

Chumporn Palm Oil Industry Public Company Limited  
and its subsidiaries  
Review report and interim consolidated financial information  
For the three-month and six-month period ended  
30 June 2020

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Chumporn Palm Oil Industry Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Chumporn Palm Oil Industry Public Company Limited and its subsidiaries as at 30 June 2020, the related consolidated statements of comprehensive income for the three-month and six-month period then ended, changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial information. I have also reviewed the separate interim financial information of Chumporn Palm Oil Industry Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

**Emphasis of Matter**

I draw attention to Note 1.5 to the interim consolidated financial information. Due to the impact of the Covid-19 Pandemic, in preparing the interim consolidated financial information for the three-month and six-month period ended 30 June 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of these matters.

Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 13 August 2020

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

**Statement of financial position**

**As at 30 June 2020**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	92,200	71,163	53,952	53,045
Trade and other receivables	3,5	312,913	296,201	402,616	314,764
Short-term loans to related parties	3	-	-	392,700	398,500
Inventories	6	680,204	309,294	629,975	281,413
Biological assets		63,081	41,601	46,781	22,303
Prepaid expenses		13,779	21,348	11,321	21,348
Other current assets		40,032	29,459	25,153	23,134
<b>Total current assets</b>		<b>1,202,209</b>	<b>769,066</b>	<b>1,562,498</b>	<b>1,114,507</b>
<b>Non-current assets</b>					
Investment in joint venture	7	7,457	462	4,900	490
Investments in subsidiaries	8	-	-	214,800	214,800
Property, plant and equipment	9	2,670,503	2,732,091	1,557,873	1,600,554
Right-of-use assets		8,668	-	4,614	-
Bearer plant	10	383,434	392,547	380,934	390,009
Intangible assets		3,130	3,896	2,847	3,577
Advance for purchasing of land		124,008	124,008	124,008	124,008
Deposits		685	685	207	207
<b>Total non-current assets</b>		<b>3,197,885</b>	<b>3,253,689</b>	<b>2,290,183</b>	<b>2,333,645</b>
<b>Total assets</b>		<b>4,400,094</b>	<b>4,022,755</b>	<b>3,852,681</b>	<b>3,448,152</b>

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

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	11	1,389,000	1,199,000	1,250,000	1,090,000
Trade and other payables	3, 12	230,284	128,791	230,804	102,070
Value added tax payable		19,701	12,222	12,730	10,887
Current portion of long-term loans from banks	13	254,861	270,600	120,861	136,600
Current portion of lease liabilities		1,324	-	897	-
Derivative liabilities	22	8,266	-	1,961	-
Other current liabilities		16,420	2,236	2,508	1,809
<b>Total current liabilities</b>		<b>1,919,856</b>	<b>1,612,849</b>	<b>1,619,761</b>	<b>1,341,366</b>
<b>Non-current liabilities</b>					
Long-term loans from banks - net of current portion	13	484,011	364,720	287,011	100,720
Lease liabilities - net of current portion		7,689	-	4,022	-
Provision for long-term employee benefits		61,326	59,018	53,614	51,870
Deferred tax liabilities		135,103	132,248	135,065	130,938
<b>Total non-current liabilities</b>		<b>688,129</b>	<b>555,986</b>	<b>479,712</b>	<b>283,528</b>
<b>Total liabilities</b>		<b>2,607,985</b>	<b>2,168,835</b>	<b>2,099,473</b>	<b>1,624,894</b>

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

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

**Statement of financial position (continued)**

**As at 30 June 2020**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
775,424,053 ordinary shares of Baht 1 each		775,424	775,424	775,424	775,424
Issued and paid-up					
632,752,650 ordinary shares of Baht 1 each		632,753	632,753	632,753	632,753
Share premium		412,310	412,310	412,310	412,310
Capital reserve for share-based payment transactions					
		12,657	12,657	12,657	12,657
Retained earnings					
Appropriated - statutory reserve	14	34,819	32,346	34,819	32,346
Unappropriated		54,198	118,482	16,611	89,134
Other components of shareholders' equity		645,372	645,372	644,058	644,058
<b>Total shareholders' equity</b>		<b>1,792,109</b>	<b>1,853,920</b>	<b>1,753,208</b>	<b>1,823,258</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,400,094</b>	<b>4,022,755</b>	<b>3,852,681</b>	<b>3,448,152</b>

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

Directors

## Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	15, 18	913,538	853,574	921,816	843,084
Other income		2,396	1,494	2,261	1,406
Gain on exchange		-	211	-	195
<b>Total revenues</b>		<b>915,934</b>	<b>855,279</b>	<b>924,077</b>	<b>844,685</b>
<b>Expenses</b>					
Cost of sales		795,387	682,831	848,695	736,764
Selling and distribution expenses		24,835	37,466	24,076	36,632
Administrative expenses		47,916	54,921	41,190	44,814
Loss on exchange		693	-	693	-
<b>Total expenses</b>		<b>868,831</b>	<b>775,218</b>	<b>914,654</b>	<b>818,210</b>
<b>Profit from operating activities</b>		<b>47,103</b>	<b>80,061</b>	<b>9,423</b>	<b>26,475</b>
Share of profit from investment in joint venture	7	1,369	-	-	-
Finance income		126	237	4,166	3,570
Finance cost		(15,701)	(17,352)	(11,471)	(11,862)
Gain (loss) on change in fair value of biological assets		(364)	(1,354)	(336)	25
Gain (loss) on change in fair value of derivatives		(1,595)	-	223	-
<b>Profit before income tax</b>		<b>30,938</b>	<b>61,592</b>	<b>2,005</b>	<b>18,208</b>
Income tax revenue (expense)	16	(1,004)	2,466	(1,372)	2,190
<b>Profit for the period</b>		<b>29,934</b>	<b>64,058</b>	<b>633</b>	<b>20,398</b>
<b>Total comprehensive income for the period</b>		<b>29,934</b>	<b>64,058</b>	<b>633</b>	<b>20,398</b>
(Unit: Baht)					
<b>Earnings per share</b>	17				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.047	0.101	0.001	0.032

