



Annual Report 2013  
รายงานประจำปี 2556



บริษัท ชุมพรอุตสาหกรรมน้ำมันปาล์ม จำกัด (มหาชน)  
CHUMPNORN PALM OIL INDUSTRY PUBLIC COMPANY LIMITED



# CONTENTS

02 Message from Chairman

04 Financial Highlights

06 Board of Directors and Management

08 Policy and Business Operation Overview

10 Business Characteristics

12 Risk Factors

15 General Information

18 Shareholding Structure

19 Dividend Payment Policy

20 Management

29 Board of Directors and Management Details

43 Corporate Governance

48 Corporate Social Responsibilities: CSR

51 Internal Control and Risk Management

51 Related party transactions

52 Report of the Board of Directors' Responsibility to the Financial Reports

53 Report of the Audit Committee

54 Financial Information

55 Management Discussion and Analysis

59 Independent Auditor's Report and Financial Statements



## Message from Chairman

### Dear shareholders,

In 2013, the Thai economy slowed down on reduced local demand. The GDP growth rate was around 2.9%, as exports, household consumption, investments and government spending all slowed down. Tourism was the bright spot, expanding at a record high rate of around 20 percent year-on-year despite a slowdown towards the end of the year. The inflation rate was at a low level of 2.18%, which was in line with the world inflation rate.

### Thailand's palm oil industry in 2013

The overall production of the palm industry in Thailand for 2013 was a 12.8% growth compared to the prior year. Total production of CPO was at 2.27 million MT in 2013. The total consumption was 2.29 million MT with 41.7% being used in the food industry and for consumers, 33.7% through biodiesel consumption and the rest being exported.

The stock at the beginning of the year was high due to the brought forward CPO stock from year end 2012, and this high stock remained until July 2013. This was the main factor that caused the low CPO price for the first half of the year. The export of CPO and the continued Government implementation of the biodiesel policy (ie B5 program) has helped to support the local industry. This led to a reduction in stock from August 2013. Finally, the local CPO pricing moved up in the last quarter of 2013. The average local purchase price of CPO was 25.24 Baht per kg in the year 2013, compared to the average purchase price of CPO in year 2012 at 30.86 Baht per kg.

### CPI's key performance in 2013

For the first half year of 2013, the company produced poor financial performance, due to the abundant CPO stock and low CPO price in the market. This resulted in a highly competitive consumer market with very low margin.

However, the company managed to turn around to profit in the second half through prudent management of the company's purchasing of stock, selective selling prices and our ability to lower production cost of CPO. In addition, the CPO price was also on an upward trend in the final quarter of the year 2013. This had helped us in pushing for higher selling prices and also improved our margins in all sectors of the industry, including the consumer market.

FFB production from our owned plantations was still lower, as we continued with the planned replanting scheme.

The company's subsidiary is CPI Agrotech Co., Ltd, which was in pre-operation during the year 2013. As a result, the subsidiary has posted a loss, which has also affected the company's overall performance.

All factors taken into consideration, the company's consolidation net profit dropped from Baht 40.02 Million in 2012 to Baht 9.05 Million in 2013.

### Outlook for 2014 and beyond

With the change of weather pattern for the beginning of the year 2014 resulting in drought throughout many provinces within Thailand, in addition to the low level of CPO stock, the government has decided to postpone using Biodiesel B7 in the first quarter. This situation has also pushed up the CPO pricing about 40% compared with last





year. For the world palm oil situation in the year 2014, we have received bullish forecast from analysts on the palm oil situation. We expect CPO price to be higher in the year 2014, with the main reasons being through world weather change and biodiesel consumption in Indonesia.

CPI's management will continue to manage this with more diligent monitoring of the factors affecting commodity prices and also continue to institute measures to mitigate risks.

We will additionally concentrate on improving our efficiency in the mill and packing operations, so as to maximize our profits from the higher demand arising in palm products.

The year 2013 has been a difficult year for the company and we thank you all for your tremendous support.

We further look forward to your continued support for us to grow together in the year of 2014.

Somchai Sakulsurarat

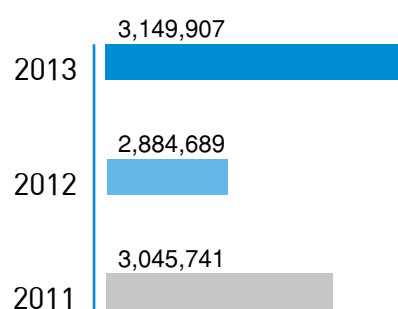
Chairman of The Board of Directors

## Financial Highlights

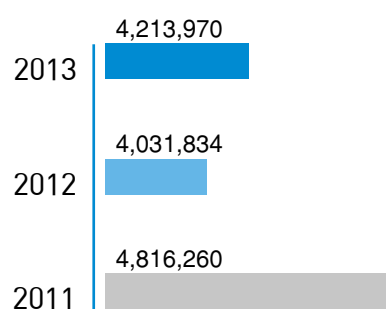
(Unit : Thousand Baht)

	2013	2012 (Restated)	2011
Total Assets	3,149,907	2,884,689	3,045,741
Total Liabilities	1,560,321	1,416,487	1,446,509
Total Shareholders' Equity	1,589,586	1,468,202	1,599,232
Sales	4,190,860	4,025,806	4,764,861
Total Revenues	4,213,970	4,031,834	4,816,260
Net Profit	9,055	40,023	164,876
Earnings per Revenue (%)	0.21	0.99	3.42
Return on Equity (%)	0.57	2.73	10.31
Return on Asset (%)	0.29	1.39	5.41
Earnings per Share (Baht)	0.02	0.07	0.29
Book Value per Share (Baht)	2.84	5.24	5.71
Dividend per Share (Baht)	0.03	0.24	0.13
Stock dividend per Share (Baht)	-	1	-

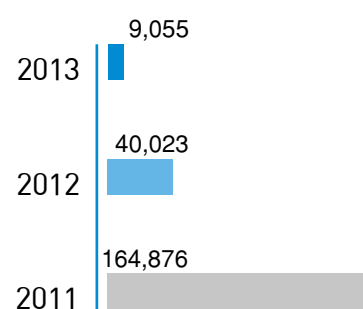
### Total Assets



### Total Revenues



### Net Profit







SATISFACTION AND **SAFE FOOD**  
TO OUR **CUSTOMERS**





## Board of Directors and Management

### Board of Directors



**Mr. Somchai Sakulsurat**

Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee



**Mr. Suthep Wongvorazathe**

Independent Director / Chairman of the Audit Committee



**Assoc. Prof. Dr. Ninnat Olanvoravuth**

Independent Director / Audit Committee



**Mr. Satit Chanjavanakul**

Independent Director / Audit Committee



**Admiral Satirapan Keyanon**

Independent Director / The Nomination and Remuneration Committee



**Mr. Takon Tawintermsup**

Director / Chairman of the Executive Board



**Mr. Chusak Prachayangprecha**

Director / Executive Board / The Nomination and Remuneration Committee



**Mr. Voravit Rojrapitada**

Director / Executive Board  
*Resigned from Director on 24 February 2014*



**Mr. Racho J Tawintermsup**

Director  
*Appointed as Director on 24 February 2014*



**Mr. Karoon Nuntileepong**

Director



**Mr. Kitt Chatlekhavanich**

Director



**Mr. Songridth Niwattisaiwong**

Director

## Board of Directors and Management

### Management



**Mr. Teoh Seng Leong**

Chief Executive Officer

*Resigned from Chief Executive Officer on  
1 April 2014*



**Mr. Karoon Nuntileepong**

Managing Director

*Resigned from Managing Director on  
1 January 2014*



**Mr. Supisith Chorrungsak**

Deputy Managing Director /  
Acting Managing Director



**Mr. Rakkitit Tanglamlert**

Chief Financial Officer



## Policy and Business Operation Overview

Chumporn Palm Oil Industry Public Company Limited and subsidiary company produce and distribute Oil Palm Seeds, Oil Palm Seedling and Refined palm oil. The company has been registered as a juristic person under the Civil and Commercial Code with initial registered capital of Baht 20,000,000.- and was transformed to a public company limited on 1993, registered capital Baht 210,000,000 with 21,000,000 ordinary shares with per value per share Baht 10.00

At the present the registered capital is Baht 775,424,053. The paid up capital is baht 560,568,040 with per value per share Baht 1.00

Chumporn Palm Oil Industry Public Company Limited produces and distributes the following palm oil products :

### (1) Crude Oil Products

- Crude Palm Oil (CPO)
- Crude Palm Kernel Oil (KO)

### (2) RBD Oil Products

- Refined Bleached Deodorized Palm Oil (RBD Palm Oil : RPO)
- Refined Bleached Deodorized Palm Kernel Oil (RBD Palm Kernel Oil : RKO)
- Refined Bleached Deodorized Palm Olein (RBD Palm Olein : ROL)
- Cooking Oil packed in PET bottle under "LEELA" brand and "Big C" house brand
- Cooking Oil packed in tin under "LEELA" brand and "ARO" brand
- Cooking Oil packed in pouch under "LEELA" brand and "ARO" brand
- Cooking Oil packed in jerry can under "LEELA"

### (3) By Products

- RBD Palm Stearin (RHST)
- Palm Fatty Acid Distillate (PFAD)
- Palm Kernel Fatty Acid Distillate (KFAD)
- Kernel Meal (KM)

The products of subsidiary company

CPI Agrotech Company Limited produces as follows:

1. Oil Palm Seedlings
2. Oil Palm Seeds

### Vision Mission and Policies

#### Vision :

The company with fully integrated, becomes the local leader in edible oil industry.

Mission :

The company will produce good quality of palm oil products supplied to local and international edible oil industry and related industry and emphasize efficient management and personnel development so as to add value for stakeholders, friendly environment including taking part in community around the factory.

Policies :

## Management Policy

1. Effectiveness.
2. Justice for Stakeholders.
3. Transparency and being examined.
4. Practice according to law and co-operation to the Government of any country we export to.



## Business Characteristics

### Major Changes and Development of the Company

- Year 2011 Established the subsidiary namely, CPI Agrotech Company Limited, for the purpose of manufacturing and distributing palm seeds and Palm seedlings to palm agriculturalists.
- Year 2011 Being awarded “2010 Excellent Establishment on Skill Development Award” in Chumphon.
- Year 2012 Being awarded “2011 National Excellent Establishment” on Occupational Health Safety and Environment in Safety Week Activity in the Southern part of Thailand.
- Year 2012 Established CPI Power Plant Company Limited to support the projects of the electricity sale in the future.
- Year 2012 Being awarded the Certificate of Environmental Governance in 2012 by the Ministry of Industry.
- Year 2013 Being awarded “2013 National Excellent Establishment” on Occupational Health Safety and Environment in 2013 Safety Week Activity in the Southern part of Thailand for 2 consecutive years.
- Year 2013 The Company raised the registered capital in an amount of 280,289,020 Baht, from the previous amount of 280,289,020 Baht to the new registered capital of 560,578,040 Baht. which was the ordinary share of 280,289,020 shares at par value of 1 Baht per share in order to provide the dividend payment at the ratio of 1 ordinary share per 1 dividend stock at par value of 1 Baht per share.
- Year 2013 Offering the sale of the warrant to purchase ordinary shares of the Company for the first time in the CPI-W1 to all existing shareholders based on the proportion of shareholding in an amount of not exceeding 186,856,013 units at the offering price of 0.50 Baht per unit. The allocation ratio was 3 ordinary shares per 1 unit of the warrant (The fractions derived from the calculation will be rounded off) The Warrant was valid for 2 years from the date of issuing the Warrant and the ratio of the exercise of the Warrant was 1 unit per 1 ordinary share with the exercise price of 2.25 Baht per shares in order to expand the capacity.
- Year 2013 Offering the sale of the warrant to purchase ordinary shares of the Company to directors and employees of the Company and its subsidiaries in the ESOP#1 in an amount of not exceeding 28,000,000 units with 5-year validity from the date of issuing the warrant to purchase ordinary shares. The ratio of the exercise of the warrant to purchase ordinary shares was 1 unit per 1 ordinary share with the exercise price of 2.75 Baht per shares in order to motivate and repay the performance of all directors and employees and also encourage employees to work for the Company in the long term, which would lead to the positive result to performances and business operation of the Company in the future.
- Year 2013 The Company raised the registered capital in an amount of 214,856,013 Baht, from the previous amount of 560,568,040 Baht to the new registered capital of 775,424,053 Baht. The ordinary share was issued in an amount of 214,856,013 shares at par value 1 Baht per share in order to support the exercise of the rights in the Warrant.
- Year 2013 Being awarded “2013 CSR DIW for Beginner AWARDS” by the Department of Industrial Works, Ministry of Industry.



## Revenue Structure

Product	Conducted by	% Share of Company	2011		2012		2013	
			Revenue	%	Revenue	%	Revenue	%
Plam Seedlings	CPI Agrotech Company Limited	100	-	-	-	-	8.00	100.00
<b>Domestic Revenue</b>								
Crude Oil	Chumporn Palm Oil Industry Plc.		84.83	1.76	36.63	0.91	244.99	5.82
RBD Oil	Chumporn Palm Oil Industry Plc.		3,493.28	72.53	2,917.88	72.33	3,115.29	74.04
Other Products	Chumporn Palm Oil Industry Plc.		866.93	18.00	734.62	18.21	567.11	13.48
			4,445.04	92.29	3,689.13	91.45	3,927.39	93.34
<b>Export Revenue</b>								
Crude Oil	Chumporn Palm Oil Industry Plc.		203.97	4.24	174.04	4.31	91.43	2.17
RBD Oil	Chumporn Palm Oil Industry Plc.		48.11	1.00	26.69	0.66	38.96	0.93
Other Products	Chumporn Palm Oil Industry Plc.		119.13	2.47	144.52	3.58	149.94	3.56
			371.21	7.71	345.25	8.55	280.33	6.66
<b>Total Revenue</b>			4,816.25	100.00	4,034.38	100.00	4,207.72	100.00

Unit : Million Baht



## Risk Factors

Sectoral risk factors of entrepreneurs in the palm oil industry are as follows;

### **1) Uncertainty of palm oil supply of the global major manufacturing nations and the global demand of palm oil**

The estimation of palm oil product volume in Malaysia in 2014 is at 19.6 million tons, increased from the year 2013 by 2.1%, while the palm oil product volume in Indonesia in 2014 is at 28.5 million tons, increased from the year 2013 by 5.6%.<sup>1</sup> However, the total quantity of crude palm oil product in Malaysia and Indonesia is 87% of the global quantity of crude palm oil product (approximately). Such increasing crude palm oil product volume is the negative factor of supply which possibly causes the pressure to the price of crude palm oil in the global market. However, when considering the demand, the need of palm oil for manufacturing biodiesel and using in the food industry tends to increase every year. With this reason, the impact on price in each period depends on the net result of demand and supply at that time.

### **2) Uncertainty of domestic demand and supply of palm oil**

The quantity of crude palm oil product in 2014 estimated by the Office of Agricultural Economics is at 2.36 million tons<sup>2</sup>, increased from the year 2013 by 10%. In the meantime, the quantity of crude palm oil product in 2013 was at 2.15 million tons (approximately), increased from the year 2012 by 13.8%. If the quantity of domestic crude palm oil product is in accordance with the estimation of the Office of Agricultural Economics, the supply of constantly increasing products will become the negative factor on the price of crude palm oil. However, when considering the demand, it is found that the quantity of crude palm oil export is the key factor specifying the quantity of domestic stock in each period. Another factor is the quantity of palm oil used in manufacturing biodiesel which previously was increased and decreased according to the quantity of domestic product and the long-term renewable energy plan established by the government.

### **3) Crude Palm Oil Supply of the Company**

Although the Company has the crude palm oil extraction plant which manufactures crude palm oil for the purified palm oil refinery, the Company still purchases crude palm oil from the external sources as well. According to the data of the Department of Internal Trade of Thailand and the Company, it is found that in 2012 the capacity increased from the year 2007 by approximately 43% (or average increased by 7% per year). In 2013, the capacity was around 3,283 tons FFB/hour<sup>3</sup>. If the quantity of raw palm in that year was less<sup>4</sup>, the price of raw palm would increase and utilization rate of the refinery would decrease, resulting to the increase of production cost. However, to freely export palm oil in any form but limited import (under the import management) causes the stock to be in the low level (less than 0.2 million tons). Even though the international price tends to decrease, the domestic price will increase dramatically and rapidly.

<sup>1</sup> The information of the crude palm oil production of Malaysia and Indonesia is primary information which is published on the website; therefore, its change may occur. For the official information of the crude palm oil production of Malaysia in 2014, it will be revealed on the website of MPOB (Malaysian Palm Oil Board) in February or March.

<sup>2</sup> The Company applies the transformation rate (%oil) of 17% for interpreting raw palm quantity information in 2014 forecasted by the Agricultural Economics Office to the quantity of crude palm oil.

<sup>3</sup> The Department of Internal Trade officially provides the figure of capacity. If there is any update of information from the Department of Internal Trade, the Company will also further update the information.

<sup>4</sup> There are many factors which limit the palm fruit's supply such as the limited area for palm plantation (long term period), unsuitable environment (drought or flood), the high price of fertilizer limiting the cultivator to use it, therefore, lessen the palm fruit, etc.

In contrast, if the domestic stock is in the high level and the international price tends to increase, the domestic price will increase according to the international price (even if the stock volume is in the high level) due to the free export.)

#### **4) Competition of entrepreneurs in purified palm oil refinery industry**

According to the data of the Department of Internal Trade of Thailand and the Company, it is found that in 2012 the total capacity of the refinery increased from the year 2007 by approximately 84% (or average increased by 14% per year), equivalent to approximately 7,660 tons CPO/day. In the previous year, the capacity was stable which possibly resulted from the high level of competition in the industry and low average net profit rate, plus the initial investment of this industry required fairly high fixed capital so the obligations of the operation were also high.

#### **5) Finished products and direct raw materials of the industry are the price-controlled product**

1-liter bottle of Palm Olein is the product under the supervision of the Department of Internal Trade of Thailand. Currently, a 1-liter bottle has the price ceiling of 42 Baht. Since it is the necessary product in living for most people, sometimes the price of crude palm oil increases but various entrepreneurs of palm oil refinery are unable to raise the selling price in accordance with the production cost. In addition, in January, 2013, the Central Committee on Prices of Goods and Service passed the resolution of pricing the price floor at 4-4.3 Baht based on the oil percentage.

#### **6) Risk from fluctuation of the global palm oil price**

Major factors affecting the domestic price of palm oil are the domestic product stock, energy policy, and export volume. However, the export volume directly relates to the price of crude palm oil in Malaysia (which is the main reference price for the global palm oil market). In addition, the price of crude palm oil in Malaysia depends on various factors, such as, demand of the global palm oil, price of crude oil, price of soybean oil (which is the substitute goods at some level), palm oil stock in Malaysia, and weather forecast, etc. These said factors are all complicatedly related and fluctuated which are difficult to forecast.

#### **7) Fluctuation of raw palm quantity in the market**

Palm oil is categorized as the perennial plant which has no definite harvesting season (All-year products with uncertain quantity). In addition, the palm productivity also changes based on the weather conditions and minerals abundance in soil. As a result, the estimation of raw palm quantity entering into the market has the risk on dispersion of actual result.

#### **8) Roundtable on Sustainable Palm Oil (RSPO)**

Oversea markets, especially in Europe, are more likely to focus on palm oil with RSPO Certificate. In this regard, it is possibly a barrier and restriction on exporting palm oil from Thailand in the future if there is no preparation for this matter.

