

Chumporn Palm Oil Industry Public Company Limited
and its subsidiaries
Review report and interim consolidated financial information
For the three-month and nine-month period ended
30 September 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 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month period then ended, changes in shareholders' equity, and cash flows for the nine-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 nine-month period ended 30 September 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: 12 November 2020

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	97,182	71,163	58,611	53,045
Trade and other receivables	3,5	344,490	296,201	429,552	314,764
Short-term loans to related parties	3	-	-	390,000	398,500
Inventories	6	513,115	309,294	470,660	281,413
Biological assets		52,163	41,601	35,729	22,303
Prepaid expenses		23,297	21,348	22,129	21,348
Other current assets		37,184	29,459	24,895	23,134
Total current assets		1,067,431	769,066	1,431,576	1,114,507
Non-current assets					
Investment in joint venture	7	6,151	462	4,900	490
Investments in subsidiaries	8	-	-	219,800	214,800
Property, plant and equipment	9	2,636,409	2,732,091	1,535,839	1,600,554
Right-of-use assets		8,199	-	4,374	-
Bearer plant	10	378,334	392,547	375,921	390,009
Intangible assets		2,752	3,896	2,485	3,577
Advance for purchasing of land		124,008	124,008	124,008	124,008
Deposits		685	685	207	207
Total non-current assets		3,156,538	3,253,689	2,267,534	2,333,645
Total assets		4,223,969	4,022,755	3,699,110	3,448,152

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 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	11	1,349,000	1,199,000	1,210,000	1,090,000
Trade and other payables	3, 12	111,703	128,791	89,542	102,070
Value added tax payable		23,374	12,222	18,926	10,887
Current portion of long-term loans from banks	13	245,211	270,600	111,211	136,600
Current portion of lease liabilities		1,338	-	908	-
Derivative liabilities	22	6,772	-	1,683	-
Other current liabilities		12,767	2,236	2,834	1,809
Total current liabilities		1,750,165	1,612,849	1,435,104	1,341,366
Non-current liabilities					
Long-term loans from banks - net of current portion	13	392,038	364,720	262,038	100,720
Lease liabilities - net of current portion		7,517	-	4,065	-
Provision for long-term employee benefits		61,379	59,018	53,384	51,870
Deferred tax liabilities		133,376	132,248	132,984	130,938
Total non-current liabilities		594,310	555,986	452,471	283,528
Total liabilities		2,344,475	2,168,835	1,887,575	1,624,894

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 September 2020

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
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	141,583	118,482	74,938	89,134
Other components of shareholders' equity	645,372	645,372	644,058	644,058
Total shareholders' equity	1,879,494	1,853,920	1,811,535	1,823,258
Total liabilities and shareholders' equity	4,223,969	4,022,755	3,699,110	3,448,152
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales	3, 15, 18	1,018,159	826,024	1,017,474	821,905
Dividend income		-	-	-	49,660
Other income		3,313	1,968	3,334	4,931
Gain on exchange		799	-	799	-
Total revenues		1,022,271	827,992	1,021,607	876,496
Expenses					
Cost of sales	3	833,840	702,997	875,212	752,260
Selling and distribution expenses		28,755	31,979	28,573	31,296
Administrative expenses		47,477	47,945	42,293	41,493
Loss on exchange		-	1,054	-	1,055
Total expenses		910,072	783,975	946,078	826,104
Profit from operating activities		112,199	44,017	75,529	50,392
Share of loss from investment in joint venture	7	(1,306)	(13)	-	-
Finance income		6	-	3,665	-
Finance cost		(16,236)	(16,857)	(12,174)	(11,551)
Loss on change in fair value of biological assets		(10,500)	(8,219)	(11,052)	(4,972)
Gain (loss) on change in fair value of derivatives		1,494	(1,000)	278	(1,000)
Profit before income tax		85,657	17,928	56,246	32,869
Income tax revenue (expense)	16	1,728	(1,365)	2,081	(2,015)
Profit for the period		87,385	16,563	58,327	30,854
Total comprehensive income for the period		87,385	16,563	58,327	30,854

(Unit: Baht)