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

## Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	15, 18	1,748,374	1,705,763	1,734,272	1,691,098
Other income		4,252	13,732	3,834	13,663
Gain on exchange		1,465	-	1,465	-
<b>Total revenues</b>		<u>1,754,091</u>	<u>1,719,495</u>	<u>1,739,571</u>	<u>1,704,761</u>
<b>Expenses</b>					
Cost of sales		1,608,972	1,425,138	1,636,318	1,517,439
Selling and distribution expenses		46,982	69,539	45,928	67,731
Administrative expenses		101,396	110,424	87,868	91,486
Loss on exchange		-	12	-	28
<b>Total expenses</b>		<u>1,757,350</u>	<u>1,605,113</u>	<u>1,770,114</u>	<u>1,676,684</u>
<b>Profit (loss) from operating activities</b>		<u>(3,259)</u>	<u>114,382</u>	<u>(30,543)</u>	<u>28,077</u>
Share of profit from investment in joint venture	7	2,585	-	-	-
Finance income		135	269	7,973	6,761
Finance cost		(29,592)	(35,101)	(20,890)	(23,928)
Gain (loss) on change in fair value of biological assets		24,422	(3,431)	24,478	(2,786)
Gain (loss) on change in fair value of derivatives		(812)	-	61	-
<b>Profit (loss) before income tax</b>		<u>(6,521)</u>	<u>76,119</u>	<u>(18,921)</u>	<u>8,124</u>
Income tax revenue (expense)	16	<u>(4,357)</u>	<u>3,119</u>	<u>(4,542)</u>	<u>2,990</u>
<b>Profit (loss) for the period</b>		<u>(10,878)</u>	<u>79,238</u>	<u>(23,463)</u>	<u>11,114</u>
<b>Total comprehensive income for the period</b>		<u>(10,878)</u>	<u>79,238</u>	<u>(23,463)</u>	<u>11,114</u>

(Unit: Baht)

<b>Earnings (loss) per share</b>	17				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.017)</u>	<u>0.125</u>	<u>(0.037)</u>	<u>0.018</u>

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



(Unaudited but reviewed)

## Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Consolidated financial statements							
						Other components of		Total
						shareholders' equity		
						Other comprehensive	Total other	
Issued and		Capital reserve	Retained earnings		income - revaluation	components of	shareholders'	
paid-up		for share-based	Appropriated -		surplus on assets	shareholders' equity	equity	
share capital	Share premium	payment transactions	statutory reserve	Unappropriated				
Balance as at 1 January 2019	632,753	412,310	12,657	32,346	31,096	645,372	645,372	1,766,534
Profit for the period	-	-	-	-	79,238	-	-	79,238
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	79,238	-	-	79,238
Balance as at 30 June 2019	632,753	412,310	12,657	32,346	110,334	645,372	645,372	1,845,772
Balance as at 1 January 2020 - as previously reported	632,753	412,310	12,657	32,346	118,482	645,372	645,372	1,853,920
Cumulative effect of change in accounting policies due to the adoption of new financial reporting standards (Note 2)	-	-	-	-	(6,008)	-	-	(6,008)
Balance as at 1 January 2020 - as restated	632,753	412,310	12,657	32,346	112,474	645,372	645,372	1,847,912
Loss for the period	-	-	-	-	(10,878)	-	-	(10,878)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(10,878)	-	-	(10,878)
Dividend paid (Note 19)	-	-	-	-	(44,925)	-	-	(44,925)
Statutory reserve (Note 14)	-	-	-	2,473	(2,473)	-	-	-
Balance as at 30 June 2020	632,753	412,310	12,657	34,819	54,198	645,372	645,372	1,792,109
	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

## Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2020

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity	
				Appropriated -		Other comprehensive income - revaluation surplus on assets	Total other components of shareholders' equity
				statutory reserve	Unappropriated		
							Total shareholders' equity
<b>Balance as at 1 January 2019</b>	632,753	412,310	12,657	32,346	41,891	644,058	1,776,015
Profit for the period	-	-	-	-	11,114	-	11,114
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	11,114	-	11,114
<b>Balance as at 30 June 2019</b>	632,753	412,310	12,657	32,346	53,005	644,058	1,787,129
<b>Balance as at 1 January 2020 - as previously reported</b>	632,753	412,310	12,657	32,346	89,134	644,058	1,823,258
Cumulative effect of change in accounting policies due to the adoption of new financial reporting standards (Note 2)	-	-	-	-	(1,662)	-	(1,662)
<b>Balance as at 1 January 2020 - as restated</b>	632,753	412,310	12,657	32,346	87,472	644,058	1,821,596
Loss for the period	-	-	-	-	(23,463)	-	(23,463)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(23,463)	-	(23,463)
Dividend paid (Note 19)	-	-	-	-	(44,925)	-	(44,925)
Statutory reserve (Note 14)	-	-	-	2,473	(2,473)	-	-
<b>Balance as at 30 June 2020</b>	632,753	412,310	12,657	34,819	16,611	644,058	1,753,208
	-	-	-	-	-	-	-

