

United Palm Oil Industry Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of United Palm Oil Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of United Palm Oil Industry Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of United Palm Oil Industry Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Palm Oil Industry Public Company Limited and its subsidiaries and of United Palm Oil Industry Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition from improper selling prices to a related party

As described in Note 7 to the financial statements, the Company had sales of crude palm oil and crude palm kernel oil to its parent company totaling approximately for Baht 714 million during the current year, accounting for 72% of total revenues. Such related party transactions could give rise to doubt as to the arm's length nature of the business transactions between the parties and there is a potential risk with respect to the amount of revenue recognised.

I have performed the following audit procedures regarding whether revenue was recognised on the basis of selling prices that are equivalent to the market prices of the goods:

- Assessed the processes used by management to set prices and record related party transactions.
- Read contracts and agreements with related party to understand the nature of the transactions.
- Examined the market prices used as a reference in setting the transfer prices for sales transactions occurring during the year.
- Examined credit notes that the Company issued during the year and after the year-end.
- Performed analytical procedures on disaggregated data to consider possible irregularities in sales transactions, particularly for accounting entries made through journal vouchers.

In addition, I reviewed the disclosure of information with respect to the related party transactions in the notes to the financial statements.

Fair value measurement of biological assets - palm fruit on trees

As described in Note 11 to the financial statements, the value of the biological assets - palm fruit on trees as of 31 December 2020 was Baht 66 million, which is a significant amount. The fair value measurement of biological assets - palm fruit on trees requires the use of estimates and assumptions, which included estimated harvesting volume and the selling price at each points of harvest, with consideration of whether these correspond with the nature and circumstances of the biological asset being measured, based on judgements made by the Company's agricultural officers and management as to the basis and assumptions relevant to the estimations.

There may be a risk with respect to the value of biological assets.

I gained an understanding of, assessed and tested controls of the Company related to the fair value estimation of the biological assets, including assessment of the methods applied by the Company to estimate data, set assumptions and calculate values. I reviewed the fair values by evaluating the data estimates and assumptions used in the valuation based on inquiry of the Company's agricultural officers and management, comparative analysis with historical data, and by testing the calculation. In addition, I reviewed the disclosure of information with respect to the fair value measurement of biological assets in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Vilailak Laohasrisakul
Certified Public Accountant (Thailand) No. 6140

EY Office Limited
Bangkok: 24 February 2021

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	39,839,639	21,000,585	27,104,434	10,080,600
Trade and other receivables	9	38,605,410	30,471,223	38,545,091	30,360,468
Current portion of financial lease receivables		1,567,066	330,650	1,567,066	330,650
Advance to employees		79,096	300,385	79,096	300,385
Inventories	10	123,013,684	82,814,927	123,013,684	82,814,927
Biological assets	11	95,620,275	90,928,591	95,620,275	90,928,591
Other current assets		20,417,097	12,264,073	16,826,646	8,288,803
Total current assets		319,142,267	238,110,434	302,756,292	223,104,424
Non-current assets					
Financial lease receivables - long-term portion		2,441,124	640,732	2,441,124	640,732
Investment in subsidiary	12	-	-	307,895,303	307,895,303
Investment in joint venture	13	22,997,536	26,709,841	25,000,000	25,000,000
Long-term loan to other company	14	18,400,000	19,320,000	-	-
Property, plant and equipment	15	887,736,007	841,931,040	887,735,681	841,930,714
Right-of-use assets	16	36,396,548	-	58,728,679	-
Bearer plants	17	196,333,100	204,034,766	196,333,100	204,034,766
Intangible assets		165,947	63,623	165,947	63,623
Deferred tax assets	21	-	6,569,983	-	6,295,393
Other non-current assets		1,047,010	2,801,010	1,047,010	2,801,010
Total non-current assets		1,165,517,272	1,102,070,995	1,479,346,844	1,388,661,541
Total assets		1,484,659,539	1,340,181,429	1,782,103,136	1,611,765,965

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 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	245,000,000	275,000,000	245,000,000	275,000,000
Trade and other payables	19	18,303,837	22,973,869	295,819,126	300,627,843
Current portion of long-term lease liabilities	16	308,143	-	462,453	-
Income tax payable		19,336,400	675,764	18,874,424	-
Other current liabilities		2,959,260	2,857,381	2,959,260	2,857,381
Total current liabilities		285,907,640	301,507,014	563,115,263	578,485,224
Non-current liabilities					
Long-term lease liabilities, net of current portion	16	42,546,367	-	64,190,638	-
Deferred tax liabilities	21	2,610,783	-	2,717,493	-
Provision for long-term employee benefits	20	18,422,800	19,108,330	18,422,800	19,108,330
Total non-current liabilities		63,579,950	19,108,330	85,330,931	19,108,330
Total liabilities		349,487,590	320,615,344	648,446,194	597,593,554
Shareholders' equity					
Share capital					
Registered					
324,050,000 ordinary shares of Baht 1 each		324,050,000	324,050,000	324,050,000	324,050,000
Issued and fully paid up					
324,050,000 ordinary shares of Baht 1 each		324,050,000	324,050,000	324,050,000	324,050,000
Share premium		321,544,740	321,544,740	321,544,740	321,544,740
Retained earnings					
Appropriated - statutory reserve	22	60,805,000	60,805,000	32,405,000	32,405,000
Unappropriated		428,772,209	313,166,345	455,657,202	336,172,671
Total shareholders' equity		1,135,171,949	1,019,566,085	1,133,656,942	1,014,172,411
Total liabilities and shareholders' equity		1,484,659,539	1,340,181,429	1,782,103,136	1,611,765,965

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

Directors

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Revenue	25	923,837,788	545,848,253	923,837,788	545,848,253
Gain arising from change in fair value of biological assets		18,691,732	-	18,691,732	-
Other income					
Dividend income	12, 13.2	-	-	6,301,540	16,781,138
Compensation from insurance		18,736,306	-	18,736,306	-
Others		25,423,837	17,178,436	25,423,883	17,178,522
Total revenues		986,689,663	563,026,689	992,991,249	579,807,913
Expenses					
Cost of sales		756,475,531	443,359,372	758,511,716	442,151,994
Selling and distribution expenses		21,318,328	21,383,884	21,318,328	21,383,884
Administrative expenses		41,395,809	61,086,135	41,206,149	60,780,524
Impairment loss of assets	32	-	698,969	-	698,969
Loss arising from change in fair value of biological assets		-	26,864,185	-	26,864,185
Total expenses		819,189,668	553,392,545	821,036,193	551,879,556
Profit from operating activities		167,499,995	9,634,144	171,955,056	27,928,357
Share of loss of a joint venture	13.2	(3,751,777)	(6,813,861)	-	-
Finance income		429,612	642,422	125,595	112,084
Finance cost	23	(6,963,114)	(6,790,082)	(12,483,378)	(13,404,040)
Profit (loss) before income tax benefits (expenses)		157,214,716	(3,327,377)	159,597,273	14,636,401
Income tax benefits (expenses)	21	(32,116,003)	(225,611)	(30,580,421)	995,839
Profit (loss) for the year		125,098,713	(3,552,988)	129,016,852	15,632,240

