

Chumporn Palm Oil Industry Public Company Limited
and its subsidiaries
Review report and interim consolidated financial information
For the three-month and six-month periods ended
30 June 2022

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 2022, and the related consolidated statements of comprehensive income for the three-month and six-month periods 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 statements.

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*.

Orawan Techawatanasirikul

Certified Public Accountant (Thailand) No. 4807

EY Office Limited

Bangkok: 11 August 2022

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
Assets					
Current assets					
Cash and cash equivalents		109,786	109,368	72,961	80,219
Trade and other receivables	2, 3	712,003	541,053	820,747	624,007
Short-term loans to related parties	2	-	-	224,000	297,800
Inventories	4	708,777	616,787	667,582	578,366
Biological assets		92,858	61,268	68,544	47,259
Prepaid expenses		19,525	2,011	17,075	155
Current derivative assets	14.1	-	23	-	23
Other current assets		66,716	36,927	63,243	33,615
Total current assets		1,709,665	1,367,437	1,934,152	1,661,444
Non-current assets					
Investment in joint venture		4,326	3,160	4,900	4,900
Investments in subsidiaries		-	-	206,000	206,000
Investment property		128,431	128,431	128,431	128,431
Property, plant and equipment	5	2,483,543	2,533,235	1,456,921	1,485,845
Right-of-use assets		4,796	5,482	1,520	1,960
Bearer plants	6	342,356	355,127	340,646	353,247
Intangible assets		2,783	2,035	2,587	1,832
Deposits		669	669	177	207
Total non-current assets		2,966,904	3,028,139	2,141,182	2,182,422
Total assets		4,676,569	4,395,576	4,075,334	3,843,866

The accompanying notes to interim consolidated financial statements 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 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	7	1,284,000	1,124,000	1,050,000	910,000
Trade and other payables	2, 8	293,266	293,214	331,205	309,651
Current portion of long-term loans					
from banks	9	213,624	284,071	150,624	154,071
Current portion of lease liabilities		922	1,323	461	871
Value added tax payable		42,257	31,058	26,704	19,901
Current derivative liabilities	14.1	4,449	2,729	4,205	261
Other current liabilities		19,148	5,560	9,430	2,842
Total current liabilities		1,857,666	1,741,955	1,572,629	1,397,597
Non-current liabilities					
Long-term loans from banks -					
net of current portion	9	286,360	266,324	286,360	266,324
Lease liabilities - net of current portion		4,108	4,375	1,140	1,173
Provision for long-term employee benefits		60,844	58,891	57,304	55,619
Deferred tax liabilities		163,590	137,550	159,052	135,310
Total non-current liabilities		514,902	467,140	503,856	458,426
Total liabilities		2,372,568	2,209,095	2,076,485	1,856,023

The accompanying notes to interim consolidated financial statements 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 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(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	48,951	48,951	48,951	48,951
Unappropriated	551,958	434,438	248,120	237,114
Other components of shareholders' equity	645,372	645,372	644,058	644,058
Total shareholders' equity	2,304,001	2,186,481	1,998,849	1,987,843
Total liabilities and shareholders' equity	4,676,569	4,395,576	4,075,334	3,843,866
	-	-	-	-