#### **9) Entering to the AEC (ASEAN Economic Community) by the late 2015**

To enter into the ASEAN Economic Community (AEC) causes the liberalization for palm oil transportation, that is, the oil refinery will gain the benefits because they will obtain the cheaper crude palm oil materials to feed the plant.

#### **The company has operated to minimize such risks.**

**In Section 1) - 5)** The company holds the meeting and follows up the news and movements and also participates as member of the associations (Such as, the Palm Oil Refinery Association, the Palm Oil Industrial Club under the



Federation of Thai Industries, etc.) for adapting and minimizing impacts from the negative factors that possibly affect the company's operation as less as possible.

**In Section 6)** Price fluctuation: The Company follows up and analyses the price situation of commodities continuously and also occasionally apply the method of future contracts to minimize the risk of price fluctuation.

**In Section 7)** Fresh fruit Palm quantity in the market: The Company conducts a field survey on periodical basis along with review the information with the Agricultural Economics Office, and provide the statistics to ensure that the errors of the estimation will be minimized.

**In Section 8)** RSPO: Currently the Company is completely certified by the RSPO Supply Chain Certification.

**In Section 9)** Entering into the AEC in the next two years: Cited to the clarification of the Agricultural Economics Office for assurance of the palm oil import, the import management approach has still been implemented. The Public Warehouse Organization (PWO) serves as the importer while the Palm Oil Refinery Association is the allocator for members.

## General Information

- Name : Chumporn Palm Oil Industry Public Company Limited
- Head Office : 296, Moo 2, Phet Kasem Road, Salui Sub District, Thasae District, Chumporn 86140  
Tel. (077) 611 000  
Fax. (077) 611 011
- Branch Office No 1. : 1168/91 Lumpini Tower, 30th Floor, Rama IV Road, Thung Maha Mek, Sathorn, Bangkok 10120  
Tel. (662) 679 9166-72  
Fax. (662) 285 6369
- Branch Office No 2. : 28/6 Moo 9, Chiang Rak Noi Sub District, Bang Pa In District, Phranakhon Si Ayutthaya
- Website: : [www.cpi-th.com](http://www.cpi-th.com)
- E-mail: : [info@cpi-th.com](mailto:info@cpi-th.com)
- Registration No. : 0107536001184 (Former : BorMorJor.192)
- Type of Business : The company produces and distributes palm oil product to the related industry and consumer markets. The products are Crude Palm Oil, Crude Palm Kernel Oil, Refined Bleached Deodorized Palm Oil, Cooking Oil packed in PET bottle under "Leela" brand and "Big C" house brand, Cooking Oil packed in tin under "LEELA" brand and "ARO" brand, Cooking Oil packed in pouch under "LEELA" brand and "ARO" brand, Cooking Oil packed in jerry can under "Leela" brand. There are other by-products such as RBD Palm Stearin, Palm Fatty Acid Distillate, Palm Kernel Fatty Acid Distillate and Kernel Meal etc.
- Registered Capital : Baht 775,424,053
- Paid up Capital : Baht 560,568,040
- Issued shares : 560,568,040 Shares
- Par value per Share : Baht 1
- The company plantation covers 20,916 rais of land (3,346.56 hectare) from five different estates:
- CPI 1 : Pathiu plantaion 10,788 rais (1,726.08 hectare)  
at Don Yang Sub-district and Kao Chairat Sub-district, Pathiu District, Chumporn
- CPI 2 : Huai Sak plantation 3,899 rais (623.84 hectare)  
at Moo 7, Saithong Sub District, Bangsapannoi District, Prachuabkirikan
- CPI 3 : Khao Chaiyarat plantation 2,401 rais (384.16 hectare)  
at Moo 3 Donyang Sub District, Pathiu District, Chumporn
- CPI 4 : Bangson plantation 2,626 rais (420.16 hectare)  
at Moo 4, Bangson Sub District and Moo 1, Talaysub Sub District, Pathiu District, Chumporn
- CPI 5 : Khlong Wang Chang 1,202 rais (192.32 hectare)  
at Moo 4, Chumko Sub District, Pathiu District, Chumporn.



**The company holds other companies more than 10%****CPI Agrotech Company Limited**

Head Office : 1168/91 Lumpini Tower, 30th Floor, Rama IV Road, Thung Maha Mek, Sathorn, Bangkok 10120  
Tel. (662) 679 9166-72  
Fax. (662) 285 6369

Branch Office No.1 : 16 Moo 16, Salui Sub District, Thasae District, Chumporn 86140  
Tel. (077) 599 943  
Fax. (077) 599 943

Website : [www.cpiagrotech.com](http://www.cpiagrotech.com)

Registration No. : 0105554104605

Type of Business : Produce and distribute oil palm seeds and seedlings to planters.

Registered Capital : Baht 15,000,000

Ordinary shares : 1,500,000 shares

Par value per share : Baht 10

Paid up per share : Baht 10

Share holding Ratio : wholly owned by Chumporn Palm Oil Industry Public Company Limited 100%

**CPI Power Plant Company Limited**

Head Office : 1168/91 Lumpini Tower, 30th Floor, Rama IV Road, Thung Maha Mek, Sathorn, Bangkok 10120  
Tel. (662) 679 9166-72  
Fax. (662) 285 6369

Branch Office No.1 : 89/1 Moo 7, Saithong Sub District, Bangsapannoi District, Prachuabkirikan

Registration No. : 0105555182855

Type of Business : Generate and sell electricity

Registered Capital : Baht 500,000

Ordinary shares : 50,000 shares

Par value per share : Baht 10

Paid up per share : Baht 10

Share holding Ratio : wholly owned by Chumporn Palm Oil Industry Public Company Limited 100%



## REFERENCES

**Registrar :** Thailand Securities Depository Co., Ltd.

Registrar Department

7<sup>th</sup> Floor, The Stock Exchange of Thailand Building

62 Ratchadaphisek Road, Klongtoey

Bangkok 10110, Thailand

Tel. (662) 229 2876

Fax. (662) 654 5642

**Auditor :** Mr. Chayapol Suppasdtanon, CPA No.3972

Ernst & Young Office Ltd.

Lake Rachada Office Complex, 33rd Floor

193/136-137 Rachadapisek Road, Bangkok 10110

Tel. (662) 264 0777

Period as the Auditor : 1 year

Relationship or Stackholder with Company/ : None relationship or stackholder

Subsidiaries / Management / with Company / Subsidiaries /

Shareholder Management / Shareholder

**Legal Advisor :** Assoc. Prof. Sahaton Rattanapijit

Faculty of Law, Thammasat University

2 Prachan Road, Bangkok 10200

Tel. (662) 221 6111 Ext. 2121

## Shareholding Structure

The first ten major shareholders as of 6 December 2013 are listed below.

Shareholders	No. of Shares	Percentage
1. Chumporn Holding Company Limited	185,994,250	33.180
2. Bangkok Insurance Public Company Limited	25,721,220	4.588
3. Mr.Jaran Ravisangsoon	25,125,000	4.482
4. Mr.Supphachol Nithivasin	15,850,000	2.827
5. Mr.Paisarn Chatlekhavanich	9,815,800	1.751
6. Mr.Kovit Prachayangprecha	9,055,118	1.615
7. Mr.Chusak Prachayangprecha	8,977,250	1.601
8. Mr.Kitti Chatlekhavanich	8,008,332	1.429
9. Mrs.Jongjin Chatlekhavanich, Executrix of the Mr.Paisarn Chatlekhavanich	7,608,194	1.357
10. Mr.Pratheep Tangmatitham	7,352,000	1.312



## *Dividend Payment Policy*

Dividend payment policy for the company and subsidiaries is not less than 40% of the net profit after deduction statutory reserves and income tax.

In 2012 the company paid interim dividend for the performance during January 1 - September 30, 2012 to 280,289,020 shares as stock dividend with the rate of 1 ordinary share get 1 dividend share. It was paid on February 14, 2013 and registered the company's capital from Baht 280,289,020 to be the new registered capital Baht 560,568,040 with ordinary share 560,568,040 for allocate to existing shareholders and paid dividend again for the performance 2012 amount Baht 0.03 per share to 560,568,040 shares on May 22, 2013 which was non-tax exemption.

## Management

### 1. The Board of Directors comprises of member as follows;

No.	Name of Directors		Position
1	Mr. Somchai	Sakulsurarat	Chairman
2	Mr. Suthep	Wongvorazathe	Independent Director
3	Assoc. Prof. Dr. Ninnat	Olanvoravuth	Independent Director
4	Mr. Satit	Chanjavanakul	Independent Director
5	Admiral Satirapan	Keyanon	Independent Director
6	Mr. Takon	Tawintermsup	Director
7	Mr. Chusak	Prachayangprecha	Director
8	Mr. Voravit	Rojrapitada	Director
9	Mr. Rachoj	Tawintermsup	Director
10	Mr. Karoon	Nuntileepong	Director
11	Mr. Kitti	Chatlekhavanich	Director
12	Mr. Songridth	Niwattisaiwong	Director

#### Remark

- 1) Mr.Voravit Rojrapitada resigned from Director on 24 February 2014
- 2) Mr.Rachoj Tawintermsup was appointed as Director on 24 February 2014

#### Numbers and names of directors who is/are authorized to sign binding the company

Mr.Takon Tawintermsup or Mr.Karoon Nuntileepong is authorized to co-sign with Mr.Chusak Prachayangprecha or Mr.Kitti Chatlekhavanich or Mr.Songridth Niwattisaiwong, totaling 2 persons and affix with the company seal.

On March 5, 2014 the company registered the change of directors who are authorized to sign binding the company with Department of Business Development, Ministry of Commerce to be Mr.Takon Tawintermsup or Mr.Rachoj Tawintermsup is authorized to co-sign with Mr.Chusak Prachayangprecha or Mr.Kitti Chatlekhavanich or Mr.Songridth Niwattisaiwong, totaling 2 persons and affix with the company seal.

#### The Board of Directors of the company has the scope of duties and responsibilities as follows;

1. Perform their duties in accordance with laws, objective, article of association including the resolution of the shareholders' meeting with accountability care and integrity.
2. Set out the main policy with respect to business operation and the policies in finance, fund management and supervise the management to perform its duties efficiently and effectively under such policies.

3. Consider and approve important matters which are required by relevant laws or the Company's rules and regulations to be granted approval by the Board of Directors of the Company's Shareholders Meeting.
4. Set up the internal control system for the operation, financial reports and compliance with the laws and the Company's rules and regulations. The Internal Audit Department is assigned to inspect and monitor compliance with the internal control system and report to the Audit Committee. The Board of Directors will make an annual assessment on the adequacy and appropriateness of the internal control system and include its opinion in the annual report.
5. Appoint the Company Secretary to be responsible for the matters required by the law.
6. Appoint the Audit Committee, the Executive Board and other sub-committees in order to assist the Board of Directors in supervising the Company's business undertaking to achieve the Company's objective.

## 2. The Audit Committee

reports directly to the Board of director. The Audit Committed comprises of 3 members as follows;

No.	Name of Directors		Position
1	Mr. Suthep	Wongvorazathe	Chairman of the Audit Committee
2	Assoc. Prof. Dr. Ninnat	Olanvoravuth	Audit Committee
3	Mr. Satit	Chanjavanakul	Audit Committee

The Audit Committee No. 1 has sufficient knowledge and experience to review financial statement.

**The Audit Committee of the company has the scope of duties and responsibilities as follows;**

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information.
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company's internal control system,



- (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - (g) an opinion or overview comment received by the audit committee from its performances of duties in accordance with the charter, and
  - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

### 3. The Executive Board comprises of 3 members as follows;

No.	Name of Directors		Position
1	Mr. Takon	Tawintermsup	Chairman of the Executive Board
2	Mr. Chusak	Prachayangprecha	Executive Board
3	Mr. Voravit	Rojrapitada	Executive Board

Remark : Mr.Voravit Rojrapitada resigned from Director on 24 February 2014.

#### **The Executive Board of the company has the scope of duties and responsibilities as follows;**

1. Consider and set up policies, business strategies, goals, proceeding plans, financial targets and company's budgets appropriately based on business factors to propose and ask for approvals of Board of Directors as well as conduct, examine and follow business operations of the company as specified efficiently and effectively.
2. Set up the Succession Plan for the possession of important high-level executive positions or eligible individuals to be designed for high-level executive positions as well as regularly revise the said plan.
3. Specify the annual direction to evaluate performances of Chief Executive Officer, Managing Director and high-level Executives accordance with duties, responsibilities and risks which may occur.
4. Consider to appoint Deputy Managing Director, Chief Financial Officer, Director, and Senior Managers as proposed by Chief Executive Officer and Managing Directors.
5. Endorse the appointment of all managers as approved by Chief Executive Officer and Managing Director.
6. Consider the annual increment of salary and bonus for Chief Executive Officer and Managing Director; then, report to Nomination and Remuneration Committee for acknowledgement.

7. Review and endorse the annual increment and bonus of Deputy Managing Director, Chief Financial Officer, Director, Senior Managers and Managers as proposed by Chief Executive Director and Managing Director.

8. Specify the organization structure and company's management policy including policies related to recruitment, training, employment and discharge for the company's employees, which Managing Director and/or Human Resource Director of the company is authorized to sign the employment contract on behalf of the company.

9. Consider and offer proposals or opinions to Board of Directors about projects, proposals or any transactions concerning the company's business operations which costs more than the limited financial amount and/or which the related laws and principles or company's regulations mandate the Shareholders Meeting or Board of Directors to approve.

10. Authorize Chief Executive Officer and/or Managing Director to process the company's management in accordance with authorities, duties, and responsibilities which are specified in Authorization Manual under the conduction of Executive Board of Directors.

11. Appoint and/or assign Executive Director (s) or individual (s) to act any activities under the authority of Executive Board of Directors according to its proper view; meanwhile, Executive Board of Directors may abolish, revoke or amend the said authority.

12. Consider and approve Authorization Manual in order that appointed individuals and/or authorized individuals could acknowledge their responsibilities and authorities and use the said manual as the operating manual which demonstrates credential evidences and systematic procedures.

13. Have authorities, duties and responsibilities as assigned or in accordance with the policy which is assigned by Board of Directors.

14. Review and endorse all purchases which cost Baht 10 Million and above as approved by Chief Executive Officer and Managing Director and/or Bidding Committee.

15. Study the feasibility of new project investments and has the authority to consider and approve the company to invest or joint business with individuals, legal entities or organizations of any businesses which Executive Board of Directors considers as properly in order to process in accordance with the company's objectives as well as consider and approve budget for the said investments, commit juristic contracts and/or process accordingly to the said matters until the completion which cost from Baht 10 Million to Baht 100 Million.

16. Consider and approve the financial transactions with financial institutes related to account opening, loan, credit, pawn, mortgage, surety, and any matters including buying, selling and any land proprietary registrations in accordance with the company's objectives for benefits of performances including the juristic contract commitments, request/ proposal submissions, contacts and juristic commitments with governmental sections in order to achieve any privileges of the company and/or any proceedings related to the said matters until the completion which cost up to Baht 200 Million.

17. Consider and approve credit limit for trade account receivables which costs above Baht 25 Million.

18. Apart from the abovementioned authorities, duties and responsibilities accordingly referred to the Authorization Manual of the company.

The above authorities, duties and responsibilities are subject to the criterion of laws and concerned principles including the company's regulations. In case that the proceeding or any transactions cause or may cause the conflict of interests and/or deal with involved individuals in accordance with the concerned laws and principles or company's regulations which mandate the Shareholders Meeting or Board of Directors to approve, Executive Board of Directors has to propose opinions and submit the said matters to Board of Directors to consider and process in accordance with the concerned laws and principles or the company's regulations.

#### 4. The Nomination and Remuneration Committee comprises of 3 member as follows;

No.	Name of Directors		Position
1	Mr. Somchai	Sakulsurarat	Chairman of the Nomination and Remuneration Committee
2	Admiral Satirapan	Keyanon	Nomination and Remuneration Committee
3	Mr. Chusak	Prachayangprecha	Nomination and Remuneration Committee

**The Nomination and Remuneration Committee of the company has the scope of duties and responsibilities as follows;**

1. Consider the nomination criteria and procedures to nominate eligible individuals to be Directors, Chief Executive Officer and Managing Director of the company as well as select individuals in accordance with the issued nomination procedures; then, propose to Board of Directors or the Shareholders Meeting to consider and appoint as the case may be. Besides, the said nomination procedures include the opportunity for minor Shareholders to nominate individuals to be considered and selected.
2. Specify remuneration criteria for Directors.
3. Consider remuneration for Directors and propose to Board of Directors; then, propose to the Shareholders Meeting to approve.
4. Acknowledge the annual increment of salary and bonus for Chief Executive Officer and Managing Director as proposed by Executive Board of Directors.
5. Specify the direction to evaluate performances of Board of Directors and Executive Board of Directors in accordance with duties, responsibilities and risks which may occur.
6. Perform any duties which are assigned by Board of Directors.

#### 5. The Human Resources Sub Committee

Scopes of duties: The role of the Committee is to review the company's major problems of Human Resources. The Management will discuss any problems case by case.

#### 6. The Risk Management Sub Committee

Scopes of duties: The Committee will consider general risks of the company. Both the Committee and the Management could raise any risky aspects to jointly consider.



## 7. The Financial Management Sub Committee

Scopes of duties: The Management will consult regarding annual budget and asset investment.

The participants for the meeting in 2013 as follows;

Name of Director	Participation / Number of meetings				
	Board of		Nomination and		
	Director Meeting	Executive Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Annual General Meeting
Mr. Somchai Sakulsurarat	4/5			1/1	2/2
Mr. Suthep Wongvorazathe	5/5		4/4		1/2
Assoc. Prof. Dr. Ninnat Olanvoravuth	5/5		4/4		2/2
Mr. Satit Chanjavanakul	4/5		4/4		2/2
Admiral Satirapan Keyanon	3/5			1/1	1/2
Mr. Takon Tawintermsup	5/5	19/21			1/2
Mr. Chusak Prachayangprecha	5/5	21/21		0/1	2/2
Mr. Voravit Rojrapitada	5/5	14/21			2/2
Mr. Racho J Tawintermsup	-	-	-	-	-
Mr. Karoon Nuntileepong	5/5				2/2
Mr. Kitt Chatlekhanich	5/5				2/2
Mr. Songridh Niwattisaiwong	5/5				2/2

Remark 1) Mr.Voravit Rojrapitada resigned from Director on 24 February 2014.

2) Mr.Rachoj Tawintermsup was appointed as Director on 24 February 2014.

## 8. Management comprises of 22 member as follows;

No.	Name of Management		Position
1	Mr. Teoh Seng Leong		Chief Executive Officer
2	Mr. Karoon	Nuntileepong	Managing Director
3	Mr. Supisith	Chorruangsak	Deputy Managing Director and Acting Managing Director
4	Mr. Rakkittit	Tanglamlert	Chief Financial Officer
5	Mrs. Ratsamee	Pongjindanon	Internal Audit Director
6	Mrs. Pranee	Jitworajinda	Assistant Factory Director
7	Ms. Sutisa	Thainchai	Senior Administrative Manager
8	Mr. Choonhui	Saelow	Senior Plantation Manager
9	Mr. Thawatthai	Chomwarn	Logistics Manager
10	Mr. Mongkol	Siengsuttivong	Management Information System Manager

No.	Name of Management		Position
11	Mr. Ananchai	Araniemfa	Purchasing Manager
12	Mr. Sorawat	Ong-Ajchaowlerd	Raw Material Procurement Manager
13	Mr. Siam	Limjaroenkijpisal	FFB procurement Manager
14	Mr. Chumpon	Thainukul	Production 1 Manager
15	Mr. Chamnan	Duangjai	Production 2 Manager
16	Mr. Somchai	Chantaramanee	Production 3 Manager
17	Mr. Kritsana	Sommart	Production 4 Manager
18	Mr. Yutthana	Ruangthamrong	Factory Office Manager
19	Mr. Phongsit	Phopo	Human Resources Manager — Factory
20	Ms. Yada	Sawadsree	Quality Assurance & Production Planning Manager
21	Mr. Rachoj	Tawintermsup	Secretary to Manangment Office
22	Ms. Wirarat	Wiwattanakul	Company Secretary

Remark 1) Mr.Teoh Seng Leong resigned from Chief Executive Officer on 1 April 2014.  
 2) Mr.Karoon Nuntileepong resigned from Managing Director on 1 January 2014.

