



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



Annual Report **2014**
รายงานประจำปี 2557

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Message from Chairman

Dear shareholders,

In 2014, the Thai economy was stagnant due to reduced local demand and political situation in the first half of year. However, the second half, saw the improvement in political situation, and the government issued economic stimulation measures/policies supported to support the expansion in private sector investment and household consumption, which should yield improvement in the final quarter. The GDP growth rate was 0.7% and inflation rate was at a low level of 1.89%

Thailand's palm oil industry in 2014

The overall of palm industry production in Thailand in 2014 was a negative growth (6%) compared to prior year. Total production of Crude Palm Oil (CPO) was at 2 million Metric Tons (MT) in 2014. The total domestic consumption was 1.88 million MT, with 50% being used in the food industry and for consumer, while the biodiesel consumption was 44%, and the rest was exported.

The stock balance at the beginning of the year was low due to the low level of CPO carried over from year end 2013. This tight stock, coupled with the seasonal low production season at the time, lead to relatively high CPO price the first quarter of 2014. during such earlier part of the year, the government's biodiesel mandate scaled-down from usage level of B5 to B4 to keep balance stock of CPO.

Since May 14th 2014, with the high FFB output season returning, the government increased the biodiesel mandate scale to B7 to match as the peak period of palm production. This helped to balance the stock of palm oil and keep CPO price from collapsing from high output.

However, the local CPO price moved up severely in the last quarter of 2014 due to sudden and widely unexpected shortage in FFB output, as well as local CPO stock being much lower than anticipated. In light of the above, the average local purchase price of CPO was Baht 28.57 per kg in the year 2014 compared to the average purchase price of CPO in year 2013 of Baht 25.24 per kg.

CPI's key performance in 2014

For the first half year of 2014, the company enjoyed better financial performance compared to the prior year because of higher average selling price of each product of about 17.8%. In addition, there was improvement in CPO stock balance management and cost management in this year. The Company implemented the production process improvement in order to increase efficiency and reduction cost. Moreover, in the 4th quarter, the Company entered into agreement with PEA to sell the electricity at the capacity of 3 MW/ hour from its Biogas and gas engine., and enjoyed the subsequent additional income.

FFB production from CPI's own plantations was lower as CPI still continued with the palm trees replanting scheme. Meanwhile, its subsidiary (CPI Agrotech Company Limited) made loss for the year, thus, affecting the Company's financial performance.

All factors taken, the company's consolidated net profit increased from Baht 9 Million in 2013 to Baht 50 Million in 2014

Outlook for 2014 and beyond

With the drought weather pattern carrying over from late 2013 to the beginning of the year 2014 which affects many provinces in Thailand, the fruit production in the last quarter of the year 2014 was extremely low, and we can expect the same for the first quarter, and possibly the remainder of the year 2015. This coupled with the low level of CPO stock, lead to the government deciding to scale down Biodiesel mandate from B7 to B3.5 in the 1st quarter of 2015 to increase stock supply.. In addition, Public Warehouse Organization, Ministry of Commerce of Thailand, imported Crude Palm Olein (CPOL) in February 2015, in order to support the consumer and reduce the shortage of palm oil products. These will help to balance the price of CPO in the market.

CPI's management will continue to manage its business with diligence, monitoring all the factors affecting commodity prices, and also continued to institute measures to mitigate risks. We will concentrate to improve our efficiency in the mill operations so as to maximize our profits from the expected higher demand arising in palm product.

We would like to thank you for your tremendous support and we look forward to your continued support for us to grow together.



Somchai Sakulsurarat

Chairman of The Board of Directors

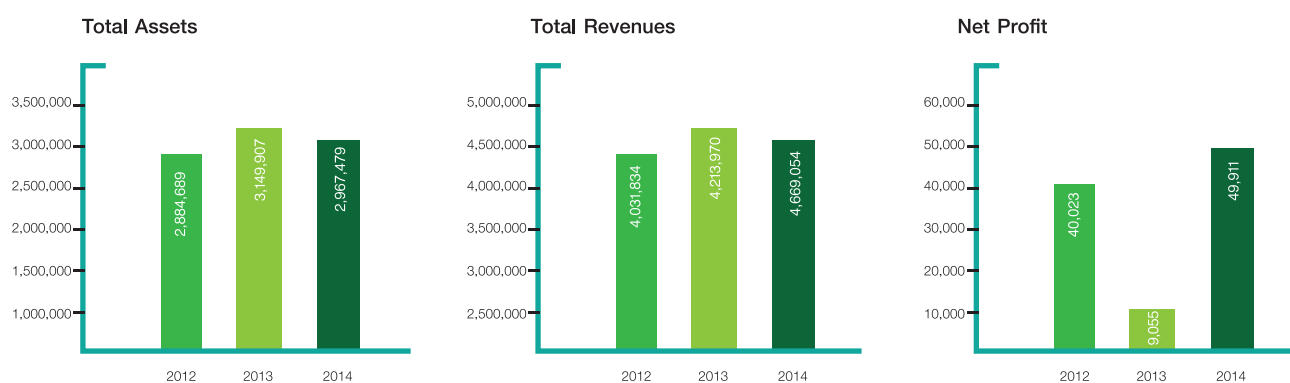
Financial Highlights

Unit : Thousand Baht

	2014	2013	2012
Total Assets	2,967,479	3,149,907	2,884,689
Total Liabilities	1,313,073	1,560,321	1,416,487
Total Shareholders Equity	1,654,406	1,589,586	1,468,202
Sales	4,660,749	4,190,860	4,025,806
Total Revenues	4,669,054	4,213,970	4,031,834
Net Profit	49,911	9,055	40,023
Earning per Revenue (%)	1.07	0.21	0.99
Return on Equity (%)	3.02	0.57	2.73
Return on Asset (%)	1.68	0.29	1.39
Earning per Share (Baht)	0.089	0.016	0.071
Book Value per Share (Baht)	2.95	2.84	2.62
Dividend per Share (Baht)	NA	0.03	0.03
Stock dividend per Share (Baht)	-	-	1

NA Shareholders will considerate and approve a dividend on Annual General Meeting 1/2015 on April 24,2015

Unit : Thousand Baht



The Board of Directors



Mr. Somchai Sakulsurarat

Chairman

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

Risk Management 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

The Board of Directors



Mr. Chusak Prachayangprecha
Director
Executive Board
The Nomination and Remuneration Committee



Mr. Karoon Nuntileepong
Director
Corporate Governance Committee



Mr. Kitt Chatlekhavanich
Director
Risk Management Committee



Mr. Songridh Niwattisaiwong
Director
Corporate Governance Committee



Mr. Racho Tawintermsup
Director



Management



Mr. Supisith Chorrungsak

Chief Executive Officer



Mr. Racho Tawintermsup

Assistant Managing Director



Mr. Rakkit Tanglamlert

Chief Financial Officer



Mrs. Ratsamee Pongjindanon

Internal Audit Director



Mr. Thawatchai Chomworn

Sale & Marketing Director



Mr. Ananchai Araniamfa

Project Director & Acting Purchasing Manager



Mr. Sumin Chudankura

Human Resources Director

Policy and Business Operation Overview

Chumporn Palm Oil Industry Public Company Limited (CPI) 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. CPI's main business activity is the manufacture of crude palm oil, crude palm kernel oil and kernel meal. Two subsidiaries; Rungrueng Palm Oil Co., Ltd. and Pathiu Plantation Co., Ltd. which totally operated oil palm plantation more than 20,000 rai and outsiders and main suppliers of fresh fruit bunch to CPI for the main production process. CPI's policy places the utmost importance on advanced technology. Machines in use in the factory are most advanced in the industry from Europe in order to produce quality products with International Standard which became well accepted in the market. Successive expansions in business over the year have been complemented by rises in the registered capital and was transformed to a public company limited on September 14, 1993 which reached a value of Baht 210,000,000 with 21,000,000 ordinary shares with par value per share Baht 10.

At the present the registered capital is Baht 775,424,053. The paid up capital is baht 560,569,547 with par 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
 - 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)

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 emphasis 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.

Quality Policy

The company is committed to developing and delivering highest quality products to meet customer satisfaction and safe to consume and continuous process improvement to reduce cost and increase efficiency and focus on improving the skills and instilling values of employees.

Anti Corruption Policy

1. Anti Corruption Policy.
2. Whistle Blower Policy.
3. Gifts, Entertainment and Expenses Policy.

Management Wish :

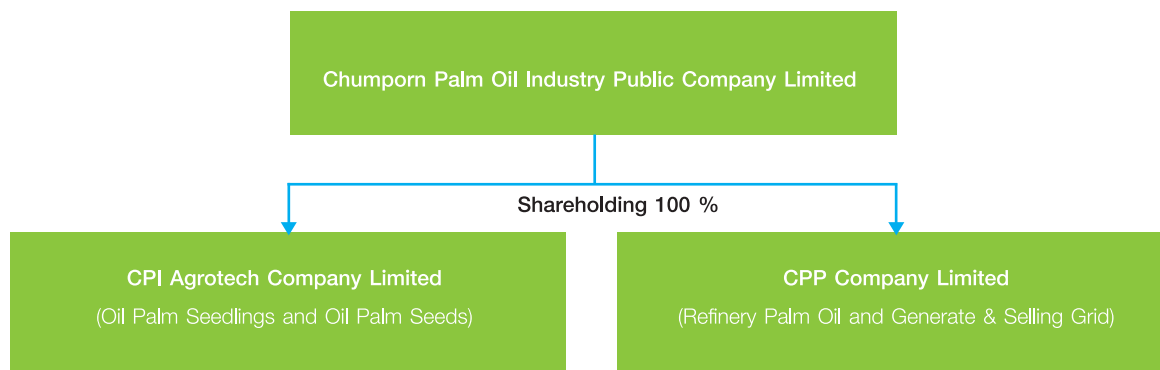
1. Cost reduction and increasing the effectiveness of the company.
2. Safety, Hygiene and Environment.
3. White Factory Campaign.

Policy and Business Operation Overview

Business Characteristics

- 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 The Board of Investment granted CPI Agrotech Company Limited promotional privileges certificate No. 2390(5)2554 on September 20' 2011 for production of Palm Seeds and Palm Sprouts.
- Year 2011 Being awarded "2010 Excellent Establishment on Skill Development Award" in Chumporn.
- 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 the subsidiary namely, 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.
- 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 Managing 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.
- Year 2013 The Board of Investment granted promotional privileges certificate No. 1702(1)/2556 on May 22' 2013 for Manufacture of Biogas.
- Year 2013 The Board of Investment granted promotional privileges certificate No. 2644(1)/2556 on November 19' 2013 for Production of Electricity from Biogas.
- Year 2013 Being awarded "2014 National Excellent Establishment" on Occupational Health Safety and Environment in 2014 Safety Week Activity in the Southern part of Thailand.
- Year 2014 Registered the company name from "CPI Power Plant Company Limited" to be "CPP Company Limited"
- Year 2014 The Board of Investment granted CPP Company Limited promotional privileges certificate No. 2548(2)/2557 on December 17' 2014 for production of Crude Palm Oil and Kernel Oil.
- Year 2013 The Company raised the registered paid up capital from Baht 560,568,040 to Baht 560,569,547 with Department of Business Development on July 15, 2014 in order to support the results for the exercise No.2 of CPI-W1.
- Year 2014 Being awarded "2014 Excellent empowerment and motivation" in Chumporn
- Year 2014 Being awarded "2014 Excellent Skill Development Award" in Chumporn.
- Year 2015 Expansion and improvement the efficiency of wastewater treatment and sludge palm to produce Biogas and proceed to generate electricity for use in business and sale.
- Year 2015 Invested in CPP Company Limited for Refinery Palm Oil and Generate & Selling electricity.