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	Note	2020	2019	2020	2019
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(1,788,903)	(1,380,008)	(1,788,903)	(1,380,008)
Less: Income tax effect	21	357,781	276,002	357,781	276,002
Share of other comprehensive income of a joint venture					
- actuarial gain (loss)	13.2	39,472	(77,952)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(1,391,650)	(1,181,958)	(1,431,122)	(1,104,006)
Other comprehensive income for the year		<u>(1,391,650)</u>	<u>(1,181,958)</u>	<u>(1,431,122)</u>	<u>(1,104,006)</u>
Total comprehensive income for the year		<u>123,707,063</u>	<u>(4,734,946)</u>	<u>127,585,730</u>	<u>14,528,234</u>
Earnings per share					
Basic earnings (loss) per share	26	<u>0.39</u>	<u>(0.01)</u>	<u>0.40</u>	<u>0.05</u>

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements

	Issued and paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated	
Balance as at 1 January 2019	324,050,000	321,544,740	60,805,000	343,825,123	1,050,224,863
Loss for the year	-	-	-	(3,552,988)	(3,552,988)
Other comprehensive income for the year	-	-	-	(1,181,958)	(1,181,958)
Total comprehensive income for the year	-	-	-	(4,734,946)	(4,734,946)
Dividend paid (Note 29)	-	-	-	(25,923,832)	(25,923,832)
Balance as at 31 December 2019	<u>324,050,000</u>	<u>321,544,740</u>	<u>60,805,000</u>	<u>313,166,345</u>	<u>1,019,566,085</u>
Balance as at 1 January 2020	324,050,000	321,544,740	60,805,000	313,166,345	1,019,566,085
Profit for the year	-	-	-	125,098,713	125,098,713
Other comprehensive income for the year	-	-	-	(1,391,650)	(1,391,650)
Total comprehensive income for the year	-	-	-	123,707,063	123,707,063
Dividend paid (Note 29)	-	-	-	(8,101,199)	(8,101,199)
Balance as at 31 December 2020	<u>324,050,000</u>	<u>321,544,740</u>	<u>60,805,000</u>	<u>428,772,209</u>	<u>1,135,171,949</u>

(Unit: Baht)

Separate financial statements

	Issued and paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated	
Balance as at 1 January 2019	324,050,000	321,544,740	32,405,000	347,568,269	1,025,568,009
Profit for the year	-	-	-	15,632,240	15,632,240
Other comprehensive income for the year	-	-	-	(1,104,006)	(1,104,006)
Total comprehensive income for the year	-	-	-	14,528,234	14,528,234
Dividend paid (Note 29)	-	-	-	(25,923,832)	(25,923,832)
Balance as at 31 December 2019	<u>324,050,000</u>	<u>321,544,740</u>	<u>32,405,000</u>	<u>336,172,671</u>	<u>1,014,172,411</u>
Balance as at 1 January 2020	324,050,000	321,544,740	32,405,000	336,172,671	1,014,172,411
Profit for the year	-	-	-	129,016,852	129,016,852
Other comprehensive income for the year	-	-	-	(1,431,122)	(1,431,122)
Total comprehensive income for the year	-	-	-	127,585,730	127,585,730
Dividend paid (Note 29)	-	-	-	(8,101,199)	(8,101,199)
Balance as at 31 December 2020	<u>324,050,000</u>	<u>321,544,740</u>	<u>32,405,000</u>	<u>455,657,202</u>	<u>1,133,656,942</u>

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before tax	157,214,716	(3,327,377)	159,597,273	14,636,401
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	40,951,747	48,834,034	41,899,741	48,834,034
Share of loss of a joint venture	3,751,777	6,813,861	-	-
Loss (gain) arising from change in fair value of biological assets	(18,691,732)	26,864,185	(18,691,732)	26,864,185
Loss on write-off bearer plants	-	5,948,638	-	5,948,638
Reduction of inventory cost to net realisable value (reversal)	1,451,565	(2,272,572)	1,451,565	(2,272,572)
Impairment loss of assets	-	698,969	-	698,969
Loss on write-off assets	2,083,664	-	2,083,664	-
Gain on disposal/write-off of property plant and equipment	(4,215,811)	(1,078,061)	(4,215,811)	(1,078,061)
Gain on financial lease agreements	(3,778,947)	(1,022,998)	(3,778,947)	(1,022,998)
Provision for termination benefits and provision for long-term employee benefits	10,992,252	12,591,565	10,992,252	12,591,565
Dividend income	-	-	(6,301,540)	(16,781,138)
Interest expenses	6,963,114	6,790,082	12,483,378	13,404,040
Profit from operating activities before changes in operating assets and liabilities	196,722,345	100,840,326	195,519,843	101,823,063
Operating assets (increase) decrease				
Trade and other receivables	(8,134,187)	(18,946,371)	(8,184,623)	(18,958,972)
Cash received from financial lease receivables	742,139	51,616	742,139	51,616
Advance to employees	221,289	(64,179)	221,289	(64,179)
Inventories and biological assets	(27,650,274)	(14,347,095)	(27,650,274)	(14,347,095)
Other current assets	(10,621,089)	(359,105)	(11,121,455)	80,183
Other non-current assets	(46,000)	5,490	(46,000)	5,490
Operating liabilities increase (decrease)				
Trade and other payables	(252,411)	1,749,600	2,765,725	1,552,015
Other current liabilities	101,879	(1,813,226)	101,879	(1,813,226)
Cash paid for termination benefits and long-term employee benefits	(13,466,685)	(8,249,768)	(13,466,685)	(8,249,768)
Cash flows from operating activities	137,617,006	58,867,288	138,881,838	60,079,127
Cash paid for interest expenses	(6,984,326)	(6,811,288)	(17,034,357)	(19,296,190)
Cash received from income tax	2,389,007	245,887	2,299,948	-
Cash paid for income tax	(4,121,426)	(2,327,735)	(2,335,330)	(202,163)
Net cash flows from operating activities	128,900,261	49,974,152	121,812,099	40,580,774