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

**Chumporn Palm Oil Industry Public Company Limited and its subsidiaries****Cash flows statement****For the six-month period ended 30 June 2020**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(6,521)	76,119	(18,921)	8,124
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	97,024	101,954	71,215	77,864
Reduction cost of inventories to net realisable value	139	199	139	199
Written off palm trees	284	-	284	-
Loss (gain) on sale of equipment	359	(163)	359	(163)
Reversal of allowance for doubtful debts	(28)	(24)	(28)	(24)
Share of gain from investment in joint venture	(2,585)	-	-	-
Long-term employee benefits expenses	2,923	13,725	2,359	12,580
Loss (gain) on change in fair value of biological assets	(24,422)	3,431	(24,478)	2,786
Unrealised loss (gain) on fair value of derivatives	756	-	(116)	-
Unrealised loss (gain) on exchange rate	(1,247)	(53)	(1,247)	(53)
Interest income	(135)	(269)	(7,973)	(6,761)
Interest expenses	29,592	35,101	20,890	23,928
Profit from operating activities before changes in operating assets and liabilities	96,139	230,020	42,483	118,480
Operating assets (increase) decrease				
Trade and other receivables	(16,684)	29,648	(80,183)	61,111
Inventories	(371,049)	95,352	(348,700)	111,816
Prepaid expenses	7,568	(13,270)	10,027	(10,201)
Biological assets	2,942	(2,539)	-	-
Other current assets	(9,305)	6,087	(753)	2,846
Operating liabilities increase (decrease)				
Trade and other payables	105,896	(33,608)	130,627	(15,838)
Value added tax payable	7,479	(3,164)	1,842	(331)
Other current liabilities	14,185	3,661	700	(369)
Cash paid for long-term employee benefits	(615)	(615)	(615)	(615)
Cash flows from (used in) operating activities	(163,444)	311,572	(244,572)	266,899
Cash paid for income tax	-	(713)	-	(535)
<b>Net cash flows from (used in) operating activities</b>	<b>(163,444)</b>	<b>310,859</b>	<b>(244,572)</b>	<b>266,364</b>

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

**Chumpon Palm Oil Industry Public Company Limited and its subsidiaries****Cash flows statement (continued)****For the six-month period ended 30 June 2020**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
<b>Cash flows from investing activities</b>				
Cash receipt from interest income	135	269	332	5,794
Decrease (increase) in short-term loans to related parties	-	-	5,800	(22,100)
Cash paid for investment in joint venture	(4,410)	-	(4,410)	-
Cash paid for investment in subsidiaries	-	-	-	(1,250)
Cash paid for lease agreements	(567)	-	(273)	-
Acquisitions of plant and equipment	(29,111)	(36,043)	(20,315)	(28,935)
Proceeds from sales of equipment	572	180	572	180
Increase in bearer plant	(696)	(245)	(696)	(245)
Acquisitions of intangible assets	-	(108)	-	(99)
<b>Net cash flows used in investing activities</b>	<b>(34,077)</b>	<b>(35,947)</b>	<b>(18,990)</b>	<b>(46,655)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from banks	190,000	(79,000)	160,000	(110,000)
Cash receipt of long-term loans	250,000	-	250,000	-
Repayment of long-term loans	(145,850)	(136,300)	(78,850)	(69,300)
Cash paid for dividend	(44,925)	-	(44,925)	-
Cash paid for interest	(30,667)	(35,656)	(21,756)	(24,207)
<b>Net cash flows from (used in) financing activities</b>	<b>218,558</b>	<b>(250,956)</b>	<b>264,469</b>	<b>(203,507)</b>
<b>Net increase in cash and cash equivalents</b>	<b>21,037</b>	<b>23,956</b>	<b>907</b>	<b>16,202</b>
Cash and cash equivalents at beginning of period	71,163	129,095	53,045	97,582
<b>Cash and cash equivalents at end of period (Note 4)</b>	<b>92,200</b>	<b>153,051</b>	<b>53,952</b>	<b>113,784</b>
	-		-	
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Increase (decrease) in accounts payable from purchasing				
of equipment which had yet been paid	(3,749)	914	(1,535)	889

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

## **Chumporn Palm Oil Industry Public Company Limited and its subsidiaries**

### **Notes to interim consolidated financial information**

**For the three-month and six-month period ended 30 June 2020**

#### **1. General information**

##### **1.1 Corporate information**

Chumporn Palm Oil Industry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Chumporn Holding Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of palm oil products. Its registered address of the head office is 296, Moo 2, Phetchkasem Road, Tambon Salui, Ampur Tasae, Chumporn. The Company’s branch is located at No. 1168/91, Lumpini Tower, 30th Floor, Rama 4 Road, Thung Maha Mek, Sathorn, Bangkok.

##### **1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

##### **1.3 Basis for the preparation of interim financial information**

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial information. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

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

#### 1.4 Basis of consolidation

The interim consolidated financial information include the financial statements of Chumporn Palm Oil Industry Public Company Limited and its subsidiaries, and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2019. There have been no changes in the composition of the subsidiaries during the current period.

#### 1.5 New financial reporting standards that became effective in the current period

During the period, 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**

A 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 impact of the adoption of these standards on the Group's financial statements are as follows.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

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.