The shareholding structure of the Company



Remark CPI Agrotech Company Limited and CPP Company Limited are not invested in other company.

Business Operation of Subsidiary Company

CPI Agrotech Company Limited

Produce and distribute oil palm seeds and seedlings to planters. CPI Agrotech Company Limited has been registered as a juristic person under the Civil and Commercial Code on August 8' 2011 with initial registered capital of Baht 5,000,000 with ordinary shares 500,000 shares par value per share Baht 10.

In 2012 CPI Agrotech Company Limited was registered increasing capited company more Baht 10,000,000 to be total registered capited Baht 15,000,000 with ordinary shares 1,500,000 shares par value per share Baht 10.

CPP Company Limited (Former CPI Power Plant Company Limited)

Refinery palm oil and generate & selling electricity. The company has been registered as a juristic person under the Civil and Commercial Code on December 14' 2012 with initial registered capital of Baht 500,000 with ordinary shares 50,000 shares par value per share Baht 10.

In 2014 registered changing company name from CPI Power Plant Company Limtied to CPP Company Limited and increasing capited company more Baht 124,500,000 whitch paided up the capital in the frist time 25% to be total registered capited Baht 125,000,000 with ordinary shares 12,500,000 shares par value per share Baht 10.

Policy and Business Operation Overview

Investment Policy of Company and Subsidiary Company

In addition to the subsidiary company operates in the present. The company has planed to invest in oil industrial such as Biodiesel, Biomass etc., according to the company's mission.

Investment Projects

1) The company has invested in the following projects.

1.1) Biogas Power Plant Expansion Project – Investment estimate Baht 150 Million

The company has invested in this project to increase productivity in Biogas production. The Biogas resulted will be used to generate electricity through Gas Generator as specified by the contract between the company and the Provincial Electricity Authority or PEA at 3 megawatts. The company begins to distribute the electricity in 4th quarter of 2014. The investment for this expansion project is estimated at Baht 150 Million. The company has decided to take on a loan of 138 Million THB to be used for this project from a financial institution in Thailand.

1.2) Palm Oil Replanting Project - Investment estimate Baht 300 Million

The company has intended to replant palm trees which are over age 25 years old and the company is carefully to replant In order to minimize the effects in terms of overall productivity of fresh fruit bunches. The project was commenced in the first half of the year 2009 with the goal to finish replanting in 2015. The fund for Palm Oil Replanting project is estimated about THB 300 Million. The company expects that the increasing fresh fruit bunches quantity from the replanting project which will reach peak productivity in 2017 shall contribute to the rise in overall profits and guarantee the long term financial stability of the company. The investment for Palm Oil Replanting project in 2013 of approximately THB 50 Million was allocated solely from the working capital.

2) Investment Projects in the Company's Subsidiaries - Investment estimate Baht 1,170 Million

The Board of Director's meeting on January 21, 2015 has approved the investment Baht 1,170 Million to construction Crushing Mill Plant 45 TonsFFB/hrs. including generate and distribute electricity of 4 megawatts. This project was invested through CPP Company Limited in which is owned by CPI 100%. The company expects this project will be finished and started for testing conduction within 3rd quarter of 2016. The subsidiary company will takes a loan from financial institution in Thailand which accounts for the total of 75% of all investment and CPI will supports the rest by raising the fund from warrants (CPI-W1) and working capital. It is expected that the return of the investment will be achieved within 5 years with the return rate of approximately 16.8 %. Project's strong points:

1. All Crude Palm Oil from the process will be used directly to Refinery plant of company. This will help reducing various market risks because the company does not have to compete with others in obtaining the raw materials.

2. The project of distributing electricity of 4 megawatts promises positive returns from providing electricity to a government agency. This guarantee stable income and robust business profits.

3. The project will be constructed in the company's land, which is an area of about 10,000 rai. This will help to reduce various transportation expenses for bringing in the raw materials to the plants. It will also help to decreasing the risks associated with polluting surrounding communities because the plantation area is equipped with Biogas production machineries with the water treatment devices, the company can convert polluted water into fertilizers which will then be circulated and reused within the plantation.

General Information

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
E-mail:	: 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 560,569,547
Issued shares	: 560,569,547 Shares
Par value per Share	: 1 Baht

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.

General Information

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
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%

CPP Company Limited (Former Name : 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	: Refinery Palm Oil and Generate & Selling electricity
Registered Capital	: Baht 125,000,000
Ordinary shares	: 12,500,000 shares
Par value per share	: Baht 10
Paid up per share	: Baht 10 of the first registration of Baht 5,000,00 Paid 25% of the increasing capital Baht 124,000,000
Share holding Ratio	: wholly owned by Chumporn Palm Oil Industry Public Company Limited 100%

REFERENCES

Registrar	: Thailand Securities Depository Co., Ltd. Registrar Department 7th 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 Suppasatdanon, CPA No.3972 Miss. Runnana Lertsuwankul, CPA No.3516 Miss. Pimjai Manitkajohnkit, CPA No.4521 EY Office Ltd. Lake Rachada Office Complex, 33rd Floor 193/136-137 Rachadapisek Road, Bangkok 10110 Tel. (662) 264 0777 Period as the Auditor : 2 year Relationship or Stockholder with Company/ : None relationship or stockholder 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

Revenue Structure

Unit : Million Baht

Product	Conducted by	% Share of Company	2012		2013		2014	
				%	Revenue	%	Revenue	%
Palm Seedling	CPI Agrotech Company Limited	100	-	-	8.00	100.00	28.11	100.00
Domestic Revenue								
Crude Oil	Chumporn Palm Oil Industry Plc.		36.63	0.91	244.99	5.82	192.58	4.15
RBD Oil	Chumporn Palm Oil Industry Plc.		2,917.88	72.33	3,115.29	74.04	3,462.12	74.55
Other Products	Chumporn Palm Oil Industry Plc.		734.62	18.21	567.11	13.48	574.48	12.37
			3,689.13	91.45	3,927.39	93.34	4,229.18	91.07
Export Revenue								
Crude Oil	Chumporn Palm Oil Industry Plc.		174.04	4.31	91.43	2.17	269.51	5.80
RBD Oil	Chumporn Palm Oil Industry Plc.		26.69	0.66	38.96	0.93	42.07	0.91
Other Products	Chumporn Palm Oil Industry Plc.		144.52	3.58	149.94	3.56	103.00	2.22
			345.25	8.55	280.33	6.66	414.58	8.93
Total Revenue			4,034.38	100.00	4,207.72	100.00	4,643.76	100.00

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 560,578,040 with ordinary share 560,578,040 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.

In 2014 the company paid dividend for the performance 2014 amount Baht 0.03 per share to 560,568,040 shares on May 19, 2014 which was non tax exemption.

The company's dividend in the past, as follows;

Detail	2011	¹ 2012	² 2013
Net Profit (Million)	164.88	40.02	24.80
Retained earnings - Unappropriated	570.78	533.89	270.13
Basic earning per share (Baht)	0.588	0.071	0.044
Dividend (Baht/Share)	0.24	0.03	0.03
Stock dividend (Baht/Share)	-	-	-
Interim dividend	-	-	-
Stock interim dividend	-	1	-
Dividend Ratio (%)	40.81	1,450.70	67.82

Remark 1. In 2012 paid interim dividend as stock dividend with the rate of 1 ordinary share get 1 dividend share on February 14 , 2013.
2. Non-consolidated subsidiaries.

Risk Factors

To make sure that all investors comprehensively understand the risks associated with the investment, we shall present risks analyses by dividing them into two levels—industrial level and corporate level. The structure and regulations involved in the industrial level often effect the company’s business operation quite unavoidably. Some of them are even considered permanent constraints that cannot be easily changed or eradicated. Therefore, for risk factors involved in industrial level, we shall analyze them using “Five Forces Model” while the risks involved at the corporate level shall be analyzed on using the framework recommended and laid down by the SET

(I) Industrial Level Risks

These are risks that all entrepreneurs in all business sectors confront with because they are structural risks which arise from policies and measures put forward by the state or its agencies. We shall begin with general structure of the industry so that the investors can see and understand the general aspect of Oil Palm industry which is a basis needed in order to make sense of other aspects involved.

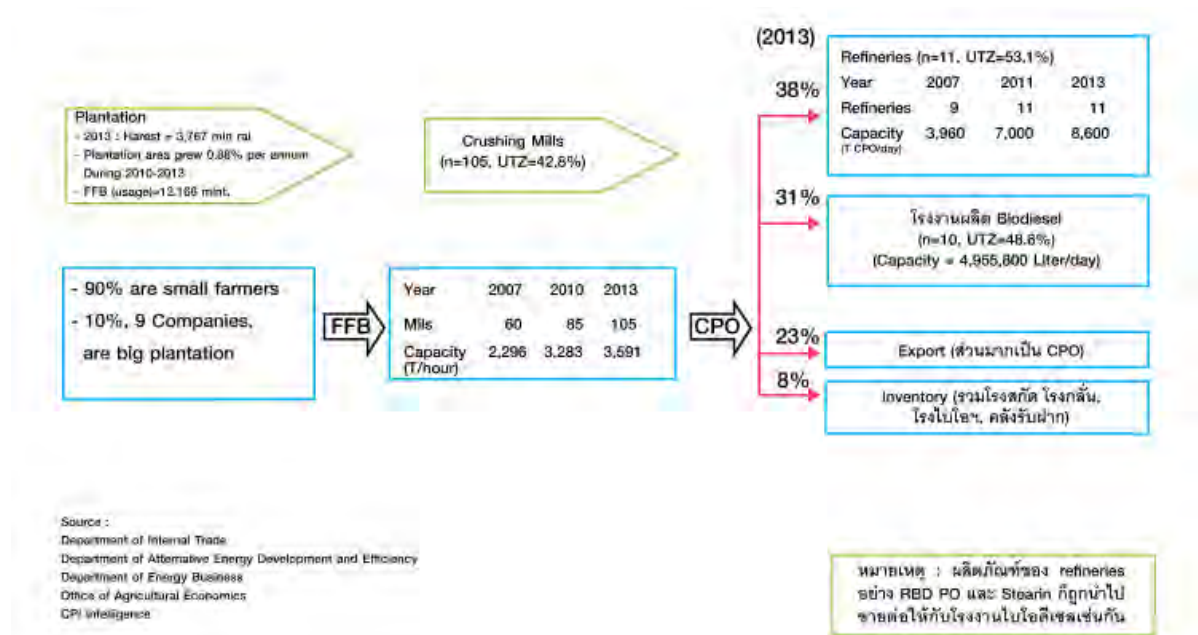


Figure 1 - Basic Structure of Thai Palm Industries

Figure 1 shows the supply chain which is comprised of Oil Palm plantations sending their yields to crushing mills. Then, the crushing mill will extract oil from the fresh fruit bunches. The final product from this process is known as Crude Palm Oil or CPO which will then be sent to a refinery plant to purify and synthesize the substance and produce RPO or Refined Palm Oil and ROL or Refined Bleached Deodorized Olein (with Palm Stearin and Palm Fatty Acid Distillate as by products). The RPO can be used as cooking oil in instant noodles industry or as a component in other food industries such as in the production of condensed milk, margarine, soap, etc. In addition, RPO can also be used as a raw material in biodiesel production (to make Palm Methyl Ester or B100). Purchasers of RPO, therefore, are often biodiesel production plants which do not have crushing mills (They purchase RPO to mix with Methanol to produce Palm Methyl Ester, for example). In general, however, biodiesel plants and major production plants usually have their own refinery mechanism similar to those used in a palm oil refinery. Thus, they often buy CPO directly from a crushing mill and use it as a component in the production of Palm Methyl Ester.