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

United Palm Oil Industry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Decrease in long-term loan to other company	920,000	920,000	-	-
Proceeds from disposals of property, plant and equipment	26,892,171	5,326,162	26,892,171	5,326,162
Cash paid for acquisition of plant, equipment and intangible assets	(95,797,403)	(34,355,708)	(95,797,403)	(34,355,708)
Increase in cost of bearer plants	(3,681,047)	(7,840,676)	(3,681,047)	(7,840,676)
Dividend received	-	4,999,998	6,301,540	16,781,138
Net cash flows used in investing activities	(71,666,279)	(30,950,224)	(66,284,739)	(20,089,084)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(30,000,000)	5,000,000	(30,000,000)	5,000,000
Cash paid for lease liabilities	(293,729)	-	(402,327)	-
Dividend paid	(8,101,199)	(25,923,832)	(8,101,199)	(25,923,832)
Net cash flows used in financing activities	(38,394,928)	(20,923,832)	(38,503,526)	(20,923,832)
Net increase (decrease) in cash and cash equivalents	18,839,054	(1,899,904)	17,023,834	(432,142)
Cash and cash equivalents at beginning of year	21,000,585	22,900,489	10,080,600	10,512,742
Cash and cash equivalents at end of year	39,839,639	21,000,585	27,104,434	10,080,600
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Purchase of equipment for which no cash has been paid	1,492,444	688,115	1,492,444	688,115

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

United Palm Oil Industry Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General 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 palm kernel oil. The registered office of the Company is at 64, 1st Floor, Soi Bangna-Trad 25, Bangnanua Sub-District, Bangna District, Bangkok. Branch office and factory are located at 98, Moo 6, Nuaklong-Khao Phanom Road, Huayyoong Sub-District, Nuaklong District, Krabi.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of United Palm Oil Industry Public Company Limited ("the Company") and the following subsidiaries (hereinafter called as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			(%)	(%)
<u>Shares held by the Company</u>				
Phansrivivat Co., Ltd.	Owner of oil palm plantation	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of indirect Shareholding	
			2020	2019
			(%)	(%)
<u>Shares held by the Company's subsidiary</u>				
Prachak Vivat Co., Ltd. (100% held by Phansrivivat Co., Ltd.)	Holder of concessions to use forest reserve land	Thailand	100	100
Phansri Co., Ltd. (100% held by Phansrivivat Co., Ltd.)	Holder of concessions to use forest reserve land	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries and joint venture under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

Changes in accounting policy due to the adoption of financial reporting standard related to TFRS 16 does not have any impact on retained earnings as at 1 January 2020.

Amount of adjustments that have an impact on items in statement of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)			
Consolidated financial statements			
	31 December 2019	The impact of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	37,947	37,947
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	294	294
Trade and other payables	22,974	(5,201)	17,773
Non-current liabilities			
Lease liabilities, net of current portion	-	42,854	42,854

(Unit: Thousand Baht)			
Separate financial statements			
	31 December 2019	The impact of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	61,227	61,227
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	402	402
Trade and other payables	300,628	(3,828)	296,800
Non-current liabilities			
Lease liabilities, net of current portion	-	64,653	64,653

4.1 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	74,295	38,260
Less: Short-term leases and leases of low-value assets	(1,168)	(1,168)
Add: Option to extend lease term	-	77,267
Add: Others	5,201	3,828
Less: Deferred interest expenses	(35,180)	(53,132)
Increase in lease liabilities due to the adoption of TFRS 16	43,148	65,055
Liabilities under finance lease agreements as at 31 December 2019	-	-
Lease liabilities as at 1 January 2020	43,148	65,055
Weighted average incremental borrowing rate (% per annum)	4.8	4.8
Comprise of:		
Current lease liabilities	294	402
Non-current lease liabilities	42,854	64,653
	43,148	65,055

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and allowances to customers.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Finished goods and work in process are valued at the lower of average cost and net realisable value. Such cost includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs wherever consumed.

5.4 Investments in subsidiary and joint venture

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiary and joint venture are accounted for in the separate financial statements using the cost method.

5.5 Property, plant and equipment/Depreciation

Land, land ownership document and land possessory rights are stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and construction	-	20 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	5 - 10 years
Motor vehicles	-	5 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land, land ownership document, land possessory rights and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Bearer plants and amortisation

Bearer plants are stated at cost less accumulated amortisation and allowance for impairment losses (if any). The cost includes cost of cultivate before production period.

Amortisation of bearer plants is calculated by reference to their cost on the straight-line basis over the estimated remaining productive life of the bearer plants (the productive life of palm tree generally 25 years).

Amortisation is included in determining income.

No amortisation is provided on bearer plants not ready for harvest.

Costs of supplying bearer plants vacancies and infilling mature areas are included in determining income.

5.7 Agriculture

The Company's biological assets are palm fruit on tree and palm nursery for sale and agricultural produce is palm fresh fruit bunch.

The fair value of palm fruit on tree is determined based on discounted cash flows reference to price of palm fruit at the front of the Company's factory, less estimated point of harvest costs. The palm fresh fruit bunch is determined based on reference to price of palm fruit at the front of the Company's factory, less estimated selling expenses. The fair value of palm nursery for sale is determined based on reference to selling price, less estimated selling expenses. Gains or losses on changes in fair value of biological assets and the differences between fair value and costs of agricultural produce are recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the Company shall measure it at its fair value less costs to sell.

The agricultural produce is included in inventories.

5.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	-	24 years
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If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and Leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group perform impairment reviews in respect of the property, plant and equipment, bearer plants, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

5.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost. The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial liabilities

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 90 days past due and considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debtor aging.

