

Chumporn Palm Oil Industry Public Company Limited
and its subsidiaries
Review report and interim consolidated financial information
For the three-month period ended 31 March 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 31 March 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-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: 12 May 2022

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		128,401	109,368	91,158	80,219
Trade and other receivables	2, 3	745,759	541,053	936,676	624,007
Short-term loans to related parties	2	-	-	256,000	297,800
Inventories	4	717,725	616,787	648,131	578,366
Biological assets		95,528	61,268	73,895	47,259
Prepaid expenses		10,643	2,011	6,275	155
Current derivative assets	13.1	5,505	23	5,505	23
Other current assets		86,024	36,927	82,922	33,615
Total current assets		1,789,585	1,367,437	2,100,562	1,661,444
Non-current assets					
Investment in joint venture		3,580	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	2,505,048	2,533,235	1,468,955	1,485,845
Right-of-use assets		5,139	5,482	1,740	1,960
Bearer plants	6	348,559	355,127	346,764	353,247
Intangible assets		2,533	2,035	2,341	1,832
Deposits		669	669	207	207
Total non-current assets		2,993,959	3,028,139	2,159,338	2,182,422
Total assets		4,783,544	4,395,576	4,259,900	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 31 March 2022

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	7	1,459,000	1,124,000	1,220,000	910,000
Trade and other payables	2, 8	231,968	293,214	291,088	309,651
Current portion of long-term loans					
from banks	9	204,571	284,071	141,571	154,071
Current portion of lease liabilities		1,124	1,323	667	871
Value added tax payable		56,083	31,058	41,564	19,901
Current derivative liabilities	13.1	3,146	2,729	1,915	261
Other current liabilities		13,918	5,560	8,463	2,842
Total current liabilities		1,969,810	1,741,955	1,705,268	1,397,597
Non-current liabilities					
Long-term loans from banks -					
net of current portion	9	237,181	266,324	237,181	266,324
Lease liabilities - net of current portion		4,242	4,375	1,157	1,173
Provision for long-term employee benefits		59,555	58,891	56,148	55,619
Deferred tax liabilities		167,473	137,550	163,657	135,310
Total non-current liabilities		468,451	467,140	458,143	458,426
Total liabilities		2,438,261	2,209,095	2,163,411	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 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2022	31 December 2021	31 March 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	588,942	434,438	341,462	237,114
Other components of shareholders' equity	649,670	645,372	648,356	644,058
Total shareholders' equity	2,345,283	2,186,481	2,096,489	1,987,843
Total liabilities and shareholders' equity	4,783,544	4,395,576	4,259,900	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 31 March 2022**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Profit or loss:					
Revenues					
Sales	11	2,102,909	1,237,908	2,192,345	1,268,718
Other income		2,878	3,814	2,407	3,351
Gain on exchange		-	333	-	333
Total revenues		2,105,787	1,242,055	2,194,752	1,272,402
Expenses					
Cost of sales		1,850,757	1,126,646	1,995,541	1,170,429
Selling and distribution expenses		29,309	22,845	28,790	22,495
Administrative expenses		63,090	47,365	56,609	41,930
Loss on exchange		493	-	493	-
Total expenses		1,943,649	1,196,856	2,081,433	1,234,854
Operating profit		162,138	45,199	113,319	37,548
Share of profit from investment in joint venture		420	506	-	-
Finance income		39	6	2,764	3,544
Finance cost		(12,213)	(11,871)	(9,553)	(8,693)
Gain on change in fair value of biological assets		33,277	33,233	26,636	30,734
Gain (loss) on change in fair value of derivatives		(308)	542	(1,545)	(547)
Profit before income tax expenses		183,353	67,615	131,621	62,586
Income tax expenses	10	(28,849)	(6,508)	(27,273)	(5,791)
Profit for the period		154,504	61,107	104,348	56,795
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	(4,503)	5,372	(4,503)
Less: Income tax effect	10	(1,074)	901	(1,074)	901
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		4,298	(3,602)	4,298	(3,602)
Other comprehensive income for the period		4,298	(3,602)	4,298	(3,602)
Total comprehensive income for the period		158,802	57,505	108,646	53,193
(Unit: Baht)					
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.244	0.097	0.165	0.090

