

United Palm Oil Industry Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and six-month periods ended  
30 June 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 30 June 2021, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 periods (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: 9 August 2021

**United Palm Oil Industry Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	<b>Note</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		35,173	39,840	21,600	27,104
Trade and other receivables	4	87,416	38,605	87,358	38,545
Current portion of financial lease receivables		1,585	1,567	1,585	1,567
Advance to employees		614	79	614	79
Inventories	5	282,654	123,014	282,654	123,014
Biological assets		50,040	95,620	50,040	95,620
Other current assets		14,639	20,417	10,985	16,827
<b>Total current assets</b>		<b>472,121</b>	<b>319,142</b>	<b>454,836</b>	<b>302,756</b>
<b>Non-current assets</b>					
Financial lease receivables - long-term portion		1,644	2,441	1,644	2,441
Investment in subsidiary	6	-	-	307,895	307,895
Investment in joint venture	7	21,074	22,997	25,000	25,000
Long-term loan to other company	8	17,940	18,400	-	-
Property, plant and equipment	9	879,533	887,736	879,533	887,736
Right-of-use assets	10	35,765	36,397	57,489	58,729
Bearer plants	11	190,123	196,333	190,123	196,333
Intangible assets		126	166	126	166
Deferred tax assets		6,813	-	6,754	-
Other non-current assets		770	1,047	770	1,047
<b>Total non-current assets</b>		<b>1,153,788</b>	<b>1,165,517</b>	<b>1,469,334</b>	<b>1,479,347</b>
<b>Total assets</b>		<b>1,625,909</b>	<b>1,484,659</b>	<b>1,924,170</b>	<b>1,782,103</b>

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 30 June 2021**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	12	250,000	245,000	250,000	245,000
Trade and other payables	13	40,103	18,304	315,820	295,819
Current portion of long-term loan	14	20,000	-	20,000	-
Current portion of long-term lease liabilities		170	308	474	462
Income tax payable		14,545	19,336	13,870	18,875
Other current liabilities		6,231	2,959	6,231	2,959
<b>Total current liabilities</b>		<b>331,049</b>	<b>285,907</b>	<b>606,395</b>	<b>563,115</b>
<b>Non-current liabilities</b>					
Long-term loan, net of current portion	14	40,000	-	40,000	-
Long-term lease liabilities, net of current portion		42,822	42,546	63,951	64,191
Deferred tax liabilities		-	2,611	-	2,717
Provision for long-term employee benefits	15	17,798	18,423	17,798	18,423
<b>Total non-current liabilities</b>		<b>100,620</b>	<b>63,580</b>	<b>121,749</b>	<b>85,331</b>
<b>Total liabilities</b>		<b>431,669</b>	<b>349,487</b>	<b>728,144</b>	<b>648,446</b>
<b>Shareholders' equity</b>					
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		487,840	428,772	518,026	455,657
<b>Total shareholders' equity</b>		<b>1,194,240</b>	<b>1,135,172</b>	<b>1,196,026</b>	<b>1,133,657</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,625,909</b>	<b>1,484,659</b>	<b>1,924,170</b>	<b>1,782,103</b>
		-	-	-	-

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 30 June 2021**

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2021	2020	2021	2020
<b>Revenues</b>					
Revenue		485,405	220,057	485,405	220,057
Other income					
Dividend income	6	-	-	4,383	6,302
Others		15,028	8,953	15,103	8,953
<b>Total revenues</b>		<b>500,433</b>	<b>229,010</b>	<b>504,891</b>	<b>235,312</b>
<b>Expenses</b>					
Cost of sales		334,600	165,082	334,989	165,591
Selling and distribution expenses		10,702	5,171	10,702	5,171
Administrative expenses		14,230	9,513	14,183	9,467
Loss arising from change in fair value of biological assets		44,042	21,504	44,042	21,504
<b>Total expenses</b>		<b>403,574</b>	<b>201,270</b>	<b>403,916</b>	<b>201,733</b>
<b>Profit from operating activities</b>		<b>96,859</b>	<b>27,740</b>	<b>100,975</b>	<b>33,579</b>
Share of loss of a joint venture	7.2	(966)	(5,087)	-	-
Finance income		117	125	51	44
Finance cost		(941)	(1,670)	(2,572)	(3,352)
<b>Profit before income tax benefits (expenses)</b>		<b>95,069</b>	<b>21,108</b>	<b>98,454</b>	<b>30,271</b>
Income tax benefits (expenses)	16	(7)	(5,232)	317	(4,883)
<b>Profit for the period</b>		<b>95,062</b>	<b>15,876</b>	<b>98,771</b>	<b>25,388</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>95,062</b>	<b>15,876</b>	<b>98,771</b>	<b>25,388</b>
<b>Basic earnings per share</b>					
Profit per share	17	0.29	0.05	0.30	0.08