5.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Agriculture

The Company measured their biological assets - palm fruit on tree at their fair value less costs to sell. Such fair values were calculated using the discounted cash flows reference to price of palm fruit at the front of the Company's factory, less estimated point of harvest costs. The valuation involves certain assumptions and estimates such as price of palm fruit at the point of harvest, weight of palm fruit on tree and discount rate.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

During the years, 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 policy
	financial statements		financial statements		
	2020	2019	2020	2019	
Transactions with parent company					
Sales of crude palm oil and					
crude palm kernel oil	714	431	714	431	Market price on contract's date
Sales of fresh fruit bunch	44	1	44	1	Market price on contract's date
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	6	12	As declared
Palm plantation rental expenses	-	-	7	7	Contract rate
Interest expenses	-	-	5	7	THBFIX + 1% per annum
Transactions with joint venture					
Land rental income	1	1	1	1	Agreed between parties
Dividend income	-	5	-	5	As declared
Purchases of oil palm seeds					
and fresh fruit bunch	3	1	3	1	Market price

The balance of the account between the Company and that related party as at 31 December 2020 and 2019.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other receivables - related party (Note 9)				
Parent company	38,532	-	38,532	-
Total	38,532	-	38,532	-
Trade and other payables - related party (Note 19)				
Subsidiary	-	-	277,665	283,005
Total	-	-	277,665	283,005
Lease liabilities - related party				
Subsidiary	-	-	64,653	-
Total	-	-	64,653	-

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2020	2019
Short-term employee benefits	20,663	18,327
Post-employment benefits	263	240
Total	20,926	18,567

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	1,185	1,195	1,176	1,187
Bank deposits	38,655	19,806	25,928	8,894
Total	39,840	21,001	27,104	10,081

As at 31 December 2020, bank deposits in saving accounts carried interests between 0.05% and 0.13% per annum (2019: 0.10% and 0.38% per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade receivables - related party				
Aged on the basis of due dates				
Not yet due	38,532	-	38,532	-
Total trade receivables - related party				
(Note 7)	38,532	-	38,532	-

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
Trade receivables - unrelated parties					
Aged on the basis of due dates					
Not yet due		-	29,837	-	29,837
Past due					
Up to 3 months		-	467	-	467
Total trade receivables - unrelated parties		-	30,304	-	30,304
Total trade receivables		38,532	30,304	38,532	30,304
Other receivables					
Accrued income		73	167	13	56
Total other receivables		73	167	13	56
Total trade and other receivables		38,605	30,471	38,545	30,360

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated/Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	113,155	72,724	(4,519)	(3,213)	108,636	69,511
Work in process	3,627	1,848	-	-	3,627	1,848
Spare parts, supplies and others	11,195	11,755	(444)	(299)	10,751	11,456
Total	127,977	86,327	(4,963)	(3,512)	123,014	82,815

During the year 2020, the Company reduce cost of inventories by Baht 1.4 million, to reflect the net realisable value. This was included in cost of sales.

During the year 2019, the Company reversed the write-down of cost of inventories by Baht 2.3 million, and reduce the amount of inventories recognised as expense during the year.

11. Biological assets

Movements in the biological assets account for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Palm nursery for sales	Palm fruit on tree	Total
Balance as at 1 January 2019	80,547	37,973	118,520
Gain (loss) arising from changes in fair value	(4,047)	173,965	169,918
Increases due to cultivate	767	-	767
Decreases due to harvest	-	(176,954)	(176,954)
Decreases due to sales	(11,522)	(3,946)	(15,468)
Decreases due to write-off	(5,855)	-	(5,855)
Balance as at 31 December 2019	59,890	31,038	90,928
Gain arising from changes in fair value	3,114	344,370	347,484
Increases due to cultivate	-	-	-
Decreases due to harvest	-	(264,849)	(264,849)
Decreases due to sales	(21,319)	(44,124)	(65,443)
Decreases due to write-off	(12,500)	-	(12,500)
Balance as at 31 December 2020	29,185	66,435	95,620

Significant assumptions for the calculation of fair value at the valuation date were as follows:

Prices of palm fruit at harvest point are estimated based on purchase prices of palm fruit at the front of the Company's factory from which the Company purchased in the past less estimated estate cost, harvesting cost and transportation cost from each estate.

Weight of palm fruit on tree are estimated with references to the average weight for each age when harvest the palm fruit from historical information, including consideration on factors affecting fruit bearing and random sampling result.

For the year 2020, discount rate is estimated at the rate of 3% (2019: 5%) by weighted average cost of capital method.

The result of sensitivity analysis for significant assumptions that affect the fair value of biological assets as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	2020		2019	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
Prices of palm fruit at harvest point	12,466	(12,466)	8,352	(8,352)
Weight of palm fruit on tree	12,466	(12,466)	8,352	(8,352)

12. Investment in subsidiary

Details 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		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Million Baht)	(Million Baht)	(%)	(%)				
Phansrivivat Co., Ltd.	274	274	100	100	307,895	307,895	6,302	11,781
Total					307,895	307,895	6,302	11,781

13. Investment in joint venture

13.1 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 amount based on equity method	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000	22,997	26,710
Total				25,000	25,000	22,997	26,710

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements			
		Shareholding percentage		Cost	
		2020	2019	2020	2019
		(%)	(%)		
Siam Elite Palm Co., Ltd.	Production and distribution of oil palm seeds	50	50	25,000	25,000
Total				25,000	25,000

13.2 Share of comprehensive income and dividend income

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

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements				Separate financial statements	
	Share of loss		Share of other comprehensive income		Dividend income	
	2020	2019	2020	2019	2020	2019
Siam Elite Palm Co., Ltd.	(3,752)	(6,814)	39	(78)	-	5,000
Total	(3,752)	(6,814)	39	(78)	-	5,000

13.3 Summarised financial information of material joint venture

Summarised information about financial position as at 31 December 2020 and 2019

(Unit: Thousand Baht)

	Siam Elite Palm Co., Ltd.	
	2020	2019
Current assets	20,294	28,554
Non-current assets	33,693	35,260
Total assets	53,987	63,814
Current liabilities	(3,612)	(5,935)
Non-current liabilities	(4,380)	(4,459)
Total liabilities	(7,992)	(10,394)
Net assets	45,995	53,420
Shareholding percentage (%)	50	50
Carrying amount of joint venture based on equity method	22,997	26,710

Summarised information about comprehensive income for the year ended 31 December 2020 and 2019

(Unit: Thousand Baht)

	Siam Elite Palm Co., Ltd.	
	2020	2019
Revenue	13,884	12,939
The differences between fair value and costs of agricultural produce	(2,550)	(5,543)
Cost of sales	(6,655)	(7,619)
Selling and administrative expenses	(12,262)	(13,362)
Loss before income tax benefits	(7,583)	(13,585)
Income tax benefits	-	113
Loss for the year	(7,583)	(13,472)
Other comprehensive income	79	(156)
Total comprehensive income	(7,504)	(13,628)
Shareholding percentage (%)	50	50
Share of comprehensive income of the joint venture	(3,752)	(6,814)

14. Long-term loan to other company

As at 31 December 2020, a subsidiary has loan to other company of approximately Baht 18 million (2019: Baht 19 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.

