

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REVIEWED REPORT AND INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
Union Petrochemical Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Union Petrochemical Public Company Limited and its subsidiaries as at September 30, 2021, and the related consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the nine-month period then ended, and the condensed notes to financial statements and I have also reviewed the statement of financial position of Union Petrochemical Public Company Limited. As at September 30, 2021, and the related statement of comprehensive income for the three-month and nine-month and periods then ended, and statement of changes in shareholders' equity and statement of cash flows for the nine-month period then ended, and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standards No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

(Ms. Thanyaphorn Tangthanopajai)
Certified Public Accountant
Registration No. 9169

Dharmniti Auditing Company Limited
Bangkok, Thailand
November 13, 2021

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

		(Unit: Thousand Baht)			
		Consolidated		The Company Only	
		As at September	As at December	As at September	As at December
	Note	30, 2021	31, 2020	30, 2021	31, 2020
Assets					
Current assets					
Cash and cash equivalents	6	477,611	543,871	164,432	252,879
Trade and other current receivables	5, 7	841,845	642,238	799,316	587,219
Receivable under the loan agreement	8	31,051	-	-	-
Inventories	9	483,462	307,435	462,798	278,022
Other current financial assets	10	41,493	45,000	41,493	45,000
Other current assets	11	21,262	21,085	17,990	18,151
Total current assets		1,896,724	1,559,629	1,486,029	1,181,271
Non-current assets					
Other non-current financial assets	12	63,491	101,675	5,261	5,261
Investments in subsidiaries	13	-	-	210,178	189,554
Investment properties	14	87,153	13,959	13,959	13,959
Property, plant and equipment	15	152,846	239,309	61,303	65,551
Right of use assets	16	73,796	86,860	67,794	79,905
Intangible assets		1,469	1,818	99	277
Deferred tax assets	17	9,984	14,228	6,526	5,812
Other non-current assets		7,439	7,382	868	375
Total non-current assets		396,178	465,231	365,988	360,694
Total assets		2,292,902	2,024,860	1,852,017	1,541,965

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2021

		(Unit: Thousand Baht)			
		Consolidated		The Company Only	
		As at September	As at December	As at September	As at December
	Note	30, 2021	31, 2020	30, 2021	31, 2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	552,388	451,572	551,727	428,527
Trade and other current payables	5, 19	426,390	234,402	428,344	223,818
Current portion of lease liabilities	16	24,254	23,423	23,613	21,564
Accrued corporate income tax		3,214	13,885	2,523	12,734
Other current liabilities		1,388	1,783	972	901
Total current liabilities		1,007,634	725,065	1,007,179	687,544
Non-current liabilities					
Lease liabilities - net of current portion	16	40,666	54,995	40,030	54,118
Provision for long-term employee benefits	20	25,383	23,890	23,086	22,000
Total non-current liabilities		66,049	78,885	63,116	76,118
Total liabilities		1,073,683	803,950	1,070,295	763,662

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2021

		(Unit: Thousand Baht)			
		Consolidated		The Company Only	
		As at September	As at December	As at September	As at December
	Note	30, 2021	31, 2020	30, 2021	31, 2020
Liabilities and Shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
1,339,369,844 ordinary shares of Baht 0.25 each		334,842	334,842	334,842	334,842
Issued and fully paid up					
1,236,281,351 ordinary shares of Baht 0.25 each		309,071	309,071	309,071	309,071
Share premium		87,739	87,739	87,739	87,739
Other surpluses (deficits)					
Surplus on reorganisation of business					
under common control		3,116	3,116	-	-
Surplus on change in the					
shareholding percentage in subsidiaries		(45,205)	(45,205)	-	-
Treasury shares	21	(66,018)	(13,853)	(66,018)	(13,853)
Retained earnings					
Appropriated - statutory reserve					
Statutory reserve		28,535	28,535	28,535	28,535
Treasury shares reserve	21	66,018	13,853	66,018	13,853
Unappropriated		634,146	653,468	356,377	352,958
Other components of shareholders' equity		(2,115)	(14,162)	-	-
Equity attributable to owners of the Company		1,015,287	1,022,562	781,722	778,303
Non-controlling interests of the subsidiaries		203,932	198,348	-	-
Total shareholders' equity		1,219,219	1,220,910	781,722	778,303
Total liabilities and shareholders' equity		2,292,902	2,024,860	1,852,017	1,541,965

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		(Unit: Thousand Baht)			
		Consolidated		The Company Only	
	Note	2021	2020	2021	2020
Revenues					
Sales	26	811,714	611,602	786,063	554,826
Other income					
Gain on exchange rate		552	-	526	-
Others		1,726	1,630	495	1,619
Total revenues		813,992	613,232	787,084	556,445
Expenses					
Cost of sales		719,441	536,056	700,601	484,339
Selling expenses		22,998	22,780	22,324	19,942
Administrative expenses	5	44,798	37,077	38,762	35,312
Loss on exchange rate		-	421	-	368
Total expenses		787,237	596,334	761,687	539,961
Profit from operating activities		26,755	16,898	25,397	16,484
Finance cost		(2,669)	(2,276)	(2,659)	(1,876)
Profit before income tax expenses		24,086	14,622	22,738	14,608
Income tax expenses	22	(5,619)	(4,414)	(4,664)	(4,303)
Profit for the period		18,467	10,208	18,074	10,305
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Profit (loss) from valuation of investment in equity securities with fair value		(2,056)	19,199	-	-
Less: Income tax effect	22	411	(3,840)	-	-
Net of income tax		(1,645)	15,359	-	-
Total item that will not be reclassified subsequently to profit or loss - net of income tax					
		(1,645)	15,359	-	-
Total comprehensive income for the period - net of income tax		(1,645)	15,359	-	-
Total comprehensive income for the period		16,822	25,567	18,074	10,305

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit: Thousand Baht)				
Note	Consolidated		The Company Only	
	2021	2020	2021	2020
Profit attributable to:				
Equity holders of the Company	18,592	10,569	18,074	10,305
Non-controlling interests of the subsidiaries	(125)	(361)		
	18,467	10,208		
Total comprehensive income attributable to:				
Equity holders of the Company	17,490	20,857	18,074	10,305
Non-controlling interests of the subsidiaries	(668)	4,710		
	16,822	25,567		
Earnings per share	24			
Basic earnings per share				
Profit attributable to equity holders of the Company (Baht/share)	0.016	0.009	0.016	0.008