The accompanying notes to interim consolidated financial statements 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 June 2022**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Sales		2,100,102	1,506,083	2,193,601	1,569,216
Other income		4,351	1,520	3,809	1,290
Gain on exchange		2,765	1,328	2,765	1,328
Total revenues		<u>2,107,218</u>	<u>1,508,931</u>	<u>2,200,175</u>	<u>1,571,834</u>
Expenses					
Cost of sales		1,897,998	1,243,164	2,056,476	1,391,012
Selling and distribution expenses		32,861	27,361	31,989	26,724
Administrative expenses		78,918	91,468	71,839	84,185
Total expenses		<u>2,009,777</u>	<u>1,361,993</u>	<u>2,160,304</u>	<u>1,501,921</u>
Operating profit		<u>97,441</u>	<u>146,938</u>	<u>39,871</u>	<u>69,913</u>
Share of profit from investment in joint venture		746	651	-	-
Finance income		149	153	2,721	3,736
Finance cost		(13,891)	(12,189)	(11,615)	(9,363)
Loss on change in fair value of biological assets		(2,727)	(20,249)	(5,352)	(26,178)
Loss on change in fair value of derivatives		(1,435)	(958)	(2,422)	(1,695)
Profit before income tax revenues		<u>80,283</u>	<u>114,346</u>	<u>23,203</u>	<u>36,413</u>
Income tax revenues	10	<u>2,809</u>	<u>4,463</u>	<u>3,531</u>	<u>5,797</u>
Profit for the period		<u>83,092</u>	<u>118,809</u>	<u>26,734</u>	<u>42,210</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Profit (loss) on cash flow hedges		(5,372)	6,155	(5,372)	6,155
Less: Income tax effect	10	<u>1,074</u>	<u>(1,231)</u>	<u>1,074</u>	<u>(1,231)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(4,298)</u>	<u>4,924</u>	<u>(4,298)</u>	<u>4,924</u>
Other comprehensive income for the period		<u>(4,298)</u>	<u>4,924</u>	<u>(4,298)</u>	<u>4,924</u>
Total comprehensive income for the period		<u><u>78,794</u></u>	<u><u>123,733</u></u>	<u><u>22,436</u></u>	<u><u>47,134</u></u>

(Unit: Baht)

Earnings per share

Basic earnings per share

Profit attributable to equity holders of the Company	<u>0.131</u>	<u>0.188</u>	<u>0.042</u>	<u>0.067</u>
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The accompanying notes to interim consolidated financial statements 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 six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Sales		4,203,011	2,743,991	4,385,946	2,837,934
Other income		7,229	5,334	6,216	4,641
Gain on exchange		2,272	1,661	2,272	1,661
Total revenues		<u>4,212,512</u>	<u>2,750,986</u>	<u>4,394,434</u>	<u>2,844,236</u>
Expenses					
Cost of sales		3,748,755	2,369,810	4,052,017	2,561,441
Selling and distribution expenses		62,170	50,206	60,779	49,219
Administrative expenses		142,008	138,833	128,448	126,115
Total expenses		<u>3,952,933</u>	<u>2,558,849</u>	<u>4,241,244</u>	<u>2,736,775</u>
Operating profit		<u>259,579</u>	<u>192,137</u>	<u>153,190</u>	<u>107,461</u>
Share of profit from investment in joint venture		1,166	1,157	-	-
Finance income		188	159	5,485	7,280
Finance cost		(26,104)	(24,060)	(21,168)	(18,056)
Gain on change in fair value of biological assets		30,550	12,984	21,284	4,556
Loss on change in fair value of derivatives		(1,743)	(416)	(3,967)	(2,242)
Profit before income tax revenues (expenses)		<u>263,636</u>	<u>181,961</u>	<u>154,824</u>	<u>98,999</u>
Income tax revenues (expenses)	10	<u>(26,040)</u>	<u>(2,045)</u>	<u>(23,742)</u>	<u>6</u>
Profit for the period		<u>237,596</u>	<u>179,916</u>	<u>131,082</u>	<u>99,005</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Profit on cash flow hedges		-	1,652	-	1,652
Less: Income tax effect	10	<u>-</u>	<u>(330)</u>	<u>-</u>	<u>(330)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>-</u>	<u>1,322</u>	<u>-</u>	<u>1,322</u>
Other comprehensive income for the period		<u>-</u>	<u>1,322</u>	<u>-</u>	<u>1,322</u>
Total comprehensive income for the period		<u>237,596</u>	<u>181,238</u>	<u>131,082</u>	<u>100,327</u>
(Unit: Baht)					
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.375</u>	<u>0.284</u>	<u>0.207</u>	<u>0.156</u>

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

(Unaudited but reviewed)