Earnings per share	17				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.138	0.026	0.092	0.049

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 comprehensive income

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales	3, 15, 18	2,766,533	2,531,787	2,751,746	2,513,003
Dividend income		-	-	-	49,660
Other income		7,565	15,969	7,168	15,354
Gain on exchange		2,264	-	2,264	-
Total revenues		2,776,362	2,547,756	2,761,178	2,578,017
Expenses					
Cost of sales	3	2,442,812	2,128,134	2,511,530	2,269,699
Selling and distribution expenses		75,737	101,518	74,501	99,027
Administrative expenses		148,873	158,369	130,161	132,979
Loss on exchange		-	1,066	-	1,083
Total expenses		2,667,422	2,389,087	2,716,192	2,502,788
Profit from operating activities		108,940	158,669	44,986	75,229
Share of profit (loss) from investment in joint venture	7	1,279	(13)	-	-
Finance income		141	-	11,638	10,001
Finance cost		(45,828)	(51,958)	(33,064)	(35,479)
Gain (loss) on change in fair value of biological assets		13,922	(11,650)	13,426	(7,758)
Gain (loss) on change in fair value of derivatives		682	(1,000)	339	(1,000)
Profit before income tax		79,136	94,048	37,325	40,993
Income tax revenue (expense)	16	(2,629)	1,754	(2,461)	975
Profit for the period		76,507	95,802	34,864	41,968
Total comprehensive income for the period		76,507	95,802	34,864	41,968

(Unit: Baht)

Earnings per share	17				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.121	0.151	0.055	0.066

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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements							
					Other components of			
					shareholders' equity			
					Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings Appropriated - statutory reserve
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	-	-	-	-	95,802	-	-	95,802
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	95,802	-	-	95,802
Balance as at 30 September 2019	632,753	412,310	12,657	32,346	126,898	645,372	645,372	1,862,336
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
Profit for the period	-	-	-	-	76,507	-	-	76,507
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	76,507	-	-	76,507
Dividend paid (Note 19)	-	-	-	-	(44,925)	-	-	(44,925)
Statutory reserve (Note 14)	-	-	-	2,473	(2,473)	-	-	-
Balance as at 30 September 2020	632,753	412,310	12,657	34,819	141,583	645,372	645,372	1,879,494

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 nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital		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		
Balance as at 1 January 2019	632,753	412,310	12,657	32,346	41,891	644,058	1,776,015
Profit for the period	-	-	-	-	41,968	-	41,968
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	41,968	-	41,968
Balance as at 30 September 2019	632,753	412,310	12,657	32,346	83,859	644,058	1,817,983
Balance as at 1 January 2020 - as previously reported	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)
Balance as at 1 January 2020 - as restated	632,753	412,310	12,657	32,346	87,472	644,058	1,821,596
Profit for the period	-	-	-	-	34,864	-	34,864
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	34,864	-	34,864
Dividend paid (Note 19)	-	-	-	-	(44,925)	-	(44,925)
Statutory reserve (Note 14)	-	-	-	2,473	(2,473)	-	-
Balance as at 30 September 2020	632,753	412,310	12,657	34,819	74,938	644,058	1,811,535
	-	-	-	-	-	-	-