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		(Unit: Thousand Baht)			
		Consolidated		The Company Only	
	Note	2021	2020	2021	2020
Revenues					
Sales	26	2,265,436	1,950,863	2,195,700	1,623,757
Other income					
Gain on exchange rate		934	3,994	775	3,575
Dividend income received from a subsidiary		-	-	11,080	-
Others		4,442	6,943	2,009	3,695
Total revenues		2,270,812	1,961,800	2,209,564	1,631,027
Expenses					
Cost of sales		1,936,058	1,645,826	1,874,579	1,391,129
Selling expenses		66,642	80,028	64,407	63,303
Administrative expenses	5	137,364	130,433	115,619	108,138
Total expenses		2,140,064	1,856,287	2,054,605	1,562,570
Profit from operating activities		130,748	105,513	154,959	68,457
Finance cost		(7,793)	(9,473)	(7,713)	(7,779)
Profit before income tax expenses		122,955	96,040	147,246	60,678
Income tax expenses	22	(29,370)	(22,607)	(27,759)	(15,301)
Profit for the period		93,585	73,433	119,487	45,377
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Profit (loss) from valuation of investment in equity securities with fair value		22,480	7,035	-	-
Less: Income tax effect	22	(4,496)	(1,407)	-	-
Net of income tax		17,984	5,628	-	-
Profit (loss) from estimantes by the acturia principles		-	2,519	-	-
Less: Income tax effect	22	-	(504)	-	-
Net of income tax		-	2,015	-	-
Total item that will not be reclassified subsequently to profit or loss - net of income tax		17,984	7,643	-	-
Total comprehensive income for the period - net of income tax		17,984	7,643	-	-
Total comprehensive income for the period		111,569	81,076	119,487	45,377

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

		(Unit: Thousand Baht)			
		Consolidated		The Company Only	
Note		2021	2020	2021	2020
Profit attributable to:					
	Equity holders of the Company	99,245	63,377	119,487	45,377
	Non-controlling interests of the subsidiaries	(5,660)	10,056		
		93,585	73,433		
Total comprehensive income attributable to:					
	Equity holders of the Company	111,292	72,551	119,487	45,377
	Non-controlling interests of the subsidiaries	277	8,525		
		111,569	81,076		
Earnings per share					
	Basic earnings per share				
	Profit attributable to equity holders of the Company (Baht/share)	0.085	0.051	0.102	0.037

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

(Unit: Thousand Baht)

Consolidated													
Equity attributable to owners of the Company													
Notes	Issued and paid-up share capital	Share premium	Other surpluses (deficits)		Retained earnings					Other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Surplus on reorganisation of business under common control	Surplus (deficit) on change in the shareholding percentage in subsidiaries	Treasury shares	Appropriated	Treasury shares reserve	Unappropriated					
Balance as at January 1, 2020	309,070	87,738	3,116	961	-	24,235	-	589,162	(15,495)	998,787	353,056	1,351,843	
Profit for the period	-	-	-	-	-	-	-	63,377	-	63,377	10,056	73,433	
Other comprehensive income for the period	-	-	-	-	-	-	-	1,114	8,060	9,174	(1,531)	7,643	
Total comprehensive income for the period	-	-	-	-	-	-	-	64,491	8,060	72,551	8,525	81,076	
Effects of the liquidation of the subsidiary	-	-	-	-	-	-	-	102	-	102	50	152	
Cash dividend payment	25	-	-	-	-	-	-	(20,024)	-	(20,024)	-	(20,024)	
Ordinary shares issuance from exercised warrants	23	1	1	-	-	-	-	-	-	2	-	2	
Treasury shares purchased of the subsidiary	13	-	-	(46,164)	-	-	-	-	(6,519)	(52,683)	(159,897)	(212,580)	
Loss on sale of financial assets measured at fair value through other comprehensive income	12	-	-	-	-	-	-	(78)	-	(78)	(38)	(116)	
Balance as at September 30, 2020	309,071	87,739	3,116	(45,203)	-	24,235	-	633,653	(13,954)	998,657	201,696	1,200,353	
Balance as at January 1, 2021	309,071	87,739	3,116	(45,205)	(13,853)	28,535	13,853	653,468	(14,162)	1,022,562	198,348	1,220,910	
Profit for the period	-	-	-	-	-	-	-	99,245	-	99,245	(5,660)	93,585	
Other comprehensive income for the period	-	-	-	-	-	-	-	-	12,047	12,047	5,937	17,984	
Total comprehensive income for the period	-	-	-	-	-	-	-	99,245	12,047	111,292	277	111,569	
Cash dividend payment	25	-	-	-	-	-	-	(63,903)	-	(63,903)	-	(63,903)	
Dividend paid to equity attributable to non-controlling interests of the subsidiary	-	-	-	-	-	-	-	-	-	-	(5,461)	(5,461)	
Increase in equity attributable to non-controlling interests of the subsidiary from investments in subsidiary	-	-	-	-	-	-	-	-	-	-	12,000	12,000	
Treasury shares purchased during the period	21	-	-	-	(52,165)	-	-	-	-	(52,165)	-	(52,165)	
Transferred unappropriated retained earning to treasury shares reserve	21	-	-	-	-	-	52,165	(52,165)	-	-	-	-	
Loss on sale of financial assets measured at fair value through other comprehensive income	12	-	-	-	-	-	-	(2,499)	-	(2,499)	(1,232)	(3,731)	
Balance as at September 30, 2021	309,071	87,739	3,116	(45,205)	(66,018)	28,535	66,018	634,146	(2,115)	1,015,287	203,932	1,219,219	

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit: Thousand Baht)

The Company Only							
Note	Issued and paid-up share capital	Share premium	Treasury shares	Retained earnings			Total shareholders' equity
				Appropriated	Treasury shares reserve	Unappropriated	
Balance as at January 1, 2020	309,070	87,738	-	24,235	-	306,313	727,356
Profit for the period	-	-	-	-	-	45,377	45,377
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	45,377	45,377
Cash dividend payment	-	-	-	-	-	(20,024)	(20,024)
Ordinary shares issuance from exercised warrants	23	1	1	-	-	-	2
Balance as at September 30, 2020	309,071	87,739	-	24,235	-	331,666	752,711
Balance as at January 1, 2021	309,071	87,739	(13,853)	28,535	13,853	352,958	778,303
Profit for the period	-	-	-	-	-	119,487	119,487
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	119,487	119,487
Cash dividend payment	25	-	-	-	-	(63,903)	(63,903)
Treasury shares purchased during the period	21	-	-	(52,165)	-	-	(52,165)
Transferred unappropriated retained earning to treasury shares reserve	21	-	-	-	52,165	(52,165)	-
Balance as at September 30, 2021	309,071	87,739	(66,018)	28,535	66,018	356,377	781,722