Chumpon Palm Oil Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

Consolidated financial statements									
Note	Issued and paid-up share capital		Capital reserve for share-based payment transactions	Retained earnings		Other components of income		Total other components of shareholders' equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Revaluation surplus on assets	Cash flows hedge reserve		
Balance as at 1 January 2021		632,753	412,310	12,657	40,530	220,199	645,372	-	1,963,821
Profit for the period		-	-	-	-	179,916	-	-	179,916
Other comprehensive income for the period		-	-	-	-	-	1,322	1,322	1,322
Total comprehensive income for the period		-	-	-	-	179,916	1,322	1,322	181,238
Dividends paid	12	-	-	-	-	(69,603)	-	-	(69,603)
Balance as at 30 June 2021		632,753	412,310	12,657	40,530	330,512	645,372	1,322	2,075,456
Balance as at 1 January 2022		632,753	412,310	12,657	48,951	434,438	645,372	-	2,186,481
Profit for the period		-	-	-	-	237,596	-	-	237,596
Other comprehensive income for the period		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	237,596	-	-	237,596
Dividends paid	12	-	-	-	-	(120,076)	-	-	(120,076)
Balance as at 30 June 2022		632,753	412,310	12,657	48,951	551,958	645,372	-	2,304,001
		-	-	-	-	-	-	-	-

The accompanying notes to interim consolidated financial statements 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 2022

(Unit: Thousand Baht)

Separate financial statements									
Note	Issued and paid-up		Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity		Total other components of shareholders' equity	Total shareholders' equity
				Appropriated -		Revaluation	Cash flows		
	share capital	Share premium		statutory reserve	Unappropriated	surplus on assets	hedge reserve		
Balance as at 1 January 2021	632,753	412,310	12,657	40,530	146,707	644,058	-	644,058	1,889,015
Profit for the period	-	-	-	-	99,005	-	-	-	99,005
Other comprehensive income for the period	-	-	-	-	-	-	1,322	1,322	1,322
Total comprehensive income for the period	-	-	-	-	99,005	-	1,322	1,322	100,327
Dividends paid	-	-	-	-	(69,603)	-	-	-	(69,603)
Balance as at 30 June 2021	632,753	412,310	12,657	40,530	176,109	644,058	1,322	645,380	1,919,739
Balance as at 1 January 2022	632,753	412,310	12,657	48,951	237,114	644,058	-	644,058	1,987,843
Profit for the period	-	-	-	-	131,082	-	-	-	131,082
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	131,082	-	-	-	131,082
Dividends paid	-	-	-	-	(120,076)	-	-	-	(120,076)
Balance as at 30 June 2022	632,753	412,310	12,657	48,951	248,120	644,058	-	644,058	1,998,849
	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries**Statement of cash flows****For the six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	263,636	181,961	154,824	98,999
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	86,381	88,570	62,215	63,060
Reduction of cost of inventories to net realisable value	7,613	16	7,613	16
Written-off bearer plants	2,116	1,424	2,116	1,424
Financial fee amortisation	54	55	54	55
Gain on sale of equipment	(36)	(1,025)	(36)	(1,153)
Allowance for expected credit losses (reversal)	1,231	(160)	1,231	(160)
Share of profit from investment in joint venture	(1,166)	(1,157)	-	-
Provision for long-term employee benefits	2,579	2,598	2,311	2,329
Gain on change in fair value of biological assets	(30,550)	(12,984)	(21,284)	(4,556)
Loss on change in fair value of derivatives	1,743	416	3,967	2,242
Unrealised gain on exchange	(2,497)	(1,637)	(2,497)	(1,637)
Finance income	(188)	(159)	(5,485)	(7,280)
Finance cost	26,104	24,060	21,168	18,056
Profit from operating activities before changes in				
operating assets and liabilities	357,020	281,978	226,197	171,395
Operating assets (increase) decrease				
Trade and other receivables	(169,599)	(81,106)	(190,133)	(117,382)
Inventories	(99,603)	(180,624)	(96,829)	(194,756)
Biological assets	(1,040)	(212)	-	-
Prepaid expenses	(17,514)	(6,104)	(16,920)	(4,453)
Deposits	-	(2,639)	30	-
Other current assets	(29,048)	(11,208)	(28,534)	(8,159)
Operating liabilities increase (decrease)				
Trade and other payables	464	124,450	21,350	150,630
Value added tax payable	11,199	6,149	6,803	(5,444)
Other current liabilities	13,588	12,974	6,588	6,864
Cash paid for long-term employee benefits	(626)	-	(626)	-
Cash flows from (used in) operating activities	64,841	143,658	(72,074)	(1,305)
Cash paid for income tax	(824)	(1,272)	(1,178)	(1,073)
Net cash flows from (used in) operating activities	64,017	142,386	(73,252)	(2,378)