## Selecting Directors and Executives

### 1. Independent Directors

Independent directors of the company with the following qualification:

(a) Do not own shares exceeding 1% of paid-up capital in the company, parent company, subsidiary, affiliate, or any organization that may have conflicts of interest with the company. This injunction also includes shares held by related parties.

(b) Is not or has never been an Executive Director, employee, staff, advisor who receives salary, nor controlling parties of the company, parent company, subsidiary, affiliate, same-level subsidiaries or any organization that may have conflicts unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC).

(c) Is not the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of management, major shareholders, controlling party or the person who is in the process of nomination to be the management or controlling party of the applicant or its subsidiary.

(d) Have no or never had business relationship with the company, parent company, subsidiary, affiliate, or any organization that may have conflicts in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of nay person having business relationship with the company, its parent company, subsidiary, affiliate, or any organization that may have conflicts unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial

support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above Baht 20 million, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

(e) Is not or has never been the auditor of the company, parent company, subsidiary, affiliate, or any organization that may have conflicts of interest, except in the case that the aforementioned status has been terminated unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

(f) Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than Baht2 million per year from the company, parent company, subsidiary, affiliate, or any organization that may have conflicts unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

(g) Is not the Director who is nominated to be the representative of Directors of company, major shareholders, or any other shareholder related to the major shareholders.

(h) Is not any otherwise which is unable to have the independent opinion regarding the business operation of the company.

## 2. Selecting Directors and Executives

Refer to No 3. The Executive Board of the company has the scope of duties and responsibilities and No. 4 The Nomination and Remuneration Committee of the company has the scope of duties and responsibilities.

Beside the company allows shareholders to propose the person in advance to be candidates for Director of Company to the Shareholder's Meeting to appointment. There is no cumulative voting for appointing director, only majority votes.

### Remuneration for Directors and Managements

Remuneration for Directors : The Company has policy for remunerating its Directors with clarity, transparency and suitable for the job with adequacy. We maintain Directors who are qualified and experienced and they receive remuneration suitably commensurate to their duties and responsibilities.

Remuneration for Executives : The remuneration policy was set by the Board of Directors and the Company's performance.



**(1) Remuneration****(a) Remuneration for Directors***(Unit : Baht)*

No	Name of Director	Year 2011			Year 2012			Year 2013		
		Meeting	Annual	Total	Meeting	Annual	Total	Meeting	Annual	Total
		Allowance	Remuneration		Allowance	Remuneration		Allowance	Remuneration	
1	Mr. Somchai Sakulsurarat	500,000	294,798	794,798	260,000	290,000	550,000	120,000	165,000	285,000
2	Mr. Suthep Wongvorazathe	160,000	236,798	396,798	120,000	232,000	352,000	175,000	150,000	325,000
3	Assoc. Prof. Dr. Ninnat Olanvoravuth	140,000	202,868	342,868	140,000	198,166	338,166	155,000	131,666	286,666
4	Mr. Satit Chanjavanakul	120,000	202,868	322,868	155,000	198,166	353,166	140,000	131,666	271,666
5	Mr. Chusak Prachayangprecha	270,000	202,868	472,868	305,000	198,166	503,166	285,000	131,666	416,666
6	Mr. Takon Tawintermsup	245,000	202,868	447,868	405,000	198,166	603,166	455,000	131,666	586,666
7	Mr. Karoon Nuntileepong	45,000	202,868	247,868	75,000	198,166	273,166	75,000	131,666	206,666
8	Mr. Kittit Chatlekhavanich	60,000	202,868	262,868	30,000	198,166	228,166	75,000	131,666	206,666
9	Mr. Kreetha Matitanaviroon	60,000	202,868	262,868	15,000	198,166	213,166	-	-	-
10	Mr. Songridth Niwattisaiwong	60,000	202,868	262,868	75,000	198,166	273,166	75,000	131,666	206,666
11	Mr. Pichet Nithivasin	45,000	202,868	247,868	-	198,166	198,166	-	-	-
12	Mr. Voravit Rojrapitada	60,000	202,868	262,868	225,000	198,166	423,166	215,000	131,666	346,666
13	Prof.Dr. Suntaree Yingjajaval	30,000	202,868	232,868	15,000	198,166	213,166	-	-	-
14	Admiral Satirapan Keyanon	60,000	136,848	196,848	60,000	198,166	258,166	45,000	131,666	176,666
Total		1,855,000	2,899,992	4,754,992	1,880,000	2,899,992	4,779,992	1,815,000	1,499,994	3,314,994

**(b) Remuneration for Executives***Year 2012*

- 9 Executives with income in form of meeting allowance, salary, bonus and provident fund collectively totaled Baht 29.59 Million.
- 4 Executives have been provided cars for their positions.

*Year 2013*

- 7 Executives with income in form of meeting allowance, salary, bonus and provident fund collectively totaled Baht 25.12 Million.
- 3 Executives have been provided cars for their positions

**(2) Other remuneration for Directors and Executives**

- Issued ESOP#1 to Directors and Employees of the company and its subsidiary.

## Board of Directors and Management Details

### Mr. Somchai Sakulsurarat

Position	: Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee
Appointed date	: 2 April 2004
Age	: 66 years
Education	: Master of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University : B.A. (Economics) Thammasat University : Degree, National Defence College : Diploma, King Prajadhipok Institute, Politics and Governance in Democratic Systems for Executives : Associateship Diploma of the Institute of Bankers, London : DCP Diploma, Thai Institute of Directors
Training	: DCP Certificate from IOD
Shareholding of Company	: None
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Experience :	

#### Listed Companies

2010 - Present	Vice Chairman	Sahaviriya Steel Industries Public Company Limited
2009 - Present	Director and Chairman of Audit Committee	Globlex Holding Management Public Company Limited
2004 - Present	Chairman	Chumporn Palm Oil Industry Public Company Limited
2003 - Present	Chairman	S. Khonkaen Food Industry Public Company Limited

#### Company Limited/Others

2012 - Present	Vice Chairman	Nanyang Textile Group of Companies
2011 - Present	Director	West Coast Engineering Company Limited
2011 - Present	Director	Prachuap Port Company Limited

## Mr. Suthep Wongvorazathe

Position	: Independent Director / Chairman of the Audit Committee
Appointed Date	: 11 March 2003
Age	: 66 years
Education	: M.B.A. UNIVERSITY OF WISCONSIN, WISCONSIN, U.S.A
Training	: DAP Certificate from IOD
Shareholding of Company	: None
Shareholding of Subsidiaries	: None

Family Relationship among Company's Directors : None

Experience:

### Listed Companies

2013 - Present	Chairman	Seamico Securities Public Company Limited
2011 - Present	Independent Director	Bangchak Petroleum Public Company Limited
2008 - Present	Chairman of the Board of Director	Khonburi Sugar Public Company Limited
2007 - 2010	Chairman of the Board of Director	Pacific Asset Public Company Limited
2003 - Present	Chairman of the Audit Committee and Independent Director	Chumporn Palm Oil Industry Public Company Limited

### Company Limited/Others

2014	Director	KT ZMICO Securities Company Limited
2013 - Present	Director	The Mall Group Company Limited
2010 - 2011	Chairman of Executive Director and Director	Export-Import Bank of Thailand
2009 - 2011	Director	Office of the Board of Investment
2004 - 2013	Director	Thai Agro Exchange Company Limited



## Assoc. Prof. Dr. Ninnat Olanvoravuth

Position	: Independent Director / Audit Committee
Appointed date	: 11 March 2003
Age	: 68 years
Education	: SENIOR EXECUTIVE PROGRAM-BANFF, UNIVERSITY OF CALGARY, CANADA : ITP PROGRAM AT INSEAD IN FONTAINEBLEAU : PH.D. U.S. INTERNATIONAL UNIVERSITY : M.P.A. SAN DIEGO STATE UNIVERSITY : B.A. SAN DIEGO STATE UNIVERSITY : A.A. , GROSSMONT COLLEGE, CALIFORNIA
Training	: DCP Certificate from IOD
Shareholding of Company	: None
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Experience :	

### Listed Companies

2003 - Present	Audit Committee and Independent Director	Chumporn Palm Oil Industry Public Company Limited
1994 - Present	Director and Chairman Of the Audit Committee	A.J. Plast Public Company Limited

### Company Limited/Others

2011- Present	Member, International Advisory	Council of University Tenaga Nasional, Malaysia
2008 - Present	Founding Member	Council of Governing Board in Thailand
2008 - Present	Sub-Committee on Systems and Standards for Selection and Recruitment of Civil Service Commission	
2010- Present	Vice Chairman	Governing Board of Chalermkarnchana College
2007 - Present	Chairman	Board of Trustee, Srisopon College
2006 - Present	Administrative Committee	Chulabhorn Graduate Institute
2006 - Present	Member	Asia-Europe Education Hub Advisory Committee
2004 - Present	Sub-Committee on Recognition of Overseas University Degrees	
1998 - Present	Member	Ratchathani University
1994 - Present	Founding Member Association of Universities in Asia and the Pacific	
1992 - Present	Member	Personnel Committee Suranaree University of Technology
1981 - Present	Member	Governing Board, SEAMEO-RIHED
1981 - Present	Association of Southeast Asian Institutions of Higher Learning	

## Mr. Satit Chanjavanakul

Position	: Independent Director / Audit Committee
Appointed date	: 29 April 2009
Age	: 66 years
Education	: B.ENG. (INDUSTRIAL) CHULALAONGKORN UNIVERSITY : M.SC. (TEXTILE TECHNOLOGY) UNIVERSITY OF LEEDS, UK : M.A. (BUSINESS ADMINISTRATION) THUMMASART UNIVERSITY
Training	: DCP Certificate from IOD
Shareholding of Company	: None
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Experience	

### Listed Companies

2013 - Present	Audit Committee	Thaiaagroenergy Public Company Limited
2009 - Present	Chairman of the Board	SNC Former Public Company Limited
2009 - Present	Audit Committee and Independent Director	Chumporn Palm Oil Industry Public Company Limited
2009 - Present	Audit Committee	Crown Seal Public Company Limited
2009 - Present	Audit Committee	Lalin Property Public Company Limited
2004 - Present	Audit Committee	Asia Plus Securities Public Company Limited

### Company Limited/Others

2013 - Present	Director	Withcorp Products Company Limited
2010 - Present	Director	Thai Airlines Holdings Company Limited
2008 - Present	Director	Jamjuree Innovations Company Limited
1991 - Present	Director	SPC Home Ideas Company Limited

## Admiral Satirapan Keyanon

Position	: Independent Director / Nomination and Remuneration Committee
Appointed date	: 28 April 2010
Age	: 67 years
Education	: NAVAL WAR COLLEGE, RTN NATIONAL DEFENCE COLLEGE
Training	: -
Shareholding of Company	: None
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Experience :	

### Listed Companies

2013 - Present	Nomination and Remuneration Committee	Chumporn Palm Oil Industry Public Company Limited
2010 - Present	Independent Director	Chumporn Palm Oil Industry Public Company Limited
2008 - Present	Advisor	Charoen Pokphand Foods Public Company Limited
2006 - 2008	Advisor of Chairman	TMB Bank Public Company Limited

### Company Limited/Others

2011 - Present	Chairman	Otto land Company Limited
2008 - Present	Advisor	Vehicle Company Limited
2006 - 2008	President	Yacht Racing Association of Thailand
2005 - 2008	Chairman of the Board of Commissioners	Port Authority of Thailand (2nd)
2002 - 2004	Advisor of Chairman	The Bangkok Dock Company (1957) Limited

## Mr. Takon Tawintermsup

Position	: Director / Chairman of Executive Director / Authorized Director
Appointed date	: 14 October 1993
Age	: 60 years
Education	: MATTHAYOM 3, MATTHAYOM Wat THATTHONG SCHOOL
Training	: DCP Certificate from IOD FND Certificate from IOD
Shareholding	: 0.89%
Shareholding in subsidiaries	: 1 share - CPI Agrotech Company Limited
Family Relationship among Company's Directors	: Brother in law to Mr.Karoon Nuntileepong
Experience :	

### Listed Companies

2007 - Present	Chairman of Executive Director	Chumporn Palm Oil Industry Public Company Limited
1993 - Present	Director	Chumporn Palm Oil Industry Public Company Limited
1974 - Present	Director and Chairman of Executive Committee	Khonburi Sugar Public Company Limited

### Company Limited/Others

2011 - Present	Director	CPI Agrotech Company Limited
2010 - Present	Director	Khonburi Capital Company Limited
2008 - Present	Director	KBS Trading Company Limited
2008 - Present	Director	Khonburi Power Plant Company Limited
2004 - Present	Director	Khonburi Bio Energy Company Limited
1993 - Present	Managing Director	Chumporn Holding Company Limited
1988 - Present	Executive Director	Bomrungrat M.C. Company Limited



## Mr. Chusak Prachayangprecha

Position : Director / Executive Director / Authorized Director

Appointed date : 14 October 1993

Age : 69 years

Education : BS.BA HUSSON UNIVERSITY, MAINE, U.S.A.

Training : DCP Certificate from IOD

Shareholding : 1.42%

Shareholding in subsidiaries : 1 share - CPI Agrotech Company Limited

Family Relationship among Company's Directors : None

Experience :

### Listed Companies

2010 - 2013	Independent Director and Audit Committee	Khonburi Sugar Public Company Limited
2007 - Present	Executive Director	Chumporn Palm Oil Industry Public Company Limited
1993 - Present	Director	Chumporn Palm Oil Industry Public Company Limited

### Company Limited/Others

2011 - Present	Chairman	CPI Agrotech Company Limited
2009 - Present	Director	Ceramic Industry Club, The Federation of Thai Industries
2008 - Present	Director	Thai Ceramic Industry Company Limited
2007 - 2010	Director	Thai Listed Companies Association
2006 - 2008	Director	Biotech Industry Club, The Federation of Thai Industries
2004 - Present	Director	Thailand-China Business Council
1993 - Present	Chairman	Chumporn Holding Company Limited

## Mr. Voravit Rojrapitada

Position	: Director / Executive Director (Resigned from Director on 24 February 2014)
Appointed date	: 23 April 1999
Age	: 70 years
Education	: Certificate, Assumption Commercial College : MINI M.B.A., THAMASART UNIVERSITY
Training	: DCP Certificate from IOD : Advance Course in General (Non-Life) Insurance, Swiss Insurance Training Centre, Switzerland : Skandia Insurance Management, Philippines
Shareholding of Company	: None
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Experience :	

### Listed Companies

2013 - Present	Independent Director	Khonburi Sugar Public Company Limited
	Audit Committee and Risk Management Director	
2012 - 2014	Executive Director	Chumporn Palm Oil Industry Public Company Limited
2008 - Present	Company Secretary	Bangkok Insurance Public Company Limited
2000 - 2009	Senior Executive Vice President	Bangkok Insurance Public Company Limited
1999 - 2014	Director	Chumporn Palm Oil Industry Public Company Limited
1992 - 2008	Secretary to the Board of Directors	Bangkok Insurance Public Company Limited
1981 - Present	Director	Bangkok Insurance Public Company Limited

## Mr. Songridth Niwattisaiwong

Position	: Director / Authorized Director
Appointed date	: 14 October 1993
Age	: 62 years
Education	: MASTER OF ENGINEERING, UNSW
Training	: DCP Diploma & Certificate from IOD
Shareholding	: 0.50%
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None

### Experience :

#### Listed Companies

1993 - Present	Director	Chumporn Palm Oil Industry Public Company Limited
1990 - 2012	Project Director	Chumporn Palm Oil Industry Public Company Limited

#### Company Limited/Others

1993 - Present	Director	Chumporn Holding Company Limited
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## Mr. Kitti Chatlekhavanich

Position	: Director / Authorized Director
Appointed date	: 23 April 1999
Age	: 45 years
Education	: SASIN GRADUATE INSTITUTE OF ADMINISTRATION CHULALONGKORN UNIVERSITY
Training	: DCP Diploma & Certificate from IOD
Shareholding	: 1.38%
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None

### Experience :

#### Listed Companies

1999 - Present	Director	Chumporn Palm Oil Industry Public Company Limited
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#### Company Limited/Others

2006 - Present	Director	Chumporn Holding Company Limited
2006 - Present	Managing Director	Plasmac Trading Company Limited
1992 - Present	Managing Director	Liack Seng Trading Company Limited

## Mr. Rachoj Tawintermsup

Position	: Director / Authorized Director
Appointed date	: 24 February 2014
Age	: 28 years
Education	: UNIVERSITY OF ESSEX, UK, LLB LAW
Training	: -
Shareholding	: 0.71%
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: Son to Mr.Takon Tawintermsup Nephew to Mr.Karoon Nuntileepong

### Experience :

#### Listed Companies

2014 - Present	Director and Secretary to Management Office	Chumporn Palm Oil Industry Public Company Limited
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#### Company Limited/Others

2006 - Present	Director	Chumporn Holding Company Limited
2008 - 2011	Lawyer	Banker & Mckenzie Ltd.