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 comprehensive income****For the six-month period ended 30 June 2021**

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

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2021	2020	2021	2020
<b>Revenues</b>					
Revenue		947,877	510,549	947,877	510,549
Other income					
Dividend income	6	-	-	4,383	6,302
Compensation from insurance		7,642	-	7,642	-
Others		24,725	13,704	24,725	13,704
<b>Total revenues</b>		<b>980,244</b>	<b>524,253</b>	<b>984,627</b>	<b>530,555</b>
<b>Expenses</b>					
Cost of sales		762,084	437,255	762,862	438,271
Selling and distribution expenses		20,873	12,430	20,873	12,430
Administrative expenses		27,049	19,050	26,957	18,948
Loss arising from change in fair value of biological assets		36,975	26,108	36,975	26,108
<b>Total expenses</b>		<b>846,981</b>	<b>494,843</b>	<b>847,667</b>	<b>495,757</b>
<b>Profit from operating activities</b>		<b>133,263</b>	<b>29,410</b>	<b>136,960</b>	<b>34,798</b>
Share of loss of a joint venture	7.2	(1,923)	(914)	-	-
Finance income		196	226	71	52
Finance cost		(1,720)	(3,472)	(4,912)	(6,757)
<b>Profit before income tax expenses</b>		<b>129,816</b>	<b>25,250</b>	<b>132,119</b>	<b>28,093</b>
Income tax expenses	16	(5,938)	(5,048)	(4,940)	(4,265)
<b>Profit for the period</b>		<b>123,878</b>	<b>20,202</b>	<b>127,179</b>	<b>23,828</b>
<b>Other comprehensive income:</b>					
<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	-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>39</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>123,878</b>	<b>20,241</b>	<b>127,179</b>	<b>23,828</b>
<b>Basic earnings per share</b>					
Profit per share	17	0.38	0.06	0.39	0.07

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 six-month period ended 30 June 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>				
	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
<b>Balance as at 1 January 2020</b>	324,050	321,545	60,805	313,167	1,019,567
Profit for the period	-	-	-	20,202	20,202
Other comprehensive income for the period	-	-	-	39	39
Total comprehensive income for the period	-	-	-	20,241	20,241
Dividend paid (Note 19)	-	-	-	(8,101)	(8,101)
<b>Balance as at 30 June 2020</b>	<u>324,050</u>	<u>321,545</u>	<u>60,805</u>	<u>325,307</u>	<u>1,031,707</u>
<b>Balance as at 1 January 2021</b>	324,050	321,545	60,805	428,772	1,135,172
Profit for the period	-	-	-	123,878	123,878
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	123,878	123,878
Dividend paid (Note 19)	-	-	-	(64,810)	(64,810)
<b>Balance as at 30 June 2021</b>	<u>324,050</u>	<u>321,545</u>	<u>60,805</u>	<u>487,840</u>	<u>1,194,240</u>