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land ownership document	Land possessory rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction Total
Cost							
1 January 2019	672,999	15,564	293,776	623,080	31,827	167,224	2,611
Additions	-	19,766	-	1,090	272	6,308	6,028
Disposals/write-off	(2,844)	-	(242)	(6,461)	(1,817)	(19,669)	-
Transfer in (out)	19,112	(19,112)	242	4,991	14	2,731	(7,978)
31 December 2019	689,267	16,218	293,776	622,700	30,296	156,594	661
Additions	-	2,042	-	988	678	4,765	87,990
Disposals/write-off	(20,033)	-	(3,513)	(26,150)	(890)	(30,112)	-
Transfer in (out)	17,665	(17,665)	7,286	23,333	5	-	(30,624)
31 December 2020	686,899	595	297,549	620,871	30,089	131,247	58,027
							1,825,277

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land ownership document	Land possessionary rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Accumulated depreciation								
1 January 2019	-	-	211,076	549,054	29,268	146,048	-	935,446
Depreciation for the year	-	-	9,668	19,356	867	7,819	-	37,710
Depreciation on disposals/write-off	-	-	(242)	(5,477)	(1,794)	(19,272)	-	(26,785)
31 December 2019	-	-	220,502	562,933	28,341	134,595	-	946,371
Depreciation for the year	-	-	9,464	12,393	791	5,334	-	27,982
Depreciation on disposals/write-off	-	-	(2,775)	(25,585)	(877)	(28,785)	-	(58,022)
31 December 2020	-	-	227,191	549,741	28,255	111,144	-	916,331
Allowance for impairment loss								
31 December 2019	21,210	-	-	-	-	-	-	21,210
Impairment loss for the year	-	-	-	-	-	-	-	-
31 December 2020	21,210	-	-	-	-	-	-	21,210
Net book value								
31 December 2019	668,057	16,218	73,274	59,767	1,955	21,999	661	841,931
31 December 2020	665,689	595	70,358	71,130	1,834	20,103	58,027	887,736
Depreciation for the year								
2019 (Baht 37 million included in manufacturing cost, and the balance in selling and administrative expenses)								37,710
2020 (Baht 27 million included in manufacturing cost, and the balance in selling and administrative expenses)								27,982

(Unit: Thousand Baht)

Separate financial statements

	Land and land ownership document	Land possessory rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost								
1 January 2019	672,999	15,564	277,324	623,080	31,827	167,224	2,611	1,790,629
Additions	-	19,766	-	1,090	272	6,308	6,028	33,464
Disposals/write-off	(2,844)	-	(242)	(6,461)	(1,817)	(19,669)	-	(31,033)
Transfer in (out)	19,112	(19,112)	242	4,991	14	2,731	(7,978)	-
31 December 2019	689,267	16,218	277,324	622,700	30,296	156,594	661	1,793,060
Additions	-	2,042	-	988	678	4,765	87,990	96,463
Disposals/write-off	(20,033)	-	(3,513)	(26,150)	(890)	(30,112)	-	(80,698)
Transfer in (out)	17,665	(17,665)	7,286	23,333	5	-	(30,624)	-
31 December 2020	686,899	595	281,097	620,871	30,089	131,247	58,027	1,808,825
Accumulated depreciation								
1 January 2019	-	-	194,625	549,054	29,268	146,047	-	918,994
Depreciation for the year	-	-	9,668	19,356	867	7,819	-	37,710
Depreciation on disposals/write-off	-	-	(242)	(5,477)	(1,794)	(19,272)	-	(26,785)
31 December 2019	-	-	204,051	562,933	28,341	134,594	-	929,919
Depreciation for the year	-	-	9,464	12,393	791	5,334	-	27,982
Depreciation on disposals/write-off	-	-	(2,775)	(25,585)	(877)	(28,785)	-	(58,022)
31 December 2020	-	-	210,740	549,741	28,255	111,143	-	899,879

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land ownership document	Land possessory rights	Buildings and construction	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction Total
Allowance for impairment loss							
31 December 2019	21,210	-	-	-	-	-	21,210
Impairment loss for the year	-	-	-	-	-	-	-
31 December 2020	21,210	-	-	-	-	-	21,210
Net book value							
31 December 2019	668,057	16,218	73,273	59,767	1,955	22,000	841,931
31 December 2020	665,689	595	70,357	71,130	1,834	20,104	887,736
Depreciation for the year							
2019 (Baht 37 million included in manufacturing cost, and the balance in selling and administrative expenses)							37,710
2020 (Baht 27 million included in manufacturing cost, and the balance in selling and administrative expenses)							27,982

As at 31 December 2020, certain items of plant and equipment of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 759 million (2019: Baht 778 million) (the Company only: Baht 743 million, 2019: Baht 762 million).

16. Leases

16.1 The Group as lessee

The Group entered into lease contract for the purposes of use in the Group's operations, whereby underlying asset is not allowed to be subleased and transferred to others, unless a prior written consent of the lessor has been obtained.

a) Right-of-use assets

Movements in the right-of-use assets account, which is land, during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	37,947	61,227
Depreciation for the year	(1,551)	(2,499)
As at 31 December 2020	36,396	58,728

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.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Lease payments	75,969	-	114,670	-
Less: Deferred interest expenses	(33,115)	-	(50,017)	-
Total	42,854		64,653	
Less: Portion due within one year	(308)	-	(462)	-
Lease liabilities - net of current portion	42,546	-	64,191	-

A maturity analysis of lease payments is disclosed in Note 35.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation of right-of-use assets	1,551	2,499
Interest expenses of lease liabilities	2,065	3,115
Expenses relating to short-term leases	540	540
Expenses relating to leases of low-value assets	117	117

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 4 million, including the cash outflow related to short-term lease and leases of low-value assets.