## Mr. Karoon Nuntileepong

Position	: Director / Authorized Director / Managing Director (Resigned from Managing Director on 1 January 2014)
Appointed date	: 14 October 1993
Age	: 54 years
Education	: Master of Business Administration, Chulalongkorn University
Training	: DCP Diploma & Certificate from IOD
Shareholding	: None
Shareholding in subsidiaries	: 1 share - CPI Agrotech Company Limited 1 share - CPI Power Plant Company Limited
Family Relationship among Company's Directors	: Mr.Takon Tawintermsup's wife younger brother Uncle to Mr.Rachoj Tawintermsup

### Experience :

#### Listed Companies

2007 - 2013	Managing Director	Chumporn Palm Oil Industry Public Company Limited
1993 - Present	Director	Chumporn Palm Oil Industry Public Company Limited
1982 - 2006	Assistant Managing Director	Chumporn Palm Oil Industry Public Company Limited

#### Company Limited/Others

2012 - Present	Director and Managing Director	CPI Power Plant Company Limited
2011 - Present	Director	CPI Agrotech Company Limited
2001 - Present	Director	Chumporn Holding Company Limited

## Mr. Teoh Seng Leong

Position	: Chief Executive Officer (Resigned from Chief Executive Officer on 1 April 2014)
Age	: 65 years
Education	: BACHELOR OF SCIENCE, UNIVERSITY OF MALAYA
Training	: -
Shareholding of Company	: None
Shareholding of Subsidiaries	: None

Family Relationship among Company's Directors : None

Experience :

### Listed Companies

2010 - 2014	Chief Executive Officer	Chumporn Palm Oil Industry Public Company Limited
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### Company Limited/Others

2006 - 2010	Head, Asia Region	Sime Darby Plantations Sdn Bhd
2000 - 2006	Managing Director	Morakot Industries Public Company Limited
1982 - 2000	Senior Executive	Sime Darby Plantations Sdn Bhd

## Mr. Supisith Chorruangsak

Position	: Deputy Managing Director and Acting Managing Director
Age	: 56 years
Education	: Bachelor Degree of B.B.A. (Accounting), Ramkhamheang University
Training	: DCP Certificate from IOD
Shareholding	: None
Shareholding in subsidiaries	: 1 share - CPI Agrotech Company Limited 1 share - CPI Power Plant Company Limited

Family Relationship among Company's Directors : None

Experience :

### Listed Companies

1998 - Present	Deputy Managing Director	Chumporn Palm Oil Industry Public Company Limited
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### Company Limited/Others

2012 - Present	Director	CPI Power Plant Company Limited
2011 - Present	Director	CPI Agrotech Company Limited

## Mr. Rakkiti Tanglamlert

Position	: Chief Financial Officer
Age	: 45 years
Education	: MASTER DEGREE OF MBA ACCOUNTING, KASETSART UNIVERSITY BACHELOR DEGREE OF ACCOUNTING, CHULALONGKORN UNIVERSITY
Training	: Certified Public Accountant (CPA)
Shareholding of Company	: None
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Experience:	

### Listed Companies

2013 - Present	Chief Financial Officer	Chumporn Palm Oil Industry Public Company Limited
2000 - 2002	Assistant Vice President Finance & Accounting	Asia Credit Public Company Limited

### Company Limited/Others

2005 - 2013	Financial Controller	Radicon Transmission (Thailand) Ltd
2003 - 2004	Finance & Accounting Manager	Johnson Diversey (Thailand) Co., Ltd
1993 - 1999	Audit Manager	PriceWaterhouse Coopers ABAS Ltd

## Mrs. Ratsamee Pongjindanon

Position	: Internal Audit Director
Age	: 42 years
Education	: MASTER OF SCIENCE ACCOUNTING, THAMASAT UNIVERSITY
Training	: DIPLOMA IN AUDITING, THAMASAT UNIVERSITY CERTIFIED PUBLIC ACCOUNTANT OF THAILAND
Shareholding of Company	: None
Shareholding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Experience:	

### Listed Companies

2013 - Present	Internal Audit Director	Chumporn Palm Oil Industry Public Company Limited
2012 - 2013	Assistant Finance & Accounting Director	Chumporn Palm Oil Industry Public Company Limited
1998 - 2011	Senior Internal Audit Manager	Chumporn Palm Oil Industry Public Company Limited

### Company Limited/Others

1993 - 1997	Senior Auditor	SGV-NA THAILAND Company Limited
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## Details of Subsidiary Company Directors

### 1. **CPI Agrotech Company Limited** consists of 5 members as follows;

1. Mr. Chusak Prachayangprecha
2. Mr. Takon Tawintermsup
3. Mr. Karoon Nuntileepong
4. Mr. Supisith Chorruangsak
5. Mr. Kosol Nuntileepong

Remark No. 1-4 : Please see "Board of Directors and Management Details"  
 No. 5 : Please see "Directors of Subsidiary Company Details"

### **CPI Power Plant Company Limited** consists of 3 members as follows;

1. Mr. Karoon Nuntileepong
2. Mr. Supisith Chorruangsak
3. Mr. Kosol Nuntileepong

Remark No. 1-2 : Please see "Board of Directors and Management Details"  
 No. 3 : Please see "Directors of Subsidiary Company Details"

## Directors of Subsidiary Company Details

### Mr. Kosol Nuntileepong

Position	: Managing Director of CPI Agrotech Company Limited
Age	: 51 years
Education	: BACHELOR DEGREE (STATISTICS), CHULALONGKORN UNIVERSITY
Training	: -
Shareholding	: 1 share
Shareholding in subsidiaries	: 1 share - CPI Power Plant Company Limited
Family Relationship among Company's Directors	: Mr.Takon Tawintermsup's wife younger brother Brother to Mr.Karoon Nuntileepong

#### Listed Companies

2008 - Present	Adviser	Khonburi Sugar Public Company Limited
2004 - 2011	Adviser	Chumporn Palm Oil Industry Public Company Limited

#### Company Limited/Others

2012 - Present	Director	CPI Power Plant Company Limited
2011 - Present	Director and Managing Director	CPI Agrotech Company Limited
2004 - Present	Director	Chumporn Holding Company Limited



## Corporate Governance

### Corporate Governance Policy

Board of Directors has fully supported good corporate governance at all levels of the organization with improvements gradually to reach the targets efficiently, correctly in accordance with the law, honesty and transparency. The Board of Directors is confident that good management with honesty and transparency would enhance efficiency of the company and serve interests of shareholders, investors and other concerned parties. Therefore, policy is prescribed as follows:

1. To do business with Good Corporate Governance, transparency and accountability.
2. Steps to ensure the Board of Directors discharge their duties as per assignment with efficiency.
3. Dealing with the shareholders and stakeholders equally and fairly including disclosure the information adequately.
4. Make arrangement to have internal control system adequately, couples with steps to manage risk factors effectively with regular monitoring.
5. Steps have been taken to initiate vision, mission, strategy, goal, policy, business plan and budget and monitoring results.
6. Making authorization manual to decentralize the responsibilities.
7. Making Company Ethics Manual and inform directors, management and employees to practice accordingly.

The Company has set business plan and budget, and followed up quarterly and reviewed annually.

Therefore the company follows corporate governance policy as Shareholder's Right, Practice to Shareholder Equality, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of Board of Directors as detail follows;

#### **1) Shareholders' Right**

In 2013, the Company conducted Shareholders Meeting twice which was one Extraordinary General Meeting and one Annual General Meeting. The company gives an opportunity for shareholders to join and express their opinion in corporate governance as follows;

- 1.1) The Meeting is held at a hotel outside the company where is convenient for Shareholders.
- 1.2) The Meeting notices are sent 7 days prior to date of meeting to Shareholders including other relevant documents such as Annual Report, Financial Statements and document for presenting by participants for identification and proxy. In this nexus, aforementioned notices for the meeting and other documents contain information completely to enable Shareholders to make decision. The company enhanced options for Shareholders to appoint independent director to be their proxies in case of inability to attend the meeting.
- 1.3) Present the method of voting and vote counting before starting Annual General Meeting
- 1.4) The Chairman conducts the meeting according to the agenda stated in the meeting notices. The company gives the chance for shareholders to pose queries and express comments and advice. Important points are recorded.

1.5) The company will not propose other additional agendas, particularly some important agendas, without notifying the shareholders in advance.

1.6) The Company has disclosed the Minutes of Annual General Meeting of Shareholders via the channels provided by the SET and via the company's website within 14 days after Annual General Meeting of Shareholders.

## **2) Practice to Shareholder Equality**

The Company conduct Shareholders' meeting equally between majority of shareholders and minority of shareholders as;

2.1) Shareholders equally are afforded facilities, the right and ask any questions and comments which are answered by Chairman for any question and any suggestion.

2.2) The Shareholders Meeting held in 2013, the company send meeting notices including Annual Report, financial statements and proxy with options for Shareholders to appoint independent director to be their proxies in case of inability to attend the meeting to Shareholders whose names appeared in the registration book on closing date. Meeting notice is advertised in a local newspaper with details about the date, venue, time and agenda prior to date of meeting by 3 days and the announcement appeared for 3 consecutive days.

2.3) Shareholders have opportunity to exercise their right in appointing each director.

2.4) Shareholders can vote their right for each agenda as equality.

2.5) The company has enclosed Proxy (Form B) which Shareholders can decide and fix their voting for each agenda by sending with Invitation to Shareholder Meeting Letter. The Proxy can be search via company's website too.

## **3) Role of Stakeholders**

The Company took good care of each group by fixing working guidelines in the Manual of Business Ethics and working regulations, enabling Board of Directors, the Management and the Staff to work and fulfill their duties as follows:

- Shareholders : The Company shall carry out business with transparency by thinking about the progress of the Company in long term.
- Staff : The Company supports for job efficiency and introduces Competency Based Human Resources Development. Emphasis is placed on working with safety and this extends to all the Employees equally with fairness as they enjoy remuneration and welfare benefits suitably.
- Trading Partners/Creditors : are all treated in accordance with trading procedures strictly.
- Competitors : We engage in competition under the established rules of trading and refrain from destruction of corporate image of the competitors.
- Customer : The Company is committed to keep the good quality of its products to meet the demand of our customers. In this nexus, we have achieved Quality Certificate such as ISO 9001:2008 GMP HACCP and RSPO Supply Chain Certification. Assignment has been given to the staff in charge to handle customers' complaints and to keep customers secrecy.
- Social and Environmental Issues : The Company supports its Employees for participation in environmental conservation, pursuant to the letter of the law and to participate in social activities in the factory's neighborhood.

#### 4) Disclosure and Transparency

Company's Board of Directors is aware that data concerning to finance and non-finance issues would effect investors and stakeholders. Therefore, the management is required to oversee this subject and divulge information as necessary with completeness, truth and transparency. The Management has given significance to this matter at all times. Chief Financial Officer has been assigned to take care of Investor Relation to communicate with investors, shareholders, analysts and the state sector. They could make contacts to phone Number 0 2679 9166-72 or website: [www.cpi-th.com](http://www.cpi-th.com) or e-mail address: [info@cpi-th.com](mailto:info@cpi-th.com)

#### 5) Responsibilities of Board of Directors

Appointment of Directors is made as per approval of Shareholders entrusted to Board of Directors. The Company's Board of Directors is comprised of 11 persons as follow:

- Executive Director                      4 persons.
- Non Executive Director                3 persons.
- Independent Directors                 4 persons.

Independent Directors of the Company reach 1/3 of the total number and the Chairman is not Chief Executive Officer. Therefore, it is confident that the Directors would perform their duties fully in the interest of Shareholders and maintain balance of power properly.

Board of Directors have duties to work in accordance with the law, Article of Association, Memorandum of Association and regulations passed by Shareholders with honesty and carefulness to keep the interests of the Company. Article of Association stipulated to consider appointment one thirds of directors in Annual General Meeting of Shareholders meeting. The Director must resign numerically amounting to one-third of total number and if it is not possible to get one third exactly, the number nearest to one-third shall resign and directors who are hold the longest position should be resigned first.

Moreover, there are Legal Adviser and company secretary to advise any law and regulation concerned including co-ordinates to get the resolution done.

The Company has set a Ethics Manual for the relevant persons to peruse and practice with honesty and fairness. This Manual is distributed to Board of Directors, Executives and Staff to perform accordingly. Moreover, the Company also give explanations to its Staff for general information and supervisors at all levels has to take care and encourage their staffs to act accordingly in good faith.

Board of Directors has good leadership, vision and enjoys independence in making decisions to give maximum benefits to Shareholders. Board of Directors participated in efforts to streamline procedures, vision, strategy, targets and financing and took steps for the management to work in accordance with the plans and guidelines with efficiency. Board of Directors and the Management assumes duties and responsibilities assiduously, collectively and individually.

The Company is served by Directors with the right qualifications, knowledge and ability and have all passed professional and occupational training the Directors Certification Program (DCP) or Directors Accreditation Program (DAP) as follows:

1. Mr. Somchai	Sakulsurarat	DCP Certificate
2. Mr. Suthep	Wongvorazathe	DAP Certificate
3. Mr. Satit	Chanjavanakul	DCP Certificate
4. Assoc. Prof. Dr. Ninnat	Olanvoravuth	DCP Certificate
5. Mr. Chusak	Prachayangprecha	DCP Certificate
6. Mr. Takon	Tawintermsup	DCP Certificate
7. Mr. Kittit	Chatlekhavanich	DCP Certificate and Diploma
8. Mr. Karoon	Nuntileepong	DCP Certificate and Diploma
9. Mr. Songridth	Niwattisaiwong	DCP Certificate and Diploma
10. Mr. Voravit	Rojrapitada	DCP Certificate

To prevent the conflict of interests, the Company has no business relations with major Shareholders, the Directors, Executives or persons concerned. Board of Directors have taken steps to deal with any conflict internally by keeping tabs on movements within the Company, looking out for signs of trouble, so that any abnormality sighted, it is tackled swiftly and decisively to abide by the principles of SET, focusing on prices and conditions with respect to outsiders. Details must be given about contractual commitments, value of contracts, parties to the Contract, necessity and justifications which are all incorporated into Annual Report and Form 56-1 and these revelations must be made in Remarks accompanying Financial Statements.

Board of Directors has created internal audit system that covers every aspect of business operation, financial deals and works carried out in accordance with the law, the Company's Article of Association and risk management. In this nexus, the Audit Team is entrusted to seek ways and to act to strike internal balance, including steps to protect the Company financially including its shares and Assets at all times. Power structure is duly streamlined and power is shared in accordance with policy. Working procedures are streamlined and works carried out efficiently with written records maintained as much as possible. In this nexus, the Audit Team conducts auditing internally with independence as they work fully without any hindrance. Reports are submitted to Audit Committee regularly every quarter.

The Company has set Board of Directors meetings every quarter in advance and a special Meeting if necessary. The agenda would be set in advance too. The meeting resolutions are monitored regularly. Company Secretary prepares Meeting Invitations and other documents to be used in the meetings and these shall be available 7 days prior to date of meeting. This gives Board of Directors time to study and prepare for the meeting. Directors could express their ideas and comments independently. Minutes of Meeting are recorded and certified by Board of Directors for accountability. Meetings normally last about 3 hours.

## Corporate Governance Policy for subsidiaries

Subsidiaries have managed their business as the same policy and management system of the company and follow the scope of authority and responsibility as well as approval.

Subsidiaries conduct their business under the same policy and as the company. Decision making, approval process will follow the scope of responsibility stated in Authorization Manual. Some directors of the company is applied as directors of subsidiaries. It ensures the policy definitely followed the same pattern including consolidated financial statements.



## Inside Information Control

The Company has policy and procedures to take care of management of data and information system internally for personal interests. These are all streamlined within the Company's Business Ethics, working rules and regulations, moreover for trading of stocks, particularly in the one month preceding dissemination of financial statements to the public, the executives are required to issue report on trading of stocks every time such trading occurs and to divulge internal data to others. As for punishment provisions, it is line with the dictum of Securities Exchange Commission, coupled with the Company's regulations governing punishment.

The Company has made prescription for persons who have direct responsibility to receive data information. As for computer system, rights have been prescribed for recalling data by each person as there is the password to use for access to the system in order to protect the interests of the Company.

## Remuneration for Auditor

The Annual General Meeting of Shareholders No.1/2013 approved to appoint Miss. Runnapa Lertsuwankul, C.P.A. Registration No. 3516 and/or Mr. Chayapol Supposedtanon, C.P.A. Registration No. 3972 and/or Miss Pimjai Manitkajohnkit, C.P.A. Registration No. 4521 of Ernst & Young Office Limited as the auditors for the year 2013 and the remuneration is Baht 990,000 to be Auditor for the company and Baht 200,000 to be auditor for subsidiaries without additional charges.

## Corporate Social Responsibilities: CSR

The Company has operated the Corporate Social Responsibility (CSR) Project continuously under the sustainable business development along with the environmental care and the safety of communities. In addition, the Company also sincerely helps the society and cooperates with communities sustainably with well-acceptance.

The operations of the Company include the business process and other than the business process in order to create the balance among the economy, environment, and society, by starting from the internal organization to the nearby communities.

In 2013, the Company focused on the Corporate Social Responsibility (CSR) Project consistently under the sustainable business development along with the development of the society, environment, and mass relation in order to foster the awareness and virtual organizational culture. Overall, the Company emphasized on the waste disposal, by providing the project of wastewater piping to the Animal Feed Development Centre for the purpose of watering Napier grass and palm trees in the gardens of agriculturists, plantation of palm oil trees for funding the lunch expenses for students, promotion and development of education for youths, religious promotion, participation in activities of communities, as well as instruction of the knowledge in various areas relevant to palm oil to the agriculturists and those interested persons. Besides, the employees of the Company have engaged in assisting, cooperating, promoting, and conducting the activities to move these projects. In brief, the projects in the year cycle were as follows;

### Project: Installation of Wastewater Piping System to Chumphon Animal Feed Development Centre

- Releasing the fertilizer water from the final wastewater treatment process which enriched with minerals for watering Napier grass at the Chumphon Animal Feed Development Centre. This grass is the food for animals and the renewable energy plant which helps reduce the cost of water supply and fertilizers for Napier grass of the Chumphon Animal Feed Development Centre.
- Releasing the fertilizer water to the palm gardens of agriculturists located nearby the plant which helps reduce the cost of chemical fertilizer and the problem of water shortage for the palm agriculturist Moo 2, Salui Sub-district, Thasae District, Chumphon.
- This project was the cooperation of Chumphorn Palm Oil Industry Public Company Limited, Chumphon Animal Feed Development Centre, and agriculturist Moo 2 Ban Kanthasup, Chumphon. Currently, the project is completed and the wastewater is released in the first quarter of the year 2014.

### Project: Plantation of Palm Oil Trees for Funding the Lunch Expenses for Students

- Offering fund and promoting the plantation of palm oil seedlings in CPI Hybrid species in the areas of schools, and changing its product to be the lunch expenses for students of Ban Thung Ria Mab Ummarit School, Prachanikhom School, and Ban Khu Ring School, Thasae District, Chumphon.

## Project: People Volunteer Reforestation of 800 million Seedlings in Honor of HM the Queen's 80<sup>th</sup> Birthday Anniversary Project

- Participating in the forest plantation on the Labor Day, 2013, organized by Chumphon Labor Protection and Welfare Office at the area of Gam Ling Noi Pru Na Prue, Moo 9, Bang Leuk Sub-district, Muang District, Chumphon.

## Project: Green Energy

- This project provides knowledge of making use of the by-products arising out of the production process as renewable energy in the industry to any external individuals, such as, King Mongkut's Institute of Technology Ladkrabang, Chumphon Campus; Songkhla Nakarin University, Suratthani Campus; Kra Buri Vocational College; Thasae Cooperative Limited; Thasae Vocational College; Office of the Rubber Replanting Aid Fund, Thasae District, Chumphon; and Chulalongkorn University Research Institute.

## Project: Drug-Free Plant

- The project has engaged in building the relationship with company's employees by holding the activities, such as, volleyball competition, football competition, and blood donation.
- Physical examination is conducted randomly among the employees to detect the addicted substances within the plant.

## Project: Study of model development of renewable energy community enterprise

- Participating in the meeting of community enterprise development of Salui Agriculturist Group, Salui Sub-district, Thasae, District, Chumphon, for establishing the biomass power plant by using the agricultural residue, such as, palm leaves, wood scraps, rubber twigs, as the fuel.

## Project: Community Relations

- Participating in the National Children's Day.
- Participating in the traditional activity of Na Boon Market, at Pru Takien Temple in Chumphon Province
- Supporting the Chumphon Sea World Festival.
- Holding the "Elderly Day" Mon-traditional activities.
- Joining the sport competition for strengthening the relationships with governmental entities.
- Offering the lent candles to the temples in Salui sub-district and Hongcharoen sub-district, Chumphon Province.
- Granting the scholarship to the students whose academic performance is good, but lack of finance in the area surrounding the plant.
- Granting the scholarship in the Police Day.
- Attending the community meeting in the surrounding area on monthly basis.
- Joining the 1st Khok Ai Pheuk Football Cup Competition for Anti-Drug organized by the community sport club, Moo 2, Ban Khok Ai Pheuk at the Wat Khok Ai Pheuk Commemoration Stadium.

- Holding the annual Kathina Robe Offering Ceremony - in 2013 the ceremony was held at Khao Cheng Pheung Phupha Ram Monk Sanctuary (Ban Ta Ngi), Hongcharoen sub-district, Thasae District, Chumphon, to improve its landscape in front of the crematory for supporting the usage during the rainy season and also offer the necessities.