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 nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	79,136	94,048	37,325	40,993
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	143,680	151,045	104,638	115,234
Reduction cost of inventories to net realisable value	-	169	-	169
Written off palm trees	656	-	656	-
Loss (gain) on sale of equipment	467	(906)	466	(163)
Allowance for doubtful debts (reversal)	808	(32)	808	(32)
Share of loss (gain) from investment in joint venture	(1,279)	13	-	-
Long-term employee benefits expenses	4,386	15,257	3,539	13,718
Loss (gain) on change in fair value of biological assets	(13,922)	11,650	(13,426)	7,758
Unrealised gain on fair value of derivatives	(738)	-	(394)	-
Unrealised loss (gain) on exchange rate	(2,095)	1,020	(2,095)	1,020
Dividend income	-	-	-	(49,660)
Interest income	(141)	(272)	(11,638)	(10,001)
Interest expenses	45,828	51,958	33,064	35,478
Profit from operating activities before changes in operating assets and liabilities	256,786	323,950	152,943	154,514
Operating assets (increase) decrease				
Trade and other receivables	(49,098)	71,004	(104,348)	57,463
Inventories	(203,821)	193,016	(189,247)	207,587
Prepaid expenses	(1,949)	(4,351)	(781)	(2,866)
Biological assets	2,865	447	-	-
Other current assets	(5,146)	4,554	340	1,408
Deposits	-	(45)	-	(45)
Operating liabilities increase (decrease)				
Trade and other payables	(12,364)	(117,503)	(10,790)	(99,359)
Value added tax payable	11,152	(855)	8,039	1,975
Other current liabilities	10,530	4,723	1,024	(990)
Cash paid for long-term employee benefits	(2,025)	(1,769)	(2,025)	(1,769)
Cash flows from (used in) operating activities	6,930	473,171	(144,845)	317,918
Cash paid for income tax	-	(1,104)	-	(920)
Net cash flows from (used in) operating activities	6,930	472,067	(144,845)	316,998

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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash receipt from interest income	141	272	390	6,085
Decrease (increase) in short-term loans to related parties	-	-	8,500	(71,500)
Cash paid for investment in joint venture	(4,410)	(490)	(4,410)	(490)
Cash paid for investment in subsidiaries	-	-	(5,000)	(13,750)
Acquisitions of plant and equipment	(36,435)	(52,575)	(26,215)	(42,919)
Proceeds from sales of equipment	795	2,362	794	180
Increase in bearer plant	(1,099)	(2,921)	(1,099)	(3,882)
Acquisitions of intangible assets	-	(185)	-	(176)
Cash received from dividend	-	-	-	110,780
Net cash flows used in investing activities	(41,008)	(53,537)	(27,040)	(15,672)
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	150,000	(144,000)	120,000	(175,000)
Cash paid for lease agreements	(714)	-	(273)	-
Cash receipt from long-term loans	250,000	-	250,000	-
Repayment of long-term loans	(247,500)	(247,500)	(113,500)	(113,500)
Cash paid for dividend	(44,925)	-	(44,925)	-
Cash paid for interest	(46,764)	(53,411)	(33,851)	(36,491)
Net cash flows from (used in) financing activities	60,097	(444,911)	177,451	(324,991)
Net increase (decrease) in cash and cash equivalents	26,019	(26,381)	5,566	(23,665)
Cash and cash equivalents at beginning of period	71,163	129,095	53,045	97,582
Cash and cash equivalents at end of period (Note 4)	97,182	102,714	58,611	73,917
	-		-	

Supplemental cash flows information:

Non-cash transactions

Increase in accounts payable from purchasing

of equipment which had yet been paid

4,054	1,863	1,364	2,490
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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 nine-month period ended 30 September 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 changes in the composition of the subsidiaries during the current period as described in Note 8 to the financial statements.

1.5 New financial reporting standards

a) 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*.

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

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

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	
Statement of financial position				
Assets				
Non-current assets				
Right-of-use assets	-	-	8,963	8,963
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	1,096	1,096
Derivative liabilities	-	6,008	-	6,008
Non-current liabilities				
Lease liabilities, net of current portion	-	-	7,867	7,867
Shareholders' equity				
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	
Statement of financial position				
Assets				
Non-current assets				
Right-of-use assets	-	-	5,666	5,666
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	849	849
Derivative liabilities	-	1,662	-	1,662
Non-current liabilities				
Lease liabilities, net of current portion	-	-	4,817	4,817
Shareholders' equity				
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
Financial assets as at 1 January 2020			
Cash and cash equivalents	71,163	71,163	71,163
Trade and other receivables	296,201	296,201	296,201
Total financial assets	367,364	367,364	367,364

(Unit: Thousand Baht)

Separate financial statements			
	Carrying amounts	Classification and measurement in accordance	
	under the former	with TFRS 9	
	basis	Amortised cost	Total
Financial assets as at 1 January 2020			
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
Total financial assets	766,309	766,309	766,309

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
Total right-of-use assets	8,963	5,666