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

Note	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2021	2020	2021	2020
<u>Cash flows from operating activities</u>				
Profit before tax	122,955	96,040	147,246	60,678
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	29,607	32,635	23,612	23,165
Allowance for expected credit losses (reversal)	80	87	303	(177)
Loss on impairment of investment property	1,346	-	-	-
Reduce cost of inventories to net realisable value (reversal)	(825)	(389)	(782)	119
Loss from the change in the rental rate under the lease agreement	3,171	-	3,171	-
Loss (gain) on sales of vehicles and equipment	3,033	(1,146)	-	(1,129)
Loss (gain) on fair value measurement of other financial assets	262	-	262	-
Provision for long-term employee benefits	1,493	(3,713)	1,086	1,087
Dividend income	-	-	(11,080)	-
Interest income	(2,168)	(1,753)	(257)	(246)
Interest expenses	7,793	9,497	7,713	7,779
Unrealised loss (gain) from forward exchange contracts	-	(3,069)	-	(2,971)
Unrealised loss (gain) on exchange rate	1,642	369	1,580	281
Profit (loss) from operating activities before changes in operating assets and liabilities	168,389	128,558	172,854	88,586
Operating assets (increase) decrease				
Trade and other current receivables	(230,611)	104,890	(212,400)	5,895
Inventories	(175,201)	138,533	(183,994)	85,069
Other current assets	(513)	(4,266)	(234)	(765)
Other non-current assets	(210)	2,505	(493)	(21)
Operating liabilities increase (decrease)				
Trade and other current payables	190,872	(47,860)	203,417	(27,578)
Other current liabilities	(394)	(309)	71	1,218
Cash flows from operating activities	(47,668)	322,051	(20,779)	152,404
Cash paid for tax expenses	(40,121)	(32,193)	(38,685)	(12,588)
Net cash flows from (used in) operating activities	(87,789)	289,858	(59,464)	139,816

Notes to interim financial statements form an integral part of these statements.

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UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unit: Thousand Baht)				
Note	Consolidated		The Company Only	
	2021	2020	2021	2020
<u>Cash flows from investing activities</u>				
Cash paid for invested in ordinary shares of subsidiaries	-	-	(20,624)	-
Cash received inverted in other current financial assets	24,495	-	24,495	-
Cash paid to invested in other current financial assets	(21,250)	(45,000)	(21,250)	(45,000)
Cash paid to acquisition of fixed assets	(3,947)	(3,997)	(2,173)	(559)
Cash received from sales of vehicles and equipment	1,544	3,852	-	2,359
Cash received in interest income	2,504	1,754	652	246
Dividend income received from a subsidiary	-	-	11,080	-
Cash paid for purchase of non-current financial assets	56,933	1,785	-	-
Net cash flows from (used in) investing activities	60,279	(41,606)	(7,820)	(42,954)
<u>Cash flows from financing activities</u>				
Increase (decrease) in short-term loans from financial institutions	100,002	(189,687)	122,527	(97,831)
Repayment of lease liabilities	(21,571)	(21,837)	(20,111)	(16,972)
Dividend payment to the Company's shareholders	(63,903)	(20,024)	(63,903)	(20,024)
Dividend payment to non-controlling interests of the subsidiary	(5,461)	-	-	-
Cash received from ordinary shares and the exercise of warrants to purchase ordinary shares	-	2	-	2
Cash received for payment in ordinary shares of subsidiaries from non-controlling interests of the Company	12,000	-	-	-
Cash paid for interest expenses	(7,652)	(10,025)	(7,511)	(8,214)
Cash paid for purchase of treasury shares	(52,165)	(212,580)	(52,165)	-
Net cash flows from (used in) financing activities	(38,750)	(454,151)	(21,163)	(143,039)
Net increase (decrease) in cash and cash equivalents	(66,260)	(205,899)	(88,447)	(46,177)
Cash and cash equivalents at the beginning of the period	543,871	661,399	252,879	248,845
Cash and cash equivalents at the end of the period	477,611	455,500	164,432	202,668
<u>Supplemental cash flow information</u>				
Non-cash transactions				
Increase in right-of-use assets under lease liabilities	3,540	105,284	3,540	95,936

Notes to interim financial statements form an integral part of these statements.

UNION PETROCHEMICAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

1. GENERAL INFORMATION

a) Address and legal status

Union Petrochemical Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The registered office of the Company is at 728 Union House Building, Boromrachachonnee Road, Kwang Bangbumru, Khet Bangplad, Bangkok.

b) Nature of the Company’s and operations

The Company is principally engaged in the import and distribution of chemical products.

2. CORONAVIRUS DISEASE 2019 PANDEMIC

A new wave of the Coronavirus disease 2019 pandemic has been evolving and adversely impacting most businesses and industries as a whole. This situation may affect the results of operations of business. Nevertheless, the management of the Group remains continue monitoring the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities. The management of the Group have applied the estimates and judgment on various issues when the situation changes.

3. BASIS FOR THE PREPARATION

3.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2020.

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

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

3.2 Basis of consolidation

- a) For reporting purpose, the Company and its subsidiaries are referred to as “the Group”. The Company has subsidiaries as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of Shareholding	
			As at Sep. 30, 2021 (Thousand Baht)	As at Dec. 31, 2020 (Thousand Baht)	As at Sep. 30, 2021 (Percent)	As at Dec. 31, 2020 (Percent)
Gratitude Infinite Public Company Limited	Import and distribution of chemical	Thailand	300,812	412,812	66.99	66.99
Lavish Laboratory Company Limited *	Production and distribution of supplementary	Thailand	50,000	50,000	99.99	99.99
Natural Gift Society *	Selling pharmaceutical and medical products, fragrances and skincare cosmetics, and supplements	Thailand	5,000	5,000	99.98	99.98
Lion Asia (Thailand) Company Limited	Distribution of chemical Products and electronic equipment	Thailand	30,000	30,000	99.99	99.99
Thai Cococraft Company Limited **	Engaged in manufacturing and selling of all types of products from coconut processing	Thailand	3,500	3,500	75.00	75.00
Mahanakhorn Capital Company Limited **	Short-term credit facility for car selling business	Thailand	30,000	5,000	60.00	60.00

* Held by a subsidiary: Gratitude Infinite Public Company Limited

** During the year 2020, the Company has not paid for the share

- 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 have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of financial position.

3.3 Financial reporting standards that become effective in the current period

During the period, the Group have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 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.

However, COVID-19 Related Rent Concessions beyond June 30, 2021 were adjusted in the financial reporting standard No.16 lease effective from April 1, 2021. Therefore, it is permitted for the company to adopt before the effective date. Such adjustment is a relief of practice, the lessee does not necessarily have to assess that the consent to reduce the rent is a change of lease agreement or not. The consent to reduce the rent is a direct result of the Coronavirus 2019 pandemic (COVID-19) and that falls under the condition specified (revised paragraph 46 khor.2 from formerly June 30, 2021 to June 30, 2022). The recording of the consent to reduce the rent is as if “not a change of the lease”, which during the period, the Federation of Accounting Professions has issued and published in the Government Gazette.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

3.4 Financial reporting standards that will become effective in the future

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2020.