Demands for cooking palm oil in 2013 reached the highest at 38% of total demand (initial inventory + annual production capacity). While the demand for palm oil to be used as fuel was not very much different in terms of proportion, the demand for palm oil for export, however, exceeded the expected level to almost 1/4 of the total demand. The 8% recorded here indicates inventory level of the products.

The growth rate for production capacity was higher than the growth rate for fresh oil palm fruit yields available in the market.

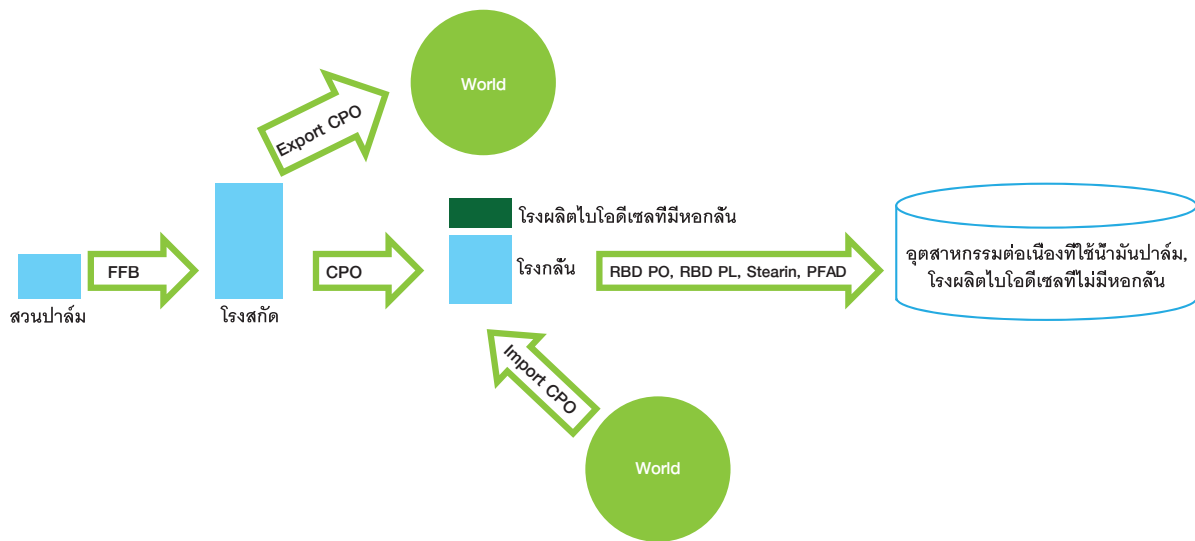


Figure 2 – Disproportion in the Supply Chain of Thai Palm Oil Industry

Figure 2 is still related to Figure 1 in that it points out the disproportion between the demand and the supply of raw oil palm fruits available in the market and the additional strain imposed by unfounded import and export policies.

Once all machines and equipments are operated in full force, the production capacity of oil palm crushing mills can reach the maximum of 28.44 million tons of fresh oil palm fruits per day. However, at the moment the total yields of the fruits from all plantations in the country remain only 12.17 million tons. It does not even reach the half point of the total production capacity of all crushing mills. (This disproportion is represented by blue and pink column respectively).

In terms of the highest production capacity that oil palm refineries and biodiesel plants can achieve is estimated to be 84% of the production capacity of all crushing mills. So if one looks only at the production capacity, one would think that the intended production level is feasible. However, the problems lie in the fact that crushing mills can only operate 40% of their machineries capacity as a result of shortage of oil palm fruits that are not sufficiently available to allow for running the system to its fullest capacity. This means that the refineries and biodiesel plants can only half-function (50%). Some state policies also prohibit import on crude palm oil while export of the same goods can be done freely when the price of CPO in international market rises and become higher than the production cost for CPO plus transportation expenses. Therefore, if the export during a certain period becomes too high, it will cause the domestic supply of CPO to drop and the production cost for domestic refineries will rise extremely and uncontrollably. Managing and maneuvering over such situation usually take months by reducing the mixture proportion of biodiesel or importing CPO from Malaysia. During such time, the domestic price of oil palm can be disproportionally high (8-10 THB per kg.) This might induce, in some case, illegal smugglings of oil palm products which can further undermine the competition in domestic market.

Policies regarding import and export that are not in balance often cause the price of oil palm to rise higher than that of Malaysia (which is often taken as the benchmark price for the global market) generally for 1-2 THB.

Risk Factors

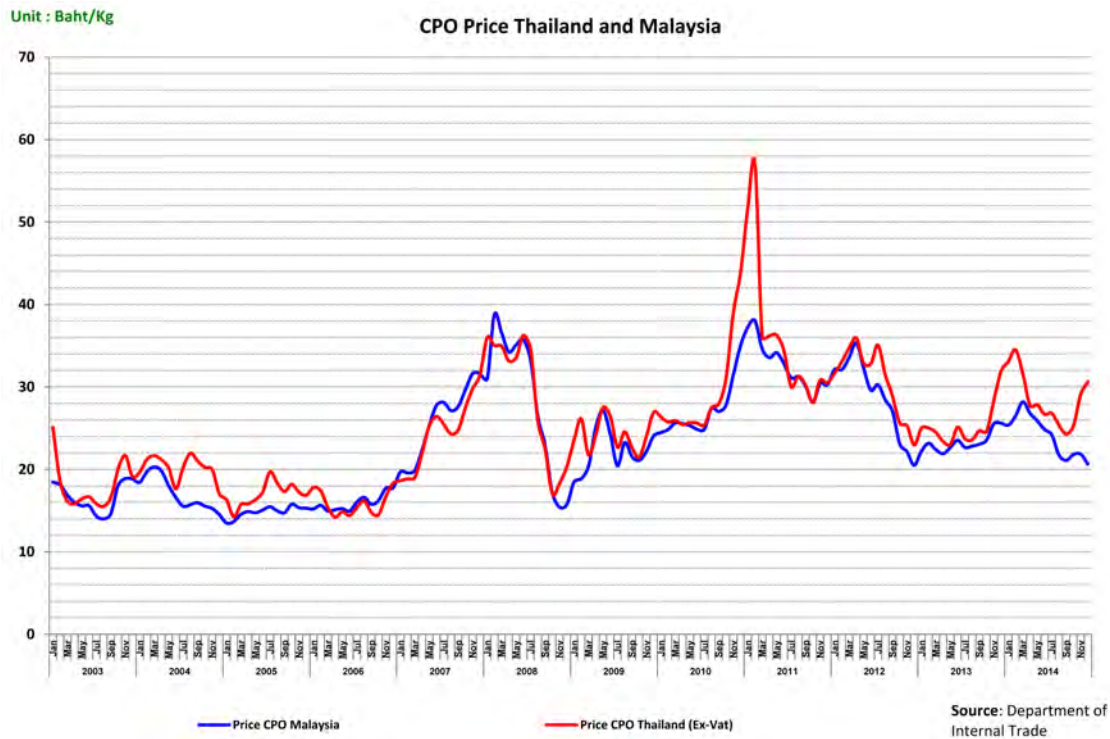


Figure 3 Comparing CPO price between Thailand & Malaysia

Market Competition Within the Industry

From 2011 onwards, the number of oil palm refineries remain unchanged—at 11 refineries—with 23% increase in overall production capacity. It is, therefore, assumed that the rise in production capacity came mainly from increased RPO production which is used to produce biodiesel because some of the refineries also have the capacity for biodiesel production.

Because our main commodities are direct consumers' products, the competition, therefore, is often involved reducing the product's price. The market itself also has the characteristics of being market with many sellers in which the products on sale are only slightly different from one another. The entry barrier for such market is considered very low (in terms of regulations and capitals). So when a seller sells his or her products with high price, it often means that he or she will lose a large quantity of purchasing order to competitors. Whereas various discounts on the product often mean an incoming of more purchasing orders. Hence, the price competition means that the majority of the entrepreneurs can only achieve normal profit margins. This is evident in the net profits of each refinery which does not exceed 3-5% per year. Factors for success, therefore, lie within devising strategies to increase production capacity and overall productivity to pull down the production cost along with a good management on the sales and purchasing of raw materials. Brand image and market status may be of some importance in the case of cooking oil.

Customers

As food products, it is considered that the market has a normal growth rate at 4-5% per year. In addition, at the present, there are many substitute products and various alternatives available to customers such as soy bean oil, sunflower seeds oil, rice bran oil, canola oil, etc.

Risk Factors

RBD Palm Olein Domestic Sales

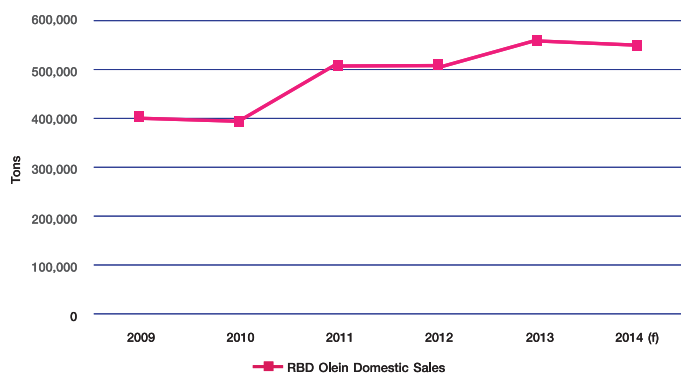


Figure 4 RBD Palm Olein Domestic Sales ((Source: Department of Internal Trade) – In 2010, the sale quantity significantly dropped as a result of oil palm fruits shortage. The majority of RBD Palm Olein are used in food related industries..