17. Bearer plants

(Unit: Thousand Baht)

	Consolidated financial statements		
	Bearer plants	Bearer plants	
	ready	not ready	
	for harvest	for harvest	Total
Cost			
1 January 2019	585,475	50,583	636,058
Additions	7,841	-	7,841
Write-off	(12,204)	-	(12,204)
Transfer in (out)	44,018	(44,018)	-
31 December 2019	625,130	6,565	631,695
Additions	-	3,682	3,682
Write-off	(7)	-	(7)
31 December 2020	625,123	10,247	635,370

(Unit: Thousand Baht)

Consolidated financial statements			
	Bearer plants ready for harvest	Bearer plants not ready for harvest	Total
Accumulated amortisation			
1 January 2019	400,196	-	400,196
Amortisation charged for the year	11,057	-	11,057
Amortisation on write-off	(6,255)	-	(6,255)
31 December 2019	404,998	-	404,998
Amortisation charged for the year	11,383	-	11,383
Amortisation on write-off	(7)	-	(7)
31 December 2020	416,374	-	416,374
Allowance for impairment loss			
31 December 2019	22,663	-	22,663
Impairment loss for the year	-	-	-
31 December 2020	22,663	-	22,663
Net book value			
31 December 2019	197,469	6,565	204,034
31 December 2020	186,086	10,247	196,333
Amortisation for the year (included in manufacturing cost)			
2019			11,057
2020			11,383

(Unit: Thousand Baht)

	Separate financial statements		
	Bearer plants	Bearer plants	Total
	ready for harvest	not ready for harvest	
Cost			
1 January 2019	292,757	50,583	343,340
Additions	7,841	-	7,841
Write-off	(12,204)	-	(12,204)
Transfer in (out)	44,018	(44,018)	-
31 December 2019	332,412	6,565	338,977
Additions	-	3,682	3,682
Write-off	(7)	-	(7)
31 December 2020	332,405	10,247	342,652
Accumulated amortisation			
1 January 2019	107,478	-	107,478
Amortisation charged for the year	11,057	-	11,057
Amortisation on write-off	(6,255)	-	(6,255)
31 December 2019	112,280	-	112,280
Amortisation charged for the year	11,383	-	11,383
Amortisation on write-off	(7)	-	(7)
31 December 2020	123,656	-	123,656
Allowance for impairment loss			
31 December 2019	22,663	-	22,663
Impairment loss for the year	-	-	-
31 December 2020	22,663	-	22,663
Net book value			
31 December 2019	197,469	6,565	204,034
31 December 2020	186,086	10,247	196,333
Amortisation for the year (included in manufacturing cost)			
2019			11,057
2020			11,383

As at 31 December 2020, the land used by the Company for palm oil plantation includes 13,478 rai for which there are land title deeds or other land ownership documents (Nor Sor 3 Kor and Nor Sor 3). For the remaining, land possessory rights have been transferred to the Company and it is in the process of acquiring legal documentation of ownership.

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 one 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.

18. Short-term loans from financial institutions

	Interest rate		(Unit: Thousand Baht)	
	(% per annum)		Consolidated/Separate	
	2020	2019	2020	2019
Short-term loans from financial institutions	1.25 - 1.50	1.80 - 1.90	245,000	275,000
Total			245,000	275,000

19. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Trade payables - unrelated parties	3,045	7,210	3,045	7,210
Other payables - related party (Note 7)	-	-	277,665	283,005
Other payables - unrelated parties	3,069	2,194	3,069	2,194
Payables for purchase of assets -				
unrelated parties	1,492	688	1,492	688
Accrued expenses	10,698	12,882	10,548	7,531
Total trade and other payables	18,304	22,974	295,819	300,628

As at 31 December 2020 and 2019, other payables - related party is represented payable of rental charge and related accrued interest which carry an interest at a rate of THBFIX + 1% per annum for past due balance of rental charge payable.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	Termination benefits		Long-term employee benefits	
	2020	2019	2020	2019
Balance at beginning of year	-	-	19,108	13,386
Included in profit or loss:				
Current service cost	-	-	1,197	253
Interest cost	-	-	231	64
Past service cost	-	-	-	6,926
Termination benefits	9,564	5,349	-	-
Total	9,564	5,349	1,428	7,243
Included in other comprehensive income:				
Actuarial losses (gain) arising from:				
Demographic assumptions changes	-	-	-	-
Financial assumptions changes	-	-	(632)	942
Experience adjustments	-	-	2,421	438
Total	-	-	1,789	1,380
Benefits paid during the year	(9,564)	(5,349)	(3,902)	(2,901)
Balance at end of year	-	-	18,423	19,108

On 5 April 2019, The Labour Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 6.9 million as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the statement of comprehensive income.

The Company had obligations in respect of compensations payable to employees who voluntarily participated in early retirement schemes. The Company considered these compensations as termination benefits and recorded additional compensations to employees as expenses.

The Company expects to pay Baht 5 million of long-term employee benefits during the next year (2019: Baht 5 million).

As at 31 December 2020 the weighted average duration of the liabilities for long-term employee benefit is 10 years (2019: 10 years).

Significant actuarial assumptions used for the valuation are as follows:

	Consolidated/Separate financial statements	
	2020	2019
	(% per annum)	(% per annum)
Discount rate	1.1	1.5
Salary increase rate	4.0	5.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	2020		2019	
	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Discount rate	(375)	396	(484)	513
Salary increase rate	483	(445)	600	(547)

21. Income tax

Income tax expenses (benefits) for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	22,577	1,680	21,209	-
Adjustment in respect of current income tax of previous year	-	179	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	9,539	(1,633)	9,371	(996)
Income tax expenses (benefits) reported in the statement of comprehensive income	32,116	226	30,580	(996)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on actuarial losses	358	276	358	276
Total	358	276	358	276

The reconciliation between accounting profit (loss) and income tax expenses (benefits).

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	157,215	(3,327)	159,597	14,636
Applicable tax rates	0%, 15% and 20%	0%, 15% and 20%	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rates	31,468	(591)	31,919	2,927
Adjustment in respect of current income tax of previous year	-	179	-	-
Share of loss of a joint venture	750	1,363	-	-
Effects of:				
Non-deductible expenses	398	481	421	1
Additional expense deductions allowed	(500)	(1,206)	(500)	(568)
Dividend received	-	-	(1,260)	(3,356)
Total	(102)	(725)	(1,334)	(3,923)
Income tax expenses (benefits) reported in the statement of comprehensive income	32,116	226	30,580	(996)

As at 31 December 2020 and 2019, the components of deferred tax assets (liabilities) are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for diminution in value of inventories	993	702	993	702
Allowance for assets impairment	8,775	8,775	8,775	8,775
Provision for long-term employee benefits	3,685	3,822	3,685	3,822
Provision for land rental	-	1,039	-	765
Unused tax loss	-	7,066	-	7,066
Leases	1,291	-	1,185	-
Total	14,744	21,404	14,638	21,130

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax liabilities				
Change in fair value of biological assets and the differences between fair value and costs of agricultural produce	(16,553)	(14,640)	(16,553)	(14,640)
Revenue recognition under finance leases	(802)	(194)	(802)	(194)
Total	(17,355)	(14,834)	(17,355)	(14,834)
Net	(2,611)	6,570	(2,717)	6,296

As at 31 December 2019, the unused tax losses of the Company amounting approximately to Baht 35 million will expire by 2022.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

According to the Thai Civil and Commercial Code, the subsidiary is required to set aside to a statutory reserve an amount equal to at least 5 percent of its net profit each time the subsidiary pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve cannot be used for dividend payment. At present, the statutory reserve has fully been set aside.

23. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest expenses on borrowing	4,898	6,790	4,898	6,790
Interest expenses on lease liabilities	2,065	-	3,115	-
Interest expenses on other payables	-	-	4,470	6,614
Total	6,963	6,790	12,483	13,404

24. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2020	2019	2020	2019
Salary and wages and other employee benefits	110,946	132,831	110,946	132,831
Depreciation	29,533	37,710	30,481	37,710
Amortisation	11,419	11,124	11,419	11,124
Transportation expenses	19,912	20,259	19,912	20,259
Rental expenses	9,635	8,990	3,911	7,783
Repair and maintenance expenses	30,747	29,533	30,747	29,533
Raw materials and consumables used	549,018	218,737	549,018	218,737
Changes in finished goods and work in process	(42,210)	(17,415)	(42,210)	(17,415)

25. Promotional privileges

The Company has received promotional privileges from Board of Investment for the generation of electricity from biomasses up to a capacity stipulated in the certificates, subject to certain imposed conditions. Details are as follows:

<u>Certificate No.</u>	<u>Principal privileges</u>
1043(2)/2548	- Exemption from corporate income tax on income from the promoted operations for a period of 8 years from the date of first earning operating income (21 August 2015).

The Company's operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		(Unit: Thousand Baht) Total	
	2020	2019	2020	2019	2020	2019
Revenue	1	1	923,837	545,847	923,838	545,848

26. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Profit (loss) for the year (Thousand Baht)	125,099	(3,553)	129,017	15,632
Weighted average number of ordinary shares (Thousand shares)	324,050	324,050	234,050	324,050
Earnings (loss) per share (Baht)	0.39	(0.01)	0.40	0.05

27. 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. During the years, 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) as mentioned above.

The Group operates in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

For the year 2020 and 2019, the Group has revenue from one major customer in amount of Baht 714 million and Baht 431 million, respectively, arising from oil palm plantation, crude palm oil and crude palm kernel oil processing segment.

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. However, for employees who joined the Company from 15 January 2010 onwards, the contribution rates are 2 - 5 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to Baht 1 million (2019: Baht 2 million) were recognised as expenses.

29. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 26 April 2019	26	0.08
Total for 2019		26	0.08
Final dividends for 2019	Annual General Meeting of the shareholders on 24 April 2020	8	0.03
Total for 2020		8	0.03

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of Baht 3 million (2019: Baht 60 million), relating to acquisition of machine and equipment.

30.2 Guarantees

As at 31 December 2020, there were outstanding bank guarantees of Baht 3 million (2019: Baht 6 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

31. Right to utilise land

- a) In 2004, the Company received a letter of invitation from the Agricultural Land Reform Office (ALRO) concerning the issue of land overlapping with ALRO land. On 6 October 2004, the Company attended a fact-finding consultation meeting with ALRO and handed over various relevant documents for use by ALRO in considering this issue.

On 15 October 2005, the Company submitted related documents to ALRO to verify the right over the land. Consequently, ALRO sent a letter to the Company regarding the distribution of land. The land of 4,994.10 rai had been distributed. However, the Company found that the distribution of the land of about 1,459 rai, with the approximately cost of land and the net book value of the palm plantation development on such land as at 31 December 2020 totaling Baht 7 million, was in conflict with the Company's land title deed. The Company is now processing with ALRO to nullify the status of being overlapping land.

- b) On 11 April 2008, the Company met with the working committee responsible for reviewing practical methods and negotiations for distributing land belonging to holders of large plots in land reform areas to farmers, which was set up 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 amounting to approximately 1,210 rai in designated forest areas and another 276 rai in land reform areas. These land plots represent 3% of the current total area utilised by the Company. The 276 rai in land reform areas represents a large landholding and a holding in excess of the area that can be owned under Section 30 of the Land Reform for Agriculture Act.

On 29 August 2008, the Company entered into a memorandum of negotiation, agreeing to transfer land in land reform areas to the custody of ALRO for development for agricultural use; with the Company signalling its intention to allow ALRO to take approximately 80 rai of land into the land reform program. However, on 17 September 2009, the Company received notice from ALRO to vacate a total of approximately 133 rai of land in land reform areas and demolish all construction thereon, within 30 days from receipt of notice, since the Company has no land ownership documents. The Company had set aside full allowance for impairment loss on the cost of land and the net book value of the palm plantation development on such land in 2009.

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

- c) On 3 December 2019, the Company received a notice from the ALRO in Krabi, informing them of vacating a land plot of title deed No. 601 in Krabi Noi Sub-district, Muang District, Krabi, covering a total area of 973 rai and demolishing all constructions thereon within 30 days from the date the notice was served since the Company lacked land ownership documents issued by the governmental authorities. In the Board of Director's Meeting No. 7/2019 dated 24 December 2019, the Board of Directors passed a resolution acting on the notice issued by the Krabi's ALRO to remove all properties from the controversial land by 31 December 2019. The vacating of the premises resulted in the reduction in the area and value of assets. The Company wrote off the cost of land and net book value of oil palm plantation development on the land of Baht 8 million as expenses in the 2019 financial statements.
- d) On 9 March 2020, the ALRO issued a notice designating land plots under title deed 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.

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 December 2020 are to decrease by Baht 5 million.

- e) On 21 July 2020, the ALRO issued a notice designating land plots under title deed No. 603 in Krabi Noi Sub-district, Muang District and Huayyoong Sub-district, Nueaklong District, Krabi, covering a total area of 3,617 rai, as a targeted area for land reform and bringing a legal action against any illegal encroachment. Owners of the selected areas were required to submit a petition with evidence and documents regarding land rights under the Land Code or other laws within 15 days from 19 August 2020, the date the notice was announced at the ALRO in Krabi. 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. 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 December 2020 are to decrease by Baht 14 million.