5. RELATED PARTY TRANSACTIONS

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

(Unit: Thousand Baht)

	For the three-month periods ended September 30,				
	Consolidated		The Company Only		Transfer pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	21,083	11,773	As mutual agreed
Other income	-	-	143	351	As mutual agreed
Dividend income	-	-	-	-	Declared rate
Purchases of goods	-	-	27,348	17,974	As mutual agreed
<u>Transactions with related companies</u>					
Rental expenses	705	705	674	674	Contract price (close to market price)
Utility expenses	34	53	34	47	As mutual agreed

(Unit: Thousand Baht)

	For the nine-month periods ended September 30,				Transfer pricing policy
	Consolidated		The Company Only		
	2021	2020	2021	2020	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	51,028	36,947	As mutual agreed
Other income	-	-	677	1,066	As mutual agreed
Dividend income	-	-	11,080	-	Declared rate
Purchases of goods	-	-	72,167	55,390	As mutual agreed
<u>Transactions with related companies</u>					
Rental expenses	2,114	2,114	2,022	2,022	Contract price (close to market price)
Utility expenses	142	161	133	143	As mutual agreed
<u>Transactions with related companies</u>					
<u>That has directors as shareholders</u>					
Sales of goods	-	23,753	-	-	As mutual agreed (close to market price)

“UNAUDITED”

“REVIEWED”

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As at September 30, 2021 and December 31, 2020 between the Company and related parties are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
<u>Trade and other current receivables - related parties (Note 7)</u>				
Subsidiaries				
Gratitude Infinite Public Company Limited	-	-	-	53
Lion Asia (Thailand) Company Limited	-	-	29,928	16,614
Director of the subsidiary				
Total trade and other current receivables - related parties	-	-	29,928	16,667
<u>Trade and other current payables - related parties (Note 19)</u>				
Subsidiaries				
Lion Asia (Thailand) Company Limited	-	-	38,243	5,427
Related parties				
Firsttraco Company Limited	763	245	732	243
Five loop Company Limited	411	411	411	411
Directors	387	31	287	11
Total trade and other current payables - related parties	1,561	687	39,673	6,092

Directors and management's remuneration

Management benefit expenses represent the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management are the persons who are defined under the Securities and Exchange Act.

“UNAUDITED”

“REVIEWED”

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During the three-month and nine-month periods ended September 30, 2021 and 2020, the Group had employee benefit expenses of the directors and management as follows: -

(Unit: Thousand Baht)				
For the three-month periods ended September 30,				
Consolidated		The Company Only		
2021	2020	2021	2020	
Short-term employee benefits	5,188	6,174	1,794	4,014
Post-employment benefits	157	(95)	100	57
Total	5,345	6,079	1,894	4,071
(Unit: Thousand Baht)				
For the nine-month periods ended September 30,				
Consolidated		The Company Only		
2021	2020	2021	2020	
Short-term employee benefits	16,889	20,557	6,621	12,012
Post-employment benefits	471	226	300	171
Total	17,360	20,783	6,921	12,183

6. CASH AND CASH EQUIVALENTS

(Unit: Thousand Baht)				
Consolidated		The Company Only		
As at September	As at December	As at September	As at December	
30, 2021	31, 2020	30, 2021	31, 2020	
Cash	286	391	200	220
Bank deposits	477,325	543,480	164,212	252,659
Total	477,611	543,871	164,412	252,879

As at September 30, 2021, bank deposits in saving accounts and fixed deposits carried interests rate between 0.05 to 0.50 percent per annum (As at December 31, 2020: between 0.13 to 0.35 percent per annum).

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Trade receivables - related parties (Note 5)				
Aged on the basis of due dates				
Not yet due	-	-	29,928	16,561
Past due				
Up to 3 months	-	-	-	-
Total trade receivables - related parties	-	-	29,928	16,561
Trade receivables - unrelated parties				
- Domestic				
Aged on the basis of due dates				
Not yet due	710,845	511,244	659,727	456,841
Past due				
Up to 3 months	126,583	130,060	109,149	112,555
3 - 6 months	1,748	971	24	969
6 - 12 months	535	275	535	275
Over 12 months	1,601	1,253	1,020	672
Total	841,312	643,803	770,455	571,312
- Foreign				
Not yet due	-	-	-	-
Past due				
Up to 3 months	1,123	-	-	-
3 - 6 months	1,058	-	-	-
Total	2,181	-	-	-
Total trade receivables - unrelated parties	843,493	643,803	770,455	571,312
Total trade receivables	843,493	643,803	800,383	587,873
<u>Less:</u> Allowance for expected credit losses	(1,648)	(1,569)	(1,067)	(764)
Total trade receivables - net	841,845	642,234	799,316	587,109
Other current receivables				
Other current receivables - related parties (Note 5)	-	-	-	106
Other current receivables - unrelated parties	-	4	-	4
Total other current receivables	841,845	4	-	110
Total trade and other current receivables - net	841,845	642,238	799,316	587,219

8. RECEIVABLE UNDER THE LOAN AGREEMENT

		(Unit: Thousand Baht)	
		Consolidated	
		As at September 30, 2021	As at December 31, 2020
Being forward , beginning period		-	-
Loan , during the period		96,285	-
Repayment , during the period		(65,234)	-
Ending balance		31,051	-

As at September 30, 2021, Mahanakhorn Capital Company Limited which is the subsidiary of the Company has receivable under short-term loan agreement of Baht 31.05 million, due within one year with the interest at the rate of 12 percent per annum. Such receivable has been vehicle registration manual as collateral for the loan.

9. INVENTORIES

		(Unit: Thousand Baht)			
		Consolidated			
		Cost		Reduce cost to net realisable value	
		As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Raw materials		1,335	1,443	(1,335)	(597)
Finished goods		408,284	273,459	(6,805)	(8,368)
Goods in transit		80,616	40,556	-	-
Packing materials		2,742	2,317	(1,375)	(1,375)
Total		492,977	317,775	(9,515)	(10,340)

		(Unit: Thousand Baht)			
		The Company Only			
		Cost		Reduce cost to net realisable value	
		As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Finished goods		382,566	241,375	(1,440)	(2,222)
Goods in transit		80,616	38,359	-	-
Packing materials		1,056	510	-	-
Total		464,238	280,244	(1,440)	(2,222)

For the nine-month period ended September 30, 2021, the Group reverse to reduced cost of inventories of Baht 0.83 million (The Company Only: Baht 0.78 million), and recognised as cost of sales during the periods. (for the nine-month period ended September 30, 2020: the Group reduced cost of inventories of Baht 0.39 million (The Company Only: Baht 0.12 million) to reflect the net realisable value which was included in cost of sales).