Food Consumption

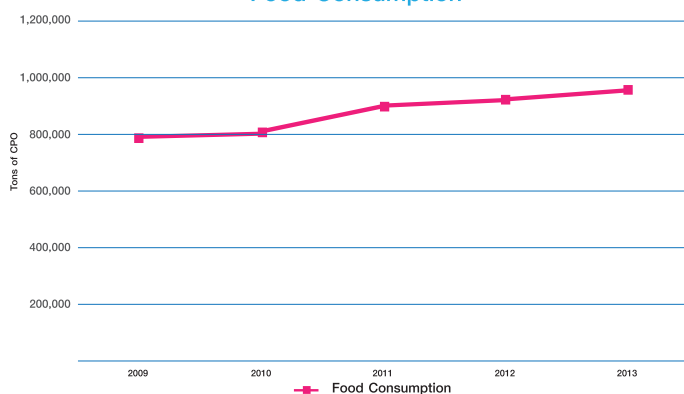
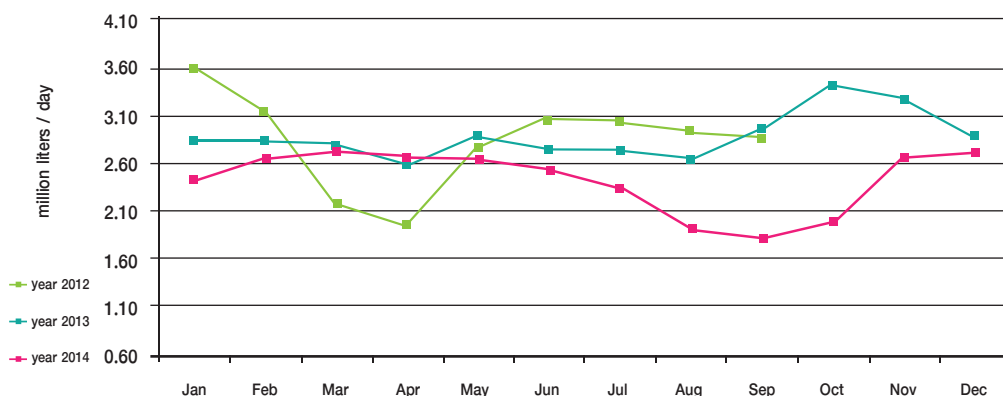


Figure 5 Palm Oil as Cooking Product Consumption Quantity (Source : Department of Internal Trade)

In terms of energy, the growth rate is considered very high. At present, B7 biodiesel is the oil product most commonly used. In the future, according to Renewable Energy Development Plan, the proportion in oil mixture shall be increased to B10 or more.

Biodiesel (B10) to proceed to Diesel



Because of the imbalanced industrial structure as already discussed, we conclude that the risk factor involving raw materials can highly affect the rate of returns of business within this industry (This is especially the case for downstream entrepreneurs such as oil palm refineries or biodiesel production plants)

Risk Factors

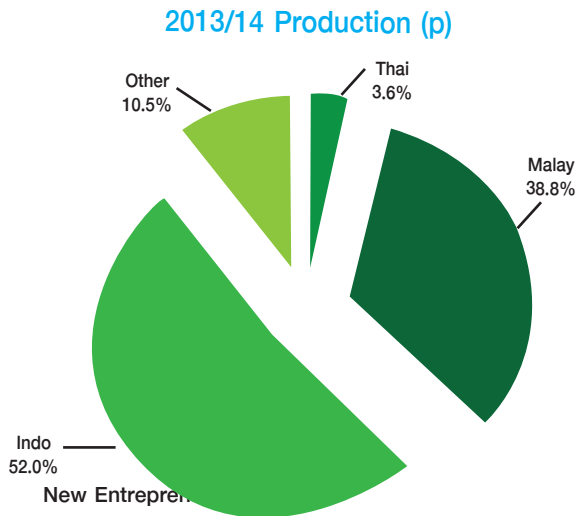


Figure 7 Oil Palm Production Shares by Country – Malaysia and Indonesia combined productions are estimated to be 86% of the global quantity

Source: U.S. Department of Agriculture

In general, for new business investment to, for example, increase the production capacity of oil palm refineries or to build biodiesel production plant, the entrepreneurs must have a fixed capital of approximately 300-700 million THB. This shall impose another operational obligation, although not as much as is often the case with investment in public infrastructure such as electricity, water supply service, railway system, etc. Therefore, by nature of the industry, barriers to entry are not high so it often create and attract new investors to compete in the market while the existing entrepreneur strived to increase the production capacity of their plants.

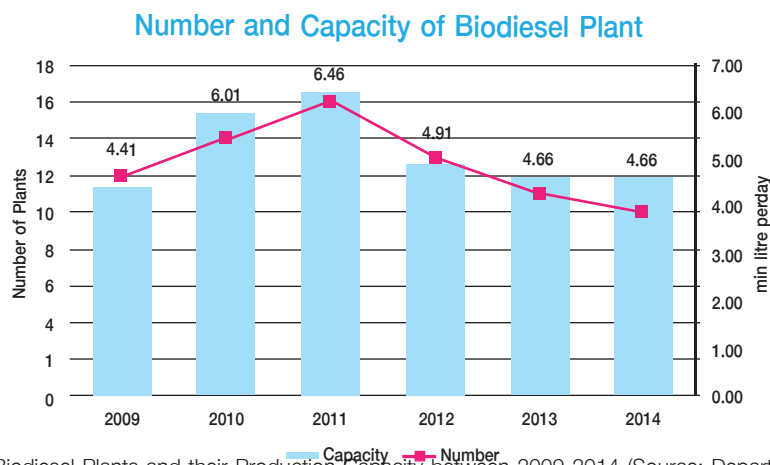


Figure 8 – Quantities of Biodiesel Plants and their Production Capacity between 2009-2014 (Source: Department of Energy Business)

From 2012 onwards, it appears that the numbers of biodiesel producers and overall production capacity has significantly decreased. This is partly because of the policy of mixing B100 with diesel which greatly and directly affects the income of entrepreneurs. However, because public policies concerning renewable energy will be the trajectory of our economy in the future, the company, therefore, expects that we shall see some changes and the biodiesel production capacity (B100) ought to significantly increase in the near future. We also predict that the increase shall come from existing entrepreneurs who have the expertise and experience required to produce and marketize their products.

Substitutes or Alternative Products

Plant-based cooking oil that can be and are globally used as a substitute for Palm oil is Soy Bean Oil, Canola Oil (Rapeseeds Oil), Sunflower Seeds Oil. At present, palm oil has the highest market shares both in terms of production and consumption. The only major competitor is Soy Bean Oil from America, Brazil, Argentina. Soy Bean Oil can be consumed and used to make biodiesel similar to Palm Oil. Nonetheless, Palm Oil holds more advantages in that the total oil yielded after being processed is 10 times more than Soy Beans of the same quantity (of equal plantation area). Oil Palm fruits are also cheaper than soy beans, can be lower as much as 140-150 USD per ton.

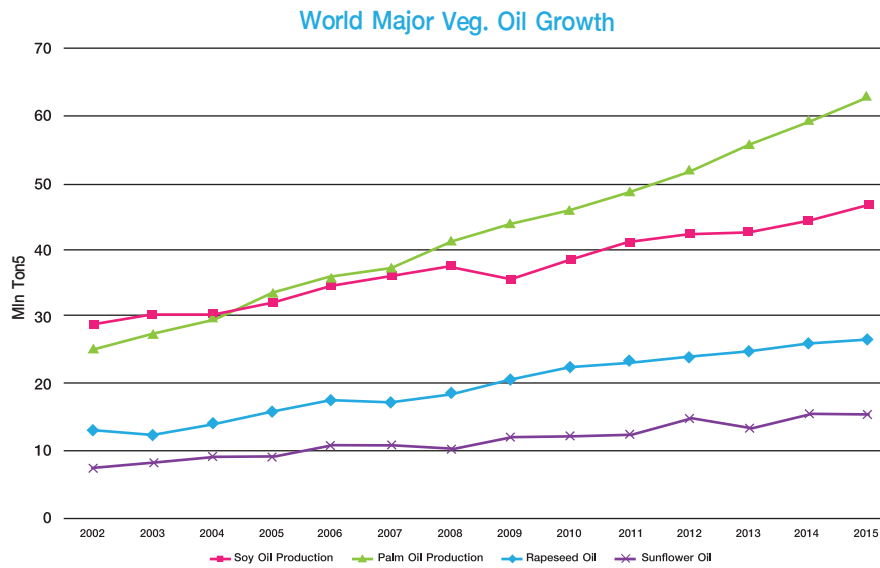


Figure 9 Global Vegetable Oil Production Growth – In the past, soy bean oil had the highest supply share in the world. Palm oil came in second but soon outdid soy bean in terms of global production capacity from 2005 onwards. The highest growth rate of palm oil industry during the period of 14 years is estimated to be at 11% (source: United State Department of Agriculture)

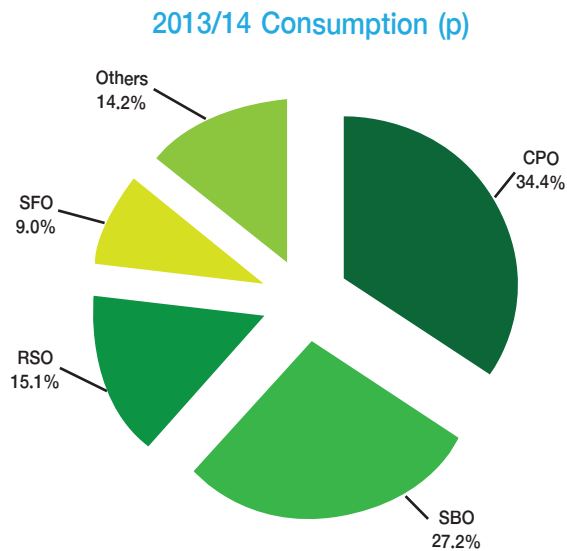


Figure 10 Plant-based Oil Consumption – Palm oil has market share of 1/3 of the all global consumption

Source: US Department of Agriculture

In Thailand, palm oil still remains the main cooking oil product. Soy bean oil only accounts for 20-25% of palm oil+soy bean oil total consumption. In terms of growth, during the period from 2003-2009 , production of palm oil as cooking product had an average growth rate of 6.8% while that of soy bean oil accounted for only 5.1%

Risk Factors

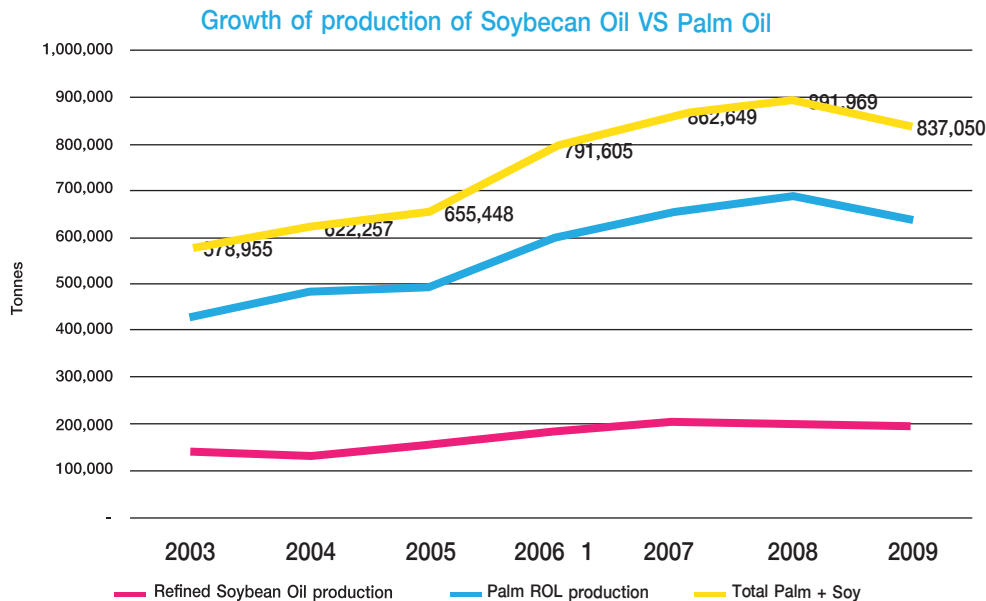


Figure 11 Production Quantity of Soy Bean Oil and Palm Oil as Cooking Product from 2003-2009 (Source: Department of Internal Trade)

(II) Specific Risks Involved in the Corporate Level

1) External Risks

1.1) Risks Associated with Changes in the State's Policies,

Laws and Regulation: Public policies that affect how a company operate its business include price ceiling, import allowance for CPO during domestic shortage, quantification of B100 in Diesel, etc.