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

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

Consolidated financial statements									
	Issued and paid-up share capital		Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity		Total other components of shareholders' equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Cash flows		
	share capital	Share premium	payment transactions	statutory reserve	Unappropriated	surplus on assets	hedge reserve	shareholders' equity	equity
Balance as at 1 January 2021	632,753	412,310	12,657	40,530	220,199	645,372	-	645,372	1,963,821
Profit for the period	-	-	-	-	61,107	-	-	-	61,107
Other comprehensive income for the period	-	-	-	-	-	-	(3,602)	(3,602)	(3,602)
Total comprehensive income for the period	-	-	-	-	61,107	-	(3,602)	(3,602)	57,505
Balance as at 31 March 2021	<u>632,753</u>	<u>412,310</u>	<u>12,657</u>	<u>40,530</u>	<u>281,306</u>	<u>645,372</u>	<u>(3,602)</u>	<u>641,770</u>	<u>2,021,326</u>
Balance as at 1 January 2022	632,753	412,310	12,657	48,951	434,438	645,372	-	645,372	2,186,481
Profit for the period	-	-	-	-	154,504	-	-	-	154,504
Other comprehensive income for the period	-	-	-	-	-	-	4,298	4,298	4,298
Total comprehensive income for the period	-	-	-	-	154,504	-	4,298	4,298	158,802
Balance as at 31 March 2022	<u>632,753</u>	<u>412,310</u>	<u>12,657</u>	<u>48,951</u>	<u>588,942</u>	<u>645,372</u>	<u>4,298</u>	<u>649,670</u>	<u>2,345,283</u>
	-	-	-	-	-	-	-	-	-

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 three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Separate financial statements								
						Other components of shareholders' equity			
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Other comprehensive 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	146,707	644,058	-	644,058	1,889,015
Profit for the period	-	-	-	-	56,795	-	-	-	56,795
Other comprehensive income for the period	-	-	-	-	-	-	(3,602)	(3,602)	(3,602)
Total comprehensive income for the period	-	-	-	-	56,795	-	(3,602)	(3,602)	53,193
Balance as at 31 March 2021	632,753	412,310	12,657	40,530	203,502	644,058	(3,602)	640,456	1,942,208
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	-	-	-	-	104,348	-	-	-	104,348
Other comprehensive income for the period	-	-	-	-	-	-	4,298	4,298	4,298
Total comprehensive income for the period	-	-	-	-	104,348	-	4,298	4,298	108,646
Balance as at 31 March 2022	632,753	412,310	12,657	48,951	341,462	644,058	4,298	648,356	2,096,489
	-	-	-	-	-	-	-	-	-

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 three-month period ended 31 March 2022**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	183,353	67,615	131,621	62,586
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	42,797	44,841	30,794	32,123
Reduction of cost of inventories to net realisable value	793	69	793	69
Written-off bearer plants	1,804	-	1,804	-
Financial fee amortisation	27	27	27	27
Gain on sale of equipment	(72)	(554)	(72)	(682)
Reversal of allowance for expected credit losses	(681)	-	(681)	-
Share of profit from investment in joint venture	(420)	(506)	-	-
Provision for long-term employee benefits	1,290	1,299	1,155	1,165
Gain on change in fair value of biological assets	(33,277)	(33,233)	(26,636)	(30,734)
Loss (gain) on change in fair value of derivatives	308	(542)	1,545	547
Unrealised loss (gain) on exchange	486	(304)	486	(304)
Finance income	(39)	(6)	(2,764)	(3,544)
Finance cost	12,213	11,871	9,553	8,693
Profit from operating activities before changes in				
operating assets and liabilities	208,582	90,577	147,625	69,946
Operating assets (increase) decrease				
Trade and other receivables	(203,693)	(30,030)	(308,990)	(68,088)
Inventories	(101,731)	134,609	(70,558)	131,261
Biological assets	(983)	(416)	-	-
Prepaid expenses	(8,632)	(15,084)	(6,120)	(12,634)
Deposits	-	(90)	-	-
Other current assets	(49,920)	(38,530)	(50,130)	(34,448)
Operating liabilities increase (decrease)				
Trade and other payables	(59,596)	119,382	(17,493)	119,213
Value added tax payable	25,025	2,596	21,663	1,358
Other current liabilities	8,358	6,721	5,621	3,781
Cash paid for long-term employee benefits	(626)	-	(626)	-
Cash flows from (used in) operating activities	(183,216)	269,735	(279,008)	210,389
Cash paid for income tax	-	(331)	-	(229)
Net cash flows from (used in) operating activities	(183,216)	269,404	(279,008)	210,160