10. OTHER CURRENT FINANCIAL ASSETS

As at September 30, 2021 and December 31, 2020, details of other current financial assets are as follows:

	(Unit: Thousand Baht)	
	Consolidated / The Company Only	
	As at September 30, 2021	As at December 31, 2020
<u>Fixed deposit</u>		
Fixed deposit with maturity 1 year	20,505	45,000
Total fixed deposit	20,505	45,000
<u>Investment in debt instruments</u>		
Investment units of mutual fund	21,250	-
<u>Add</u> Unrealised gain (loss) on changes in fair value of financial assets	(262)	-
Investment in debt instruments - at fair value	20,988	-
Total other current financial assets	41,493	45,000

As at September 30, 2021, the fixed deposit with maturity 1 year with carries interest at the rate of 0.50 percent per annum (as at December 31, 2020: interest rate at 1.10 percent per annum). Investment in debt instruments that the company invests in units of mutual fund which was measured at the fair value hierarchy in level 2 (Note 28.2 to interim financial statements).

11. OTHER CURRENT ASSETS

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Revenue department receivable	4,615	6,246	3,674	4,277
Prepaid expenses	3,243	10,455	2,837	9,808
Undue input VAT	9,477	3,401	9,162	3,331
Others	3,927	983	2,317	735
Total other current assets	21,262	21,085	17,990	18,151

12. OTHER NON- CURRENT FINANCIAL ASSETS

As at September 30, 2021 and December 31, 2020, the balance of investment in other equity securities investments are as follows:

(Unit: Thousand Baht)						
Type of investments	Consolidated					
	Cost		Unrealised loss on changes in fair value		Carrying amount	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Investment in marketable securities	65,133	125,798	(6,903)	(29,384)	58,230	96,414
Investment in non-marketable securities	8,050	8,050	(2,789)	(2,789)	5,261	5,261
Total	73,183	133,848	(9,692)	(32,173)	63,491	101,675

(Unit: Thousand Baht)						
Type of investments	The Company Only					
	Cost		Unrealised loss on changes in fair value		Carrying amount	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Investment in non-marketable securities	8,050	8,050	(2,789)	(2,789)	5,261	5,261
Total	8,050	8,050	(2,789)	(2,789)	5,261	5,261

Investment in marketable securities

For the nine-month periods ended September 30, 2021 and 2020, the subsidiary disposed investments in equity securities with its fair value of Baht 56.93 million. (cost amount of Baht 60.66 million) and fair value of Baht 1.79 million (cost amount of Baht 2.02 million), respectively. The subsidiary recognised loss on disposal of these investments of Baht 3.73 million and Baht 0.23 million, respectively, in account “retained earnings-unappropriated” as presented in the statement of change in shareholders’ equity.

Other non-current financial assets were the marketable equity instruments measured at the fair value hierarchy in level 1 (Note 28.2 to interim financial statements).

Investment in non-marketable securities

Investments in equity in non-marketable securities of Wisible Company Limited (formerly name: Five loop Company Limited) for 46,914 ordinary share, representing 19% of the registered capital of such company. Five loop Company Limited is principally engaged in the software package services and E-Commerce are stated at fair value hierarchy in level 3 (Note 28.2 to interim financial statements).

13. INVESTMENTS IN SUBSIDIARIES

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

(Unit: Thousand Baht)

Company's name	The Company Only					
	Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
	As at September	As at December	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020	30, 2021	31, 2020
Gratitude Infinite Public Company Limited	174,554	174,554	-	-	174,554	174,554
Lion Asia (Thailand) Company Limited	30,000	30,000	(15,000)	(15,000)	15,000	15,000
Mahanakhorn Capital Company Limited	17,999	-	-	-	17,999	-
Thai Cococraft Company Limited	2,625	-	-	-	2,625	-
Total	225,178	204,554	(15,000)	(15,000)	210,178	189,554

13.1 Treasury shares and appropriated retained earnings for treasury shares of Gratitude Infinite Public Company Limited

As at December 31, 2020, the subsidiary has the treasury shares of treasury shares program for the year 2018 and 2020 totaling 82 million ordinary share, or 19.86% of the total number of issued and fully paid up shares, for a total of Baht 266.76 million. As a result, the treasury shares purchased its shareholding in Gratitude Infinite Public Company Limited has increased from 55.29% to 66.99%.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission concerning the acquisition of treasury shares, dated February 14, 2005, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the subsidiary either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of treasury shares which it was unable to sell.

As at December 31, 2020, the subsidiary allocated unappropriated retained earnings to a reserve for treasury shares of treasury shares program for the year 2018 and 2020, totaling Baht 266.76 million.

13.2 Decrease of the subsidiary's registered capital

On February 22, 2021, the Board of Directors' Meeting of Gratitude Infinite Public Company Limited No. 1/2021, it had a resolution to approve the paid-up of the capital decrease registration for 82 million ordinary shares that cannot be sold within the specified period with the Department of Business Development, Ministry of Commerce. The subsidiaries had registered the paid-up of the capital decrease registration for 82 million ordinary shares that cannot be sold within the specified period with the Department of Business Development, Ministry of Commerce on March 26, 2021.

The movement of the repurchase ordinary shares and the premium for the nine-month period ended September 30, 2021 was as follows:

	Consolidated	
	Shares (thousand shares)	Repurchase shares (thousand Baht)
Beginning period, January 1, 2021	82,000	266,763
Paid-up capital decrease	(82,000)	(266,763)
Balance, September 30, 2021	-	-

13.3 Increase of the subsidiary's registered capital

On May 27, 2021, the Extraordinary Shareholders' Meeting No.1/2021 of Mahanakhorn Capital Company Limited had a resolution to increase the registered capital from the former ordinary shares of 0.05 million shares at Baht 100 per share, totaling Baht 5 million to the ordinary shares 0.30 million shares, totaling Baht 30 million. The increase in registered capital of Baht 25 million, divide ordinary share of 0.25 million shares with a par value of Baht 100 per share. The subsidiary registered to increase the capital with the Department of Business Development, Ministry of Commerce on June 9, 2021.

14. INVESTMENT PROPERTIES

Movements of the investment properties account during the nine-month period ended September 30, 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Net book value as at January 1, 2021	13,959	13,959
Transfer from property, plant and equipment	74,540	-
Less: Allowance for impairment	(1,346)	-
Net book value as at September 30, 2021	87,153	13,959

The investment properties of the Group was the land that the Company held but currently has not identified the purpose of utilization in the future. The Group recorded the accounts by the cost method.

During the year 2021, the subsidiaries employed an independent appraiser to appraise the fair value of such land according to the market approach of Baht 73.19 million. As a result, the subsidiaries had provided an allowance for impairment of land amounting to Baht 1.35 million.