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				
	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
<b>Balance as at 1 January 2020</b>	324,050	321,545	32,405	336,173	1,014,173
Profit for the period	-	-	-	23,828	23,828
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	23,828	23,828
Dividend paid (Note 19)	-	-	-	(8,101)	(8,101)
<b>Balance as at 30 June 2020</b>	<u>324,050</u>	<u>321,545</u>	<u>32,405</u>	<u>351,900</u>	<u>1,029,900</u>
<b>Balance as at 1 January 2021</b>	324,050	321,545	32,405	455,657	1,133,657
Profit for the period	-	-	-	127,179	127,179
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	127,179	127,179
Dividend paid (Note 19)	-	-	-	(64,810)	(64,810)
<b>Balance as at 30 June 2021</b>	<u>324,050</u>	<u>321,545</u>	<u>32,405</u>	<u>518,026</u>	<u>1,196,026</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 six-month period ended 30 June 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>				
Profit before tax	129,816	25,250	132,119	28,093
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	21,886	21,121	22,356	21,592
Share of loss of a joint venture	1,923	914	-	-
Loss arising from change in fair value of biological assets	36,975	26,108	36,975	26,108
Loss on write-off bearer plants	94	-	94	-
Reduction of inventory cost to net realisable value (reversal)	14,998	(2,265)	14,998	(2,265)
Loss (gain) on disposal/write-off land, equipment and vehicles	2,280	(979)	2,280	(979)
Loss on impairment of assets	4,963	-	4,963	-
Gain on finance lease agreements	-	(234)	-	(234)
Provision for termination benefits and provision for long-term employee benefits	1,673	681	1,673	681
Dividend Income	-	-	(4,383)	(6,302)
Interest expenses	1,720	3,472	4,912	6,757
Profit from operating activities before changes in operating assets and liabilities	216,328	74,068	215,987	73,451
Operating assets (increase) decrease				
Trade and other receivables	(48,811)	(37,470)	(48,813)	(37,511)
Cash received from financial lease receivables	779	173	779	173
Advance to employees	(535)	(901)	(535)	(901)
Inventories and biological assets	(166,033)	(95,361)	(166,033)	(95,361)
Other current assets	1,839	(1,604)	1,903	(741)
Other non-current assets	277	(6)	277	(6)
Operating liabilities increase (decrease)				
Trade and other payables	22,095	15,948	23,655	17,547
Other current liabilities	3,260	326	3,260	326
Cash paid for termination benefits and long-term employee benefits	(2,298)	(794)	(2,298)	(794)
Cash flows from (used in) operating activities	26,901	(45,621)	28,182	(43,817)
Cash paid for interest expenses	(1,413)	(3,500)	(7,963)	(12,027)
Cash received from income tax	3,939	2,389	3,939	2,300
Cash paid for income tax	(20,153)	(1,552)	(19,416)	(562)
<b>Net cash flows (used in) from operating activities</b>	<b>9,274</b>	<b>(48,284)</b>	<b>4,742</b>	<b>(54,106)</b>

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 six-month period ended 30 June 2021**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>				
Decrease in long-term loan to other company	460	460	-	-
Proceeds from disposal of equipment and vehicles	755	2,112	755	2,112
Cash paid for acquisition of machine and equipment	(13,024)	(25,216)	(13,024)	(25,216)
Increase in cost of bearer plants	(2,335)	(1,474)	(2,335)	(1,474)
Dividend received	-	-	4,383	6,302
<b>Net cash flows used in investing activities</b>	<u>(14,144)</u>	<u>(24,118)</u>	<u>(10,221)</u>	<u>(18,276)</u>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	5,000	90,000	5,000	90,000
Cash received from long-term loan	60,000	-	60,000	-
Cash paid for lease liabilities	-	(294)	(228)	(179)
Dividend paid	(64,797)	(8,101)	(64,797)	(8,101)
<b>Net cash flows from (used in) financing activities</b>	<u>203</u>	<u>81,605</u>	<u>(25)</u>	<u>81,720</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(4,667)</u>	<u>9,203</u>	<u>(5,504)</u>	<u>9,338</u>
Cash and cash equivalents at beginning of period	<u>39,840</u>	<u>21,001</u>	<u>27,104</u>	<u>10,081</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>35,173</u></u>	<u><u>30,204</u></u>	<u><u>21,600</u></u>	<u><u>19,419</u></u>
	-		-	
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Purchase of equipment for which no cash has been paid	888	1,118	888	1,118
Increase in right-of-use assets from contract modification	138	-	-	-

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 and six-month periods ended 30 June 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 will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

## **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 30 June				
	2021	2020	2021	2020	
<b>Transactions with parent company</b>					
Sales of crude palm oil and crude palm kernel oil	456	128	456	128	Market price on contract's date
<b>Transactions with subsidiaries</b> (eliminated from the consolidated financial statements)					
Dividend income	-	-	4	6	As declared
Palm plantation rental expenses	-	-	1	1	Contract price
Interest expenses	-	-	1	2	THBFIX+1% per annum
<b>Transactions with joint venture</b>					
Purchases of oil palm seeds and fresh fruit bunch	2	2	2	2	Market price