The Company was awarded the 2013 CSR DIW for Beginner AWARDS by the Department of Industrial works, Ministry of Industry on September 11, 2013 at Impact Arena Muang Thong Thani. It is the project for supporting competencies of industrial plants and emphasizing on the sustainable environmental development and social responsibility which are the responsibility standard of entrepreneurs towards the society. The project focuses on industrial plants to concretely operate activities of social responsibility on environment or participation and development of communities, leading to the development of green industry and causing the acceptance and reliability from communities in the operations of the plants. The project of wastewater piping to the Chumphon Animal Feed Development Centre and Agriculturist Moo 2 Ban Kanthasup, Chumphon is the practice guideline of the community participation and development appropriately. As a result, the industrial establishment and communities can live together sustainably.



## *Internal Control and Risk Management*

At the Fourth Meeting of Board of Directors on 6 November 2013, there were three Members of Audit committee attended. Board of Directors made consideration and evaluations of the internal control by referring to Evaluation form for the Adequacy of Internal Control System of The Securities and Exchange Commission. It is decided that the Company's internal control system is adequate and covers areas as follows:

1. Organization and Environment.
2. Risk management.
3. Controlling the works of the Management.
4. Data information system and communication.
5. Monitoring system.

In 2013, the Audit Committee reported the audited result and suggestion which focus on validation operation by developing process to be more efficient and effective which follow up of correction as marked and report to the Board of Directors in every quarter. In the trustee, the company has a good system to control assets, has not found any corruption or malpractice the company's. After the review it was found that the procedure applied in accordance with government regulation and Corporate Governance policy. Auditor discussion the company has made financial statement following accounting standard and adequate internal control system matching the business and has not found any abnormality.

## *Related party transactions*

Related party transaction is done a fair and at arm's length by following market price. Please refer to Note to consolidated financial statements for the year ended 31 December 2013 No. 8

## *Report of the Board of Directors' Responsibility to the Financial Reports*

The Board of Directors of Chumporn Palm Oil Industry Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the period as from 1 January 2013 to 31 December 2013, which are prepared according to Generally Accepted Accounting Standards of Thailand.

The Board of Directors has selected and consistently followed and appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the notes to the financial statements. The financial statements have been examined by an independent external auditor and the auditor has expressed an unqualified opinion. Therefore, the financial statements accurately and transparently reflect the Company's financial status and operating performance for the period as from 1 January 2013 to 31 December 2013 and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system and various systems to support effective financial documentation to ensure that accounting records are correct, completed, exact time and able to prevent fraud or materially irregular operations. The Audit Committee's opinion is presented in the Audit Committee's report which is a part of this annual report.

The Board of Directors believes that the Company's overall internal control system is able to create credibility and reliability for the financial statements of Chumporn Palm Oil Industry Public Company Limited and its subsidiaries for the period ended 31 December 2013.



Somchai Sakulsurarat

Chairman of The Board of Directors



Supisith Chorrungsak

Deputy Managing Director

Acting Managing Director

## Report of the Audit Committee

Dear shareholders,

The Board of Director has appointed the Audit Committee which comprises of three independent directors as follows.

- |   |                                 |
|---|---------------------------------|
| 1. Mr. Suthep Wongvorazathe             | Chairman of the Audit Committee |
| 2. Assoc. Prof. Dr. Ninnat Olanvoravuth | Audit Committee                 |
| 3. Mr. Satit Chanjavanakul              | Audit Committee                 |

Internal Audit Director is Audit Committee Secretary.

In 2013, the Audit Committee has performed functions under the scope of performance, duty and responsibility pursuant to the Regulations of the Stock Exchange of Thailand. There are four meetings held and one meeting was conducted with external auditors with absence of the executives. All meeting results are always presented to the Board of Directors. In essence, it can be summarized as follows.

1. Financial review : the Audit Committee made a financial review for the quarter and annual financial statement for 2013 which is presented to Board of Directors for approval. Financial statement for 2013 has been discussed and exchanged idea with Chief Financial Officer, Auditor and Internal Audit Director to ensure that the financial statement is correct and reliable according to the statutory provision and accounting standard during the year, disclosure of the notes to the financial statement adequately in accordance with the generally-accepted accounting standard.
2. Surveillance of internal audit : the Audit Committee reviewed the performance undertaken by the Internal Audit Office as to annual plan, summarizing audit results on quarterly basis, and follow-up of correction as marked and recommended by the Internal Audit Office and the Audit Committee.
3. Review of internal control assessment : the Audit Committee reviewed the internal control by using the Internal Control's Adequacy Assessment Form developed by the Stock Exchange of Thailand (SET) before submitting to the company's Board of Directors. The company's auditors agree that internal control system is appropriate adequately without defects in essences and complies with the Securities and Exchange Act, the Regulation of the Stock Exchange of Thailand, and any laws relevant to the company's business.
4. Consider and select the certified accountant and the company's audit fees before submitting to the company's Board of Directors for approval; the Shareholders' Meeting appointed Ms.Runnapa Lertsuwankul and/or Mr.Chayapol Suppasertanon and/or Ms.Pimjai Manitkajohnkit, Ernst and Young Office Limited, as auditors of the year 2013. In the event that such nominated auditors are not able to perform their functions and duty, the Ernst and Young Office Limited shall be responsible for supplying and replacing other certified accountants of the auditing and accounting office and expressing the opinion to the company's financial statement instead.



Suthep Wongvorazathe

Chairman of the Audit Committee



## Financial Information

	Consolidated financial statements			Separate financial statement		
	2013	2012	2011**	2013	2012	2011**
		(Restated)			(Restated)	
<b>LIQUIDITY RATIO</b>						
Current Ratio (Time)	0.83	0.98	1.06	0.85	0.98	1.06
Quick Ratio (Time)	0.42	0.34	0.40	0.46	0.34	0.39
Cash Ratio (Time)	0.23	0.43	(0.08)	0.25	0.45	(0.08)
Account Receivable Turnover (Time)	13.09	14.10	16.81	12.71	13.89	16.81
Average Collection Period (Day)	27.50	25.53	21.41	28.31	25.91	21.41
Inventory Turnover (Time)	6.81	5.32	8.11	6.95	5.34	8.11
Average Sale Period (Day)	52.85	67.67	44.39	51.81	67.40	44.39
Account Payable Turnover (Day)	24.23	34.65	49.93	24.34	34.80	49.95
Receivable Turnover (Day)	14.86	10.39	7.21	14.79	10.35	7.21
Cash Cycle (Day)	38.82	58.26	38.24	37.87	58.04	38.24
<b>PROFITABILITY RATIO</b>						
Gross Profit Margin (%)	10.33	10.61	11.47	10.30	10.61	11.47
Operating Income Margin (%)	1.26	1.79	4.84	1.60	2.25	4.84
Net Profit Margin (%)	0.22	0.99	3.46	0.59	1.46	3.46
Return on Equity (%)	0.57	2.73	10.31	1.53	3.96	10.32
<b>EFFICIENCY RATIO</b>						
Return on Assets (%)	0.29	1.39	5.41	0.79	2.05	5.42
Return on fix Assets (%)	0.52	2.46	10.07	1.46	3.66	10.08
Asset Turnover (Time)	1.33	1.40	1.56	1.33	1.40	1.56
<b>FINANCIAL POLICY RATIO</b>						
Debt to Equity (Time)	0.98	0.96	0.90	0.94	0.93	0.90
Interest Coverage Ratio (Time)	1.32	1.75	5.61	1.74	2.21	5.61
Leverage Ratio (Time)	0.04	0.05	0.13	0.05	0.07	0.13
Pay Out Ratio (%)	NA	41.98	40.80	NA	28.57	40.77
Stock dividend Ratio (%)	NA	700.30	-	NA	476.54	-
Information of share***						
Book value per share (Baht)	2.84	2.62	2.85	2.90	2.65	2.85
Earnings per share (Baht)	0.02	0.07	0.29	0.04	0.10	0.29

NA waiting approval from AGM on 23 April

\*\* Calculate from Financial Statements of the year 2011 before restated as follow

- a) The correction for the benefit of employees
- b) due to Income tax policy is changed

Information of share \*\*\* 560,568,040 ordinary shares



## Management Discussion and Analysis

### 1. Analysis of Operating Results

#### 1) Revenue from Sales

The revenue from sales of the Company and its subsidiaries increased by 4.10%, resulting from the overall sale volume increased by 35.21%, while the average selling price of product decreased by 22.94% due to the reduction of crude palm oil price during the year.

CPI Agrotech Company Limited had started distributing the palm seedlings from August to December, 2013, for the first year in the amount of 8 million Baht. CPI Tower Plant Company Limited has not been operated yet.

#### 2) Cost of Sales

The cost of sales of the Company and its subsidiaries was 3,757.96 million Baht, increased by 159.46 million Baht or 4.43% from the previous year. The main reason derived from the increasing production volume and procurement of raw palm fruits and crude palm oil, compared to the previous year. Furthermore, the Company was in the process of replanting scheme because the existing palm trees were very old (over 25 years) which the trunks are too tall and difficult to collect the yields. The old palm trees were removed and substituted with the new ones which were the small palm trees and their productivity was not fully yielded. The production from the Company owned plantations decreased by 50%, compared to the normal period. As a result, the Company had to increasingly procure palm fruits from agriculturists as a raw material for the production, resulting to the increasing cost of palm oil production.

#### 3) Selling Expenses

The selling expenses of the Company and its subsidiaries were 174.57 million Baht, increased by 34.86 million Baht or 24.95% from the previous year. The main reason arose out of the increasing transportation expenses based on the increasing sale volume. It was the transportation expenses for selling to customers in the energy group in the amount of 25.98 million Baht or 3,675% from the previous year, since the sale conditions of customers in the energy group in 2013 had been changed from receiving products at the factory to delivering products to customers.

#### 4) Administrative Expenses

The administrative expenses of the Company and its subsidiaries were 228.77 million Baht, increased by 7.17 million Baht or 3.24% from the previous year. The main causes derived from the amount of expenses relating to employee increased by 4.42 million Baht and other expenses, such as, fee for increases in registered capital in the Stock Exchange.

#### 5) Financial Ratio

##### Gross profit margin

The gross profit margin of the Company and its subsidiaries decreased from 10.61% in 2012 to 10.33% in 2013. The main cause was mentioned above in item 2) Cost of Sales.

##### Net Profit Margin

The net profit margin of the Company and its subsidiaries decreased from 0.99% in 2012 to 0.22% in 2013, due to the decrease of the overall selling price from the previous year as described in item 1) Revenue from Sales.

Return on Equity (ROE)

The return on equity of the Company and its subsidiaries decreased from 2.73% in 2012 to 0.57% in 2013 due to the following causes;

- The net profit of the Company and its subsidiaries decreased from the previous year.
- One dividend share with a par value of 0.03 Baht was distributed to all shareholders by the Company in 2013, totaling 16.80 million Baht. It was paid from 2012 annual net profit. In addition, the Company also distributed the interim dividend of 280,289,020 shares in respect of the operating results during the period as from January 1, 2012 to September 30, 2012 and the retained earnings at a ratio of 1 existing share for 1 new share with a par value of 1 Baht, totaling equivalent to Baht 280.29 million.

Return on Assets (ROA)

The return on assets of the Company and its subsidiaries decreased from 1.39% in 2012 to 0.29% in 2013 due to the subsequence of decreasing profit.

Asset Turnover

The asset turnover of the Company decreased from 1.40 times in 2012 to 1.33 times in 2013. It derived from the remaining receivables of the Company which increased by 78.58% from the previous year since in December, 2013, the Company had the increasing sales at the same period of the previous year.

## 2. Analysis of Financial Position

### 1) Assets

#### 1.1) Components of Assets

As of December 31, 2013, the total asset of the Company and its subsidiaries was 3,149.91million Baht, divided into the property, plant, and equipment in the amount of 1,727.10 million Baht or equivalent to 54.83% of the total asset, inventory in the amount of 491.69 million Baht, trade account receivable and other receivables in the amount of 410.48 million Baht, and the cost of palm trees in the amount of 288.40 million Baht, or equivalent to 15.61%, 13.03%, and 9.16% of the total asset, respectively, The remaining were cash and cash equivalents, other current assets, advances for purchases of land and machinery, and intangible assets, totaling 232.23 million Baht or equivalent to 7.37 % of the total asset.

#### 1.2) Changes in Assets

As of December 31, 2013, the total asset of the Company and its subsidiaries increased by 265.22 million Baht or 9.19% from the year 2012 due to the following main causes;

- The amount of trade account receivable and other receivables increased by 180.63 million Baht due to the longer debt collection and increasing sales in December, 2013.
- The amount of property, plant, and equipment increased by 99.99 million Baht.
- The cost of palm trees increased by 66.18 million Baht due to the plantation of palm substitutes and the cost of palm tree removal.
- The amount of cash and cash equivalents decreased by 10.30 million Baht.

- The amount of inventory decreased by 119.98 million Baht due to the policy of decreasing inventory storage in order to minimize the risk of fluctuation of crude palm oil price. The Company also applied the risk instrument for hedging against the inventory of crude palm oil.

## 2) Liquidity Ratio

### 2.1) Cash Flow

As of December 31, 2013, the amount of cash and cash equivalents of the Company and its subsidiaries was 74.74 million Baht, decreased by 10.30 million Baht from the previous year.

- Cash flow from operating activities: The amount of cash from operating activities increased by 249.51 million Baht. It derived from the earnings before tax in the amount of 12.87 million Baht, depreciation and amortization in the amount of 165.03 million Baht, interest expenses in the amount of 39.80 million Baht, and other expenses totaling of 6.54 million Baht. Income tax payment was 0.73 million Baht and the working capital decreased in the amount of 26 million Baht.
- Cash flows from investing activities: Cash paid for investing activities was in the amount of 282.59 million Baht, which included the net expenses for investment in the amount of 284.16 million Baht. It was used for purchases of property, plant, and equipment in the amount of 216.55 million Baht and the plantation of palm substitutes in the amount of 67.61 million Baht. Cash receipt from interest income was in the amount of 1.57 million Baht.
- Cash flows from financing activities: The amount of cash financing activities was 22.77 million Baht since there was the short-term loan for enhancing the liquidity in the amount of 180 million Baht and the repayment of long-term loan in the amount of 207 million Baht.

## 3) Source of Fund

### 3.1) Significant Financial Ratio

#### Debt to Equity Ratio

In 2013, the debt to equity ratio of the Company and its subsidiaries was 0.98 times, higher than that of the year 2012 which was equivalent to 0.96 times.

### 3.2) Shareholder's Equity

The amount of shareholder's equity of the Company and its subsidiaries as of December 31, 2013 was 1,589.59 million Baht, increased by 121.38 million Baht or 8.27%, compared to the amount of 1,468.20 million Baht as of December 31, 2012. This was because the Company increased its registered capital of ordinary share during the year in the amount of 280.28 million Baht from the Warrants in an amount of 74.45 million Baht. According to the capital from the share-based payment in the amount of 1.66 million Baht, the legal reserve was in the amount of 1.28 million Baht. In addition, the accumulated profit of the Company and its subsidiaries decreased by 298.41 million Baht or 55.89% due to the dividend payment in form of cash and ordinary shares in the amount of 297.08 million Baht. Other components of shareholder's equity were increased by 62.13 million Baht because the Company and its subsidiaries had the profit from the land appraisal in the amount of 77.66 million Baht and the impact of income tax in the amount of 15.53 million Baht.

The book value per share as of December 31, 2013 was 2.84 Baht, increased by 0.22 Baht or 40% from the previous year.

3.3) Liabilities

3.3.1) Components of Liabilities

As of December 31, 2013, the total liability of the Company and its subsidiaries was 1,560.32 million Baht which increased by 143.83 million Baht or 10.15%. The net amount of trade account payable and other payables increased by 100.47 million Baht or 95.82%. The amount of payable from raw material procurement was increased by 93.28 million Baht. The long-term loan decreased by 138.08 million Baht or 40.18 % due to the repayment.

3.3.2) Changes in Liabilities

As of the end of the year 2013, the total liability of the Company increased by 10.15% or 143.83 million Baht from the previous year due to the following main reasons;

1. Short-term loan from financial institutes Increased by 180 million Baht.
2. Current portion of long-term loans decreased by 35 million Baht.

Remarks: The financial statement of the Company is shown as the annex.

Investors are able to study more information of the company issuing securities from the Annual Registration Statement (Form 56-1) of the Company presented on [www.sec.co.th](http://www.sec.co.th) or the website of the Company, [www.cpi-th.com](http://www.cpi-th.com).



## *Independent Auditor's Report*

To the Shareholders of Chumporn Palm Oil Industry Public Company Limited

I have audited the accompanying consolidated financial statements of Chumporn Palm Oil Industry Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Chumporn Palm Oil Industry Public Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chumporn Palm Oil Industry Public Company Limited and its subsidiaries and of Chumporn Palm Oil Industry Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Emphasis of Matters**

I draw attention to the following matters:

- a) I draw attention to Note 4 to the financial statements regarding the adjustments made to the Company's prior years' financial statements related to employee benefits.
- b) I draw attention to Note 5 to the financial statements regarding the change in accounting policy made due to the adoption of Thai Accounting Standard 12 Income Taxes.

The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments related to employee benefits and the change in accounting policy regarding income taxes as discussed above. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same basis and accounting policies used as for the restated statement of financial position as at 31 December 2012. My opinion is not qualified in respect of these matters.