During the year 2018, the Company employed an independent appraiser to appraise the fair value of such land according to the market approach of Baht 18.40 million.

The Group disclosed a fair value hierarchy in level 2 (Note 28.2 to interim financial statements).

15. PROPERTY, PLANT AND EQUIPMENT

Movement of the Property, plant and equipment account during the nine-month period ended September 30, 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Net book value as at January 1, 2021	239,309	65,551
Acquisitions during period - at cost	3,799	2,173
Transfer to investment in property	(74,540)	-
Depreciation for the period	(11,145)	(6,421)
Disposal during period - net book value at the disposal date	(4,577)	-
Net book value as at September 30, 2021	152,846	61,303

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Movements of the right-of-use assets account during the nine-month period ended September 30, 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Net book value as at January 1, 2021	86,860	79,905
Increase during period	4,901	4,901
Depreciation	(17,965)	(17,012)
Net book value as at September 30, 2021	73,796	67,794

Lease liabilities

The carrying amounts of lease liabilities and the movement for the nine-month period ended September 30, 2021 are presented below

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
As at January 1, 2021	78,418	75,682
Addition during the period	2,042	2,042
Increase from changes in rate rental agreement	3,171	3,171
Accretion of interest	2,209	2,149
Payments during the period	(20,920)	(19,401)
As at September 30, 2021	64,920	63,643
<u>Less: current portion</u>	(24,254)	(23,613)
Lease liabilities - net of current portion	40,666	40,030

17. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when income taxes are related to the same fiscal authority. Deferred income taxes are calculated on all temporary differences under the liability method using principal tax 20%

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Deferred tax assets	9,984	14,228	6,526	5,812
Deferred tax liabilities	-	-	-	-
Deferred tax assets - net	9,984	14,228	6,526	5,812

Deferred tax assets (liabilities) in the statement of comprehensive income for the nine-month period ended September 30, 2021 are attributed to the following items:

	(Unit: Thousand Baht)			
	Consolidated			
	Balance per book as at January 1, 2021	Revenue (expenses) during the period		Balance per book as at September 30, 2021
		In profit or loss	In other comprehensive income	
Deferred tax assets:				
Allowance for expected credit losses	231	15	-	246
Allowance for diminution in value of inventories	2,021	(949)	-	1,072
Gain on sales of inventories to subsidiary	154	37	-	191
Gain on sales of assets to subsidiary	23	(6)	-	17
Allowance for impairment of investment property	-	269	-	269
The difference from depreciation - buildings	314	9	-	323
Provision for long-term employee benefits	4,778	299	-	5,077
Loss on financial assets measured at fair value				
- Investment in marketable securities	5,877	-	(4,496)	1,381
Loss on financial assets measured at fair value				
- Investment in non-marketable securities	558	-	-	558
The difference from depreciation - lease liabilities	258	592	-	850
(Gain) loss from revaluations at fair value of exchange forward contract	14	(14)	-	-
Total	14,228	252	(4,496)	9,984
Deferred tax liabilities:	-	-	-	-
Total	-	-	-	-
Deferred tax assets - net	14,228	252	(4,496)	9,984

(Unit: Thousand Baht)			
	The Company Only		
	Balance per book	Revenue (expenses)	Balance per book
	as at	during the period	as at
	January 1, 2021	In profit or loss	September 30, 2021
		In other comprehensive income	
Deferred tax assets:			
Allowance for expected credit losses	153	60	213
Allowance for diminution in value of inventories	444	(156)	288
Provision for long-term employee benefits	4,400	217	4,617
Loss on financial assets measured at fair value			
- Investment in non-marketable securities	558	-	558
The difference from depreciation - lease liabilities	255	595	850
(Gain) loss from revaluations at fair value of exchange forward contract	2	(2)	-
Total	5,812	714	6,526
Deferred tax liabilities:	-	-	-
Total	-	-	-
Deferred tax assets - net	5,812	714	6,526

18. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit: Thousand Baht)						
	Interest rate					
	(percent per annum)		Consolidated		The Company Only	
	As at September	As at December	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020	30, 2021	31, 2020
Trust receipt	1.30 - 2.30	1.30 - 2.25	332,388	251,572	331,727	228,527
Promissory notes	1.35 - 2.06	1.59 - 1.60	220,000	200,000	220,000	200,000
Total			552,388	451,572	551,727	428,527

As at September 30, 2021 and December 31, 2020, the Group have credit facilities from financial institutions amounted to Baht 3,987 million which is free of guarantees.

19. TRADE AND OTHER CURRENT PAYABLES

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
Trade and other current payables				
- related parties (Note 5)	1,561	687	39,673	6,092
Trade payables - unrelated parties	391,832	213,209	358,737	200,362
Other current payables - unrelated parties	24,206	14,935	22,142	13,428
Accrued expenses	8,791	5,571	7,792	3,936
Total trade and other current payables	426,390	234,402	428,344	223,818

20. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Movements of the provision for long-term employee benefits account during the nine-month period ended September 30, 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Balance as at January 1, 2021	23,890	22,000
Cost current services and interest	1,493	1,086
Balance as at September 30, 2021	25,383	23,086

21. TREASURY SHARES AND APPROPRIATED RETAINED EARNINGS FOR TREASURY SHARES

On November 12, 2020, the Board of Directors' Meeting No.8/2020 of the Company passed a resolution to approve a treasury shares program with a budget of Baht 66 million to repurchase up to 123 million shares (par value of Baht 0.25 each) or 9.95% of the total number of the Company's issued shares. The Company's shares are to be repurchased through the Stock Exchange of Thailand from November 27, 2020 to May 26, 2021.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission concerning the acquisition of treasury shares, dated February 14, 2005, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the subsidiary either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of treasury shares which it was unable to sell.

For the nine-month period ended September 30, 2021, the Company had purchased back 53.84 million ordinary shares of Baht 52.17 million, totaling purchased back 74.23 million ordinary shares or 6.00% of the total number of issued and fully paid-up shares. The value of repurchase cost of treasury shares as at September 30, 2021, totaling Baht 66.02 million.

As at December 31, 2020, the Company had purchased back 20.39 million ordinary shares or 1.65% of the total number of issued and fully paid-up shares, for a totaling repurchase cost of treasury share of Baht 13.85 million.

The Company has allocated retained earnings as reserve for treasury shares as at September 30, 2021 and December 31, 2020 in the total amount of Baht 66.02 million and Baht 13.85 million, respectively. Such transaction is included in the statement of financial position under the “appropriated retained earnings - reserve for treasury shares”.