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 Power Co., Ltd.	Subsidiary
CPI Trading Co., Ltd.	Subsidiary (Registered the dissolution on 18 June 2020 and registered the liquidation on 4 November 2020)
CPI Green Co., Ltd.	Subsidiary (Dissolution on 18 June 2020 and in process of liquidation)
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 persons and 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 ended 30 September		For the nine-month periods ended 30 September		
	2020	2019	2020	2019	Transfer pricing policy
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales income	50.1	43.7	118.7	114.8	Market price
Rental income	0.2	0.3	0.6	1.2	Monthly fees of Baht 0.01 - 0.03 million (2019: Baht 0.01 - 0.13 million)
Interest income	3.7	3.2	11.5	9.8	2.95% - 4.75% per annum and rate charged on call borrowings from a bank plus 0.5% per annum
Dividend income	-	49.7	-	49.7	As declared
Purchase palm fruit, kernel and crude palm oil	240.7	213.1	574.9	661.9	Market price
Purchase palm trees	-	3.1	-	3.1	Market price

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated /Separate financial statements				Transfer pricing policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	2020	2019	2020	2019	
<u>Transactions with joint venture</u>					
Other income	0.5	-	2.9	-	Contract price
Service expenses	3.7	-	14.2	-	Contract price

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Trade accounts receivable - related party (Note 5)				
Subsidiary	-	-	86,231	30,129
Other receivables - related parties (Note 5)				
Subsidiaries	-	-	10,054	9,702
Interest receivables - related parties (Note 5)				
Subsidiaries	-	-	16,306	5,059
Short-term loans to related parties				
Subsidiaries	-	-	390,000	398,500
Trade accounts payable - related parties (Note 12)				
Subsidiaries	-	-	15,391	14,442
Other payables - related parties (Note 12)				
Subsidiaries	-	-	337	1,509

Short-term loans to related parties

As at 30 September 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)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2020	Increase	Decrease	30 September 2020
Subsidiaries				
CPI Agrotech Co., Ltd.	37,000	-	(30,000)	7,000
CPP Co., Ltd.	361,500	193,300	(171,800)	383,000
Total	398,500	193,300	(201,800)	390,000

(Unaudited but reviewed)

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 nine-month periods ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	4,633	4,802	4,248	4,417
Post-employment benefits	213	394	172	363
Total	4,846	5,196	4,420	4,780

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	18,928	17,444	17,474	16,050
Post-employment benefits	639	990	516	853
Total	19,567	18,434	17,990	16,903

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 September	31 December	30 September	31 December
	2020	2019	2020	2019
Cash	22,009	187	3,510	101
Bank deposits	75,173	70,976	55,101	52,944
Total	97,182	71,163	58,611	53,045

As at 30 September 2020, bank deposits in saving accounts carried interest at rates of 0.05% - 0.12% per annum (31 December 2019: between 0.1% - 0.4% per annum).

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Trade accounts receivable - related party				
Aged on the basis of due dates				
Not yet due	-	-	2,954	30,129
Past due				
Up to 1 month	-	-	9,470	-
2 - 3 months	-	-	39,953	-
3 - 6 months	-	-	33,849	-
6 - 12 months	-	-	5	-
Total trade accounts receivable - related party	-	-	86,231	30,129
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	309,035	200,551	282,808	175,610
Past due				
Up to 1 month	31,794	89,882	30,949	88,670
2 - 3 months	396	949	167	906
3 - 6 months	229	910	1	910
6 - 12 months	-	532	-	532
Over 12 months	4,788	4,094	4,788	4,094
Total	346,242	296,918	318,713	270,722
Less: Allowance for expected credit losses	(3,577)	(2,769)	(3,577)	(2,769)
Total trade accounts receivable - unrelated parties - net	342,665	294,149	315,136	267,953
Total trade accounts receivable - net	342,665	294,149	401,367	298,082
Other receivables				
Other receivables - related parties	-	-	10,054	9,702
Interest receivables - related parties	-	-	16,306	5,059
Other receivables - unrelated parties	2,506	2,733	2,506	2,602
Total	2,506	2,733	28,866	17,363
Less: Allowance for expected credit losses	(681)	(681)	(681)	(681)
Total other receivables - net	1,825	2,052	28,185	16,682
Total trade and other receivables - net	344,490	296,201	429,552	314,764