Price Ceiling - 1 litres of ROL or Oleine Oil (Cooking Oil) is a controlled product under the policy of the Central Committee on Goods and Services. The controlled price is 42 THB per bottle. At any rate, CPO is a direct raw material which usually accounts for 80% of the sale price. In the case where the cost of the raw material continue to rise (more than 30 THB/kg), the company will be put under serious strain. By continuing to produce and supply the products to the market when they cannot raise the price over the limit imposed, the company will not only bring about a great loss in profits but also initiate its own downfall as well. (because the sale price is lower than the variable costs)

CPO Import Allowance - In the case which domestic shortage causes the price of CPO to rise (as was the case with, for example, blue capped and pink-capped vegetable oil in early 2011), import of lower priced CPO from Malaysia must be approved by related government agencies. This might cause some problems as a result of delays in proceeding for the approval.

At any rate, the company has attempted to proactively minimize such risks by constantly analyzing relevant government policies, by cooperating with related state agencies, and by attending conferences provided. Such steps are taken in order to ensure that the company is consciously aware of the current policies and can prepare accordingly in advance.

1.2) Risks Associated with Too Much Reliance on Several Major Clients

In 2014 (January to November) total sales of 10 biggest clients of the company accounted for 60% of all sales. A loss of a client or any order cancellation from them would definitely mean a significant loss in the company's net incomes.

In any case, the company has tried to expand its market share and find new clients while continuously strengthening and enhancing good business relations with our major clients. The company also works to improve the production efficiency and capital management to ensure good quality and sustain reasonable prices for our goods and products.

1.3) Risks Associated with Integration into AEC

Integration into AEC at the end of 2015 will allow goods and services between all ASEAN Countries to move freely and without any border. This will mean that the company's oil palm refineries can benefit from the change because cheaper raw materials will be more readily available. At the same time, however, products like RPO and ROL produced by leading producers from Indonesia and Malaysia can be introduced to consumers in Thailand and take the market shares against the Thai producers.

However, with reference to the official explanation as provided by OAE (Office of Agricultural Economics), the company has inquired for a definitive answer regarding the import of CPO and learned that the same regulations are still in use. Any importation of CPO must be approved first by the Ministry of Commerce with the necessity of such action reviewed. Also, if approved, the importation must be performed only by PWO (Public Warehouse Organization), and the products can only be distributed by the "Thailand Oil Palm Board".

1.4) Roundtable on Sustainable Palm Oil (RSPO) Standard

Foreign markets especially in Europe are interested in Oil Palm products that have been certified with RSPO standard. This issue might become a trade barrier which can limit the export quantity of Oil Palm products by Thai producers. So we need to make sure that our production plants will be soon certified with the standard.

Presently, the company has been certified with RSPO Supply Chain Certification (for purchasing CPO that has been certified with RSPO to be used in other stages of production). The company is still in the process of bringing RSPO standard to use with all of its plantation areas to ensure and facilitate certified future production.

1.5) Risks associated with Too Much Reliance on Major Dealers/Distributors

In the market for bottled cooking oil, the company still uses various modern trade channels as the key distributing center. This accounts for 10% of the total sales income of the company. There are major risks involved, however. Because market competition is very high, both by the house brands of the Modern Trade centers and by ordinary competitors. This means that all brands will always be in competition and must always take part in a variety of discounts programs and other activities to attract more sales and customers

The company has foreseen such risks and always made sure that the risks shall be managed and minimized through sales expansion programs which will involve more traditional trade with dealers from within each locality. At the moment, the company distributes our products in both modern and traditional trade in equal proportion.

2) Risks Associated with Production

2.1) Risks from Quantity Fluctuation and Availability of Fresh Oil Palm Fruits in the Market

Oil Palm is a perennial plant without a specific harvesting period (the plant can be harvested year-round, with production different from time to time). In addition, the total yield of the plant are often varied and largely depend on climate and soil minerals. This makes calculating for the total production yields a very difficult thing to do. This also directly affects the production plans and the corporate budget.

In any case, the company has undertaken fielding/plantation surveying along with reviewing information received from OAE and making statistic-based analysis to minimize errors or mistakes in the company's business plans and production forecasts.

2.2) Risks Associated with Global Price Fluctuations of Raw Materials

Crude Palm Oil or CPO is an essential raw material in the company's business. It accounts for more than 80% of the production cost per item. CPO in Thai market often moves/changes in accordance with global CPO (with benchmark price determined by the Malaysian production). Because the Thai government allow for free export of CPO (but limited import), the price of CPO in the Thai market highly fluctuates, similar to the global situation. As a commodity, the company hold both inventory and forward sales of the product. This makes the situation somewhat very risky for the company because little market fluctuation can affect and cut down the company's net profits.

In this respect, the company has tried to risk-manage by analyzing and closely following the current market situation. We also employ forward sales in Bursa Malaysia Derivative to risk-manage the mentioned prices fluctuations.

2.3) Risks Associated with Labor Shortage

With an area of approximately 32 square kilometers, the company need a lot of workers to harvest, tend to, put in fertilizers and other chemicals. It is unavoidable, therefore, for the company to be under the situation of labor shortage. Other departments which need individuals with specialized work skills that need specific vocational training also confronts with the same problems.

In any case, the company has employed various machineries and equipment in the production to guarantee high productivity for each individual worker. The company also uses legally alternative labor supply from Thailand's neighboring countries. In terms of personnels with specific vocational skills, the company has contact vocational schools and colleges which produce graduates with needed set of skills to work with the company after their graduation.

3) Financial Risks

3.1) Risks Associated with Currency Exchange Rate

On average, the company has income from foreign commerce which accounts for approximately 7-8% of all annual sales. The company, therefore, needs to have some cash/liquidity in USD. This is considered a risk because in the case which THB becomes strong, income once exchanged in to THB will be less than the amount originally received in other currencies.

Therefore, the company tries to manage the financial risk of this kind by closely following the current exchange rate and relevant analyses. We also engage in making forward with various banks to compare Premium and Discount on a regular basis.

3.2) Risks Associated with Credits

The main products of the company is a commodity with price that can always fluctuate. The company's clients also conduct their business operation in various manner. Some buy our product and use them as a production material (Industrial Customers). Some of them buy our product to sell them to consumers. The latter sometimes practices price speculation in order to earn profits. This, to the company, is considered an additional risks. Both the company and the clients can end up with loss because of the profits speculation. When this happens, it often means default payment or unexpected delay in payment.

In any case, the company has tried to expand its business horizon, to create new customer bases/ groups. We also review our clients' credit limits, credit terms and facilitate the ordering and production process immediately after purchasing order is placed. We also pay very close attention to the clients that show some signs of abnormality to minimize, or in some cases, eradicate the risks involved.

Shareholding Structure

The first ten major shareholders as of November 12' 2014

Shareholders	No. of Shares	Percentage
1. Chumporn Holding Company Limited	184,194,250	32.858
2. Mr.Chusak Prachayangprecha's Group	28,623,648	5.106
Mr.Chusak Prachayangprecha	10,227,250	1.824
Mr.Kovit Prachayangprecha	10,432,218	1.861
Mrs.Achara Prachayangprecha	1,616,336	0.288
Mr.Pramote Prachayangprecha	1,470,136	0.262
Mrs.Patcharee Prachayangprecha	1,334,720	0.238
Mr.Suriyan Prachayangprecha	1,171,202	0.209
Mr.Chakorn Prachayangprecha	156,150	0.028
Miss.Saowarak Kithlarak	1,334,720	0.238
Mrs.Vimol Saeju	880,916	0.157
3. Mr.Takon Tawintermsup's Group	26,057,707	4.648
Mr.Takon Tawintermsup	4,996,130	0.891
Mr.Rangsan Tawintermsup	14,021,720	2.501
Mr.Rachoj Tawintermsup	4,000,000	0.714
Mrs.Chongkolrat Tawitermup	3,039,857	0.542
4. Mr.Kitti Chatlekhavanich's Group	28,731,066	5.125
Mr.Kitti Chatlekhavanich	10,208,332	1.821
Mr.Methee Chatlekhavanich	838,204	0.150
Mr.Paisarn Chatlekhavanich	9,815,800	1.751
Mr.Sutee Chatlekhavanich	260,536	0.046
Mrs.Jongjin Chatlekhavanich (Executrix of the Mr.Paisarn Chatlekhavanich)	7,608,194	1.357
5. Mr.Songridth Niwattisaiwong's Group	8,697,074	1.551
Mr.Songridth Niwattisaiwong	2,831,260	0.505
Mrs.Benjapan Niwattisaiwong	134,946	0.024
Mr.Supachai Niwattisaiwong	2,898,802	0.517
Mr.Meesak Niwattisaiwong	2,832,066	0.505
6. Mr.Visut Ruangsuwanna	5,872,776	1.048
7. Bangkok Insurance Public Company Limited	7,455,820	1.330
8. Mr.Boonyong Boonyongrattakul	4,575,426	0.816
9. Mr.Kimeng Saeaeue	4,038,868	0.720
10. Mr.Akechai Rojwanit	3,556,310	0.634
11. Minor Shareholders	258,766,602	46.161
Total	560,569,547	100

Shareholding Structure

Remark Chumporn Holding Company Limited comprises shareholder as follows:

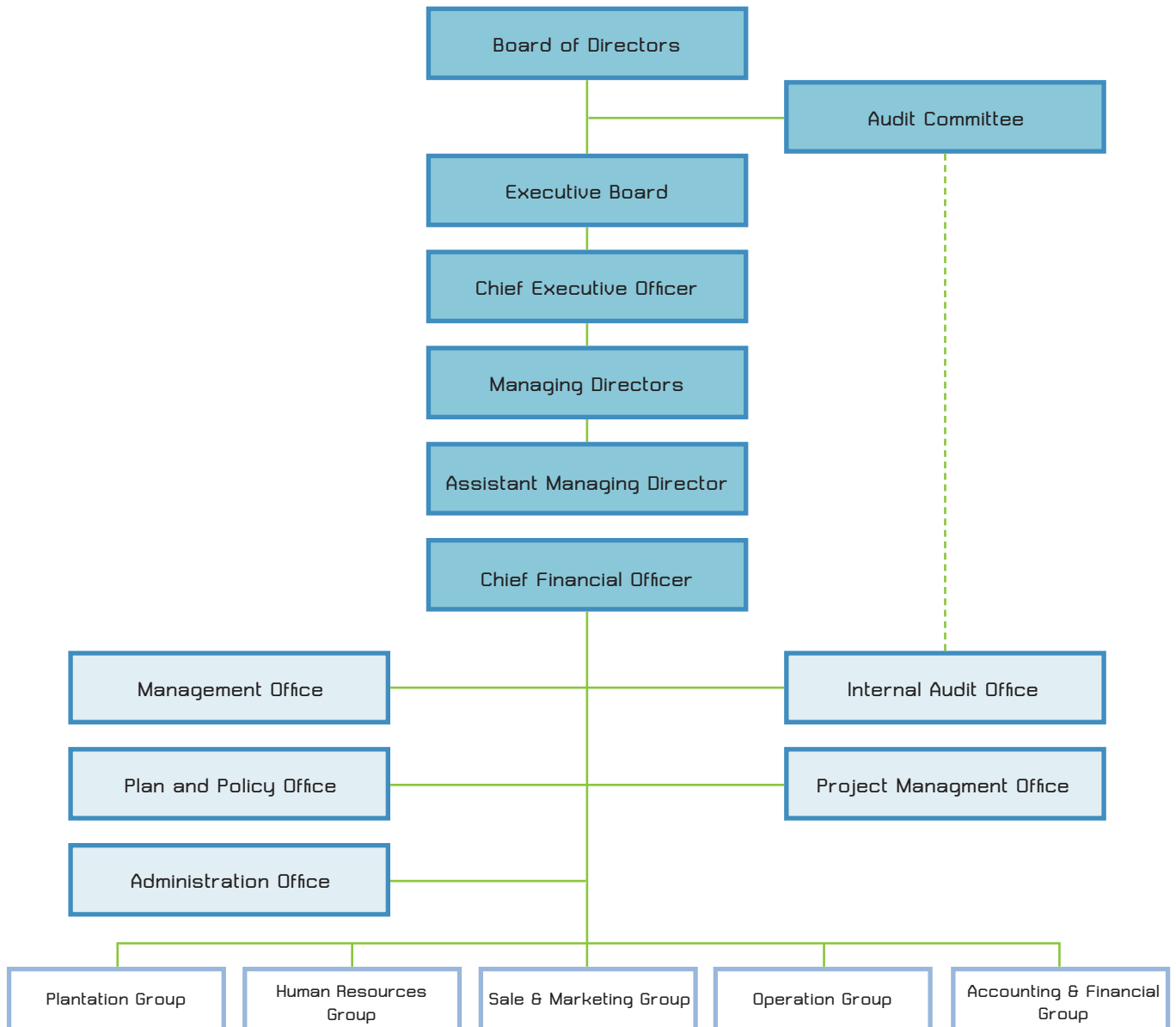
1. Mr.Takon Tawintermsup's group holds 515,000 shares or 6.13%
 - Mr.Takon Tawintermsup is director and holds 60,000 shares or 0.71%
 - Mr.Rachoj Tawintermsup is director and holds 225,000 shares or 2.68%
 - Mr.Rangsan Tawintermsup is director and holds 230,000 shares or 2.74%
2. Mr.Chusak Prachayangprecha's group holds 782,000 shares or 9.31%
 - Mr.Chusak Prachayangprecha is director and holds 325,000 shares or 3.87%
 - Mr.Kovit Prachayangprecha holds 150,000 shares or 1.79%
 - Mr.Pramote Prachayangprecha holds 137,000 shares or 1.63%
 - Mr.Suriyan Prachayangprecha holds 150,000 shares or 1.79%
 - Mr.Chakorn Prachayangprecha holds 20,000 shares or 0.24%
3. Mr.Kitti Chatlekhavanich's group holds 840,000 shares or 10%
 - Mr.Kitti Chatlekhavanich is director.
 - Mr.Paisarn Chatlekhavanich holds 840,000 shares or 10%
4. Mr.Songridth Niwattisaiwong's group holds 620,000 shares or 7.38%
 - Mr.Songridth Niwattisaiwong is director and holds 205,000 shares or 2.44%
 - Mr.Meesak Niwattisaiwong holds 205,000 shares or 2.44%
 - Mr.Supachai Niwattisaiwong holds 205,000 shares or 2.44%
 - Mrs.Benjapan Niwattisaiwong holds 5,000 shares or 0.06%
5. Mr.Sommart Paisansirirat's group holds 609,000 shares or 7.25%
 - Mr.Sommart Paisansirirat is director and holds 100,000 shares or 1.19%
 - Mr.Somboon Paisansirirat holds 169,000 shares or 2.01%
 - Miss.Siriporn Paisansirirat holds 40,000 shares or 0.48%
 - Mr.Hiran Paisansirirat holds 100,000 shares or 1.19%
 - Mrs.Bugsim Paisansirirat holds 100,000 shares or 1.19%
 - Mrs.Kulya Paisansirirat holds 100,000 shares or 1.19%
6. Mr.Akechai Rojwanit is director and holds 639,000 shares or 7.61%
7. Mrs.Veerawan Sekisumi holds 50,000 shares or 0.60%
8. Mrs.Sirirat Songpattanayothin holds 100,000 shares or 1.19%
9. Greenergy Company Limited holds 2,140,000 shares or 25.48%
(Not operate the same business with Chumporn Palm Oil Industry PCL.)
9. Grand Barai Company Limited holds 2,105,000 shares or 25.06%
(Not operate the same business with Chumporn Palm Oil Industry PCL.)

Shareholding by nationality of December 30, 2014

Nationality	Person	Share	Precentage
Thai	230	549,224,835	97.98
Other	8	11,344,712	2.02
Total	238	560,569,547	100.00

Management Structure

Organization Chart as of January 21' 2015



Management Structure

The Board of Directors comprises of member as follows:

No.	Name of Directors	Position
1	Mr. Somchai Sakulsurat	Chairman Chairman of the Nomination and Remuneration Committee
2	Mr. Suthep Wongvorazathe	Independent Director Chairman of the Audit Committee
3	Assoc. Prof. Dr. Ninnat Olanvoravuth	Independent Director Audit Committee Risk Management Committee
4	Mr. Satit Chanjavanakul	Independent Director Audit Committee
5	Admiral Satirapan Keyanon	Independent Director Nomination and Remuneration Committee
6	Mr. Takon Tawintermsup	Director Chairman of the Executive Board
7	Mr. Chusak Prachayangprecha	Director Executive Board Nomination and Remuneration Committee
8	Mr. Voravit Rojrapitada	Director Executive Board
9	Mr. Rachoj Tawintermsup	Director
10	Mr. Karoon Nuntileepong	Director Corporate Governance Committee
11	Mr. Kitti Chatlekhavanich	Director Risk Management Committee
12	Mr. Songridth Niwattisaiwong	Director Corporate Governance Committee

Remark 1) Mr.Voravit Rojrapitada resigned from Director on 24 February 2014
 2) Mr.Rachoj Tawintermsup was appointed as Director on 24 February 2014
 3) Board of Directors have never been an employee or partner of the external auditor which the company has employed in the last 2 years.

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

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.

Management Structure

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 or 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 Nomination and Remuneration Committee, 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.
6. Appoint Chief Executive Officer and Managing Director who is proposed by the Nomination and Remuneration Committee for responsibilities as assigned or according to the policy assigned by Board of Directors, the Executive Board and following the Law.
7. Appoint the Company Secretary to be responsible for the matters required by the law. The Audit Committee reports directly to the Board of director. The Audit Committed comprises of 3 members as follows;

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.

Management Structure

Tenure of the Audit Committee

The Audit Committee shall hold a term of 2 years and the Audit Committee may be re-appointed by the Board of Directors for another term.

The Executive Board comprises of 2 members as follows;

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

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

1. Have authorities, duties and responsibilities as assigned or in accordance with the policy which is assigned by the Board of Directors.
2. 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 from the Board of Directors as well as conduct, examine and follow business operations of the company as specified efficiently and effectively.
3. 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.
4. Specify the annual criteria to evaluate performances of Chief Executive Officer and Managing Director and high-level Executives accordance with duties, responsibilities and risks which may occur.
5. Consider to appoint Deputy Managing Director, Assistant Managing Director, Chief Financial Officer, Director, and Senior Managers as proposed by Chief Executive Officer.
6. Consider the annual increment and bonus for employees as proposed by Chief Executive Officer; then, report to the Nomination and Remuneration Committee for acknowledgement.
7. Specify the organization structure and company's management policy including policies related to recruitment, training, employment and discharge for the company's employees, which Chief Executive Officer, Managing Director, Human Resources Director of the company is authorized to sign the employment contract on behalf of the company.
8. Consider and offer proposals or opinions to the 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 the Board of Directors to approve.
9. Authorize Chief Executive Officer, 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 the Executive Board.
10. 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.
11. Review and endorse general purchases excluding raw materials procurement which cost above Baht 10 Million as approved by Chief Executive Officer and/or Bidding Committee.
12. Study the feasibility of new project investments and has the authority to consider and approve the company to invest or venture business with individuals, legal entities or organizations of any businesses which the Executive Board 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.
13. Consider and approve the financial transactions with financial institutes related to account opening, loan, credit, pawn, mortgage, guarantee and any matters including buying, selling and any land proprietary registrations in accordance with the company's objectives for benefits of the Company's performances including the juristic contract commitments, application / 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.
14. Specify trading conditions such as credit limit, payment period, sales agreement, alteration of trading conditions and etc. which cost above Baht 25 Million.

Management Structure

15. 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 related transaction/person in accordance with the concerned laws and principles or company's regulations which mandate the Shareholders Meeting or Board of Directors to approve, the Executive Board 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.

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 has the scope of duties and responsibilities as follows;

1. Consider the nomination criteria and procedures to nominate eligible individuals to be Directors; 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 the Board of Directors; then, propose to the Shareholders Meeting to approve.
4. Proposed the candidate to Board of Director for consideration and appointed to be Chief Executive Officer and Managing Director.
5. Acknowledge the annual increment and bonus for Chief Executive Officer and Managing Director as proposed by the Executive Board.
6. Specify the criteria to evaluate performances of the Board of Directors and the Executive Board in accordance with duties, responsibilities and risks which may occur.
7. Perform any duties which are assigned by the Board of Directors.

Tenure of The Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall hold a term of 2 years and the Nomination and Remuneration Committee may be re-appointed by the Board of Directors for another term.

The Risk Management Committee was appointed by Board of director Meeting No.2/2015 on February 25' 2015 comprises of 3 member as follows;

No.	Name of Directors	Position
1	Assoc. Prof. Dr. Ninnat Olanvoravuth	Risk Management Committee
2	Mr. Kitti Chatlekhanavich	Risk Management Committee
3	Mr. Rakkiti Tanglamert	Risk Management Committee

The Risk Management Committee has the scope of duties and responsibilities as follows;

1. The Risk Management Committee shall be comprises of 2 Board of directors and should be 1 Independent Director including.
2. The Risk Management Committee shall hold a term of 3 years and the Risk Management Committee may be re-appointed by the Board of Directors for another term.
3. If the Risk Management Committee is vacant for other reasons, in addition to retirement referring to article 2. etc. resignation or removal from the Director of Board. The Board of Directors should appoint the member director as a Risk Management Committee which will represent the positions as their term.
4. Arrangement the meeting as least 1 time per year.
5. The Risk Management Committee who has interest in that agenda, may not join and vote for this agenda.
6. Set the policy and suggest how to manage the risk in concern to the business company.
7. Report the performance of the Risk Management Committee to the Board of Directors and disclose in Annual Report.
8. Perform other duties as assigned by the Board of Directors.