22. INCOME TAX

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

Income tax expenses for the three-month periods ended September 30, 2021 and 2020 are summarised as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended September 30,			
	Consolidated		The Company Only	
	2021	2020	2021	2020
Current income tax:				
Corporate income tax for the period	4,514	2,610	3,900	3,802
Deferred tax:				
Relating to origination and reversal of temporary differences	1,105	1,804	764	501
Income tax expenses reported in the statements of comprehensive income	5,619	4,414	4,664	4,303

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The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended September 30, 2021 and 2020 are as follows:

(Unit: Thousand Baht)			
For the three-month periods ended September 30,			
Consolidated		The Company Only	
2021	2020	2021	2020
Other comprehensive income:			
Deferred tax relating to loss on revaluation of investments in equity securities	(411)	3,840	-
Total	(411)	3,840	-

Income tax expenses for the nine-month periods ended September 30, 2021 and 2020 are summarised as follows:

(Unit: Thousand Baht)			
For the nine-month periods ended September 30,			
Consolidated		The Company Only	
2021	2020	2021	2020
Current income tax:			
Corporate income tax for the period	29,622	21,360	28,473
Deferred tax:			
Relating to origination and reversal of temporary differences	(252)	1,247	(714)
Income tax expenses reported in the statements of comprehensive income			
	29,370	22,607	27,759

The amounts of income tax relating to each component of other comprehensive income for the nine-month periods ended September 30, 2021 and 2020 are as follows:

(Unit: Thousand Baht)			
For the nine-month periods ended September 30,			
Consolidated		The Company Only	
2021	2020	2021	2020
Deferred tax relating to loss on revaluation of investment in marketable securities	4,496	1,407	-
Deferred tax relating to actuarial (again) loss	-	504	-
Total	4,496	1,911	-

23. WARRANTS

On January 31, 2018, the resolution passed by the Extraordinary Meeting of the Company's shareholders No. 1/2561 approving the Company to issue and offer 103,028,450 of transferable warrants (UKEM-W2) with registered holders to the existing shareholders free of charge, in a ratio of 1 warrant for every 8 existing shares. These warrants can be exercised for a period of 2 years from the issue date (March 15, 2018) with an exercise ratio of 1 warrant per 1 ordinary share and an exercise price of Baht 0.50 per share. Warrant holders can exercise the warrants on the last working day of May and November in each calendar year until the maturity date, with the first exercise date on May 31, 2018 and the last exercise date shall be on the last business day the warrants reaches the 2 years period from the issuance date.

In May 2018, the Company received subscriptions of Baht 0.50 per share for the additional ordinary shares arising from the exercise of 5,500 warrants (UKEM-W2), for a total of Baht 2,750. The Company registered the resulting increase of Baht 1,375 in its capital with Ministry of Commerce on June 12, 2018 and the Stock Exchange of Thailand listed the 5,500 ordinary shares on June 18, 2018.

In March 2020, the Company received subscriptions of Baht 0.50 per share for the additional ordinary shares arising from the exercise of 612 warrants (UKEM-W2) to eligible as 612 ordinary shares for a total of Baht 306 which is the last exercised such warrant. The Company registered the resulting increase of Baht 153 in its capital (at par value of baht 0.25/share), with Ministry of Commerce on March 24, 2020 and the Stock Exchange of Thailand listed the 5,500 ordinary shares on March 13, 2020.

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period after adjusting the number of ordinary shares to reflect the impact of the stock dividend. The prior period's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

Weighted average number of ordinary shares is calculated by net of ordinary shares from treasury shares held by the Company, as discussed in note 21 to the interim financial statements.

Basic earnings per share can be calculated as follow:

		For the three-month periods ended September 30			
		Consolidated		The Company Only	
		2021	2020	2021	2020
Profit attributable to equity holders of the Company	(Thousand Baht)	18,592	10,569	18,074	10,305
Weighted average number of ordinary shares	(Thousand shares)	1,162,052	1,236,281	1,162,052	1,236,281
<u>Less</u> Weighted average number of treasury shares during the periods	(Thousand shares)	-	-	-	-
Weighted average number of ordinary shares	(Thousand shares)	1,162,052	1,236,281	1,162,052	1,236,281
Basic earnings per share	(Baht per share)	0.016	0.009	0.016	0.008

		For the nine-month periods ended September 30			
		Consolidated		The Company Only	
		2021	2020	2021	2020
Profit attributable to equity holders of the Company	(Thousand Baht)	99,245	63,377	119,487	45,377
Weighted average number of ordinary shares	(Thousand shares)	1,215,891	1,236,281	1,215,891	1,236,281
<u>Less</u> Weighted average number of treasury shares during the periods	(Thousand shares)	(42,485)	-	(42,485)	-
Weighted average number of ordinary shares	(Thousand shares)	1,173,406	1,236,281	1,173,406	1,236,281
Basic earnings per share	(Baht per share)	0.085	0.051	0.102	0.037

25. DIVIDEND

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>Dividend payment for 2021</u>			
Interim dividends for 2020	The Board of Directors' Meeting No.1/2021 held on April 22, 2021	63.90	0.055
Total paid for the nine-month period ended September 30, 2021		63.90	0.055
<u>Dividend payment for 2020</u>			
Interim dividends for 2019	The Board of Directors' Meeting No.2/2020 held on March 30, 2020	20.03	0.016
Total paid for the nine-month period ended September 30, 2020		20.03	0.016

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26. SEGMENT INFORMATION

The Group are organised into business units based on its products and services. During the current period, the Group have not changed the organisation of their reportable segments. The following tables present revenue and profit information regarding the Company’s and its subsidiaries’ operating segments for the three-month and nine-month periods ended September 30, 2021 and 2020.

(Unit: Thousand Baht)

	For the three-month periods ended September 30,											
	Commodity chemicals segment		Specialty chemicals segment		Other segments ¹⁾		Total segments		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue:												
External customers	637,843	418,505	84,036	90,002	89,835	103,095	811,714	611,602	-	-	811,714	611,602
Inter-segment	21,083	11,773	27,348	17,974	-	-	48,431	29,747	(48,431)	(29,747)	-	-
Total revenue	<u>658,926</u>	<u>430,278</u>	<u>111,384</u>	<u>107,976</u>	<u>89,835</u>	<u>103,095</u>	<u>860,145</u>	<u>641,349</u>	<u>(48,431)</u>	<u>(29,747)</u>	<u>811,714</u>	<u>611,602</u>
Results:												
Segment profit	79,933	62,901	8,947	7,061	3,947	4,925	92,827	74,887	(554)	659	92,273	75,546
Other income											2,278	1,630
Selling expenses											(22,998)	(22,780)
Administrative expenses											(44,798)	(37,077)
Loss on exchange rate											-	(421)
Financial expenses											<u>(2,669)</u>	<u>(2,276)</u>
Profit before income tax expenses											24,086	14,622
Income tax expenses											<u>(5,619)</u>	<u>(4,414)</u>
Profit for the period											18,467	10,208

1) Other segments included the distribution of plastic pellets, rubber trees, distribution of computer equipment and the provision of computer system services, among others.