6. Inventories

(Unit: Thousand Baht)

Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net
	30 September	31 December	30 September	31 December	
	2020	2019	2020	2019	
Finished goods	206,229	138,297	-	-	206,229 138,297
Raw materials	225,780	111,580	-	-	225,780 111,580
Work in process	18,343	96	-	-	18,343 96
Spare parts and factory supplies	62,763	59,321	-	-	62,763 59,321
Total	513,115	309,294	-	-	513,115 309,294

(Unit: Thousand Baht)

Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net
	30 September	31 December	30 September	31 December	
	2020	2019	2020	2019	
Finished goods	210,198	138,297	-	-	210,198 138,297
Raw materials	223,411	109,421	-	-	223,411 109,421
Work in process	96	96	-	-	96 96
Spare parts and factory supplies	36,955	33,599	-	-	36,955 33,599
Total	470,660	281,413	-	-	470,660 281,413

7. Investment in joint venture

Details of investment in joint venture as presented in financial statements as at 30 September 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 September 2020 (%)	31 December 2019 (%)	30 September 2020	31 December 2019	30 September 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	6,151	462	4,900	490
Total					6,151	462	4,900	490

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of loss from investment in joint venture for the three-month periods ended 30 September		Dividend received for the three-month periods ended 30 September	
	2020	2019	2020	2019
C K Trading (1965) Company Limited	(1,306)	(13)	-	-

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investment in joint venture for the nine-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
	2020	2019	2020	2019
C K Trading (1965) Company Limited	1,279	(13)	-	-

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:

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
	September	December	September	December	September	December	September	December	September	December	September	September
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	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	-	49,660
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	-	-
CPI Tower Co., Ltd.	5,000	-	100	-	5,000	-	-	-	5,000	-	-	-
Total					224,800	219,800	(5,000)	(5,000)	219,800	214,800	-	49,660

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 registered its liquidation on 4 November 2020.

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.

On 18 August 2020, a meeting of the Company's Board of Directors No. 8/2020 approved a resolution to establish CPI Power Co., Ltd. (a subsidiary), registered in Thailand. Its principal activity is the production and distribution of electricity. The registered share capital is Baht 20,000,000 (2,000,000 ordinary shares with the par value of Baht 10 per share). The subsidiary registered as a limited company with the Ministry of Commerce on 8 September 2020, and it called up 25% at Baht 2.5 per share, or a total amount of Baht 5,000,000. The Company already paid for those shares.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	32,381	24,851
Disposal during the period - net book value as at disposal date	(1,262)	(1,260)
Depreciation for the period	(126,801)	(88,306)
Net book value as at 30 September 2020	2,636,409	1,535,839

10. Bearer plant

Movements of the bearer plant account during the nine-month period ended 30 September 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	1,099	1,099
Written off during the period - net book value as at write-off date	(656)	(656)
Amortisation during the period	(14,656)	(14,531)

(Unaudited but reviewed)

Net book value as at 30 September 2020	378,334	375,921
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As at 30 September 2020, bearer plant with the net book value totalling Baht 5 million (31 December 2019: Baht 6 million) were located on land 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 September	31 December	30 September	31 December
		2020	2019	2020	2019
Promissory notes	2.13 - 2.75 (2019: 2.20 - 2.63)	1,349,000	1,199,000	1,210,000	1,090,000
Total		1,349,000	1,199,000	1,210,000	1,090,000

These short-term loans from banks are collateral free. The loans repayment will due within 3 months as from issuance date of promissory notes.