The cumulative effect of the change is described in Note 2.

### **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 adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the right-of-use assets and lease liabilities as at 1 January 2020, no impact 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 2 to the financial statements.

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

## **1.6 Significant accounting policies**

The interim financial information are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

### **1.6.1 Financial instruments**

#### **Classification and measurement**

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification 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 that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss



### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

## **1.6.2 Leases**

### ***Right-of-use assets***

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

### ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted 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 modification or reassessment.

### ***Short-term leases and Leases of low-value assets***

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 1.5 to the financial information, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Right-of-use assets	-	-	8,963	8,963
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	1,096	1,096
Derivative liabilities	-	6,008	-	6,008
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	-	-	7,867	7,867
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	118,482	(6,008)	-	112,474

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Right-of-use assets	-	-	5,666	5,666
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of lease liabilities	-	-	849	849
Derivative liabilities	-	1,662	-	1,662
<b>Non-current liabilities</b>				
Lease liabilities, net of current portion	-	-	4,817	4,817
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	89,134	(1,662)	-	87,472

## 2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Recognition of derivatives at fair value through profit or loss	(7,510)	(2,077)
Effects of deferred tax	1,502	415
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>(6,008)</u>	<u>(1,662)</u>

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Carrying amounts	Classification and measurement in accordance	
	under the former	with TFRS 9	
	basis	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>			
Cash and cash equivalents	71,163	71,163	71,163
Trade and other receivables	296,201	296,201	296,201
<b>Total financial assets</b>	<b>367,364</b>	<b>367,364</b>	<b>367,364</b>

(Unit: Thousand Baht)

	Separate financial statements		
	Carrying amounts	Classification and measurement in accordance	
	under the former	with TFRS 9	
	basis	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>			
Cash and cash equivalents	53,045	53,045	53,045
Trade and other receivables	314,764	314,764	314,764
Short-term loans to related parties	398,500	398,500	398,500
<b>Total financial assets</b>	<b>766,309</b>	<b>766,309</b>	<b>766,309</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 6.0 million (Separate financial statements: Baht 1.7 million).

## 2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	11,956	11,650
Less: Short-term leases and leases of low-value assets	-	(2,456)
Less: Contracts reassessed as service agreements	(611)	(2,094)
Less: Deferred interest expenses	(2,382)	(1,434)
Increase in lease liabilities due to TFRS 16 adoption	8,963	5,666
Liabilities under finance lease as at 31 December 2019	-	-
Lease liabilities as at 1 January 2020	8,963	5,666
Comprise of:		
Current lease liabilities	1,096	849
Non-current lease liabilities	7,867	4,817
	8,963	5,666

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land and land improvement	2,722	2,722
Buildings and building improvement	6,241	2,944
<b>Total right-of-use assets</b>	<b>8,963</b>	<b>5,666</b>

### 3. Related party transactions

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
CPI Agrotech Co., Ltd.	Subsidiary
CPP Co., Ltd.	Subsidiary
CPI Trading Co., Ltd.	Subsidiary (Dissolution on 18 June 2020 and in process of liquidating)
CPI Green Co., Ltd.	Subsidiary (Dissolution on 18 June 2020 and in process of liquidating)
CK Trading (1965) Co., Ltd.	Joint venture
Khonburi Sugar Public Company Limited	Common directors and shareholders

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

(Unit: Million Baht)

	Separate financial statements				
	For the three-month periods		For the six-month periods		
	ended 30 June		ended 30 June		
	2020	2019	2020	2019	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales income	58.0	31.3	68.6	70.9	Market price
Rental income	0.2	0.4	0.4	0.9	Monthly fees of Baht 0.01 - 0.03 million (2019: Baht 0.01 - 0.13 million)
Interest income	4.0	3.4	7.8	6.6	2.95% - 4.75% per annum and rate charged on call borrowings from a bank plus 0.5% per annum
Purchase palm fruit, kernel and crude palm oil	292.8	218.5	334.2	448.8	Market price

(Unit: Million Baht)

	Consolidated /Separate financial statements				Transfer pricing policy
	For the three-month periods		For the six-month periods		
	ended 30 June		ended 30 June		
	2020	2019	2020	2019	
<u>Transactions with joint venture</u>					
Other income	1.4	-	2.4	-	Contract price
Service expenses	5.2	-	10.5	-	Contract price

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2020 and 31 December 2019 between the Company and these related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<b>Trade accounts receivable - related party (Note 5)</b>				
Subsidiary	-	-	95,539	30,129
<b>Other receivables - related parties (Note 5)</b>				
Subsidiaries	-	-	9,959	9,702
<b>Interest receivables - related parties (Note 5)</b>				
Subsidiaries	-	-	12,700	5,059
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	392,700	398,500
<b>Trade accounts payable - related parties (Note 12)</b>				
Subsidiaries	-	-	42,900	14,442
Joint venture	10,500	-	10,500	-
Total	10,500	-	53,400	14,442
<b>Other payables - related parties (Note 12)</b>				
Subsidiaries	-	-	1,224	1,509

### Short-term loans to related parties

As at 30 June 2020 and 31 December 2019, the balance of loans between the Company and the related parties and the movements are as follows:

(Unit: Thousand Baht)

Subsidiaries	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2020	Increase	Decrease	30 June 2020
CPI Agrotech Co., Ltd.	37,000	-	(30,000)	7,000
CPP Co., Ltd.	361,500	156,500	(132,300)	385,700
Total	398,500	156,500	(162,300)	392,700

The above loans are unsecured and due at call. Interest is charged at the rates of 2.95% - 4.75% per annum and rate charged on call borrowings from a bank plus 0.5% per annum.