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policies
	financial statements		financial statements		
	For the six-month periods ended 30 June				
	2021	2020	2021	2020	
<b>Transactions with parent company</b>					
Sales of crude palm oil and crude palm kernel oil	827	386	827	386	Market price on contract's date
Sales of fresh fruit bunch	63	-	63	-	Market price on contract's date
<b>Transactions with subsidiaries</b> (eliminated from the consolidated financial statements)					
Dividend income	-	-	4	6	As declared
Palm plantation rental expenses	-	-	3	3	Contract price
Interest expenses	-	-	2	3	THBFIX+1% per annum
<b>Transactions with joint venture</b>					
Purchases of oil palm seeds and fresh fruit bunch	3	3	3	3	Market price

The balances of the accounts between the Company and those related parties as at 30 June 2021 and 31 December 2020.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b>Trade and other receivables - related party (Note 4)</b>				
Parent company	84,847	38,532	84,847	38,532
Total	<u>84,847</u>	<u>38,532</u>	<u>84,847</u>	<u>38,532</u>
<b>Trade and other payables - related parties (Note 13)</b>				
Subsidiaries	-	-	275,797	277,665
Total	<u>-</u>	<u>-</u>	<u>275,797</u>	<u>277,665</u>
<b>Lease liabilities - related party</b>				
Subsidiary	-	-	64,425	64,653
Total	<u>-</u>	<u>-</u>	<u>64,425</u>	<u>64,653</u>

#### Directors and management's benefits

During the three-month and six-month periods ended 30 June 2021, the Company had short-term employee benefits expenses and post-employment benefits expenses payable to its directors and management totaling Baht 5 million and Baht 11 million, respectively (2020: Baht 5 million and Baht 10 million, respectively).

#### **4. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b>Trade receivables - related party</b>				
Aged on the basis of due dates				
Not yet due	84,847	38,532	84,847	38,532
Total trade receivables - related party (Note 3)	<u>84,847</u>	<u>38,532</u>	<u>84,847</u>	<u>38,532</u>
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	1,960	-	1,960	-
Total trade receivables - unrelated parties	<u>1,960</u>	<u>-</u>	<u>1,960</u>	<u>-</u>
Total trade receivables	<u>86,807</u>	<u>38,532</u>	<u>86,807</u>	<u>38,532</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b>Other receivables</b>				
Accrued income	609	73	551	13
Total other receivables	609	73	551	13
Total trade and other receivables	87,416	38,605	87,358	38,545

## 5. Inventories

Movements in the allowance for reduction of cost of inventories to net realisable value account during the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements
Balance as at 1 January 2021	4,963
Reduction of inventory cost to net realisable value	14,998
Balance as at 30 June 2021	19,961

## 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	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(Million Baht)	(Million Baht)	(%)	(%)		
Phansrivivat Co., Ltd.	274	274	100	100	307,895	307,895
Total					307,895	307,895

During the six-month period ended 30 June 2021, the Company received dividend income from its subsidiary by Baht 4 million (2020: Baht 6 million).

## 7. Investment in joint venture

### 7.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the 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	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
		(%)	(%)				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	21,074	22,997
Total				25,000	25,000	21,074	22,997

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements			
		Shareholding percentage		Cost	
		30 June 2021	31 December 2020	30 June 2021	31 December 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 loss		Share of other comprehensive income	
	For the three-month periods ended 30 June			
	2021	2020	2021	2020
Siam Elite Palm Co., Ltd.	(966)	(5,087)	-	-
Total	(966)	(5,087)	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements			
	Share of loss		Share of other comprehensive income	
	For the six-month periods ended 30 June			
	2021	2020	2021	2020
Siam Elite Palm Co., Ltd.	(1,923)	(914)	-	39
Total	(1,923)	(914)	-	39

#### 8. Long-term loan to other company

As at 30 June 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 six-month period ended 30 June 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	12,420
Disposals/write-off during the period - net book value at disposal/write-off date	(3,035)
Depreciation for the period	(15,466)
Impairment loss for the period	(2,122)
Net book value as at 30 June 2021	879,533