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Trade accounts payable - related parties	-	-	15,391	14,442
Trade accounts payable - unrelated parties	37,119	58,422	30,433	52,689
Accrued expenses	31,271	17,426	30,337	14,635
Other payables - related parties	-	-	337	1,509
Other payables - unrelated parties	43,313	52,943	13,044	18,795
Total trade and other payables	111,703	128,791	89,542	102,070

13. Long-term loans from banks

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			30 September	31 December	30 September	31 December
Credit line	Interest rate (% per annum)	Repayment condition	2020	2019	2020	2019
1) Credit line of Baht 204 million of the Company	MLR - 3.0	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.	13,220	51,420	13,220	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	10,600	48,400	10,600	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	100,000	137,500	100,000	137,500
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.	264,000	398,000	-	-
Total			637,820	635,320	373,820	237,320
Less: Deferred financial fees			(571)	-	(571)	-
Long-term loans - net			637,249	635,320	373,249	237,320
Less: Current portion			(245,211)	(270,600)	(111,211)	(136,600)
Long-term loans, net of current portion			392,038	364,720	262,038	100,720

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	635,320	237,320
Add: Additional borrowings	250,000	250,000
Less: Repayment loans	(247,500)	(113,500)
Less: Financial fee	(625)	(625)
Amortisation financial fee	54	54
Balance as at 30 September 2020	637,249	373,249

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 September 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 period, the Company set aside a statutory reserve of Baht 2.47 million.

(Unaudited but reviewed)

15. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Type of goods or service:				
Sale of palm oil products, palm sprouts and palm seeds	972,863	785,245	1,009,175	816,835
Sale of electricity	44,322	40,779	8,299	5,070
Others	974	-	-	-
Total revenue from contracts with customers	<u>1,018,159</u>	<u>826,024</u>	<u>1,017,474</u>	<u>821,905</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	973,837	785,245	1,009,175	816,835
Revenue recognised over time	44,322	40,779	8,299	5,070
Total revenue from contracts with customers	<u>1,018,159</u>	<u>826,024</u>	<u>1,017,474</u>	<u>821,905</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Type of goods or service:				
Sale of palm oil products, palm sprouts and palm seeds	2,639,245	2,410,293	2,730,597	2,492,577
Sale of electricity	125,461	121,494	21,149	20,426
Others	1,827	-	-	-
Total revenue from contracts with customers	<u>2,766,533</u>	<u>2,531,787</u>	<u>2,751,746</u>	<u>2,513,003</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	2,641,072	2,410,293	2,730,597	2,492,577
Revenue recognised over time	125,461	121,494	21,149	20,426
Total revenue from contracts with customers	<u>2,766,533</u>	<u>2,531,787</u>	<u>2,751,746</u>	<u>2,513,003</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 September

(Unaudited but reviewed)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
External customers	1,018,159	826,024	967,362	778,219
Inter-segment	290,759	257,169	50,112	43,686
	1,308,918	1,083,193	1,017,474	821,905
Adjustments and eliminations	(290,759)	(257,169)	-	-
Total revenue from contracts with customers	1,018,159	826,024	1,017,474	821,905

(Unit: Thousand Baht)

For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
External customers	2,766,533	2,531,787	2,633,044	2,398,158
Inter-segment	693,597	777,092	118,702	114,845
	3,460,130	3,308,879	2,751,746	2,513,003
Adjustments and eliminations	(693,597)	(777,092)	-	-
Total revenue from contracts with customers	2,766,533	2,531,787	2,751,746	2,513,003

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 expense (revenue) for the three-month and nine-month periods 30 September 2020 and 2019 are made up as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,728)	1,365	(2,081)	2,015
Income tax expense (revenue) reported in the statements of comprehensive income	<u>(1,728)</u>	<u>1,365</u>	<u>(2,081)</u>	<u>2,015</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	2,629	(1,754)	2,461	(975)
Income tax expense (revenue) reported in the statements of comprehensive income	<u>2,629</u>	<u>(1,754)</u>	<u>2,461</u>	<u>(975)</u>

17. Earnings per share

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

Basic earnings per share for the three-month and nine-month periods ended 30 September 2020 and 2019 sets forth the computation below:

Consolidated financial statements					
For the three-month periods ended 30 September					
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)
Basic earnings per share					
Profit attributable to equity holders of the Company					
87,385	16,563	632,753	632,753	0.138	0.026

Separate financial statements					
For the three-month periods ended 30 September					
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)
Basic earnings per share					
Profit attributable to equity holders of the Company					
58,327	30,854	632,753	632,753	0.092	0.049

Consolidated financial statements					
For the nine-month periods ended 30 September					
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)
Basic earnings per share					
Profit attributable to equity holders of the Company					
76,507	95,802	632,753	632,753	0.121	0.151

Separate financial statements					
For the nine-month periods ended 30 September					
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)
Basic earnings per share					
Profit attributable to equity holders of the Company					
34,864	41,968	632,753	632,753	0.055	0.066

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 nine-month periods ended 30 September 2020 and 2019, respectively.