**Directors and management's benefits**

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	5,234	4,392	4,801	4,006
Post-employment benefits	213	394	172	363
Total	5,447	4,786	4,973	4,369

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	14,295	12,642	13,226	11,633
Post-employment benefits	426	596	344	490
Total	14,721	13,238	13,570	12,123

**Guarantee obligations with related parties**

The Company had outstanding guarantee obligations with its subsidiaries, as described in Note 20.5 a) to the financial statements.

**4. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Cash	11,394	187	4,010	101
Bank deposits	80,806	70,976	49,942	52,944
Total	92,200	71,163	53,952	53,045

As at 30 June 2020, bank deposits in saving accounts carried interest at rates of 0.05% - 0.1% per annum (31 December 2019: between 0.1% - 0.4% per annum).



**5. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<b>Trade accounts receivable - related party</b>				
Aged on the basis of due dates				
Not yet due	-	-	599	30,129
Past due				
Up to 1 month	-	-	57,336	-
2 - 3 months	-	-	37,604	-
Total trade accounts receivable - related party	-	-	95,539	30,129
<b>Trade accounts receivable - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	262,864	200,551	234,684	175,610
Past due				
Up to 1 month	40,219	89,882	40,219	88,670
2 - 3 months	6,058	949	6,058	906
3 - 6 months	1	910	1	910
6 - 12 months	1,089	532	914	532
Over 12 months	3,882	4,094	3,882	4,094
Total	314,113	296,918	285,758	270,722
Less: Allowance for expected credit losses	(2,741)	(2,769)	(2,741)	(2,769)
Total trade accounts receivable - unrelated parties - net	311,372	294,149	283,017	267,953
Total trade accounts receivable - net	311,372	294,149	378,556	298,082
<b>Other receivables</b>				
Other receivables - related parties	-	-	9,959	9,702
Interest receivables - related parties	-	-	12,700	5,059
Other receivables - unrelated parties	2,222	2,733	2,082	2,602
Total	2,222	2,733	24,741	17,363
Less: Allowance for expected credit losses	(681)	(681)	(681)	(681)
Total other receivables - net	1,541	2,052	24,060	16,682
Total trade and other receivables - net	312,913	296,201	402,616	314,764

## 6. Allowance for diminution in value of inventories

Movements in the allowance for diminution in value of inventories account during the six-month period ended 30 June 2020, are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 1 January 2020	-
Allowance for diminution in value of inventories made during the period	139
Balance as at 30 June 2020	139

## 7. Investment in joint venture

Details of investment in joint venture as presented in financial statements as at 30 June 2020 and 31 December 2019 are as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			Carrying amounts based on equity method		Carrying amounts based on cost method			
			30 June 2020 (%)	31 December 2019 (%)	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Held by the Company</u>								
C K Trading (1965) Company Limited	Conduct an agent business of selling consumer goods	Thailand	49.00	49.00	7,457	462	4,900	490
Total					7,457	462	4,900	490

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in joint venture for the three-month periods ended 30 June		Dividend received for the three-month periods ended 30 June	
	2020	2019	2020	2019
C K Trading (1965) Company Limited	1,369	-	-	-

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in joint venture for the six-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
	2020	2019	2020	2019
C K Trading (1965) Company Limited	2,585	-	-	-

On 7 January 2020, the Extraordinary General Meeting of C K Trading (1965) Company Limited (a joint venture) passed a resolution to increase the registered share capital by issuing 90,000 ordinary shares with a par value of Baht 100 per share from the original registered share capital of Baht 1 million to a newly registered share capital of Baht 10 million. The Company has invested at the same proportion of 49 percent, equivalent to the value of Baht 4.41 million. The Company already paid the investments between January and February 2020.

## 8. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Called-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Investment-net		Dividend received during the period	
	30	31	30	31	30	31	30	31	30	31	30	30
	June 2020	December 2019	June 2020	December 2019	June 2020	December 2019	June 2020	December 2019	June 2020	December 2019	June 2020	June 2019
			(%)	(%)								
CPI Agrotech Co., Ltd.	15,000	15,000	100	100	15,000	15,000	(5,000)	(5,000)	10,000	10,000	-	-
CPP Co., Ltd.	191,000	191,000	100	100	191,000	191,000	-	-	191,000	191,000	-	-
CPI Trading Co., Ltd.	1,300	1,300	100	100	1,300	1,300	-	-	1,300	1,300	-	-
CPI Green Co., Ltd.	12,500	12,500	100	100	12,500	12,500	-	-	12,500	12,500	-	-
Total					219,800	219,800	(5,000)	(5,000)	214,800	214,800	-	-

On 17 June 2020, the Extraordinary General Meeting No.1/2020 of shareholders of CPI Trading Co., Ltd. (a subsidiary) approved the dissolution. The subsidiary registered its dissolution with the Ministry of Commerce on 18 June 2020 and at the present, it is in the liquidation process.

On 17 June 2020, the Extraordinary General Meeting No.1/2020 of shareholders of CPI Green Co.,Ltd. (a subsidiary) approved the dissolution. The subsidiary registered its dissolution with the Ministry of Commerce on 18 June 2020 and at the present, it is in the liquidation process.