Chayapol Suppasdtanon  
Certified Public Accountant (Thailand) No. 3972

EY Office Limited  
(Formerly known as "Ernst & Young Office Limited")  
Bangkok: 24 February 2014

## Statement of financial position

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
			(Restated)			(Restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	9	74,742,036	85,041,044	90,328,666	71,321,730	80,215,688	87,734,621
Trade and other receivables	8, 10	410,478,592	229,852,021	341,046,237	419,413,133	238,534,429	341,046,237
Short-term loans to related party	8	-	-	-	33,000,000	-	-
Prepaid expenses		2,988,469	2,178,394	7,881,063	2,988,469	2,178,394	7,881,063
Inventories	11	491,689,110	611,665,005	741,250,441	473,748,270	606,234,506	741,250,441
Other current assets	12	23,487,873	6,238,818	4,844,761	23,395,294	6,238,347	4,844,676
<b>Total current assets</b>		<b>1,003,386,080</b>	<b>934,975,282</b>	<b>1,185,351,168</b>	<b>1,023,866,896</b>	<b>933,401,364</b>	<b>1,182,757,038</b>
<b>Non-current assets</b>							
Investments in subsidiaries	13	-	-	-	15,500,000	15,500,000	5,000,000
Property, plant and equipment	14	1,727,104,546	1,627,107,756	1,637,423,669	1,701,160,395	1,608,151,089	1,636,298,739
Cost of palm trees	15	288,404,768	222,220,666	122,619,667	283,977,970	217,672,728	122,619,667
Intangible assets	16	6,675,652	7,046,791	5,753,453	6,621,171	7,046,791	5,753,453
Advances for purchases of land and machinery	33.1	124,007,750	93,000,000	94,265,810	124,007,750	93,000,000	93,000,000
Deposits		328,170	338,170	327,101	328,170	338,170	327,101
<b>Total non-current assets</b>		<b>2,146,520,886</b>	<b>1,949,713,383</b>	<b>1,860,389,700</b>	<b>2,131,595,456</b>	<b>1,941,708,778</b>	<b>1,862,998,960</b>
<b>Total assets</b>		<b>3,149,906,966</b>	<b>2,884,688,665</b>	<b>3,045,740,868</b>	<b>3,155,462,352</b>	<b>2,875,110,142</b>	<b>3,045,755,998</b>

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

## Statement of financial position (continued)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (Restated)	As at 1 January 2012
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from financial institutions	17	880,000,000	700,000,000	840,000,000	880,000,000	700,000,000	840,000,000
Trade and other payables	18	205,329,972	104,856,675	102,852,898	204,187,070	104,067,654	102,755,536
Current portion of long-term loans	19	102,000,000	137,000,000	132,000,000	92,000,000	132,000,000	132,000,000
Current portion of liabilities under finance leases	20	857,257	809,237	1,524,120	857,257	809,237	1,524,120
Income tax payable		-	-	19,440,658	-	-	19,440,658
Value added tax payable		25,312,926	10,516,723	18,238,778	25,312,926	10,516,723	18,238,778
Other current liabilities		2,368,521	1,783,348	4,169,323	2,368,521	1,783,348	4,169,323
<b>Total current liabilities</b>		<b>1,215,868,676</b>	<b>954,965,983</b>	<b>1,118,225,777</b>	<b>1,204,725,774</b>	<b>949,176,962</b>	<b>1,118,128,415</b>
<b>Non-current liabilities</b>							
Long-term loans, net of current portion	19	205,600,000	343,676,000	303,000,000	190,600,000	321,000,000	303,000,000
Liabilities under finance leases, net of current portion	20	624,609	1,481,866	2,291,900	624,609	1,481,866	2,291,900
Deferred tax liabilities	27	90,958,148	73,882,410	83,001,164	90,629,648	73,882,410	83,001,164
Provision for long-term employee benefits	21	47,269,954	42,480,982	43,774,920	45,964,351	42,462,814	43,774,920
<b>Total non-current liabilities</b>		<b>344,452,711</b>	<b>461,521,258</b>	<b>432,067,984</b>	<b>327,818,608</b>	<b>438,827,090</b>	<b>432,067,984</b>
<b>Total liabilities</b>		<b>1,560,321,387</b>	<b>1,416,487,241</b>	<b>1,550,293,761</b>	<b>1,532,544,382</b>	<b>1,388,004,052</b>	<b>1,550,196,399</b>
<b>Shareholders' equity</b>							
Share capital	22						
Registered							
775,424,053 ordinary shares of Baht 1 each (31 December 2012 and 1 January 2012: 280,289,521 ordinary shares of Baht 1 each)		775,424,053	280,289,521	280,289,521	775,424,053	280,289,521	280,289,521
Issued and paid-up							
560,568,040 ordinary shares of Baht 1 each (31 December 2012 and 1 January 2012: 280,289,020 ordinary shares of Baht 1 each)		560,568,040	280,289,020	280,289,020	560,568,040	280,289,020	280,289,020
Share premium		249,433,731	249,433,731	249,433,731	249,433,731	249,433,731	249,433,731
Warrants	23.1	74,449,990	-	-	74,449,990	-	-
Capital reserve for share-based payment transactions	23.2	1,660,237	-	-	1,660,237	-	-
Retained earnings							
Appropriated - statutory reserve	24	29,307,188	28,028,952	28,028,952	29,307,188	28,028,952	28,028,952
Unappropriated		235,484,091	533,892,839	561,138,522	270,130,482	552,797,505	561,251,014
Other components of shareholders' equity	25	438,682,302	376,556,882	376,556,882	437,368,302	376,556,882	376,556,882
<b>Total shareholders' equity</b>		<b>1,589,585,579</b>	<b>1,468,201,424</b>	<b>1,495,447,107</b>	<b>1,622,917,970</b>	<b>1,487,106,090</b>	<b>1,495,559,599</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,149,906,966</b>	<b>2,884,688,665</b>	<b>3,045,740,868</b>	<b>3,155,462,352</b>	<b>2,875,110,142</b>	<b>3,045,755,998</b>

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



## Statement of comprehensive income

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales	4,190,859,859	4,025,806,397	4,182,856,099	4,025,806,397
Gain on exchange	2,346,519	1,333,880	2,346,519	1,333,880
Other income	20,763,884	4,693,703	22,513,554	7,240,365
<b>Total revenues</b>	<b>4,213,970,262</b>	<b>4,031,833,980</b>	<b>4,207,716,172</b>	<b>4,034,380,642</b>
<b>Expenses</b>				
Cost of sales	3,757,954,887	3,598,496,820	3,752,185,311	3,598,496,820
Selling expenses	174,570,114	139,707,634	169,097,282	139,707,634
Administrative expenses	228,773,924	221,602,522	219,351,387	205,531,415
<b>Total expenses</b>	<b>4,161,298,925</b>	<b>3,959,806,976</b>	<b>4,140,633,980</b>	<b>3,943,735,869</b>
<b>Profit before finance cost and income tax</b>	<b>52,671,337</b>	<b>72,027,004</b>	<b>67,082,192</b>	<b>90,644,773</b>
Finance cost	(39,796,742)	(41,122,796)	(38,465,872)	(40,948,391)
<b>Profit before income tax</b>	<b>12,874,595</b>	<b>30,904,208</b>	<b>28,616,320</b>	<b>49,696,382</b>
Tax income (expenses)	5, 27 (3,820,027)	9,118,754	(3,820,027)	9,118,754
<b>Profit for the year</b>	<b>9,054,568</b>	<b>40,022,962</b>	<b>24,796,293</b>	<b>58,815,136</b>
<b>Other comprehensive income:</b>				
Actuarial losses arising from defined benefit plan of employees	21 (11,378,221)	-	(11,378,221)	-
Income tax effect	27 2,275,644	-	2,275,644	-
	(9,102,577)	-	(9,102,577)	-
Gain on revaluation of land	14 77,656,775	-	76,014,275	-
Income tax effect	27 (15,531,355)	-	(15,202,855)	-
	62,125,420	-	60,811,420	-
<b>Other comprehensive income for the year</b>	<b>53,022,843</b>	<b>-</b>	<b>51,708,843</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>62,077,411</b>	<b>40,022,962</b>	<b>76,505,136</b>	<b>58,815,136</b>
<b>Earnings per share</b>	29			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.02	0.07	0.04	0.10
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.02		0.04	

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

## Statement of changes in shareholders' equity

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements									
Note	Issued and paid-up share capital	Share premium	Warrants	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity		Total
					Appropriated - statutory reserve	Unappropriated	Other comprehensive income - revaluation surplus on assets	Total other components of shareholders' equity	
<b>Balance as at 31 December 2011</b>									
- as previously reported	280,289,020	249,433,731	-	-	28,028,952	570,784,429	470,696,103	470,696,103	1,599,232,235
Prior years' adjustments (before income tax effect)	4	-	-	-	-	(20,783,964)	-	-	(20,783,964)
Cumulative effect of change in accounting policy for income taxes	5	-	-	-	-	11,138,057	(94,139,221)	(94,139,221)	(83,001,164)
<b>Balance as at 31 December 2011 - as restated</b>	280,289,020	249,433,731	-	-	28,028,952	561,138,522	376,556,882	376,556,882	1,495,447,107
Dividend paid	32	-	-	-	-	(67,268,645)	-	-	(67,268,645)
Total comprehensive income for the year - as restated	-	-	-	-	-	40,022,962	-	-	40,022,962
<b>Balance as at 31 December 2012 - as restated</b>	280,289,020	249,433,731	-	-	28,028,952	533,892,839	376,556,882	376,556,882	1,468,201,424
<b>Balance as at 31 December 2012</b>									
- as previously reported	280,289,020	249,433,731	-	-	28,028,952	535,164,627	470,696,103	470,696,103	1,563,612,433
Prior years' adjustments (before income tax effect)	4	-	-	-	-	(21,528,599)	-	-	(21,528,599)
Cumulative effect of change in accounting policy for deferred tax	5	-	-	-	-	20,256,811	(94,139,221)	(94,139,221)	(73,882,410)
<b>Balance as at 31 December 2012 - as restated</b>	280,289,020	249,433,731	-	-	28,028,952	533,892,839	376,556,882	376,556,882	1,468,201,424
Stock dividend	32	280,279,020	-	-	-	(280,279,020)	-	-	-
Dividend paid	32	-	-	-	-	(16,803,483)	-	-	(16,803,483)
Cash received for warrants	23.1	-	74,449,990	-	-	-	-	-	74,449,990
Share-based payment transactions	23.2	-	-	1,660,237	-	-	-	-	1,660,237
Total comprehensive income for the year	-	-	-	-	-	(48,009)	62,125,420	62,125,420	62,077,411
Appropriation retained earnings	24	-	-	-	1,278,236	(1,278,236)	-	-	-
<b>Balance as at 31 December 2013</b>	560,568,040	249,433,731	74,449,990	1,660,237	29,307,188	235,484,091	438,682,302	438,682,302	1,589,585,579
	0	0	-	-	0	0	0	0	0
	-	-	-	-	-	-	-	-	-

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

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

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

Separate financial statements									
Note	Issued and paid-up share capital	Share premium	Warrants	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity		Total
					Appropriated - statutory reserve	Unappropriated	Other comprehensive income - revaluation surplus on assets	Total other components of shareholders' equity	
<b>Balance as at 31 December 2011</b>									
- as previously reported	280,289,020	249,433,731	-	-	28,028,952	570,896,921	470,696,103	470,696,103	1,599,344,727
Prior years' adjustments (before income tax effect)	4	-	-	-	-	(20,783,964)	-	-	(20,783,964)
Cumulative effect of change in accounting policy for income taxes	5	-	-	-	-	11,138,057	(94,139,221)	(94,139,221)	(83,001,164)
<b>Balance as at 31 December 2011 - as restated</b>									
Dividend paid	32	-	-	-	-	(67,268,645)	-	-	(67,268,645)
Total comprehensive income for the year - as restated		-	-	-	-	58,815,136	-	-	58,815,136
<b>Balance as at 31 December 2012 - as restated</b>									
	280,289,020	249,433,731	-	-	28,028,952	552,797,505	376,556,882	376,556,882	1,487,106,090
<b>Balance as at 31 December 2012</b>									
- as previously reported	280,289,020	249,433,731	-	-	28,028,952	554,069,293	470,696,103	470,696,103	1,582,517,099
Prior years' adjustments (before income tax effect)	4	-	-	-	-	(21,528,599)	-	-	(21,528,599)
Cumulative effect of change in accounting policy for deferred tax	5	-	-	-	-	20,256,811	(94,139,221)	(94,139,221)	(73,882,410)
<b>Balance as at 31 December 2012 - as restated</b>									
	280,289,020	249,433,731	-	-	28,028,952	552,797,505	376,556,882	376,556,882	1,487,106,090
Stock dividend	32	280,279,020	-	-	-	(280,279,020)	-	-	-
Dividend paid	32	-	-	-	-	(16,803,483)	-	-	(16,803,483)
Cash received for warrants	23.1	-	74,449,990	-	-	-	-	-	74,449,990
Share-based payment transactions	23.2	-	-	1,660,237	-	-	-	-	1,660,237
Total comprehensive income for the year		-	-	-	-	15,693,716	60,811,420	60,811,420	76,505,136
Appropriation retained earnings	24	-	-	-	1,278,236	(1,278,236)	-	-	-
<b>Balance as at 31 December 2013</b>									
	560,568,040	249,433,731	74,449,990	1,660,237	29,307,188	270,130,482	437,368,302	437,368,302	1,622,917,970

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

## Cash flow statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	12,874,595	30,904,208	28,616,320	49,696,382
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	165,027,300	155,654,166	161,787,621	154,569,140
Loss (gain) on sales of equipment and palm trees	1,327,139	725,113	1,327,139	(346,433)
Reversal of allowance for doubtful debts	(15,000)	(7,081,184)	(15,000)	(7,081,184)
Allowance for diminution in value of inventories (reversal)	573,225	(1,755,201)	(460,708)	(2,143,673)
Long-term employee benefits expenses	5,089,156	3,376,822	3,801,721	3,358,654
Unrealised gain on exchange	(519,239)	(31,673)	(519,239)	(31,673)
Expenses for share-based payment transactions	1,660,237	-	1,660,237	-
Interest income	(1,571,944)	(586,439)	(2,014,823)	(636,817)
Interest expenses	39,796,742	41,122,796	38,465,872	40,948,391
Profit from operating activities before changes in				
operating assets and liabilities	224,242,211	222,328,608	232,649,140	238,332,787
Operating assets (increase) decrease				
Trade and other receivables	(181,150,863)	112,969,216	(180,942,754)	111,660,808
Prepaid expenses	(810,075)	5,702,669	(810,075)	5,702,669
Inventories	119,402,670	131,340,637	132,946,944	137,159,608
Other current assets	(15,460,241)	3,836,512	(15,368,133)	3,717,178
Deposits	10,000	(11,069)	10,000	(11,069)
Operating liabilities increase (decrease)				
Trade and other payables	100,306,374	2,133,361	99,952,493	1,441,702
Value added tax payable	14,796,203	(7,722,055)	14,796,203	(7,722,055)
Other current liabilities	585,173	(2,385,975)	585,173	(2,385,975)
Cash paid for long-term employee benefits	(11,678,405)	(4,670,760)	(11,678,405)	(4,670,760)
Cash flow from operating activities	250,243,047	463,521,144	272,140,586	483,224,893
Cash paid for income tax expenses	(730,283)	(19,509,954)	(730,283)	(19,509,954)
<b>Net cash flows from operating activities</b>	<b>249,512,764</b>	<b>444,011,190</b>	<b>271,410,303</b>	<b>463,714,939</b>

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



## Cash flow statement (continued)

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Cash flows from investing activities</b>				
Interest received	1,571,944	586,439	1,554,581	636,817
Increase in short-term loans to related party	-	-	(33,000,000)	-
Cash paid for investment in subsidiary	-	-	-	(10,500,000)
Acquisitions of property, plant and equipment	(189,940,513)	(141,589,010)	(181,593,756)	(125,572,853)
Advance for purchase of land	(31,007,750)	-	(31,007,750)	-
Proceeds from sales of equipment	4,881,443	1,576,379	4,881,443	1,576,379
Increase in cost of palm trees	(67,607,569)	(100,349,900)	(67,607,569)	(100,349,900)
Acquisitions of intangible assets	(484,140)	(2,036,152)	(428,500)	(2,036,152)
<b>Net cash flows used in investing activities</b>	<b>(282,586,585)</b>	<b>(241,812,244)</b>	<b>(307,201,551)</b>	<b>(236,245,709)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	180,000,000	(140,000,000)	180,000,000	(140,000,000)
Cash received from long-term loans	33,924,000	177,676,000	31,600,000	150,000,000
Repayment of long-term loans	(207,000,000)	(132,000,000)	(202,000,000)	(132,000,000)
Repayment of liabilities under finance leases	(809,237)	(1,524,917)	(809,237)	(1,524,917)
Cash received for warrants	74,449,990	-	74,449,990	-
Dividend payment	(16,803,483)	(67,268,645)	(16,803,483)	(67,268,645)
Cash paid for interest expenses	(40,986,457)	(44,369,006)	(39,539,980)	(44,194,601)
<b>Net cash flows from (used in) financing activities</b>	<b>22,774,813</b>	<b>(207,486,568)</b>	<b>26,897,290</b>	<b>(234,988,163)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,299,008)</b>	<b>(5,287,622)</b>	<b>(8,893,958)</b>	<b>(7,518,933)</b>
Cash and cash equivalents at beginning of year	85,041,044	90,328,666	80,215,688	87,734,621
<b>Cash and cash equivalents at end of year</b>	<b>74,742,036</b>	<b>85,041,044</b>	<b>71,321,730</b>	<b>80,215,688</b>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Stock dividend	280,279,020	-	280,279,020	-
Land increased from revaluation	77,656,775	-	76,014,275	-
Transfer advances for purchases of machinery to property, plant and equipment accounts	-	1,265,810	-	-
Interest recorded as property, plant, equipment and cost of palm trees	1,356,638	3,293,210	1,241,031	3,293,210
Actuarial losses arising from defined benefit plan of employees	11,378,221	-	11,378,221	-
Increase in other receivables from sales of equipment and cost of palm trees	-	-	-	7,374,000

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

## Notes to consolidated financial statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

For the year ended 31 December 2013

### 1. General 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. The registered address, which is the head office, is at No. 296 Moo 2, Phetchkasem Road, Tambon Salui, Ampur Tasae, Chumporn. The Company’s branches are located at No. 1168/91 Lumpini Tower, 30th Floor, Rama 4 Road, Thung Maha Mek, Sathorn, Bangkok and No. 28/6 Moo 9, Tambon Chiengraknoi, Ampur Bangpa-in, Ayutthaya.

### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Chumporn Palm Oil Industry Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			(%)	(%)
CPI Agrotech Co., Ltd.	Production and distribution of palm seeds and palm sprouts	Thailand	100	100
CPI Power Plant Co., Ltd.	Production and distribution of electricity	Thailand	100	100

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases.
  - c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

### 3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

#### (a) Accounting standards that became effective in the current accounting year

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

## TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 5.

### (b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014



		<u>Effective date</u>
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014



The Company's management believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

#### 4. Prior years' adjustments

During the current year, the Company found that it needed to record additional post-employment benefits, which were past service costs, in prior years' financial statements. The Company therefore made adjustments to the prior years' financial statements and separately presented the cumulative effect of the adjustments (before income tax effect) in the statement of changes in shareholders' equity. The amounts of the adjustments affecting the statements of financial position and comprehensive income are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	As at	As at
	31 December 2012	1 January 2012
<b>Statements of financial position</b>		
Increase in provision for long-term employee benefits	21,529	20,784
Decrease in unappropriated retained earnings	21,529	20,784

	(Unit: Thousand Baht)	
	Consolidated and	
	Separate	
	financial statements	
	For the year ended	
	31 December 2012	
<b>Statement of comprehensive income</b>		
<b>Profit or loss:</b>		
Increase in administrative expenses		745
Decrease in profit for the year		745
Decrease in basic earnings per share (Baht)		0.0013

The tax effects from the above adjustments to the prior years' financial statements are included in Note 5.

## 5. Cumulative effect of change in accounting policy due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the change described in Note 3 to their significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at 31	As at 31	As at 1	As at 31	As at 31	As at 1
	December	December	January	December	December	January
	2013	2012	2012	2013	2012	2012
<b>Statements of financial position</b>						
Increase in deferred tax liabilities	90,958	73,882	83,001	90,630	73,882	83,001
Increase in unappropriated retained earnings	18,712	20,257	11,138	18,712	20,257	11,138
Decrease in other components of shareholders' equity	109,670	94,139	94,139	109,342	94,139	94,139

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2013	2012	2013	2012
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
Increase (decrease) in tax expenses	3,820	(9,119)	3,820	(9,119)
Increase (decrease) in profit for the year	(3,820)	9,119	(3,820)	9,119
Increase (decrease) in basic earnings per share (Baht)	(0.007)	0.016	(0.007)	0.016
<b>Other comprehensive income:</b>				
Decrease in actuarial losses arising from defined benefit plan of employees	2,276	-	2,276	-
Decrease in gain on revaluation of land	15,531	-	15,203	-

The above effects have already included tax effects from the adjustments to the prior years' financial statements as described in Note 4.

## **6. Significant accounting policies**

### **6.1 Revenue recognition**

#### **Sales of goods**

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### **Rendering of services**

Service revenue is recognised when services have been rendered taking into account the stage of completion.

#### **Interest income**

Interest income is recognised on an accrual basis based on the effective interest rate.

### **6.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **6.3 Trade receivables**

Trade receivables are stated at the net realisable value. Allowance for doubtful debts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

### **6.4 Inventories**

Inventories are valued at the lower of average cost and net realisable value. The cost of finished goods includes all production costs and attributable factory overheads. Raw materials, spare parts and factory supplies are charged to production costs whenever consumed.