32. 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. The Central Administrative Court scheduled a first hearing for 23 February 2021 and a verdict hearing for 19 March 2021. The Company had prepared a written statement and submitted it to the Central Administrative Court. The management believed that the Company was able to produce solid evidence to refute the allegation.
- 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. The case is currently under consideration of the Nakhon Si Thammarat Administrative Court. The management believed that the Company was able to produce solid evidence to refute the allegation.

33. Fire incident

On 26 August 2020, a fire broke out in a crude palm oil processing plant in Krabi. Inspection teams presented assessment results confirming that the cause was malfunctioned electrical systems in fire control panels of digester and screw press machine on the 2nd corridor. The fire was not caused by the negligence or intentional torts. This incident caused a halt in the crude palm oil production line, requiring repair and maintenance work for 82 days. The 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 some compensation from insurance and the remaining amount is under consideration of insurance companies.

34. Fair value hierarchy

As of 31 December 2020 and 2019, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Biological assets	-	29,185	66,435	95,620

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Biological assets	-	59,890	31,038	90,928

During the years 2020 and 2019, there was no transfer within the fair value hierarchy.

35. Financial instruments

35.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, short-term borrowings and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and coverage by letters of credit for some customers and other forms of credit insurance. The Group does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management on an annual basis and proposed the increment of credit limits for approval by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk comprising foreign currency risk, interest rate risk and commodity price risk.

Foreign currency risk

The Group exposure to foreign currency risk arises mainly from machinery purchase transactions that are denominated in foreign currency. The Group manages its exposure to foreign currency risk by considering purchase/sale of forward contracts from time to time so as to reduce exposure to the foreign currency risk which may incur. The Group had no forward contracts outstanding at the end of reporting period.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans and short-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of interest rate borrowings.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements													
Fixed interest rates					Floating		Non-interest bearing		Total		Effective interest rate		
Within 1 year		1 - 5 years			interest rate		bearing		Total		interest rate		
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(% per annum)													
<u>Financial assets</u>													
Cash and cash equivalents	-	-	-	-	38,655	19,806	1,185	1,195	39,840	21,001	0.05 - 0.13	0.10 - 0.38	
Trade and other receivables	-	-	-	-	-	-	38,605	30,471	38,605	30,471	-	-	
Financial lease receivables	1,567	330	2,441	641	-	-	-	-	4,008	971	1.80	1.80	
Long-term loan to other company	-	-	-	-	18,400	19,320	-	-	18,400	19,320	THBFX +1	THBFX +1	
	1,567	330	2,441	641	57,055	39,126	39,790	31,666	100,853	71,763			
<u>Financial liabilities</u>													
Short-term loans from financial institution	245,000	275,000	-	-	-	-	-	-	245,000	275,000	1.25 - 1.50	1.80 - 1.90	
Trade and other payables	-	-	-	-	-	-	18,304	22,974	18,304	22,974	-	-	
	245,000	275,000	-	-	-	-	18,304	22,974	263,304	297,974			

(Unit: Thousand Baht)

Separate financial statements

	Fixed interest rates				Floating		Non-interest bearing		Total		Effective interest rate	
	Within 1 year		1 - 5 years		interest rate		bearing		Total		interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<u>Financial assets</u>												
Cash and cash equivalents	-	-	-	-	25,928	8,894	1,176	1,187	27,104	10,081	0.05 - 0.13	0.10 - 0.38
Trade and other receivables	-	-	-	-	-	-	38,545	30,360	38,545	30,360	-	-
Financial lease receivables	1,567	330	2,441	641	-	-	-	-	4,008	971	1.80	1.80
	1,567	330	2,441	641	25,928	8,894	39,721	31,547	69,657	41,412		
<u>Financial liabilities</u>												
Short-term loans from financial institution	245,000	275,000	-	-	-	-	-	-	245,000	275,000	1.25 - 1.50	1.80 - 1.90
Trade and other payables	-	-	-	-	277,665	283,005	18,154	17,623	295,819	300,628	THBFIX +1	THBFIX +1
	245,000	275,000	-	-	277,665	283,005	18,154	17,623	540,819	575,628		

The sensitivity of the Group's profit before tax and shareholder's equity to a reasonably possible change in bear floating interest rates on cash at banks, loans and other payables as at 31 December 2020 of 1% increase or decrease in interest rates, with other variables held constant, would not be material.

Commodity price risk

The Group is exposed to commodity price risk from fresh palm fruit and crude palm oil. Price volatility has depended on the supply among the market. The Group has policy for procurement and inventory management that are managed by considering planned production volume and changes in the price of fresh palm fruit and crude palm oil.

Liquidity risk

This is the risks that the Group will be unable to pay debts and meet obligations when due, because of inability to timely convert assets into cash when settlement is due, obtain sufficient funds to meet the funding needs, or is able to obtain funds but at the cost that is beyond an acceptable level. These risks may affect the Group's income and financial position.

The Group has a liquidity management policy, control of liquidity risk at acceptable levels, which stipulates the tools to be used for monitoring and controlling liquidity risk by the management. The tools used for liquidity risk management include estimate of cash inflows and outflows to assess liquidity position on various periods, manage liquidity to be available for debt repayment on due and analysis of key financial ratios. In addition, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	245,010	-	-	-	245,010
Trade and other payables	-	18,304	-	-	18,304
Lease liabilities	-	308	1,940	40,606	42,854
Total non-derivatives	245,010	18,612	1,940	40,606	306,168

(Unit: Thousand Baht)

	Separate financial statements				Total
	On demand	Less than 1 year	1 to 5 years	> 5 years	
Non-derivatives					
Short-term loans from financial institutions	245,010	-	-	-	245,010
Trade and other payables	-	295,819	-	-	295,819
Lease liabilities	-	462	2,916	61,275	64,653
Total non-derivatives	<u>245,010</u>	<u>296,281</u>	<u>2,916</u>	<u>61,275</u>	<u>605,482</u>

35.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

36. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.31:1 (2019: 0.31:1) and the Company's was 0.57:1 (2019: 0.59:1).

37. Event after the reporting period

On 24 February 2021, a meeting of the Company's Board of Directors passed a resolution to propose the payment of a dividend in respect of 2020 profit of Baht 0.20 per share, or a total of Baht 65 million, for approval by the Annual General Meeting of the Company's shareholders.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.