Tenure of The Risk Management Committee

The Risk Management Committee shall hold a term of 3 years and The Risk Management Committee may be re-appointed by the Board of Directors for another term.

Corporate Governance Committee was appointed by Board of director Meeting No.2/2015 on February 25' 2015 comprises of 2 member as follows;

No.	Name	Position
1	Mr.Karoon Nuntileepong	Corporate Governance Committee
2	Mr.Songridth Niwattisaiwong	Corporate Governance Committee

Corporate Governance Committee was appointed to operate and control process to follow the rules of Corporate Governance. The scope of duties and responsibilities have been considering from Board of director.

Chief Executive Officer

No.	Name	Position
1	Mr.Supisith Chorrungsak	Chief Executive Officer

Chief Executive Officer has the scope of duties and responsibilities as follows;

1. Have authorities, duties and responsibilities as assigned or according to the policy assigned by the Board of Directors and/or the Executive Board.
2. Responsible to supervise, arrange and manage the Company's business in accordance with the policies, business strategies, goals, proceeding plans, financial targets and company's budgets which are approved by the Executive Board.
3. Consider to employ, appoint, rotate, discharge as well as specify authorities, evaluations and appropriate remunerations for employees in the supervised line in accordance with the policy specified by the Executive Board.
4. Appoint Advisors for any working fields that are necessary for daily performances and/or managements of the company.
5. Appoint and/or assign individual (s) to operate any matters conducted under the authorities of Chief Executive Officer in accordance with Chief Executive Officer's appropriate point of views; meanwhile, Chief Executive Officer may abolish, revoke or amend the said authority.
6. Consider and approve the financial instruments and contracts such as the Commodity Future Contract, Foreign Currency Exchange Forward Contract and etc. in order to prevent the company's financial risks.
7. Specify trading conditions such as credit amount, payment period, sales agreement, alteration of trading conditions and etc. which cost up to Baht 25 Million.
8. Consider, negotiate and approve any transactions or performances concerned to raw material procurement and product selling up to 1,000 Tons per order and if purchasing or selling is more than 1,000 Tons per order, must be approved by Selling & Purchasing Committee and then report to the Executive Board in the next meeting.
9. Consider, negotiate and approve any transactions excluding raw material procurement and product selling which cost up to Baht 10 Million per order.
10. Apart from the abovementioned authorities, duties and responsibilities, accordingly referred to the Authorization Manual of the company.

Management Structure

Management as of January 21' 2015 comprises of 21 member as follows:

No.	Name of Management	Position
1	Mr. Supisith Chorrungsak	Chief Executive Officer
2	Mr. Racho J Tawintermsup	Assistant Managing Director
3	Mr. Rakkitit Tanglamert	Chief Financial Officer
4	Mrs. Ratsamee Pongjindanon	Internal Audit Director
5	Mr. Thawatchai Chomwarn	Sale & Marketing Director
6	Mr. Ananchai Araniamfa	Project Management Director & Acting Purchasing Manager
7	Mr. Sumin Chudankura	Human Resources Director
8	Mrs. Pranee Jitworajinda	Assistant Factory Director & Acting Operation Director
9	Ms. Sutisa Thainchai	Senior Administrative Manager
10	Mr. Choonhui Saelow	Senior Plantation Manager
11	Mr. Mongkol Siengsutivong	Management Information System 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 Duangsai	Production 2 Manager
16	Mr. Somchai Chantaramanee	Production 3 Manager
17	Mr. Kritsana Sommart	Engineering 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	Ms. Wirarat Wiwattanatikul	Company Secretary

- Remark
- 1) Mr.Karoon Nuntileepong resigned from Managing Director on January 1' 2014.
 - 2) Mr.Teoh Seng Leong resigned from Chief Executive Officer on April 1' 2014.
 - 3) Mr.Supisith Chorrungsak was appointed to be Managing Director by Board of Director since May 7' 2014 and was appointed to be Chief Executive Officer by Board of Director since January 21' 2014.
 - 4) Managing Director position is searched by The Nomination and Remuneration Committee.
 - 5) Management No. 1-7 have never been an employee or partner of the external auditor which the company has employed in the last 2 years and have to be disclosed as per SEC's policy.

Management Structure

Secretary Company

The Board of Directors appointed Miss Wirarat Wiwattanatikul to be Secretary Company since May 14 '2008 by accordance with Section 89/15 of Securities and Exchange Act to perform the following duties: To be a center point in making/keeping documents, Handling Board/Committees members registrations, Arranging shareholders meetings, Reporting the interests of Board/Committees members as well as the Executives, Others, (as assigned by the Board of Directors).

Selecting Directors and Executives

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 any 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 Baht20 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.

Selecting Directors and Executives

The Nomination and Remuneration committee will recruit the qualified persons to be directors of the company which will propose to Shareholders for consideration as the case may be. The Nomination and Remuneration committee will consider about skill, knowledge, specialist, experience and not specific sex age or nationality which the qualified will be depend on the Company's situation during that time and the company give an opportunity for shareholder to propose nominate candidates as the director of company in advance as the Annual General Meeting of Shareholder No.1/2014, the company gave an opportunity to the shareholder to propose the qualified during December 4' 2013 to January 31 '2014 and the Annual General Meeting of Shareholder No.1/2015, the company gave an opportunity to the shareholder to propose the qualified during September 1 '2014 to November 30 '2014. The Shareholders were notified by new system of the SET and the company's website.

The Nomination and Remuneration committee will recruit for the Chief Executive Officer and Managing Director and propose to the Board of Director for consideration and appointed.

Management Structure

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

Remuneration

Remuneration for Directors

According to Annual General Meeting of Shareholders No.1/2014 held on April 23' 2014 has approved no director's remuneration for the year 2014 and approved the meeting allowance for 2015 as follows;

Meeting	Position	Meeting allowance/per time (Baht)
The Board of Directors	Chairman	30,000.00
	Member	15,000.00
The Audit Committee	Chairman	25,000.00
	Member	20,000.00
The Executive Board	Chairman	20,000.00
	Member	10,000.00
The Nomination and Remuneration Committee	Chairman	20,000.00
	Member	10,000.00

Remuneration for Directors as of December 31' 2014

Unit : Baht

No.	Name	Year 2013					Year 2014					
		Meeting Allowance			Director's remuneration (1)	Total	Meeting Allowance				Director's remuneration (2)	Total
		The Audit Committee	The Executive Board	The Board of Directors			The Audit Committee	The Executive Board	The Nomination and Remuneration Committee	The Board of Directors		
1	Mr.Somchai Sakulsurarat	-	-	120,000	165,000	285,000	-	-	25,000	120,000	-	145,000
2	Mr.Suthep Wongvorazathe	100,000	-	75,000	150,000	325,000	100,000	-	-	60,000	-	160,000
3	Assoc.Prof.Dr. Ninnat Olanvoravuth	80,000	-	75,000	131,666	286,666	80,000	-	-	60,000	-	140,000
4	Mr.Satit Chanjavanakul	80,000	-	60,000	131,666	271,666	80,000	-	-	45,000	-	125,000
5	Mr.Chusak Prachayangprecha	-	210,000	75,000	131,666	416,666	-	190,000	-	60,000	-	250,000
6	Mr.Takon Tawintermsup	-	380,000	75,000	131,666	586,666	-	360,000	-	45,000	-	405,000
7	Mr.Karoon Nuntileepong	-	-	75,000	131,666	206,666	-	-	-	60,000	-	60,000
8	Mr.Kitti Chatlekhanavich	-	-	75,000	131,666	206,666	-	-	-	45,000	-	45,000
9	Mr.Songridth Niwattisaiwong	-	-	75,000	131,666	206,666	-	-	-	60,000	-	60,000
10	Mr.Voravit Rojrapitada	-	140,000	75,000	131,666	346,666	-	20,000	-	-	-	20,000
11	Admiral Satirapan Keyanon	-	-	45,000	131,666	176,666	-	-	20,000	45,000	-	65,000
12	Mr.Rachoj Tawintermsup	-	-	-	-	-	-	-	-	45,000	-	45,000
Total		260,000	730,000	825,000	1,499,994	3,314,994	260,000	570,000	45,000	645,000	-	1,520,000

Management Structure

- Remark
- 1) According to Annual General Meeting of Shareholders No.1/2013 held on April 24' 2013 has approved director's remuneration for the year 2012 of performance year 2012 total 1,500,000 baht which chairman could manage as appropriate (paid to director in 2013)
 - 2) According to Annual General Meeting of Shareholders No.1/2014 held on April 23' 2014 has approved no director's remuneration for the year 2013 of performance year 2013 (paid to director in 2014)
 - 3) Mr.Voravit Rojrapitada resigned from Director on February 24' 2014
 - 4) Mr.Rachoj Tawintermsup was appointed as Director on February 24' 2014

Remuneration for Executives as of December 31' 2014

Detail	Year 2013	Year 2014
Excutives (person)	7 person	9 person
Remuneration		
Meeting allowance, salary, bonus and provident fund , other (retirement compensation)	25.12 million baht	16.23 million baht
Provident car	3 person	3 person

Other remuneration for Directors and Executives

- Year 2013 Issued ESOP#1 to Directors and Employees of the company and its subsidiary.
- Year 2014 None

Employees

Employees and Remuneration

Detail	Year 2014
Employees as	
Bangkok branch	78 person
Chumporn Office	934 person
Total	1,012 person
Employees by level	
Excutives and manager	23 person
Foreman, Section head	160 person
Employees	829 person
Remuneration	
Salary	172,069,425 baht
- Bonus	18,323,126 baht
- Other	26,108,477 baht
- Provident fund	4,890,841 baht
- Social security	7,109,076 baht
Total	228,500,945 baht

Management Structure

Labor disputes in the past 3 years

None

Skill Development for Management and Employees Policy

The company recognizes the value of human resources in every level which the company will get and give every chance for employees to growth in the career path and has set up the skill development plan in every year to provide training for employees to encourage the skill, knowledge, abilities to growth up with the company.

Hours of training for management and employees in 2014 total 33,876 hours or 34.46 hours/person/year.