**10. Right-of-use assets**

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2021	36,397	58,729
Differences from contract modification	138	-
Depreciation for the period	(770)	(1,240)
Net book value as at 30 June 2021	<u>35,765</u>	<u>57,489</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 six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate
	financial statements
Net book value as at 1 January 2021	196,333
Increase during the period - at cost	2,335
Write-off during the period - net book value at write-off date	(94)
Amortisation for the period	(5,610)
Impairment loss for the period	(2,841)
Net book value as at 30 June 2021	<u>190,123</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 12 May 2021, 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 11 May 2022 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**

	Interest rate		(Unit: Thousand Baht)	
	(% per annum)		Consolidated/Separate	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Short-term loans from financial institutions	1.10 - 1.25	1.25 - 1.50	250,000	245,000
Total			250,000	245,000

**13. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Trade payables - unrelated parties	28,381	3,045	28,381	3,045
Other payables - related parties (Note 3)	-	-	275,797	277,665
Other payables - unrelated parties	4,540	3,069	4,540	3,069
Payables for purchase of assets - unrelated parties	888	1,492	888	1,492
Accrued expenses	6,294	10,698	6,214	10,548
Total trade and other payables	40,103	18,304	315,820	295,819

**14. Long-term loan**

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

	(Unit: Thousand Baht)
	Consolidated/Separate
	financial statements
Balance as at 1 January 2021	-
Addition during period	60,000
Balance as at 30 June 2021	60,000
Less: Portion due within one year	(20,000)
Portion due more than one year	40,000

The Company's long-term loan is long-term loan under a joint loan agreement between the Company and parent company and the bank. The Company and parent company agree that the Company, as the party that draws down the loan, is to be primarily responsible for the principal and interest thereon.

The long-term loan is clean loan with a negative pledge of assets belonging to the Company and parent company. The loan agreement contains covenant relating to maintenance of certain financial ratios specified in the agreement.

#### 15. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the six-month period ended 30 June 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	Termination benefits	Long-term employee benefits
Balance as at 1 January 2021	-	18,423
Current service cost	-	493
Interest cost	-	73
Termination benefits	1,107	-
Benefit paid during the period	(1,107)	(1,191)
Balance as at 30 June 2021	-	17,798

#### 16. Income tax

Income tax expenses (benefits) for the three-month and six-month periods ended 30 June 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
<b>Current income tax:</b>				
Interim corporate income tax charge	10,608	2,261	10,291	1,922
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(10,601)	2,971	(10,608)	2,961
<b>Income tax expenses (benefits) reported in the statement of comprehensive income</b>	<u>7</u>	<u>5,232</u>	<u>(317)</u>	<u>4,883</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Current income tax:</b>				
Interim corporate income tax charge	15,362	2,588	14,411	1,922
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(9,424)	2,460	(9,471)	2,343
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>5,938</b>	<b>5,048</b>	<b>4,940</b>	<b>4,265</b>

### 17. Earnings per share

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

### 18. 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.

### 19. Dividends

Dividends	Approved by	Total dividends	Dividends per share
		(Million Baht)	(Baht)
Final dividend for 2019	Annual General Meeting of the shareholders on 24 April 2020	8	0.03
<b>Total dividend paid for the period ended 30 June 2020</b>		<b>8</b>	<b>0.03</b>
Final dividend for 2020	Annual General Meeting of the shareholders on 23 April 2021	65	0.20
<b>Total dividend paid for the period ended 30 June 2021</b>		<b>65</b>	<b>0.20</b>

## **20. Commitments and contingent liabilities**

### **20.1 Capital commitments**

As at 30 June 2021, the Company had capital commitments of Baht 8 million and Euro 0.6 million (31 December 2020: Baht 3 million) relating to the acquisition of machine and equipment.

### **20.2 Guarantees**

As at 30 June 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.

## **21. 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 plot 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.

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

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

However, if such plot of land must be lost as a result, the amount of land area and asset value of the Company will decrease. The Company has set aside allowance for impairment loss on the cost of land and net book value of the cost of oil palm plantation development by Baht 5 million as expenses in Quarter 2 of 2021.

- 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.

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

However, if the Company has to lose the land plot, the cost of land and net book value of oil palm plantation development on such land plot of the Company as at 30 June 2021 will decrease by Baht 14 million.

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

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

## **22. 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.

**23. 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 2<sup>nd</sup> 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.

**24. 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.

**25. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2021.