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 (continued)

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Cash received from finance income	39	6	98	5,771
Decrease in short-term loans to related parties	-	-	41,800	14,900
Acquisitions of machinery and equipment	(9,669)	(13,910)	(8,826)	(8,048)
Cash received from sale of equipment	89	1,128	89	2,057
Increase in bearer plants	(1,109)	(422)	(1,109)	(422)
Acquisitions of intangible assets	(662)	(147)	(662)	(147)
Net cash flows from (used in) investing activities	(11,312)	(13,345)	31,390	14,111
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	335,000	(150,000)	310,000	(180,000)
Cash paid for lease liabilities	(390)	(390)	(243)	(243)
Repayment of long-term loans from banks	(108,670)	(105,220)	(41,670)	(38,220)
Cash paid for finance cost	(12,379)	(12,253)	(9,530)	(8,976)
Net cash flows from (used in) financing activities	213,561	(267,863)	258,557	(227,439)
Net increase (decrease) in cash and cash equivalents	19,033	(11,804)	10,939	(3,168)
Cash and cash equivalents at beginning of period	109,368	93,776	80,219	63,661
Cash and cash equivalents at end of period	128,401	81,972	91,158	60,493
	-		-	
Supplemental cash flows information:				
Non-cash transactions				
Decrease in acquisitions of equipment				
which had not yet been paid	(1,422)	(1,484)	(1,066)	(334)

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 period ended 31 March 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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales	-	-	142.8	67.1
Rental income	-	-	0.2	0.2
Finance income	-	-	2.7	3.5
Purchase of raw materials	-	-	406.7	114.1
<u>Transactions with joint venture</u>				
Other income	1.0	0.9	1.0	0.9
Service expenses	4.1	4.4	4.1	4.4

(Unaudited but reviewed)

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

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		31 March 2022	31 December 2021
			(Audited)
Other receivables - related party (Note 3)			
Joint venture		330	335
Deposits - related party (presented as other current liabilities)			
Joint venture		218	218
		(Unit: Thousand Baht)	
		Separate financial statements	
		31 March 2022	31 December 2021
			(Audited)
Trade accounts receivable - related party (Note 3)			
Subsidiary (eliminated from consolidated financial statements)		207,200	99,140
Other receivables - related parties (Note 3)			
Subsidiaries (eliminated from consolidated financial statements)		134	1,750
Joint venture		330	335
Total other receivables - related parties		464	2,085
Interest receivables - related parties (Note 3)			
Subsidiaries (eliminated from consolidated financial statements)		15,188	12,522
Short-term loans to related parties			
Subsidiaries (eliminated from consolidated financial statements)		256,000	297,800
Trade accounts payable - related party (Note 8)			
Subsidiary (eliminated from consolidated financial statements)		94,973	50,773
Other payables - related parties (Note 8)			
Subsidiaries (eliminated from consolidated financial statements)		-	269

Short-term loans to related parties

As at 31 March 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)

Loans to	Relationship	Separate financial statements			
		Balance as at	During the period		Balance as at
		1 January 2022	Increase	Decrease	31 March 2022
CPI Agrotech Co., Ltd.	Subsidiary	27,000	-	(25,000)	2,000
CPP Co., Ltd.	Subsidiary	270,800	13,000	(29,800)	254,000
Total		297,800	13,000	(54,800)	256,000

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 periods ended 31 March 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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	9,416	8,988	9,235	8,577
Post-employment benefits	220	256	218	239
Total	9,636	9,244	9,453	8,816

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 12.4 a) to the interim consolidated financial statements.