**9. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	2,732,091	1,600,554
Acquisitions during the period - at cost	25,361	18,780
Disposal during the period - net book value as at disposal date	(931)	(931)
Depreciation for the period	(86,018)	(60,530)
Net book value as at 30 June 2020	<u>2,670,503</u>	<u>1,557,873</u>

**10. Bearer plant**

Movements of the bearer plant account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	392,547	390,009
Acquisitions during the period - at cost	696	696
Written off during the period - net book value as at write-off date	(284)	(284)
Amortisation during the period	(9,525)	(9,487)
Net book value as at 30 June 2020	<u>383,434</u>	<u>380,934</u>

As at 30 June 2020, bearer plant with the net book value totalling Baht 5 million (31 December 2019: Baht 6 million) were located on land over which the Company had only occupancy rights.

**11. Short-term loans from banks**

(Unit: Thousand Baht)					
	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
Short-term loans	2.25 - 2.82				
from banks	(2019: 2.20 - 2.63)	1,389,000	1,199,000	1,250,000	1,090,000
Total		1,389,000	1,199,000	1,250,000	1,090,000

**12. Trade and other payables**

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
Trade accounts payable - related parties	10,500	-	53,400	14,442
Trade accounts payable - unrelated parties	133,835	58,422	128,178	52,689
Accrued expenses	28,031	17,426	26,686	14,635
Other payables - related parties	-	-	1,224	1,509
Other payables - unrelated parties	57,918	52,943	21,316	18,795
Total trade and other payables	230,284	128,791	230,804	102,070

**13. Long-term loans**

(Unit: Thousand Baht)						
Credit line	Interest rate (% per annum)	Repayment condition	Consolidated		Separate	
			financial statements		financial statements	
			30 June	31 December	30 June	31 December
			2020	2019	2020	2019
1) Credit line of Baht 204 million of the Company	MLR - 3	Grace period until the earlier of 18 months, the first installment starts from June 2015, then quarterly installments of not less than Baht 9.55 million. The repayment period is within March 2021.	22,770	48,400	22,770	51,420
2) Credit line of Baht 250 million of the Company	THBFIX + 2.32	Monthly installments of Baht 4.2 million for 60 months, the last installment is remaining principal and accrued interest. The repayment period is from January 2016 to December 2020	23,200	51,420	23,200	48,400
3) Credit line of Baht 250 million of the Company	THBFIX + 2.2	Quarterly installments of Baht 12.5 million for 20 installments, the last installment is remaining principal and accrued interest. The repayment period is from October 2017 to July 2022	112,500	137,500	112,500	137,500

(Unaudited but reviewed)

(Unit: Thousand Baht)

Credit line	Interest rate (% per annum)	Repayment condition	Consolidated		Separate	
			financial statements		financial statements	
			30 June 2020	31 December 2019	30 June 2020	31 December 2019
4) Credit line of Baht 250 million of the Company	MLR - 1.50	Grace period until the earlier of 9 months, then quarterly installments of Baht 12.5 million for 20 installments, the last installment is remaining principal and accrued interest. The repayment period is from March 2021 to December 2025.	250,000	-	250,000	-
5) Credit line of Baht 800 million of the subsidiary	AMLR - 2.90	Grace period until the earlier of 18 months, then semi-annually installments of Baht 67 million for 11 installments and Baht 63 million for the final installment. The repayment period is within August 2022.	331,000	398,000	-	-
Total			739,470	635,320	408,470	237,320
Less: Deferred financial fees			(598)	-	(598)	-
Long-term loans - net			738,872	635,320	407,872	237,320
Less: Current portion			(254,861)	(270,600)	(120,861)	(136,600)
Long-term loans, net of current portion			484,011	364,720	287,011	100,720

Movements in the long-term loans account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	635,320	237,320
Add: Additional borrowings	250,000	250,000
Less: Repayment loans	(145,850)	(78,850)
Less: Financial fee	(625)	(625)
Amortisation financial fee	27	27
Balance as at 30 June 2020	738,872	407,872

On 27 May 2020, the Company entered into loan agreement with a local bank of Baht 250 million. The objective is to support the operation. The loan is to be repaid in full amount within December 2025.

Long-term credit facilities of the Company are collateral-free loans. The loan of the subsidiary is guaranteed by the Company. The loan agreements contain covenants as specified in the agreements pertaining to matters such as creating lien over assets,

maintaining certain debt to equity, and debt service coverage ratios according to the agreements.

As at 30 June 2020 and 31 December 2019, the Company and its subsidiaries had no long-term credit facilities that they have yet to draw down.

In order to manage the interest rate risks associated with the Company and its subsidiary's long-term loans from banks, the Company and the subsidiary entered into interest rate swap agreements with three commercial banks to swap interest rates as described in Note 21 b).

#### 14. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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. During the current period, the Company set aside a statutory reserve of Baht 2.47 million.

