Net book value as at 1 January 2021	196,333
Increase during the period - at cost	1,030
Write-off during the period - net book value at write-off date	(94)
Amortisation for the period	<u>(2,799)</u>
Net book value as at 31 March 2021	<u><u>194,470</u></u>

A permit from Royal Forest Department granted to a subsidiary company for the exploitation or inhabitation in the National Reserved Forests expired in January 2015. The subsidiary has leased the land of 13,030 rai to the Company for utilisation. The 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 was granted a permit to harvest forest product in the Nation Reserved Forest. The existing permit is valid for 1 year, expired on 14 May 2021 and the 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.

12. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated/Separate	
	(% per annum)		financial statements	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Short-term loans from financial institutions	1.10 - 1.25	1.25 - 1.50	235,000	245,000
Total			235,000	245,000

13. 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 - unrelated parties	15,164	3,045	15,164	3,045
Other payables - related party (Note 3)	-	-	279,155	277,665
Other payables - unrelated parties	5,058	3,069	5,058	3,069
Payables for purchase of assets - unrelated parties	7,636	1,492	7,636	1,492
Accrued expenses	9,321	10,698	9,273	10,548
Total trade and other payables	37,179	18,304	316,286	295,819

14. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	Termination	Long-term
	benefits	employee benefits
Balance as at 1 January 2021	-	18,423
Current service cost	-	246
Interest cost	-	37
Termination benefits	1,107	-
Benefit paid during the period	(1,107)	(1,093)
Balance as at 31 March 2021	-	17,613

15. Income tax

Income tax expenses (benefits) 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		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Interim corporate income tax charge	4,754	327	4,120	-
Deferred tax:				
Relating to origination and reversal of temporary differences	1,177	(511)	1,137	(618)
Income tax expenses (benefits) reported in the statement of comprehensive income	5,931	(184)	5,257	(618)

16. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

17. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's business operations involve 2 principal segments (1) oil palm plantation, crude palm oil and crude palm kernel oil processing (2) generation of electricity from biogases and biomasses. These activities are carried on exclusively in the single geographic area of Thailand. During the periods, there were no material activities pertaining to the generation of electricity from biogases and biomasses segment for the Group. Accordingly, most of the revenues, operating profit and assets as reflected in these financial statements pertain to the industry segment (1) and geographic area as mentioned above.

18. Dividends

On 23 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to approve the payment of a dividend of Baht 0.20 per share, totaling Baht 65 million, to be paid in May 2021.

19. Commitments and contingent liabilities

19.1 Capital commitments

As at 31 March 2021, the Company had capital commitments of Baht 5 million (31 December 2020: Baht 3 million) relating to the acquisition of machine and equipment.

19.2 Guarantees

As at 31 March 2021 and 31 December 2020, there were outstanding bank guarantees of Baht 3 million issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

20. Right to utilise land

- a) On 11 April 2008, the Company attended a meeting with a working committee responsible for reviewing practical methods and negotiations for the distribution of land belonging to holders of large plots in land reform areas to farmers, which was appointed by the Surat Thani Land Reform Commission. The purpose of the meeting was to find a practical solution to the land issue arising as a result of the Company holding land covering a total area of 1,210 rai in designated forest areas and 276 rai in land reform areas. These land plots represent 3% of the current total area utilised by the Company. Land reform area with a total area of 276 rai represents a large landholding and a holding in excess of the area that is allowed to be held under Section 30 of the Land Reform for Agriculture Act.

On 29 August 2008, the Company entered into a memorandum of negotiation, agreeing to transfer land in land reform areas into the custody of ALRO for development for agricultural purposes, and demonstrated its intention to allow the ALRO to integrate 80 rai of land into the land reform program. However, on 17 September 2009, the Company received a notice from the ALRO to vacate a total area of 133 rai of land in land reform areas and demolish all constructions thereon within 30 days from the date the notice was served since the Company lacked land ownership documents. The Company had set aside full allowance for impairment loss on the cost of land and net book value of oil palm plantation development on such land in 2009. During the current period, the Company reversed allowance for impairment loss and wrote off the cost of land and net book value of oil palm plantation development on the land.

Currently, the Company is in the process of negotiating with relevant government agencies concerning land in designated forest areas.

- b) On 9 March 2020, the ALRO issued a notice designating land plots No. 602 in Krabi Noi Sub-district, Muang District and Huayyoong Sub-district, Nueaklong District, Krabi, covering a total area of 683 rai, as a prospective area for land reform which is not incorporated in a land reform program. A landowner is required to produce evidence and documentation regarding land rights under the Land Code or other relevant laws within 15 days from 31 March 2020, the date the notice was posted at the ALRO in Krabi. On 13 April 2020, the Company, as a landowner, filed a petition and submitted evidence and documentation regarding rights over the land plots. On 14 May 2020, the Company 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 16 June 2020, the Company 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 Company failed to follow procedures and methods stipulated by the Administrative Procedure Act, B.E. 2539. The Company 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 Company appealed the order of the ALRO in Krabi.

On 31 March 2021, the Company 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 Company 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 Company 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 Company 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 Company as at 31 March 2021 are to decrease by Baht 5 million.

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

On 21 October 2020, the ALRO in Krabi presented assessment results considering that the petition was unacceptable. On 30 October 2020, the Company 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 Company appealed the order of the ALRO in Krabi.

On 31 March 2021, the Company 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 designated area for land reform, the cost of land and net book value of oil palm plantation developments on the land of the Company as at 31 March 2021 are to decrease by Baht 14 million.

21. Litigation

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

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

- b) On 6 July 2020, the Company was served with a summons in a criminal action involving alleged trespass. The ALRO in Krabi had made an allegation against the Company. Krabi chief public prosecutor issued a letter requiring inquiry officers to follow up on and pursue the case against the Company. On 20 August 2020, the Company turned themselves in to the authorities and acknowledged the allegation. On 18 September 2020, the Company submitted a written testimony to inquiry officers. The case is currently under consideration of Krabi chief public prosecutor.
- c) The Company 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 Company's land title deeds of 13 plots, covering a total area of 82 rai, and 10 plots under Nor Sor 3 Kor certificates, covering a total area of 325 rai, in Bang Sawan Sub-district, Phra Saeng District, Surat Thani. The villagers alleged that land officers had issued the documentation in an unethical manner.

On 19 March 2021, the Central Administrative Court rendered judgement that the Director-General of Surat Thani Land Office and land officers Surat Thani Province, Phra Saeng Branch, shall perform duties in accordance with Section 61 of the Land Code to revoke or amend the Company'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 Company from the disputed land within 180 days from the date of the case is finalised.

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

- d) The Company 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 Company'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 Company 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.

22. Fire incident

On 26 August 2020, a fire broke out in a crude palm oil processing plant in Krabi. The inspection team 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 Company started to bring machines into operation again on 16 November 2020. The Company had insurance to cover damaged assets and business interruption. Currently, the Company received compensation from assets insurance amounting to Baht 30 million. Compensation for business interruption is in the process of negotiation with insurance companies.

23. Fair value of financial instruments

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.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2021.