### **6.5 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

## 6.6 Property, plant and equipment and depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's and its subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised under the heading of "Revaluation surplus on assets" in other components of shareholders' equity. However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's and its subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in respect of the same asset in "Revaluation surplus on assets" in other components of shareholders' equity.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	-	5 and 10 years
Buildings	-	10 and 20 years
Building improvement	-	10 years
Machinery and equipment	-	5, 10 and 20 years
Tools and factory equipment	-	5, 10 and 20 years
Motor vehicles	-	5 years
Furniture, fixtures and office equipment	-	5 and 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **6.7 Cost of palm trees and amortisation**

Cost of palm trees of the Company and its subsidiaries consists of costs and expenses which are directly related to oil palm seeding and plantation activities, and were incurred before the production period. Cost of palm trees is stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Amortisation is calculated by reference to cost on a straight-line basis over the estimated useful life, of 20 years.

The amortisation is included in determining income.

No amortisation is provided on cost of palm trees not ready for harvest.

#### **6.8 Intangible assets and amortisation**

Intangible assets acquired are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the useful economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Amortisation of intangible assets is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Software	-	5 and 10 years
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#### **6.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.





#### **6.10 Related party transactions**

Related parties comprise enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **6.11 Long-term leases**

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **6.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

### 6.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, cost of palm trees and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

### 6.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants related to income are recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

### 6.15 Employee benefits

#### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

#### ***Post-employment benefits***

##### *Defined contribution plans*

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees, by the Company and by its subsidiaries. The fund's assets are held in a separate trust fund and the Company's and its subsidiaries' contributions are recognised as expenses when incurred.

##### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement, both under labor law and as agreed with the employees. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation.

#### **6.16 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **6.17 Equity-settled share-based payment transactions**

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in “Capital reserve for share-based payment transactions” in shareholders’ equity.

#### **6.18 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **6.19 Derivatives**

### **Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

## **7. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for doubtful debts**

In determining an allowance for doubtful debts, the management needs to make judgment and estimates based upon, among other things, debt collection experience, aging profile of outstanding debts and the prevailing economic condition.

### **Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgment, using general accepted valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

**Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company and its subsidiaries measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Cost of palm trees and amortisation**

In determining amortisation of cost of palm trees, the management is required to make estimates of the useful lives and residual values of the palm trees and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review cost of palm trees for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Intangible assets**

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.



### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### Equity-settled share-based payment transactions

Estimating fair value for share-based payment transactions requires the management to exercise judgement, using general accepted valuation techniques and model, and to apply appropriate assumptions as to the expected life of the share options, share price volatility and dividend yield.

## 8. 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
CPI Power Plant Co., Ltd.	Subsidiary

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

(Unit: Million Baht)

	Separate financial statements		Transfer pricing policy
	2013	2012	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Rental income	1.3	1.3	Monthly fees of Baht 0.1 million
Interest income	0.5	-	2.90% - 3.19% per annum and rate charged on call borrowings from a bank plus 0.5% per annum
Sales of equipment	-	1.8	Market price
Sales of palm trees	-	5.5	Market price

The balances of the accounts as at 31 December 2013 and 2012 between the Company and these related companies are as follows:

		(Unit: Thousand Baht)	
		Separate financial statements	
		2013	2012
<b><u>Other receivables - related party (Note 10)</u></b>			
Subsidiary		9,991	8,682
Total other receivables - related party		9,991	8,682
<b><u>Short-term loans to related party</u></b>			
Subsidiary		33,000	-
Total short-term loans to related party		33,000	-
<b><u>Interest receivables - related party (Note 10)</u></b>			
Subsidiary		460	-
Total interest receivables - related party		460	-

### Loans to related party

As at 31 December 2013 and 2012, the balance of loans between the Company and the related party and the movement of such loans are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loan to	Relationship	Balance as at	During the year		Balance as at
		1 January 2013	Increase	Decrease	31 December 2013
CPI Agrotech Co., Ltd.	Subsidiary	-	33,000	-	33,000
Total		-	33,000	-	33,000

The above loans are unsecured and due at call. Interest is charged at the rates of 2.90% - 3.19% per annum and rate charged on call borrowings from a bank plus 0.5% per annum.

### Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management recognised in profit or loss as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Short-term employee benefits	18,645	16,241	17,435	15,221
Post-employment and termination benefits	1,745	10,476	1,586	10,378
Share-based payment	524	-	524	-
Total	20,914	26,717	19,545	25,599

During the year 2013, the Company paid post employment and termination benefits to the management amounting to Baht 9 million (2012: Baht 12 million).

### Guarantee obligations with related party

The Company had outstanding guarantee obligations with its subsidiary, as described in Note 33.3 a).

## 9. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	1,283	1,283	1,260	782
Bank deposits	73,459	83,758	70,062	79,434
Total	74,742	85,041	71,322	80,216

As at 31 December 2013, bank deposits in saving accounts carried interest rates between 0.5% and 0.63% per annum (2012: 0.625% per annum).

## 10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	263,456	162,115	263,456	162,115
Past due				
Up to 1 month	138,848	62,130	137,353	62,130
2 - 3 months	2,449	2,551	2,449	2,551
3 - 6 months	4,960	-	4,960	-
6 - 12 months	500	-	500	-
Over 12 months	8,456	8,865	8,456	8,865
Total	418,669	235,661	417,174	235,661
Less: Allowance for doubtful debts	(8,605)	(8,590)	(8,605)	(8,590)
Total trade receivables - unrelated parties, net	410,064	227,071	408,569	227,071
<b>Other receivables</b>				
Other receivables - related party	-	-	9,991	8,682
Interest receivables - related party	-	-	460	-
Other receivables - unrelated parties	1,096	3,462	1,074	3,462
Total	1,096	3,462	11,525	12,144
Less: Allowance for doubtful debts	(681)	(681)	(681)	(681)
Total other receivables - net	415	2,781	10,844	11,463
Total trade and other receivables - net	410,479	229,852	419,413	238,534

## 11. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Finished goods	202,844	233,222	(1,252)	(1,712)	201,592	231,510
Raw materials	230,081	326,059	-	-	230,081	326,059
Work in process	21,563	15,654	(1,422)	(389)	20,141	15,265
Spare parts and factory supplies	39,875	38,831	-	-	39,875	38,831
Total	494,363	613,766	(2,674)	(2,101)	491,689	611,665

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2013	2012	2013	2012	2013	2012
Finished goods	201,713	233,222	(1,252)	(1,712)	200,461	231,510
Raw materials	230,081	326,059	-	-	230,081	326,059
Work in process	4,558	10,333	-	-	4,558	10,333
Spare parts and factory supplies	38,648	38,333	-	-	38,648	38,333
Total	475,000	607,947	(1,252)	(1,712)	473,748	606,235

Movements in the allowance for diminution in value of inventories account during the years 2013 and 2012, which were presented as cost of sales, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Balance as at beginning of the year	2,101	3,856	1,712	3,856
Add: Allowance for diminution in value of inventories made during the year (reversal)	573	(1,755)	(460)	(2,144)
Balance as at ending of the year	2,674	2,101	1,252	1,712



**12. Other current assets**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Advances for purchases of assets	5,770	3,023	5,770	3,023
Amounts placed for trading under forward palm oil contracts	15,941	2,730	15,941	2,730
Others	1,777	486	1,684	485
Total other current assets	23,488	6,239	23,395	6,238

**13. Investments in subsidiaries**

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	2013	2012	2013	2012	2013	2012
			(%)	(%)		
CPI Agrotech Co., Ltd.	15,000	15,000	100	100	15,000	15,000
CPI Power Plant Co., Ltd.	500	500	100	100	500	500
Total					15,500	15,500

There was no dividend received from the subsidiaries during the years 2013 and 2012.

## 14. Property, plant and equipment

(Unit: Thousand Baht)

[illegible]

(Unit: Thousand Baht)

### Separate financial statements

[illegible]

In 2013, the Company arranged for an independent professional valuer to reappraise the value of land. The basis of the revaluation used was the market approach. The new revaluation value of the land is higher than the value per the previous revaluation that was conducted in 2008 by Baht 76 million. The Company recognised the increase in shareholders' equity as "Other components of shareholders' equity".

In 2013, a subsidiary arranged for an independent professional valuer to appraise the value of land. The basis of the revaluation used was the market approach. The revaluation value of the land is higher than its cost by Baht 2 million. The Company recognised the increase in consolidated shareholders' equity as "Other components of shareholders' equity".

A breakdown of land carried on the revaluation basis is as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2013	2012	2013	2012
<b>Land</b>				
Original cost	74,203	74,203	72,653	72,653
Surplus from revaluation	548,353	470,696	546,710	470,696
Revalued amount	622,556	544,899	619,363	543,349
<b>Stated at cost</b>				
Net book value	74,203	74,203	72,653	72,653

Borrowing costs of the Company and its subsidiaries totaling Baht 0.2 million were capitalised as part of the assets during the year 2013 (2012: Baht 0.7 million) (the Company only: Baht 0.1 million, 2012: Baht 0.7 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation of the Company was 2.9% and of a subsidiary was 5.5% (2012: 3.1% of the Company only).

As at 31 December 2013, the Company had equipment under finance lease agreements with net book values amounting to Baht 2 million (2012: Baht 2 million).

As at 31 December 2013, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation of those assets amounted to Baht 411 million (2012: Baht 375 million)).

**15. Cost of palm trees**

(Unit: Thousand Baht)

Consolidated financial statements			
	Cost of palm trees ready for harvest	Cost of palm trees not ready for harvest	Total
<b>Cost:</b>			
1 January 2012	50,278	91,885	142,163
Additions	-	102,952	102,952
Disposals	(14,904)	-	(14,904)
Transfers	4,662	(4,662)	-
31 December 2012	40,036	190,175	230,211
Additions	-	68,689	68,689
Disposals	(555)	-	(555)
Transfers	26,844	(26,844)	-
31 December 2013	66,325	232,020	298,345
<b>Accumulated amortisation:</b>			
1 January 2012	19,543	-	19,543
Amortisation charged for the year	2,166	-	2,166
Amortisation on disposals	(13,719)	-	(13,719)
31 December 2012	7,990	-	7,990
Amortisation charged for the year	2,247	-	2,247
Amortisation on disposals	(297)	-	(297)
31 December 2013	9,940	-	9,940
<b>Net book value:</b>			
31 December 2012	32,046	190,175	222,221
31 December 2013	56,385	232,020	288,405
<b>Amortisation for the year (included in manufacturing cost)</b>			
2012			2,166
2013			2,247



(Unit: Thousand Baht)

Separate financial statements			
	Cost of palm trees ready for harvest	Cost of palm trees not ready for harvest	Total
<b>Cost:</b>			
1 January 2012	50,278	91,885	142,163
Additions	-	102,952	102,952
Disposals	(19,566)	-	(19,566)
Transfers	4,662	(4,662)	-
31 December 2012	35,374	190,175	225,549
Additions	-	68,689	68,689
Disposals	(555)	-	(555)
Transfers	26,844	(26,844)	-
31 December 2013	61,663	232,020	293,683
<b>Accumulated amortisation:</b>			
1 January 2012	19,543	-	19,543
Amortisation charged for the year	2,074	-	2,074
Amortisation on disposals	(13,741)	-	(13,741)
31 December 2012	7,876	-	7,876
Amortisation charged for the year	2,126	-	2,126
Amortisation on disposals	(297)	-	(297)
31 December 2013	9,705	-	9,705
<b>Net book value:</b>			
31 December 2012	27,498	190,175	217,673
31 December 2013	51,958	232,020	283,978
<b>Amortisation for the year (included in manufacturing cost)</b>			
2012			2,074
2013			2,126

Borrowing costs totalling Baht 1.2 million were capitalised as part of the assets of the Company during the year 2013 (2012: Baht 2.6 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was 2.9% (2012: 5.1%).

As at 31 December 2013, palm trees costing a total of Baht 9 million (2012: Baht 9 million) were located on land over which the Company had only occupancy rights.

## 16. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2013 and 2012 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Cost	19,063	18,578	19,007	18,578
Less: Accumulated amortisation	(12,387)	(11,531)	(12,386)	(11,531)
Net book value	6,676	7,047	6,621	7,047

A reconciliation of the net book value of intangible assets for the years 2013 and 2012 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	7,047	5,753	7,047	5,753
Acquisition of computer software	484	2,036	428	2,036
Amortisation	(855)	(742)	(854)	(742)
Net book value at end of year	6,676	7,047	6,621	7,047

Amortisation was included in administrative expenses in profit or loss.

## 17. Short-term loans from financial institutions

As at 31 December 2013, the Company had Baht 880 million (2012: Baht 700 million) of short-term loans from financial institutions, in the form of unsecured notes, carried interest rates between 2.78% and 3.22% per annum (2012: between 3.00% and 3.08% per annum).

## 18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Trade payables	160,226	69,971	159,958	69,964
Accrued expenses	22,762	15,181	22,550	15,035
Other payables	22,342	19,705	21,679	19,069
Total trade and other payables	205,330	104,857	204,187	104,068

## 19. Long-term loans

			(Unit: Thousand Baht)			
Credit line	Interest rate (% per annum)	Repayment condition	Consolidated financial statements		Separate financial statements	
			2013	2012	2013	2012
1) Credit line of Baht 200 million of the Company	MLR - 1.5 to 2	Quarterly installments of Baht 10 million each, from November 2010 to August 2015 (The Company repaid the loan in full during 2013).	-	110,000	-	110,000
2) Credit line of Baht 650 million of the Company	MLR - 2 to 2.25	Quarterly installments of Baht 23 million for the first 27 installments and Baht 29 million for the final installment. The repayment period is within November 2017.	251,000	343,000	251,000	343,000
3) Credit line of Baht 430 million of the Company	MLR - 3	Grace period until the earlier of 18 months, then quarterly installments of not less than Baht 18 million. The repayment period is within March 2021.	31,600	-	31,600	-
4) Credit line of Baht 30 million of the subsidiary	MLR - 2.25	Semi-annually installments of not less than Baht 5 million from September 2013 to March 2016	25,000	27,676	-	-
Total			307,600	480,676	282,600	453,000
Less: Current portion			(102,000)	(137,000)	(92,000)	(132,000)
Long-term loans, net of current portion			205,600	343,676	190,600	321,000

Movement in the long-terms loans account during the year 2013 are summarised below.

(Unit: Thousand Baht)		
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	480,676	453,000
Add: Additions	33,924	31,600
Less: Repayments	(207,000)	(202,000)
Balance as at 31 December 2013	307,600	282,600

Long-term credit facilities of the Company are collateral-free loans. The loan of the subsidiary under a credit line of Baht 30 million was obtained to fund the construction of building and acquisitions of machinery and equipment. The loan is guaranteed by the Company. The loan agreements contain covenants as specified in the agreements pertaining to matters such as creating lien over assets and maintaining certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 December 2013, the Company's long-term credit facilities which have not yet been drawn down amounted to Baht 398 million and its subsidiary had no long-term credit facilities that it has yet to draw down (2012: the Company had no long-term credit facilities that it had yet to draw down and the subsidiary had remaining facilities of Baht 2 million).

## 20. Liabilities under finance leases

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2013	2012
Liabilities under finance leases	1,552	2,468
Less: Deferred interest expense	(70)	(177)
Total	1,482	2,291
Less: Portion due within one year	(857)	(809)
Liabilities under finance leases - net of current portion	625	1,482

The Company has entered into the finance lease agreements with leasing company to rent equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 3 and 4 years.

As at 31 December 2013 and 2012, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	2013		
	Less than 1 year	1 - 2 years	Total
Future minimum lease payments	916	636	1,552
Deferred interest expense	(59)	(11)	(70)
Present value of future minimum lease payments	857	625	1,482

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	2012		
	Less than 1 year	1 - 2 years	Total
Future minimum lease payments	916	1,552	2,468
Deferred interest expense	(107)	(70)	(177)
Present value of future minimum lease payments	809	1,482	2,291

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Provision for long-term employee benefits at beginning of year</b>	42,481	43,775	42,463	43,775
Current service cost	2,835	1,349	1,702	1,331
Interest cost	2,254	2,028	2,099	2,028
Benefits paid during the year	(11,678)	(4,671)	(11,678)	(4,671)
Actuarial loss	11,378	-	11,378	-
<b>Provision for long-term employee benefits at end of year</b>	47,270	42,481	45,964	42,463



Long-term employee benefit expenses included in profit or loss was as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current service cost	2,835	1,349	1,702	1,331
Interest cost	2,254	2,028	2,099	2,028
Total expense recognised in profit or loss	5,089	3,377	3,801	3,359
Line items under which such expenses are included in profit or loss				
Cost of sales	1,444	1,064	1,049	1,064
Selling and administrative expenses	3,645	2,313	2,752	2,295

Actuarial loss arising from defined benefit plan of employees of the Company and its subsidiary recognised in other comprehensive income and retained earnings as of 31 December 2013 amounted to Baht 11 million (2012: Nil) (the Company only: Baht 11 million (2012: Nil)).

Principal actuarial assumptions at the valuation date were as follows.

			(Unit: % per annum)	
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Discount rate	3.9	4.7	3.9	4.7
Future salary increase rate	5.0 - 6.0	2.0 - 8.0	5.0	2.0 - 8.0
Employee turnover rate (depending on age)	0 - 30.0	15.0	0 - 30.0	15.0

Amounts of defined benefit obligation for the current and previous three years are as follows:

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	47,270	45,964	4,427	4,427
Year 2012	42,481	42,463	-	-
Year 2011	43,775	43,775	-	-
Year 2010	40,920	40,920	-	-

## 22. Share capital

22.1 On 24 January 2013, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions:

1) Distribution of stock dividend

Approval of the distribution of an interim stock dividend of 280,289,020 shares in respect of the operating results during the period as from 1 January 2012 to 30 September 2012 and the retained earnings. One dividend share with a par value of Baht 1 is to be distributed for every existing share held, totaling equivalent to Baht 280.29 million.

2) Reduction of registered share capital

Approval of a reduction of the Company's registered share capital from Baht 280,289,521 to Baht 280,289,020 by cancelling 501 ordinary shares with a par value of Baht 1 each which had not yet been issued. The Company registered the reduction in its share capital with the Ministry of Commerce on 4 February 2013.

3) Increase of registered share capital

Approval of an increase in the Company's registered share capital from Baht 280,289,020 to Baht 560,578,040 through the issuance of 280,289,020 shares with a par value of Baht 1 each to support the payment of stock dividend. The Company registered the increase in its share capital with the Ministry of Commerce on 5 February 2013.

On 12 February 2013, the Company reported to the Stock Exchange of Thailand the number of 280,279,020 ordinary shares actually allocated to the stock dividend. The Stock Exchange of Thailand approved the trading of the additional shares to be effective from 14 February 2013. The Company registered the increase in its paid-up share capital of Baht 280,279,020 with the Ministry of Commerce on 8 February 2013.

22.2 On 24 April 2013, the Annual General Meeting of the Company's shareholders passed the following resolutions:

1) Reduction of registered share capital

Approval of a reduction of the Company's registered share capital from Baht 560,578,040 to Baht 560,568,040 by cancelling 10,000 shares with a par value of Baht 1 each which had not yet been issued. The Company registered the reduction in its share capital with the Ministry of Commerce on 7 May 2013.

## 2) Increase of registered share capital

Approval of an increase in the Company's registered share capital from Baht 560,568,040 to Baht 775,424,053, through the issuance of 214,856,013 additional ordinary shares with a par value of Baht 1 each. The Company registered the increase in its share capital with the Ministry of Commerce on 8 May 2013.

## 3) Allocation of the share capital increase

Approval of the allocation of the capital increase of 214,856,013 ordinary shares with a par value of 1 Baht each. The details of such allocation are as follows.

- To allocate capital increase of 186,856,013 ordinary shares reserved for the exercise of CPI-W1 warrants, as described in Note 23.1.
- To allocate capital increase of 28,000,000 ordinary shares reserved for the exercise of ESOP #1 warrants, as described in Note 23.2.