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	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	-	-	2,388	415
Past due				
Up to 1 month	-	-	52,156	36,988
1 - 3 months	-	-	89,824	61,737
3 - 6 months	-	-	62,832	-
Total trade accounts receivable - related party	-	-	207,200	99,140
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	631,927	446,854	602,394	417,741
Past due				
Up to 1 month	106,841	86,627	105,679	86,373
1 - 3 months	15	5,150	-	4,697
3 - 6 months	4,482	638	3,900	-
6 - 12 months	313	-	-	-
Over 12 months	1,341	1,345	1,341	1,345
Total	744,919	540,614	713,314	510,156
Less: Allowance for expected credit losses	(1,519)	(1,519)	(1,519)	(1,519)
Total trade accounts receivable - unrelated parties - net	743,400	539,095	711,795	508,637
Total trade accounts receivable - net	743,400	539,095	918,995	607,777
Other receivables				
Other receivables - related parties (Note 2)	330	335	464	2,085
Interest receivables - related parties (Note 2)	-	-	15,188	12,522
Other receivables - unrelated parties	2,029	2,304	2,029	2,304
Total	2,359	2,639	17,681	16,911
Less: Allowance for expected credit losses	-	(681)	-	(681)
Total other receivables - net	2,359	1,958	17,681	16,230
Total trade and other receivables - net	745,759	541,053	936,676	624,007

(Unaudited but reviewed)

4. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Audited)		(Audited)
Inventories - cost	719,242	617,511	649,648	579,090
Reduce cost to net realisable value	(1,517)	(724)	(1,517)	(724)
Inventories - net	<u>717,725</u>	<u>616,787</u>	<u>648,131</u>	<u>578,366</u>

5. Property, plant and equipment

Movements of property, plant and equipment for the three-month period ended 31 March 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	8,247	7,760
Disposal during the period - net book value as at disposal date	(17)	(17)
Depreciation for the period	(36,417)	(24,633)
Net book value as at 31 March 2022	<u>2,505,048</u>	<u>1,468,955</u>

6. Bearer plants

Movements of bearer plants for the three-month period ended 31 March 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	1,109	1,109
Written-off during the period - net book value as at written-off date	(1,804)	(1,804)
Amortisation during the period	(5,873)	(5,788)
Net book value as at 31 March 2022	<u>348,559</u>	<u>346,764</u>

(Unaudited but reviewed)

As at 31 March 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2022	2021	2022	2021	2022	2021
				(Audited)		(Audited)
Short-term loans from banks	2.13 - 3.13	2.11 - 3.13	1,459,000	1,124,000	1,220,000	910,000

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

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
Trade accounts payable - related party	-	-	94,793	50,773
Trade accounts payable - unrelated parties	148,286	191,150	141,865	189,265
Accrued expenses	38,423	62,219	26,263	41,519
Other payables - related parties	-	-	-	269
Other payables - unrelated parties	45,259	39,845	28,167	27,825
Total trade and other payables	231,968	293,214	291,088	309,651

9. Long-term loans from banks

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
		(Audited)		(Audited)
Long term loans from banks	442,160	550,830	379,160	420,830
Less: Deferred financial fee	(408)	(435)	(408)	(435)
Long-term loans from banks - net	441,752	550,395	378,752	420,395
Less: Current portion	(204,571)	(284,071)	(141,571)	(154,071)
Long-term loans - net of current portion	237,181	266,324	237,181	266,324

Movements of long-term loans from banks for the three-month period ended 31 March 2022 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2022	550,395	420,395
Less: Repayment loans	(108,670)	(41,670)
Financial fee amortisation	27	27
Balance as at 31 March 2022	441,752	378,752

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 31 March 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 13.1 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.

Income tax expenses for the three-month periods ended 31 March 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	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	28,849	6,508	27,273	5,791
Income tax expenses reported in profit or loss	28,849	6,508	27,273	5,791
Income tax reported in other comprehensive income	1,074	(901)	1,074	(901)

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 2.4 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 31 March 2022, the Group had revenue from two major customers in amount of Baht 418 million and Baht 219 million, respectively, arising from sales by the palm oil products segment.

12. Commitments and contingent liabilities

12.1 Capital commitments

As at 31 March 2022, the Group had capital commitments of Baht 3 million (31 December 2021: Baht 1 million) (the Company only: Baht 3 million (31 December 2021: Baht 1 million)) relating to the acquisitions of machinery and equipment.