#### 15. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Type of goods or service:</b>				
Sale of palm oil products, palm sprouts and palm seeds	864,944	814,606	911,036	835,699
Sale of electricity	47,974	38,968	10,780	7,385
Others	620	-	-	-
Total revenue from contracts with customers	913,538	853,574	921,816	843,084
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	865,564	814,606	911,036	835,699
Revenue recognised over time	47,974	38,968	10,780	7,385
Total revenue from contracts with customers	913,538	853,574	921,816	843,084

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Type of goods or service:</b>				
Sale of palm oil products, palm sprouts and palm seeds	1,666,382	1,625,048	1,721,422	1,675,742
Sale of electricity	81,139	80,715	12,850	15,356
Others	853	-	-	-
Total revenue from contracts with customers	<u>1,748,374</u>	<u>1,705,763</u>	<u>1,734,272</u>	<u>1,691,098</u>
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	1,667,235	1,625,048	1,721,422	1,675,742
Revenue recognised over time	81,139	80,715	12,850	15,356
Total revenue from contracts with customers	<u>1,748,374</u>	<u>1,705,763</u>	<u>1,734,272</u>	<u>1,691,098</u>

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 18 relating to the segment information:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
External customers	913,538	853,574	863,864	811,544
Inter-segment	350,840	250,033	57,952	31,540
	1,264,378	1,103,607	921,816	843,084
Adjustments and eliminations	<u>(350,840)</u>	<u>(250,033)</u>	<u>-</u>	<u>-</u>
Total revenue from contracts with customers	<u>913,538</u>	<u>853,574</u>	<u>921,816</u>	<u>843,084</u>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
External customers	1,748,374	1,705,763	1,665,682	1,619,939
Inter-segment	402,838	519,923	68,590	71,159
	2,151,212	2,225,686	1,734,272	1,691,098
Adjustments and eliminations	(402,383)	(519,923)	-	-
Total revenue from contracts with customers	1,748,374	1,705,763	1,734,272	1,691,098

## 16. Income tax

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

Income tax expenses (revenue) for the three-month and six-month periods 30 June 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax charge	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	1,004	(2,466)	1,372	(2,190)
<b>Income tax expense (revenue) reported in the statements of comprehensive income</b>	<b>1,004</b>	<b>(2,466)</b>	<b>1,372</b>	<b>(2,190)</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax charge	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	4,357	(3,119)	4,542	(2,990)
<b>Income tax expense (revenue) reported in the statements of comprehensive income</b>	<u>4,357</u>	<u>(3,119)</u>	<u>4,542</u>	<u>(2,990)</u>

## 17. Earnings (loss) per share

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

Basic earnings (loss) per share for the three-month and six-month periods ended 30 June 2020 and 2019 sets forth the computation below:

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	<u>29,934</u>	<u>64,058</u>	<u>632,753</u>	<u>632,753</u>	<u>0.047</u>	<u>0.101</u>
	Separate financial statements					
	For the three-month periods ended 30 June					
	Profit for the period		Weighted average number of ordinary shares		Earnings per share	
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	<u>633</u>	<u>20,398</u>	<u>632,753</u>	<u>632,753</u>	<u>0.001</u>	<u>0.032</u>

(Unaudited but reviewed)

Consolidated financial statements					
For the six-month periods ended 30 June					
Profit (loss) for the period		Weighted average number of ordinary shares		Earnings (loss) per share	
2020	2019	2020	2019	2020	2019
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings (loss) per share</b>					
Profit (loss) attributable to equity holders of the Company					
(10,878)	79,238	632,753	632,753	(0.017)	0.125

Separate financial statements					
For the six-month periods ended 30 June					
Profit (loss) for the period		Weighted average number of ordinary shares		Earnings (loss) per share	
2020	2019	2020	2019	2020	2019
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings (loss) per share</b>					
Profit (loss) attributable to equity holders of the Company					
(23,463)	11,114	632,753	632,753	(0.037)	0.018

## 18. Segment information

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

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2020 and 2019, respectively.

(Unit: Million Baht)

For the three-month period ended 30 June 2020						
	Palm oil products segment	Palm seeds, palm sprouts and coconut trees segment	Electricity sale segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	854	11	48	913	-	913
Inter segment revenue	351	-	-	351	(351)	-
Finance income	4	-	-	4	(4)	-
Finance cost	12	-	8	20	(4)	16
Depreciation and amortisation	30	(2)	21	49	(1)	48
Income tax expense (revenue)	2	-	-	2	(1)	1
<b>Segment profit (loss)</b>	<b>(13)</b>	<b>(3)</b>	<b>55</b>	<b>39</b>	<b>(9)</b>	<b>30</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 June 2019

	Palm oil products segment	Palm seeds, palm sprouts and coconut trees segment	Electricity sale segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	811	4	39	854	-	854
Inter segment revenue	250	-	-	250	(250)	-
Finance income	3	-	-	3	(3)	-
Finance cost	12	1	8	21	(4)	17
Depreciation and amortisation	40	1	11	52	(1)	51
Income tax revenue	(2)	-	-	(2)	-	(2)
<b>Segment profit (loss)</b>	<b>51</b>	<b>(3)</b>	<b>19</b>	<b>67</b>	<b>(3)</b>	<b>64</b>

(Unit: Million Baht)

For the six-month period ended 30 June 2020

	Palm oil products segment	Palm seeds, palm sprouts and coconut trees segment	Electricity sale segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,654	13	81	1,748	-	1,748
Inter segment revenue	403	-	-	403	(403)	-
Finance income	8	-	-	8	(8)	-
Finance cost	21	1	16	38	(8)	30
Depreciation and amortisation	64	1	33	98	(1)	97
Income tax expense (revenue)	5	-	-	5	(1)	4
<b>Segment profit (loss)</b>	<b>(40)</b>	<b>(5)</b>	<b>32</b>	<b>(13)</b>	<b>2</b>	<b>(11)</b>

(Unit: Million Baht)

For the six-month period ended 30 June 2019

	Palm oil products segment	Palm seeds, palm sprouts and coconut trees segment	Electricity sale segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,616	9	81	1,706	-	1,706
Inter segment revenue	520	-	-	520	(520)	-
Finance income	7	-	-	7	(7)	-
Finance cost	24	1	17	42	(7)	35
Depreciation and amortisation	73	2	28	103	(1)	102
Income tax revenue	(3)	-	-	(3)	-	(3)
<b>Segment profit (loss)</b>	<b>49</b>	<b>(7)</b>	<b>36</b>	<b>78</b>	<b>1</b>	<b>79</b>

During the three-month and six-month periods ended 30 June 2020, the Company had export sales amounted to Baht 24 million, and Baht 33 million (2019: Baht 90 million, and Baht 181 million).