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

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries**Statement of cash flows (continued)****For the six-month period ended 30 June 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Cash received from finance income	188	159	229	5,956
Decrease in short-term loans to related parties	-	-	73,800	72,100
Acquisitions of machinery and equipment	(24,132)	(38,528)	(20,786)	(29,669)
Cash received from sale of equipment	89	2,298	89	3,227
Increase in bearer plants	(1,575)	(1,249)	(1,575)	(1,355)
Acquisitions of intangible assets	(1,048)	(147)	(1,033)	(147)
Net cash flows from (used in) investing activities	(26,478)	(37,467)	50,724	50,112
Cash flows from financing activities				
Increase in short-term loans from banks	160,000	150,000	140,000	120,000
Cash paid for lease liabilities	(780)	(780)	(486)	(486)
Cash received from long-term loans from banks	99,875	-	99,875	-
Repayment of long-term loans from banks	(150,340)	(130,220)	(83,340)	(63,220)
Dividends paid	(120,076)	(69,603)	(120,076)	(69,603)
Cash paid for finance cost	(25,800)	(24,458)	(20,703)	(18,310)
Net cash flows from (used in) financing activities	(37,121)	(75,061)	15,270	(31,619)
Net increase (decrease) in cash and cash equivalents	418	29,858	(7,258)	16,115
Cash and cash equivalents at beginning of period	109,368	93,776	80,219	63,661
Cash and cash equivalents at end of period	109,786	123,634	72,961	79,776
	-		-	

Supplemental cash flows information:

Non-cash transactions

Decrease in accounts payable for acquisitions

of equipment which had not yet been paid

(605)	(2,793)	(221)	(633)
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The accompanying notes to interim consolidated financial statements are an integral part of the financial statements.

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 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.

This interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, it focuses 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 information of the Company. The interim financial information in English language has been translated from the Thai language interim financial information.

1.2 Basis of consolidation

This interim financial information included the financial statements of Chumporn Palm Oil Industry Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") and has been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with no change in shareholding structure of subsidiaries during the current period.

1.3 Significant accounting policies

This interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group's financial statements.

2. 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
C K Trading (1965) Co., Ltd.	Joint venture
Khonburi Sugar Public Company Limited	Common shareholders/directors

During the period, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summary significant business transactions with related parties as follows.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales	-	-	150.6	112.2
Rental income	-	-	0.2	0.2
Finance income	-	-	2.6	3.6
Purchase of raw materials	-	-	633.2	479.6
<u>Transactions with joint venture</u>				
Other income	0.9	1.0	0.9	1.0
Service expenses	4.2	4.3	4.2	4.3

	(Unit: Million Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales	-	-	293.4	179.3
Rental income	-	-	0.4	0.4
Finance income	-	-	5.3	7.1
Purchase of raw materials	-	-	1,039.9	593.7

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with joint venture</u>				
Other income	1.9	1.9	1.9	1.9
Service expenses	8.3	8.7	8.3	8.7

The balances of the accounts as at 30 June 2022 and 31 December 2021 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June	31 December
	2022	2021
		(Audited)
Other receivables - related party (Note 3)		
Joint venture	339	335
Deposits - related party (presented as other current liabilities)		
Joint venture	218	218

(Unit: Thousand Baht)

	Separate financial statements	
	30 June	31 December
	2022	2021
		(Audited)
Trade accounts receivable - related party (Note 3)		
Subsidiary (eliminated from consolidated financial statements)	127,197	99,140
Other receivables - related parties (Note 3)		
Subsidiaries (eliminated from consolidated financial statements)	228	1,750
Joint venture	339	335
Total other receivables - related parties	567	2,085
Interest receivables - related parties (Note 3)		
Subsidiaries (eliminated from consolidated financial statements)	17,778	12,522

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements	
30 June 2022	31 December 2021
	(Audited)
Short-term loans to related parties	
Subsidiaries (eliminated from consolidated financial statements)	
224,000	297,800
Trade accounts payable - related party (Note 8)	
Subsidiary (eliminated from consolidated financial statements)	
73,554	50,773
Other payables - related parties (Note 8)	
Subsidiaries (eliminated from consolidated financial statements)	
994	269