12.2 Lease and service commitments

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 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

12.3 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

12.4 Guarantees

- a) As at 31 March 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.
- b) As at 31 March 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:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2022	2021	2022	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	<u>9</u>	<u>9</u>	<u>4</u>	<u>4</u>

12.5 Commitments related to sale agreements

As at 31 March 2022, the Company had commitments relating to sale agreements which specified quantity and selling price with local customers amounting to Baht 306 million which the goods will be delivered during April to December 2022 (31 December 2021: Baht 291 million which the goods would be delivered during January to December 2022).

12.6 Commitment in respect of uncalled investment

As at 31 March 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.

13. Financial instruments

13.1 Derivatives and hedge accounting

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
		(Audited)		(Audited)
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign exchange forward contracts	-	23	-	23
- Palm oil forward contracts	123	-	123	-
Derivative assets designated as hedging instruments				
- Palm oil forward contracts	5,382	-	5,382	-
Total derivative assets	5,505	23	5,505	23
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign exchange forward contracts	1,532	57	1,532	57
- Interest rate swap agreements	1,316	2,672	85	204
- Palm oil forward contracts	288	-	288	-
Derivative liabilities designated as hedging instruments				
- Palm oil forward contracts	10	-	10	-
Total derivative liabilities	3,146	2,729	1,915	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 31 March 2022 and 31 December 2021, the Group had foreign exchange forward contracts as follows:

Consolidated and separate financial statements as at 31 March 2022			
Foreign currency	Sold amount	Contractual exchange rate - sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	1,870	32.20 - 32.94	20 April 2022 to 24 June 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 31 March 2022 and 31 December 2021 are summarised below.

Consolidated financial statements as at 31 March 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 THBFX 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 31 March 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 THBFX plus 2.2% per annum	Fixed rate as stipulated in swap agreement.	July 2022

Derivatives designated as hedging instruments**Cash flow hedges****Commodity price risk**

The Group sells crude palm oil on an ongoing basis in the palm oil products segment. The increased volatility in palm oil price over the past has led to the decision to enter into palm oil forward contracts. These contracts are expected to reduce the volatility attributable to price fluctuations of palm oil. Hedging the price volatility of forecast palm oil sales is in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of palm oil forward contracts match those of the expected highly probable forecast transactions. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

13.2 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.

13.3 Fair value hierarchy

As at 31 March 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 31 March 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Derivatives				
Palm oil forward contracts	-	123	-	123
Financial assets measured at FVOCI				
Derivatives				
Palm oil forward contracts	-	5,382	-	5,382
Liabilities measured at fair value				
Financial liabilities measured at FVTPL				
Derivatives				
Foreign exchange forward contracts	-	1,532	-	1,532
Interest rate swap agreements	-	1,316	-	1,316
Palm oil forward contracts	-	288	-	288
Financial liabilities measured at FVOCI				
Derivatives				
Palm oil forward contracts	-	10	-	10

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements				
As at 31 March 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Derivatives				
Palm oil forward contracts	-	123	-	123
Financial assets measured at FVOCI				
Derivatives				
Palm oil forward contracts	-	5,382	-	5,382
Liabilities measured at fair value				
Financial liabilities measured at FVTPL				
Derivatives				
Foreign exchange forward contracts	-	1,532	-	1,532
Interest rate swap agreement	-	85	-	85
Palm oil forward contracts	-	288	-	288
Financial liabilities measured at FVOCI				
Derivatives				
Palm oil forward contracts	-	10	-	10

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.

13.4 Financial assets and liabilities denominated in foreign currencies

As at 31 March 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	3,076	1,318	31	30	33.2973	33.4199
Euro	-	-	-	3	37.1827	37.8948

14. Events after the reporting period

On 28 April 2022, the Annual General Meeting of the Company's shareholders passed a resolution to pay a dividend from operating results for the year 2021 of Baht 0.19 per share, totaling Baht 120.22 million. The record date for receiving the dividends is on 31 March 2022 and the dividends payment is scheduled on 20 May 2022. The Company also set aside a statutory reserve of Baht 8.42 million.

15. Approval of interim consolidated financial information

This interim consolidated financial information was authorised for issue by the Company's Board of Directors on 12 May 2022.