Reconciliation of number of ordinary shares

	(Unit: Shares)
	Consolidated and Separate financial statements
<u>Registered share capital</u>	
Number of ordinary shares as of 1 January 2013	280,289,521
Decrease from approval of the Extraordinary General Meeting of the Company's shareholders on 24 January 2013	(501)
Increase from approval of the Extraordinary General Meeting of the Company's shareholders on 24 January 2013	280,289,020
Decrease from approval of the Annual General Meeting of the Company's shareholders on 24 April 2013	(10,000)
Increase from approval of the Annual General Meeting of the Company's shareholders on 24 April 2013	214,856,013
Number of ordinary shares as of 31 December 2013	<u>775,424,053</u>
<u>Issued and paid-up share capital</u>	
Number of ordinary shares as of 1 January 2013	280,289,020
Distribution of stock dividend	280,279,020
Number of ordinary shares as of 31 December 2013	<u><u>560,568,040</u></u>

## 23. Warrants

### 23.1 CPI-W1

On 24 April 2013, the Annual General Meeting of the Company's shareholders passed approval of the issue and offer of up to 186,856,013 warrants (CPI-W1) to the existing shareholders by proportion of shareholding at the ratio of 3 existing ordinary shares to 1 warrant. Details of the issue are as follows:

Type	:	Named and transferable
Offering price per unit	:	Baht 0.50
Offering period	:	10 - 14 June 2013
Exercise ratio	:	1 warrant to 1 ordinary share
Exercise price	:	Baht 2.25 per share
Exercise date	:	Every 6 months from the date of issuance, the first exercise date is 30 December 2013 and the final exercise date is 30 June 2015
Date of issuance	:	2 July 2013
Maturity of warrants	:	2 years from the date of issuance warrants

During 10 - 14 June 2013, 148,899,980 warrants were subscribed, the Company received cash from warrants subscription of Baht 74 million and presented such amount as shareholders' equity under the caption of "Warrants" in the statement of financial position. The Company issued CPI-W1 warrants of 148,899,980 units on 2 July 2013 and the Stock Exchange of Thailand approved the warrants as listed securities on 16 July 2013.

On 31 December 2013, 37,956,033 warrants were unsubscribed, which the Company will decrease its registered share capital.

None of the CPI-W1 warrants were exercised on 30 December 2013. As of 31 December 2013, the Company had 148,899,980 unexercised CPI-W1 warrants.

### 23.2 ESOP #1

On 24 April 2013, the Annual General Meeting of the Company's shareholders passed approval of the issue and offer of up to 28,000,000 ESOP #1 warrants to directors and employees of the Company and its subsidiaries. On 2 July 2013, the Company issued such 28,000,000 ESOP #1 warrants. Details of the issue are as follows:

Type	:	Named and non-transferable
Offering price per unit	:	Baht 0
Maturity of warrants	:	5 years from the date of issuance of warrants

Exercise ratio	:	1 warrant to 1 ordinary share
Exercise price	:	Baht 2.75 per share
Date of issuance	:	2 July 2013
Conditions and period of exercise	:	<ol style="list-style-type: none"> <li>1) Every 6 months from the date of issuance, the first exercise date is 30 December 2013 and the final exercise date is 29 June 2018.</li> <li>2) Each time the warrants are exercised, the warrant holders can exercise not more than 10% of their allocated warrants.</li> <li>3) The unexercised warrants can be accumulated to exercise during the next exercise period, until maturity of the warrants.</li> </ol>
Other conditions	:	If the warrant holders resign or are otherwise no longer directors or employees of the Company or its subsidiaries, the warrant holders have to return the outstanding warrants to the Company, and the Board of Directors of the Company can re-allot the warrants to other directors and employees.

The estimated fair values of the warrants granted at the grant date were Baht 0.38 - 0.52. This was calculated by applying the Black-Scholes-Merton model, with the model inputs being the share price as at price determination date of Baht 2.32, an exercise price of Baht 2.75, expected volatility of 37.67%, expected dividend yield of 3.62%, expected exercise periods of 2.75 - 5 years, and risk-free interest rates of 2.97% - 3.41%.

During 2013, the Company recorded expenses of Baht 1.7 million related to the ESOP #1 scheme as personnel expenses, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

None of the ESOP #1 warrants were exercised on 30 December 2013. As of 31 December 2013, the Company had 28,000,000 unexercised ESOP #1 warrants, which included 1,351,700 unallocated warrants.

## 24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.



## 25. Revaluation surplus on assets

This represents surplus arising from revaluation of land. The revaluation surplus can neither be offset against deficit nor used for dividend payment. Revaluation surplus on assets is presented in other components of shareholders' equity in the statements of financial position.

Movement in revaluation surplus on assets in 2013 and 2012 are summarised below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
Balance as at beginning of the year	376,557	376,557	376,557	376,557
Revalue during the year (Note 14)	77,657	-	76,014	-
Income tax effect	(15,532)	-	(15,203)	-
Balance as at ending of the year	438,682	376,557	437,368	376,557

## 26. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Salary, wages and other employee benefits	270,193	243,256	253,167	234,295
Depreciation and amortisation	165,027	155,654	161,788	154,569
Raw materials and consumables used	3,295,700	2,962,518	3,292,727	2,962,518
Changes in finished goods	30,378	38,190	31,509	38,190
Fuel and energy	78,356	75,629	78,026	75,629

## 27. Income tax

### 27.1 Deferred tax assets / liabilities

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

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
<b>Deferred tax assets</b>						
Allowance for doubtful debts	1,101	1,098	2,726	1,101	1,098	2,726
Allowance for diminution in value of inventories	250	47	122	250	47	122
Finance lease agreements	-	-	321	-	-	321
Provision for long-term employee benefits	9,193	8,493	7,969	9,193	8,493	7,969
Unused tax losses	8,240	10,637	-	8,240	10,637	-
<b>Total</b>	<b>18,784</b>	<b>20,275</b>	<b>11,138</b>	<b>18,784</b>	<b>20,275</b>	<b>11,138</b>
<b>Deferred tax liabilities</b>						
Finance lease agreements	72	18	-	72	18	-
Revaluation surplus on assets	109,670	94,139	94,139	109,342	94,139	94,139
<b>Total</b>	<b>109,742</b>	<b>94,157</b>	<b>94,139</b>	<b>109,414</b>	<b>94,157</b>	<b>94,139</b>
<b>Deferred tax liabilities - net</b>	<b>90,958</b>	<b>73,882</b>	<b>83,001</b>	<b>90,630</b>	<b>73,882</b>	<b>83,001</b>

### 27.2 Income tax expenses

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
<b>Current income tax:</b>				
Corporate income tax charge for the year	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,820	(9,119)	3,820	(9,119)
<b>Tax expenses (income) in the statements of comprehensive income</b>	<b>3,820</b>	<b>(9,119)</b>	<b>3,820</b>	<b>(9,119)</b>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit before tax	12,875	30,904	28,616	49,696
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	2,575	7,108	5,723	11,430
Effects of changes in the applicable tax rates	-	1,704	-	1,704
Effects of:				
Promotional privileges (Note 28)	-	(18,706)	-	(18,706)
Non-deductible expenses	1,880	843	1,824	753
Additional expense deductions allowed	(3,432)	(4,300)	(3,432)	(4,300)
Others	(224)	489	(295)	-
Unused tax losses of subsidiaries which may not utilise	2,553	3,650	-	-
Temporary differences of subsidiaries which may not utilise	468	93	-	-
Tax expenses (income) in the statements of comprehensive income	3,820	(9,119)	3,820	(9,119)

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30% to 23% in 2012, and then to 20% from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company and its subsidiaries have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013, the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 31 million (2012: Baht 16 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

## 27.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred tax relating to income tax effect of:				
Actuarial losses arising from defined benefit plan of employees	(2,276)	-	(2,276)	-
Gain on revaluation of land	15,532	-	15,203	-
	13,256	-	12,927	-

## 28. Promotional privileges

The Board of Investment granted the Company and its subsidiary promotional privileges under the Investment Promotion Act B.E. 2520. Subject to certain imposed conditions, significant privileges include the followings: -

Details	The Company	The Company	The Company	The Company	The Company	Subsidiary
1. Certificate No.	1025(2)/2548	1076(9)/2551	1702(1)/2556	1703(2)/2556	2644(1)/2556	2390(5)/2554
2. Promotional privileges for	Manufacture of vegetable oil	Manufacture of biogas	Manufacture of biogas	Manufacture of crude oil and kernel oil	Production of electricity from biogas	Production of palm seeds and palm sprouts
3. The significant privileges are						
3.1 Exemption from corporate income tax on net profit from promoted operations and exemption from income tax on dividends paid from the net profit of the operations throughout the period in which the corporate income tax is exempted.	8 years (Expired)	8 years	8 years	8 years	8 years	8 years
3.2 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period in 3.1 ends	Not granted	Not granted	Granted	Not granted	Granted	Not granted
3.3 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted
4. Date of approval	20 October 2004	3 December 2007	19 February 2013	26 February 2013	14 October 2013	20 September 2011
5. Date of first earning operating income	3 November 2005	Not start	Not start	Not start	Not start	1 August 2013

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2013	2012	2013	2012	2013	2012
Sales						
Domestic sales	2,253,606	3,361,576	1,648,918	318,974	3,902,524	3,680,550
Export sales	120,156	108,936	160,176	236,320	280,332	345,256
Total	<u>2,373,762</u>	<u>3,470,512</u>	<u>1,809,094</u>	<u>555,294</u>	<u>4,182,856</u>	<u>4,025,806</u>

## 29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of the years 2013 and 2012 used for the calculation has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividend as described in Note 22, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht) (Restated)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the parent	9,055	<u>40,023</u>	560,568	<u>560,568</u>	0.02	<u>0.07</u>
<b>Effect of dilutive potential ordinary shares</b>						
CPI-W1 warrants	-		982			
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of CPI-W1 warrants to ordinary shares	<u>9,055</u>		<u>561,550</u>		<u>0.02</u>	
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013	2012	2013	2012	2013	2012
	(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht) (Restated)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the parent	24,796	<u>58,815</u>	560,568	<u>560,568</u>	0.04	<u>0.10</u>
<b>Effect of dilutive potential ordinary shares</b>						
CPI-W1 warrants	-		982			
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of CPI-W1 warrants to ordinary shares	<u>24,796</u>		<u>561,550</u>		<u>0.04</u>	

There is no disclosure of diluted earnings per share for the year 2013 of ESOP #1 warrants since the aggregated amount of the exercise price of ESOP #1 warrants and the fair value of any goods or services to be supplied to the Company and its subsidiaries in the future for ESOP #1 warrants were higher than the average market price of the Company's ordinary shares.



### 30. 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 Company and its subsidiaries are organised into business units based on its products and services and have two major reportable segments as follows:

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

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2013 and 2012, respectively.

(Unit: Million Baht)

## For the year ended 31 December 2013

	Palm oil products segment	Palm seeds and palm sprouts segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	4,183	8	4,191	-	4,191
Inter-segment revenue	-	-	-	-	-
Interest revenue	2	-	2	-	2
Interest expense	38	2	40	-	40
Depreciation and amortisation	162	3	165	-	165
Income tax expense	4	-	4	-	4
<b>Segment profit (loss)</b>	<b>24</b>	<b>(15)</b>	<b>9</b>	<b>-</b>	<b>9</b>

(Unit: Million Baht)

## As at 31 December 2013

	Palm oil products segment	Palm seeds and palm sprouts segment	Total reportable segments	Adjustments and eliminations	Consolidated
<b>Segment total assets</b>	<b>3,156</b>	<b>54</b>	<b>3,210</b>	<b>(60)</b>	<b>3,150</b>
Additions to non-current assets other than financial instruments	282	8	290	-	290

(Unit: Million Baht)

## For the year ended 31 December 2012

	Palm oil products segment	Palm seeds and palm sprouts segment	Total reportable segments	Adjustments and eliminations	Consolidated (Restated)
Revenue from external customers	4,026	-	4,026	-	4,026
Inter-segment revenue	-	-	-	-	-
Interest revenue	1	-	1	-	1
Interest expense	41	-	41	-	41
Depreciation and amortisation	155	1	156	-	156
Tax income	9	-	9	-	9
<b>Segment profit (loss)</b>	<b>59</b>	<b>(17)</b>	<b>42</b>	<b>(2)</b>	<b>40</b>

(Unit: Million Baht)

	As at 31 December 2012				
	Palm oil products segment	Palm seeds and palm sprouts segment	Total reportable segments	Adjustments and eliminations	Consolidated
<b>Segment total assets</b>	<b>2,876</b>	<b>35</b>	<b>2,911</b>	<b>(26)</b>	<b>2,885</b>
Additions to non-current assets other than financial instruments	231	25	256	(7)	249

### Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable segment.

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)		
Consolidated		
financial statements		
	2013	2012
Revenue from external customers		
Thailand	3,910,528	3,680,551
Singapore	196,619	263,132
Others	83,713	82,123
Total	4,190,860	4,025,806

### Major customers

For the year 2013, the Company had revenue from one major customer in amount of Baht 847 million (2012: Baht 855 million), arising from sales by the palm oil products segment.

## 31. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company, its subsidiaries and employees contribute to the fund monthly at the rates of 3% - 5% of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company and its subsidiaries contributed Baht 6.0 million (2012: Baht 5.3 million) to the fund, and the Company separately Baht 5.7 million (2012: Baht 5.1 million).



## 32. Dividend payment

Dividend	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2011	Annual General Meeting of the shareholders on 25 April 2012	67,269	0.24
Total		67,269	
Interim stock dividends for 2012	Extraordinary General Meeting of the shareholders on 24 January 2013	280,279	1.00
Final dividends for 2012	Annual General Meeting of the shareholders on 24 April 2013	16,804	0.03
Total		297,083	

## 33. Commitments and contingent liabilities

### 33.1 Capital commitments

- a) As at 31 December 2013, the Company and its subsidiaries had capital commitments of approximately Baht 110 million (2012: Baht 17 million) (the Company only: Baht 107 million (2012: Baht 16 million)), relating to the construction of building and the acquisitions of machinery and equipment.
- b) In February 2011, the Company entered into an agreement to purchase and to sell land with a Thai company, to purchase land for Baht 124 million. As at 31 December 2013, the Company has made full payment of the purchase price. As at 31 December 2012, the Company had made an advance payment of Baht 93 million and had a commitment of Baht 31 million with respect to the purchase of this land.

### 33.2 Service commitments

As at 31 December 2013, the Company and its subsidiary had payment commitments due within 1 year under service agreements totaling Baht 4 million (2012: Baht 6 million) (the Company only: Baht 4 million (2012: Baht 5 million)).

### 33.3 Bank guarantees

- a) As at 31 December 2013, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 30 million (2012: Baht 30 million).

- b) As at 31 December 2013, there were outstanding bank guarantees of Baht 5 million and USD 1.2 million (2012: Baht 8 million and USD 1.2 million) issued by banks on behalf of the Company 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 and Separate financial statements
		2012
Letters of guarantee for the gold card importer and exporter status provided by the Customs Department		2
Letters of guarantee for electricity usage		3
Letters of guarantee for contractual performance		3
Total		8

		(Unit: Million USD)
		Consolidated and Separate financial statements
		2012
Letters of guarantee for payments due to a creditor		1.2

### 33.4 Sale of palm oil agreement

As at 31 December 2013 and 2012, under agreement with an unrelated company, the Company had commitment to sell palm oil in quantities and at prices that are stipulated in the agreement.

## 34. Financial instruments

### 34.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, amounts placed for trading under forward palm oil contracts, loans, trade and other payables, and liabilities under finance leases. The financial risks associated with these financial instruments and how they are managed are described below.

### Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade receivables and loans to related party. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amount of trade receivables and loans to related party as stated in the statement of financial position.

### Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks and loans. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2013 and 2012, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statement						
2013						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	Over 5 years			
						Interest rate (% p.a.)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	74	1	75 0.5 - 0.63
Trade and other receivables	-	-	-	-	410	410 -
Amounts placed for trading under forward palm oil contracts	-	-	-	-	16	16 -
<b>Financial liabilities</b>						
Short-term loans from financial institutions	880	-	-	-	-	880 2.78 - 3.22
Trade and other payables	-	-	-	-	205	205 -
Long-term loans	-	-	-	308	-	308 MLR less 2 - 3
Liabilities under finance leases	1	1	-	-	-	2 5.95



(Unit: Million Baht)

## Separate financial statement

	2013						Interest rate (% p.a.)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	70	1	71	0.5 - 0.63
Trade and other receivables	-	-	-	-	419	419	-
Short-term loans to related party	18	-	-	15	-	33	2.90 - 3.19 and rate charged on call borrowings from a bank plus 0.5
Amounts placed for trading under forward palm oil contracts	-	-	-	-	16	16	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	880	-	-	-	-	880	2.78 - 3.22
Trade and other payables	-	-	-	-	204	204	-
Long-term loans	-	-	-	283	-	283	MLR less 2 - 3
Liabilities under finance leases	1	1	-	-	-	2	5.95

(Unit: Million Baht)

## Consolidated financial statement

	2012						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate  (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	84	1	85	0.625
Trade and other receivables	-	-	-	-	230	230	-
Amounts placed for trading under forward palm oil contracts	-	-	-	-	3	3	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	700	-	-	-	-	700	3.00 - 3.08
Trade and other payables	-	-	-	-	105	105	-
Long-term loans	-	-	-	481	-	481	MLR less 1.5 - 2.25
Liabilities under finance leases	1	1	-	-	-	2	5.95

(Unit: Million Baht)

Separate financial statement							
2012							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	79	1	80	0.625
Trade and other receivables	-	-	-	-	239	239	-
Amounts placed for trading under forward palm oil contracts	-	-	-	-	3	3	-
<b>Financial liabilities</b>							
Short-term loans from financial institutions	700	-	-	-	-	700	3.00 - 3.08
Trade and other payables	-	-	-	-	104	104	-
Long-term loans	-	-	-	453	-	453	MLR less 1.5 - 2.25
Liabilities under finance leases	1	1	-	-	-	2	5.95

### Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2013 and 2012, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Average exchange rate as at 31 December	
	2013	2012	2013	2012
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	798	50	32.68	30.49
Ringit Malaysia	1,387	125	9.82	9.85

As at 31 December 2013 and 2012, the subsidiaries did not have any financial instruments in foreign currencies.

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2013			
Foreign currency	Sold amount	Contractual exchange rate - Sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	3,044	31.44 - 32.64	January - June 2014

As at 31 December 2012			
Foreign currency	Sold amount	Contractual exchange rate - Sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	1,915	30.73 - 31.12	January - May 2013

### 34.2 Fair value of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature. Loans are bearing floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

The estimated fair value of the derivatives is as follows:

	(Unit: Million Baht)	
	Consolidated and Separate financial statements	
	As at 31 December 2013	As at 31 December 2012
	Fair value	Fair value
	Gain (loss)	Gain (loss)
<b>Derivatives</b>		
Forward exchange contracts	(2.1)	0.3

Fair value of derivatives is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.



The Company had no outstanding forward contracts to sell palm oil as of 31 December 2013 and 2012.

### **35. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 0.98:1 (2012: 0.85:1) and the Company's was 0.94:1 (2012: 0.82:1).

### **36. Event after the reporting period**

On 24 February 2014, a meeting of the Board of Directors of the Company has a resolution to propose the dividend payment for the year 2013 of Baht 0.03 per share. The Board of Directors of the Company will propose this dividend payment for approval by the Annual General Meeting of the Company's shareholders, which will be held on 23 April 2014.

### **37. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2014.



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