(Unit: Million Baht)

For the three-month period ended 30 September 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	966	8	44	1,018	-	1,018
Inter segment revenue	291	-	-	291	(291)	-
Finance income	4	-	-	4	(4)	-
Finance cost	12	-	7	19	(3)	16
Depreciation and amortisation	37	1	9	47	-	47
Income tax revenues	(2)	-	-	(2)	-	(2)
Segment profit	58	-	28	86	1	87

(Unit: Million Baht)

For the three-month period ended 30 September 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	779	6	41	826	-	826
Inter segment revenue	256	1	-	257	(257)	-
Finance income	3	-	-	3	(3)	-
Finance cost	11	-	9	20	(3)	17
Depreciation and amortisation	38	-	12	50	-	50
Income tax expense (revenue)	2	(1)	-	1	-	1
Segment profit (loss)	48	(3)	21	66	(49)	17

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 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	2,621	21	125	2,767	-	2,767
Inter segment revenue	694	-	-	694	(694)	-
Finance income	12	-	-	12	(12)	-
Finance cost	33	1	23	57	(11)	46
Depreciation and amortisation	101	2	42	145	(1)	144
Income tax expense	4	-	-	4	(1)	3
Segment profit (loss)	18	(5)	60	73	4	77

(Unit: Million Baht)

For the nine-month period ended 30 September 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	2,397	13	122	2,532	-	2,532
Inter segment revenue	776	1	-	777	(777)	-
Finance income	10	-	-	10	(10)	-
Finance cost	35	1	26	62	(10)	52
Depreciation and amortisation	110	2	40	152	(1)	151
Income tax revenue	(1)	(1)	-	(2)	-	(2)
Segment profit (loss)	97	(10)	57	144	(48)	96

During the three-month and nine-month periods ended 30 September 2020, the Company had export sales amounted to Baht 22 million, and Baht 55 million (2019: Baht 40 million, and Baht 221 million).

During the three-month period ended 30 September 2020, the Company had revenue from one major customer in amount of Baht 250 million (2019: one major customer in amount of Baht 98 million), arising from sales by the palm oil products segment.

During the nine-month period ended 30 September 2020, the Company had revenue from one major customer in amount of Baht 548 million (2019: one major customer in amount of Baht 273 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 September 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 September 2020	31 December 2019	30 September 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 September 2020, the Company has sales amounts of Baht 83 million which the goods will be delivered during October - 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 with the Provincial Electricity Authority 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 September 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 September 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 September 2020	31 December 2019	30 September 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

- As at 30 September 2020, the Group have forward exchange contracts as follows:

Consolidated and separate financial statements as at 30 September 2020			
Foreign currency	Sold amount	Contractual exchange rate - sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	366	31.31	15 March 2021

As at 31 December 2019, the Group has no outstanding of forward contracts.

- b) As at 30 September 2020 and 31 December 2019, the Group has outstanding interest rate swap agreements as below.

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

Consolidated financial statements 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

(Unaudited but reviewed)

Separate financial statements 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 September 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 September 2020

	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Derivatives				
Interest rate swap contracts	-	6,642	-	6,642
Forward exchange contracts	-	130	-	130
Total	-	6,772	-	6,772

(Unit: Thousand Baht)

Separate financial statements

As at 30 September 2020

	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Derivatives				
Interest rate swap contracts	-	1,553	-	1,553
Forward exchange contracts	-	130	-	130
Total	-	1,683	-	1,683

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. Approval of interim consolidated financial information

These interim consolidated financial information was authorised for issue by the Company's Board of Directors on 12 November 2020.