During the three-month period ended 30 June 2020, the Company had revenue from one major customer in amount of Baht 153 million (2019: one major customer in amount of Baht 106 million), arising from sales by the palm oil products segment.

During the six-month period ended 30 June 2020, the Company had revenue from one major customer in amount of Baht 298 million (2019: one major customer in amount of Baht 176 million), arising from sales by the palm oil products segment.

## 19. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for the year 2019	Board of directors meeting no.2/2020 on 13 April 2020	44.9	0.071
Total dividend payment in 2020		44.9	0.071

## 20. Commitments and contingent liabilities

### 20.1 Capital commitments

As at 30 June 2020, the Group had capital commitments of Baht 1 million (the Company only: Baht 1 million) (31 December 2019: Baht 1 million, the Company only: Nil) relating to the acquisitions of machinery and equipment.

### 20.2 Operating service and low value of lease commitments

The Group has entered into several service and low value of lease agreements in respect of the lease of land and service agreements. The terms were 1 - 4 years.

Future minimum lease payments required were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Payable:				
In up to 1 year	2	1	2	1
In over 1 year and up to 5 years	1	1	1	1

### 20.3 Commitments related to advanced sale agreements

The Company entered into advanced sale agreements which specified quantity and selling price with local customers. As at 30 June 2020, the Company has sale value of Baht 185 million which the goods will be delivered during July to December 2020 (31 December 2019: Baht 148 million which the goods would be delivered during January to March 2020).

### 20.4 Electricity sale/purchase commitment

The Group entered into the following agreements to sell electricity at a specified quantities and prices as defined in the agreements.

Company's name	Date of agreement	Period	Commencement date	Contracted capacity (MW)
Chumporn Palm Oil Industry Plc.	24 December 2013	5 years and renewable for every 5 years	29 September 2014	3
CPP Co., Ltd.	10 October 2016	15 years 4 months	27 April 2017	4

### 20.5 Bank guarantees

- As at 30 June 2020 and 31 December 2019, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 1,026 million and USD 27 million.
- As at 30 June 2020 and 31 December 2019, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included the following letters of guarantee:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Letters of guarantee for electricity usage	7	7	3	3
Letters of guarantee for sell/ purchase electricity	1	1	1	1
Letter of guarantee for land management	1	-	-	-
Total	9	8	4	4

**21. Financial instruments**

- a) As at 30 June 2020 and 31 December 2019, the Group has no outstanding of forward contracts.
- b) As at 30 June 2020 and 31 December 2019, the Group has outstanding interest rate swap agreements as below.

Consolidated financial statements as at 30 June 2020 and as at 31 December 2019				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 204 million	Floating rate MLR minus 3% per annum	Fixed rate as stipulated in swap agreement.	September 2020
2	Baht 250 million	Floating rate 1-month THBFIX plus 2.32% per annum	Fixed rate as stipulated in swap agreement.	December 2020
3	Baht 250 million	Floating rate 6-month THBFIX plus 2.2% per annum	Fixed rate as stipulated in swap agreement.	July 2022
4	Baht 800 million	Floating rate AMLR minus 2.9% per annum	Fixed rate as stipulated in swap agreement.	August 2022

Separate financial statements as at 30 June 2020 and as at 31 December 2019				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 204 million	Floating rate MLR - 3% per annum	Fixed rate as stipulated in swap agreement.	September 2020
2	Baht 250 million	Floating rate 1-month THBFIX plus 2.32% per annum	Fixed rate as stipulated in swap agreement.	December 2020
3	Baht 250 million	Floating rate 6-month THBFIX plus 2.2% per annum	Fixed rate as stipulated in swap agreement.	July 2022

**22. Fair value hierarchy**

As at 30 June 2020, the Group had the financial assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

Consolidated financial statements

As at 30 June 2020

Level 1	Level 2	Level 3	Total
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**Financial liabilities measured at fair value****Derivatives**

Interest rate swap contracts	-	8,266	-	8,266
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(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at 30 June 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
<b>Derivatives</b>				
Interest rate swap contracts	-	1,961	-	<b>1,961</b>

Valuation techniques and inputs to level 2 valuations

The fair value of derivatives have been determined by using a discounted future cash flows model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves.

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

**23. Events after the reporting period**

On 23 July 2020, the Annual General Meeting of the Company no.1/2020 acknowledged the interim dividend payment for the year 2019 of Baht 0.071 per share, or totaling Baht 44.9 million which already paid to shareholders in May 2020, approved the omission of additional dividend payment for the result of performance for the year 2019, and approved to set aside statutory reserve by Baht 2.47 million.

**24. Approval of interim consolidated financial information**

These interim consolidated financial information was authorised for issue by the Company's Board of Directors on 13 August 2020.