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(Unit: Thousand Baht)

	For the nine-month periods ended September 30,											
	Commodity chemicals segment		Specialty chemicals segment		Other segments ¹⁾		Total segments		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue:												
External customers	1,747,033	1,321,543	223,317	428,867	295,086	200,453	2,265,436	1,950,863	-	-	2,265,436	1,950,863
Inter-segment	51,028	36,947	72,167	55,390	-	-	123,195	92,337	(123,195)	(92,337)	-	-
Total revenue	<u>1,798,061</u>	<u>1,358,490</u>	<u>295,484</u>	<u>484,257</u>	<u>295,086</u>	<u>200,453</u>	<u>2,388,631</u>	<u>2,043,200</u>	<u>(123,195)</u>	<u>(92,337)</u>	<u>2,265,436</u>	<u>1,950,863</u>
Results:												
Segment profit	301,063	215,790	15,602	81,294	12,527	7,390	329,192	304,474	186	563	329,378	305,037
Other income											5,376	10,937
Selling expenses											(66,642)	(80,028)
Administrative expenses											(137,364)	(130,433)
Financial expenses											(7,793)	(9,473)
Profit before income tax expenses											122,955	96,040
Income tax expenses											(29,370)	(22,607)
Profit for the period											93,585	73,433

1) Other segments included the distribution of plastic pellets, rubber three, distribution of computer equipment and the provision of computer system services, among others.

27. COMMITMENTS AND CONTINGENT LIABILITIES

27.1 Guarantees

As at September 30, 2021, the Group had the outstanding bank guarantees of Baht 39.00 million (December 31, 2020: Baht 51.00 million) have been issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business, to guarantee payments of goods to suppliers.

27.2 Other Commitments

27.2.1 As at September 30, 2021, the Company had commitments to banks under letters of credit amounting to approximately USD 5.22 million (December 31, 2020: USD 1.53 million).

27.2.2 As at September 30, 2021, a subsidiary has outstanding commitment under the plant construction agreement in the amount of Baht 0.02 million.

27.3 Other Service Agreement

A subsidiary company has entered into an agreement to participate in an “intelligent meeting room” project (Agreement for supply of equipment, software and services for intelligent meeting solution) with True Universal Convergent Company Limited (TUC) and SaeheComms Company Limited, located in South Korea. The agreement has a term of 2 years, from February 1, 2012 to January 31, 2014, and automatically renews for another year if no party gives notice of its intention to cancel the agreement. To date, none of the parties have announced their intention to cancel. Under the agreement, the subsidiary company has invested in the hardware and equipment for the project, together with insurance coverage for the equipment of Baht 5 million, and is required to pay Baht 0.1 million per year to TUC. TUC is responsible for costs of internet connections for installing the I-Meeting Solution system and for finding customers, while SaeheComms Company Limited is to source the software and provides expertise for the I-Meeting Solution system. Revenue from this project will be shared among the parties in proportions specified in the agreement.

28. FINANCIAL INSTRUMENTS

28.1 Foreign currency risk

As at September 30, 2021 and December 31, 2020 the balances of financial liabilities denominated in foreign currencies are summarized below:

Foreign currency	Consolidated			
	Financial liabilities		Average exchange rate	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.19	1.91	34.06	30.21

The Company Only				
Foreign currency	Financial liabilities		Average exchange rate	
	As at September	As at December	As at September	As at December
	30, 2021	31, 2020	30, 2021	31, 2020
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4.17	1.67	34.07	30.21

As at September 30, 2021 and December 31, 2020, the outstanding of forward exchange contracts of the Group are summarised below:

Consolidated						
Foreign currency	Bought amount		Contractual exchange rate Bought		Contractual Maturity date	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Baht per 1 foreign currency unit)			
US dollar	-	0.27	-	29.87 - 31.50	-	January 2021 - May 2021

The Company Only						
Foreign currency	Bought amount		Contractual exchange rate Bought		Contractual Maturity date	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Baht per 1 foreign currency unit)			
US dollar	-	0.16	-	30.11	-	January 2021

28.2 Fair value of financial instruments

The subsidiary company uses the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

As at September 30, 2021, the company have not any foreign exchange contracts.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the subsidiary company endeavors to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorizing such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable 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

As at September 30, 2021, the Group company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in debt instruments	-	20,988	-	20,988
Investment in marketable securities	58,230	-	-	58,230
Investment in non-marketable securities	-	-	5,261	5,261
Assets disclosed at fair value				
Investment in investment properties	-	91,595	-	91,595

	(Unit: Thousand Baht)			
	The Company Only			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment in debt instruments	-	20,988	-	20,988
Investment in non-marketable securities	-	-	5,261	5,261
Assets disclosed at fair value				
Investment in investment properties	-	18,401	-	18,401

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

Valuation techniques and inputs of fair value to level 1

Investment in marketable securities of investment in equity securities investments are stated at fair value using inputs of Level 1 which uses the quoted market prices in an observable active market for such assets or liabilities. Such fair value of investment in equity securities investments has been determined by using the last bid price of the last working day of the year from the Stock Exchange of Thailand.

Valuation techniques and inputs of fair value to level 2

The fair value of investments in debt instrument which is unit trusts that not listed on the Stock Exchange of Thailand has been determined by using the net assets value per unit as announced by fund manager.

The fair value of land categorized as investment property was determined by independent property appraisers under the market approach.

Valuation techniques and inputs of fair value to level 3

The fair value of Investment in non-marketable securities calculated using the discounted cash flow income approach method has been prepared by the Company’s management.

29. RECLASSIFICATION

Certain transactions in the statement of comprehensive income for the three-month and nine-month periods ended September 30, 2020 have been reclassified to conform to the classifications in the three-month and nine-month periods ended September 30, 2021, with no effect on previously reported on net income or shareholders’ equity.

- Statements of comprehensive income

(Unit: Thousand Baht)

	Consolidated					
	For the three-month period ended September 30, 2020			For the nine-month period ended September 30, 2020		
	As previously reported	Increase (decrease)	As reclassified	As previously reported	Increase (decrease)	As reclassified
Selling expenses	20,735	2,045	22,780	73,325	6,703	80,028
Administrative expenses	39,122	(2,045)	37,077	137,136	(6,703)	130,433

(Unit: Thousand Baht)

	The Company Only					
	For the three-month period ended September 30, 2020			For the nine-month period ended September 30, 2020		
	As previously reported	Increase (decrease)	As reclassified	As previously reported	Increase (decrease)	As reclassified
Selling expenses	17,897	2,045	19,942	56,600	6,703	63,303
Administrative expenses	37,357	(2,045)	35,312	114,841	(6,703)	108,138

30. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company’s Board of Directors on November 13, 2021.