Short-term loans to related parties

As at 30 June 2022 and 31 December 2021, the balances of loans between the Company and those related parties and the movement of such loans are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Loans to	Relationship	Balance as at	During the period		Balance as at
		1 January 2022	Increase	Decrease	30 June 2022
CPI Agrotech Co., Ltd.	Subsidiary	27,000	-	(27,000)	-
CPP Co., Ltd.	Subsidiary	270,800	13,000	(59,800)	224,000
Total		297,800	13,000	(86,800)	224,000

The above loans are unsecured and due at call. Interest is charged at the rates of 4.75% per annum and interest rate charged on call borrowings from a bank plus 0.50% per annum.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)				
For the three-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	5,061	5,003	4,938	4,577
Post-employment benefits	221	256	217	240
Total	5,282	5,259	5,155	4,817

(Unit: Thousand Baht)				
For the six-month periods ended 30 June				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	14,477	13,991	14,173	13,154
Post-employment benefits	441	512	435	479
Total	14,918	14,503	14,608	13,633

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 13.4 a) to the interim consolidated financial statements.

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
Trade accounts receivable - related party (Note 2)				
Aged on the basis of due dates				
Not yet due	-	-	1,018	415
Past due				
Up to 1 month	-	-	27,088	36,988
1 - 3 months	-	-	99,091	61,737
Total trade accounts receivable - related party	-	-	127,197	99,140

(Unaudited but reviewed)

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	496,948	446,854	463,435	417,741
Past due				
Up to 1 month	207,270	86,627	207,342	86,373
1 - 3 months	2,739	5,150	1,082	4,697
3 - 6 months	766	638	-	-
6 - 12 months	4,495	-	3,900	-
Over 12 months	1,311	1,345	1,311	1,345
Total	713,529	540,614	677,070	510,156
Less: Allowance for expected credit losses	(3,431)	(1,519)	(3,431)	(1,519)
Total trade accounts receivable - unrelated parties - net	710,098	539,095	673,639	508,637
Total trade accounts receivable - net	710,098	539,095	800,836	607,777
Other receivables				
Other receivables - related parties (Note 2)	339	335	567	2,085
Interest receivables - related parties (Note 2)	-	-	17,778	12,522
Other receivables - unrelated parties	1,566	2,304	1,566	2,304
Total	1,905	2,639	19,911	16,911
Less: Allowance for expected credit losses	-	(681)	-	(681)
Total other receivables - net	1,905	1,958	19,911	16,230
Total trade and other receivables - net	712,003	541,053	820,747	624,007

4. Inventories

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
Inventories - cost	717,114	617,511	675,919	579,090
Reduce cost to net realisable value	(8,337)	(724)	(8,337)	(724)
Inventories - net	708,777	616,787	667,582	578,366

(Unaudited but reviewed)

5. Property, plant and equipment

Movements of property, plant and equipment for the six-month period ended 30 June 2022 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2022	2,533,235	1,485,845
Acquisitions during the period - at cost	23,527	20,565
Disposal during the period - net book value as at disposal date	(53)	(53)
Depreciation for the period	(73,166)	(49,436)
Net book value as at 30 June 2022	<u>2,483,543</u>	<u>1,456,921</u>

6. Bearer plants

Movements of bearer plants for the six-month period ended 30 June 2022 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2022	355,127	353,247
Acquisitions during the period - at cost	1,575	1,575
Written-off during the period - net book value as at written-off date	(2,116)	(2,116)
Amortisation during the period	(12,230)	(12,060)
Net book value as at 30 June 2022	<u>342,356</u>	<u>340,646</u>

As at 30 June 2022 and 31 December 2021, palm trees with the net book value of Baht 4 million were located on land which the Company had only occupancy rights.

7. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rates		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	30 June	31 December	30 June	31 December	30 June	31 December
	2022	2021	2022	2021	2022	2021
				(Audited)		(Audited)
Short-term loans from banks	2.08 - 3.18	2.11 - 3.13	<u>1,284,000</u>	<u>1,124,000</u>	<u>1,050,000</u>	<u>910,000</u>

(Unaudited but reviewed)

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

8. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
			financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Audited)		(Audited)	
Trade accounts payable - related party	-	-	73,554	50,773
Trade accounts payable - unrelated parties	175,065	191,150	168,344	189,265
Accrued expenses	84,726	62,219	62,620	41,519
Other payables - related parties	-	-	994	269
Other payables - unrelated parties	33,475	39,845	25,693	27,825
Total trade and other payables	293,266	293,214	331,205	309,651

9. Long-term loans from banks

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
			financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Audited)		(Audited)	
Long term loans from banks	500,490	550,830	437,490	420,830
Less: Deferred financial fee	(506)	(435)	(506)	(435)
Long-term loans from banks - net	499,984	550,395	436,984	420,395
Less: Current portion	(213,624)	(284,071)	(150,624)	(154,071)
Long-term loans from banks - net of current portion	286,360	266,324	286,360	266,324

(Unaudited but reviewed)

Movements of long-term loans from banks for the six-month period ended 30 June 2022 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	550,395	420,395
Add: Additional borrowings	100,000	100,000
Less: Repayment loans	(150,340)	(83,340)
Financial fee	(125)	(125)
Financial fee amortisation	54	54
Balance as at 30 June 2022	499,984	436,984

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 several covenants which, among other things, require the Group to not create lien over assets, maintain debt-to-equity ratio and debt service coverage ratio at the rates prescribed in the agreements.

As at 30 June 2022 and 31 December 2021, the Group had no long-term credit facilities which have not yet been drawn down.

In order to manage the interest rate risks associated with the long-term loans from banks, the Group entered into interest rate swap agreements with two commercial banks to swap interest rates as described in Note 14.1 to the interim consolidated financial statements.

10. 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.

(Unaudited but reviewed)

Income tax expenses (revenues) for the three-month and six-month periods ended 30 June 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,809)	(4,463)	(3,531)	(5,797)
Income tax revenues				
reported in profit or loss	(2,809)	(4,463)	(3,531)	(5,797)
Income tax reported in other comprehensive income	(1,074)	1,231	(1,074)	1,231

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	26,040	2,045	23,742	(6)
Income tax expenses (revenues)				
reported in profit or loss	26,040	2,045	23,742	(6)
Income tax reported in other comprehensive income	-	330	-	330

11. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group organised into business units based on its products and services and has three major reportable segments as follows:

- The palm oil products segment, which produces and distributes palm oil products and by products.
- The palm seeds, palm sprouts and others segment, which produces and distributes palm seeds, palm sprouts and others.
- The electricity segment, which produces and distributes electricity.

The palm seeds, palm sprouts and others and the electricity segment are insignificant. The Group's revenues from these two segments accounted for 2.6 percent of the total revenues amount in this interim consolidated financial information. Therefore, such presented internal reports are classified as a single operating segment. It is reported in the same way as the interim consolidated financial information were presented.

Major customers

During the three-month period ended 30 June 2022, the Company had revenue from one major customer in amount of Baht 424 million, arising from sales by the palm oil products segment.

During the six-month period ended 30 June 2022, the Company had revenue from one major customer in amount of Baht 842 million, arising from sales by the palm oil products segment.

12. Dividends paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for the year 2021	Annual General Meeting of the shareholders on 28 April 2022	120.1	0.190
Total dividend payment in 2022		120.1	0.190
Final dividends for the year 2020	Annual General Meeting of the shareholders on 29 April 2021	69.6	0.110
Total dividend payment in 2021		69.6	0.110

13. Commitments and contingent liabilities

13.1 Capital commitments

As at 30 June 2022, the Group had capital commitments of Baht 7 million (31 December 2021: Baht 1 million) (the Company only: Baht 7 million (31 December 2021: Baht 1 million)) relating to the acquisitions of machinery and equipment.

13.2 Lease and service commitments

As at 30 June 2022 and 31 December 2021, the Group had future minimum payments required under these non-cancellable lease and service contracts as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
Payable:				
In up to 1 year	4	5	3	5
In over 1 year and up to 5 years	1	2	1	1
Over 5 years	1	1	1	1

13.3 Electricity sale commitment

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

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

13.4 Guarantees

- As at 30 June 2022 and 31 December 2021, the Company had guaranteed bank credit facilities of its subsidiaries amounting to Baht 1,126 million and USD 27 million.
- As at 30 June 2022 and 31 December 2021, 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:

(Unaudited but reviewed)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
Letters of guarantee for electricity usage	7	7	3	3
Letters of guarantee for sell/ purchase electricity	1	1	1	1
Letters of guarantee for area management	1	1	-	-
Total	9	9	4	4

13.5 Commitments related to sale agreements

As at 30 June 2022, the Company had commitments relating to sale agreements which specified quantity and selling price with local customers amounting to Baht 438 million which the goods will be delivered during July to December 2022 (31 December 2021: Baht 291 million which the goods would be delivered during January to December 2022).

13.6 Commitment in respect of uncalled investment

As at 30 June 2022 and 31 December 2021, the Company is committed to pay the uncalled portion of its investment in CPI Power Co., Ltd. amounting to Baht 15 million.

14. Financial instruments

14.1 Derivatives

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Audited)		(Audited)
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign exchange forward contracts	-	23	-	23
Total derivative assets	-	23	-	23

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Audited)		(Audited)	
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign exchange forward contracts	4,190	57	4,190	57
- Interest rate swap agreements	259	2,672	15	204
Total derivative liabilities	4,449	2,729	4,205	261

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts and interest rate swap agreements to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency and interest rate exposure of the underlying transactions, generally from 2 months to 6 years.

Foreign exchange forward contracts

As at 30 June 2022 and 31 December 2021, the Group had foreign exchange forward contracts as follows:

Consolidated and separate financial statements as at 30 June 2022			
Foreign currency	Sold amount	Contractual exchange rate - sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	4,037	33.66 - 34.42	25 August 2022 to 6 December 2022

Consolidated and separate financial statements as at 31 December 2021			
Foreign currency	Sold amount	Contractual exchange rate - sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	1,686	33.33 - 33.45	7 February 2022 to 15 March 2022

Interest rate swap agreements

The Group entered into interest rate swap agreements in order to manage the interest rate risks associated with its long-term loans from banks. The details of the interest rate swap agreements outstanding as at 30 June 2022 and 31 December 2021 are summarised below.

Consolidated financial statements as at 30 June 2022 and 31 December 2021				
	Principal amount	Interest revenue rate swap agreements	Interest expense rate swap agreements	Termination date
1	Baht 250 million	Floating rate 6-month THBFIX plus 2.2% per annum	Fixed rate as stipulated in swap agreement.	July 2022
2	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 2022 and 31 December 2021				
	Principal amount	Interest revenue rate swap agreements	Interest expense rate swap agreements	Termination date
1	Baht 250 million	Floating rate 6-month THBFIX plus 2.2% per annum	Fixed rate as stipulated in swap agreement.	July 2022

14.2 Fair value of financial instruments

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

14.3 Fair value hierarchy

As at 30 June 2022, the Group had the financial assets and financial liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

Consolidated financial statements			
As at 30 June 2022			
Level 1	Level 2	Level 3	Total

Liabilities measured at fair value**Financial liabilities measured at FVTPL****Derivatives**

Foreign exchange forward

contracts	-	4,190	-	4,190
Interest rate swap agreements	-	259	-	259

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements				
As at 30 June 2022				
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Financial liabilities measured at FVTPL				
Derivatives				
Foreign exchange forward contracts	-	4,190	-	4,190
Interest rate swap agreement	-	15	-	15

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers between the levels of the fair value hierarchy.

14.4 Financial assets and liabilities denominated in foreign currencies

As at 30 June 2022 and 31 December 2021, the Group's balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated and separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	2,882	1,318	-	30	35.2970	33.4199
Euro	12	-	-	3	36.8703	37.8948

15. Events after the reporting period

On 19 July 2022, the Company entered into an interest rate swap agreement with a commercial bank, in accordance with the resolution of the Company's Executive Committee Meeting on 31 May 2022, to mitigate the interest rate risk associated with the long-term loan from the bank by swapping the floating interest rate with the fixed interest rate on the principal amounting to Baht 98.34 million.

On 11 August 2022, the meeting of the Company's Board of Directors approved to increase the Company's credit facility of promissory notes totaling of Baht 400 million granted by two commercial banks for the purpose of using as working capital of the Company.

16. Approval of interim consolidated financial information

This interim consolidated financial information was authorised for issue by the Company's Board of Directors on 11 August 2022.