Board of Directors and Management Details

Name	: Mr. Somchai Sakulsurarat		
Position	: Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee		
Appointed date	: 2 April 2004		
Age	: 67 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 80/2006		
Attended training course in last year	: None		
Shareholding of Company	: None		
Shareholding of Subsidiaries	: None		
Spouses shareholding of Company or Subsidiaries	: None		
Change of securities holding of Company or 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	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

Board of Directors and Management Details

Name : Mr. Suthep Wongvorazathe
Position : Independent Director / Chairman of the Audit Committee
Appointed Date : 11 March 2003
Age : 67 years
Education : M.B.A. UNIVERSITY OF WISCONSIN, WISCONSIN, U.S.A
Training : DAP Certificate from IOD 48/2005
Attended training course in last year : None
Shareholding of Company : None
Shareholding of Subsidiaries : None
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : None
Family Relationship among Company's Directors : None
Experience :

Listed Companies

2013 - Present	Chairman of the Board of Director	Seamico Securities Public Company Limited and Director
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 - Present	Chairman of Executive Director	KT ZMICO Securities Company Limited
2013 - Present	Director	The Mall Group Company Limited
2011 - Present	Director	News corp Copany 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

Board of Directors and Management Details

Name	: Assoc. Prof. Dr. Ninnat Olanvoravuth	
Position	: Independent Director / Audit Committee / Risk Management Committee	
Appointed date	: 11 March 2003	
Age	: 69 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	: DAP Certificate from IOD 6/2003, ACP Certificate from IOD 12/2006, DCP Certificate from IOD 121/2009	
Attended training course in last year	: None	
Shareholding of Company	: None	
Shareholding of Subsidiaries	: None	
Spouses shareholding of Company or Subsidiaries	: None	
Change of securities holding of Company or 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	Member Asia-Europe Education Hub Advisory Committee
	2006 - 2014	Administrative Committee Chulabhorn Graduate Institute
	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

Board of Directors and Management Details

Name	: Mr. Satit Chanjavanakul		
Position	: Independent Director / Audit Committee		
Appointed date	: 29 April 2009		
Age	: 67 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 83/2007		
Attended training course in last year	: None		
Shareholding of Company	: None		
Shareholding of Subsidiaries	: None		
Spouses shareholding of Company or Subsidiaries	: None		
Change of securities holding of Company or 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	

Board of Directors and Management Details

Name : **Admiral Satirapan Keyanon**

Position : Independent Director / Nomination and Remuneration Committee

Appointed date : 28 April 2010

Age : 68 years

Education : NAVAL WAR COLLEGE, RTN NATIONAL DEFENCE COLLEGE

Training : None

Attended training course in last year : None

Shareholding of Company : None

Shareholding of Subsidiaries : None

Spouses shareholding of Company or Subsidiaries : None

Change of securities holding of Company or 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 (2 nd)
2002 - 2004	Advisor of Chairman	The Bangkok Dock Company (1957) Limited

Board of Directors and Management Details

Name : Mr. Takon Tawintermsup
Position : Director / Chairman of Executive Director / Authorized Director
Appointed date : 14 October 1993
Age : 61 years
Education : MATTHAYOM 3, MATTHAYOM WAT THATTHONG SCHOOL
Training : DCP Certificate from IOD 32/2003 and FND Certificate from IOD 5/2003
Attended training course in last year : None
Shareholding : 0.89%
Shareholding in subsidiaries : 1 share – CPI Agrotech Company Limited
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : None
Family Relationship among Company's Directors : Father of Mr.Rachoj Tawintermsup and 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

2014 - Present	Director	CPP Company Limited
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

Board of Directors and Management Details

Name : Mr. Chusak Prachayangprecha
Position : Director / Executive Director / Nomination and Remuneration Committee / Authorized Director
Appointed date : 14 October 1993
Age : 70 years
Education : BS.BA HUSSON UNIVERSITY, MAINE, U.S.A.
Training : DCP Certificate from IOD 18/2002
Attended training course in last year : None
Shareholding : 1.82%
Shareholding in subsidiaries : 1 share – CPI Agrotech Company Limited
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : Bought 1,250,000 shares on 04/06/2014
Family Relationship among Company's Directors : None
Experience :

Listed Companies

2013 - Present	Nomination and Remuneration Committee	Chumporn Palm Oil Industry Public Company Limited
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

2014 - Present	Director	CPP Company Limited
2011 - Present	Director	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

Board of Directors and Management Details

Name	: Mr. Karoon Nuntileepong
Position	: Director / Corporate Governance Committee
Appointed date	: 14 October 1993
Age	: 55 years
Education	: Master of Business Administration, Chulalongkorn University
Training	: DCP Diploma & Certificate from IOD 9/2001
Attended training course in last year	: None
Shareholding	: None
Shareholding in subsidiaries	: 1 share – CPI Agrotech Company Limited 1 share – CPP Company Limited
Spouses shareholding of Company or Subsidiaries	: None
Change of securities holding of Company or Subsidiaries	: None
Family Relationship among Company's Directors	: Mr.Takon Tawintermsup's wife younger brother Uncle to Mr.Rachoj Tawintermsup

Experience:

Listed Companies

2007 - 2014	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 - 2014	Director	CPP Company Limited
2011 - 2014	Director	CPI Agrotech Company Limited
2001 - Present	Director	Chumporn Holding Company Limited
1999 – Present	Director	Nature Touch Company Limited

Board of Directors and Management Details

Name	: Mr. Kitti Chatlekhavanich		
Position	: Director / Authorized Director / Risk Management Committee		
Appointed date	: 23 April 1999		
Age	: 46 years		
Education	: SASIN GRADUATE INSTITUTE OF ADMINISTRATION CHULALONGKORN UNIVERSITY		
Training	: DCP Diploma & Certificate from IOD 4/2000		
Attended training course in last year	: None		
Shareholding	: 1.82%		
Shareholding of Subsidiaries	: None		
Spouses shareholding of Company or Subsidiaries	: None		
Change of securities holding of Company or Subsidiaries	: Bought 2,200,000 shares on 04/06/2014		
Family Relationship among Company's Directors	: None		
Experience :			
Listed Companies			
1999 - Present	Director	Chumporn Palm Oil Industry Public Company Limited	
Company Limited/Others			
2014 - Present	Director	CPP Company Limited	
2014 - Present	Director	CPI Agrotech Company Limited	
2006 - Present	Director	Chumporn Holding Company Limited	
2006 - Present	Managing Director	Plasmac Trading Company Limited	
1992 - Present	Managing Director	Liack Seng Trading Company Limited	

Name	: Mr. Songridth Niwattisaiwong		
Position	: Director / Authorized Director / Corporate Governance Committee		
Appointed date	: 14 October 1993		
Age	: 63 years		
Education	: MASTER OF ENGINEERING, UNSW		
Training	: DCP Diploma & Certificate from IOD 15/2002		
Attended training course in last year	: None		
Shareholding	: 0.51%		
Shareholding of Subsidiaries	: None		
Spouses shareholding of Company or Subsidiaries		:	None
Change of securities holding of Company or 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		
	2014 - Present	Director	CPP Company Limited
	2014 - Present	Director	CPI Agrotech Company Limited
	2007 - Present	Director	Thai Ceramic Industry Company Limited
	1993 - Present	Director	Chumporn Holding Company Limited

Board of Directors and Management Details

Name : **Mr. Racho J Tawintermsup**
Position : Director / Authorized Director / Assistant Managing Director
Appointed date : 24 February 2014
Age : 29 years
Education : UNIVERSITY OF ESSEX, UK, LLB LAW
Training : None
Attended training course in last year : None
Shareholding : 0.71%
Shareholding of Subsidiaries : None
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : None
Family Relationship among Company's Directors : Son to Mr.Takon Tawintermsup
 Nephew to Mr.Karoon Nuntileepong

Experience :

Listed Companies

2014 - Present	Director	Chumporn Palm Oil Industry Public Company Limited
2014 - Present	Assistant Managing Director	Chumporn Palm Oil Industry Public Company Limited
2011 - 2014	Secretary to Management Office	Chumporn Palm Oil Industry Public Company Limited

Company Limited/Others

2014 - Present	Director	CPP Company Limited
2014 - Present	Director	CPI Agrotech Company Limited
2006 - Present	Director	Chumporn Holding Company Limited
2008 - 2011	Lawyer	Baker & Mckenzie Ltd.

Name : **Mr. Supisith Chorrungsak**
Position : Chief Executive Officer
Age : 57 years
Education : BACHELOR DEGREE OF OF B.B.A. (ACCOUNTING), RAMKHAMHEANG UNIVERSITY
Training : DCP Certificate from IOD 37/2003
Attended training course in last year : None
Shareholding : None
Shareholding in subsidiaries : 1 share – CPI Agrotech Company Limited
 1 share – CPP Company Limited
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : None
Family Relationship among Company's Directors : None
Experience :

Listed Companies

2015 - Present	Chief Executive Officer	Chumporn Palm Oil Industry Public Company Limited
2014 - 2015	Managing Director	Chumporn Palm Oil Industry Public Company Limited
1998 - 2014	Deputy Managing Director	Chumporn Palm Oil Industry Public Company Limited

Company Limited/Others

2012 - Present	Director	CPP Company Limited
2011 - 2014	Director	CPI Agrotech Company Limited

Board of Directors and Management Details

Name : **Mr. Rakkiti Tanglamlert**

Position : Chief Financial Officer

Age : 46 years

Education : MASTER DEGREE OF MBA ACCOUNTING, KASETSART UNIVERSITY
BACHELOR DEGREE OF ACCOUNTING, CHULALONGKORN UNIVERSITY

Training : Certified Public Accountant (CPA)

Attended training course in last year : None

Shareholding of Company : None

Shareholding of Subsidiaries : None

Spouses shareholding of Company or Subsidiaries : None

Change of securities holding of Company or 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

Name : **Mrs. Ratsamee Pongjindanon**

Position : Internal Audit Director

Age : 43 years

Education : MASTER OF SCIENCE ACCOUNTING, THAMASAT UNIVERSITY

Training : DIPLOMA IN AUDITING, THAMASAT UNIVERSITY
CERTIFIED PUBLIC ACCOUNTANT OF THAILAND

Attended training course in last year : Anti-Corruption : The Practical Guide by IOD

Shareholding of Company : None

Shareholding of Subsidiaries : None

Spouses shareholding of Company or Subsidiaries : None

Change of securities holding of Company or 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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Board of Directors and Management Details

Name : **Mr. Thawatchai Chomwarn**

Position : Sales & Marketing Director

Age : 47 years

Education : MASTER OF BUSINESS ADMINISTRATION SUL ROSS STATE UNIVERSITY, TAXAS, USA

Training : None

Attended training course in last year : None

Shareholding of Company : None

Shareholding of Subsidiaries : None

Spouses shareholding of Company or Subsidiaries : None

Change of securities holding of Company or Subsidiaries : None

Family Relationship among Company's Directors : None

Experience :

Listed Companies

2014 - Present	Sales & Marketing Director	Chumporn Palm Oil Industry Public Company Limited
2008 - 2013	Marketing & Logistics Manager	Chumporn Palm Oil Industry Public Company Limited
1999 - 2007	Marketing & Sales Support Manager	Chumporn Palm Oil Industry Public Company Limited

Name : **Mr. Sumin Chudankura**

Position : Human Resources Director

Age : 54 years

Education : MASTER OF POLITICAL SCIENCE, MAJOR CONVERNMENT CHULALONGKORN UNIVERSITY

Training : None

Attended training course in last year : Anti-Corruption : The Practical Guide by IOD

Shareholding of Company : None

Shareholding of Subsidiaries : None

Spouses shareholding of Company or Subsidiaries : None

Change of securities holding of Company or Subsidiaries : None

Family Relationship among Company's Directors : None

Experience :

Listed Companies

2014 - Present	Human Resource Director	Chumporn Palm Oil Industry Public Company Limited
2003 - 2010	Assistant Director	Sermasuk Public Company Limited
	Human Resource	

Board of Directors and Management Details

Name : Mr. Ananchai Araniamfa
Position : Project Management Director
Age : 53 years
Education : DIPLOMA IN ACCOUNTING, BANGKOK BUSINESS COLLEGE
Training : None
Attended training course in last year : None
Shareholding of Company : None
Shareholding of Subsidiaries : None
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : None
Family Relationship among Company's Directors : None
Experience:

Listed Companies

2014 - Present	Project Management Director	Chumporn Palm Oil Industry Public Company Limited
2013 - 2014	Purchasing Manager	Chumporn Palm Oil Industry Public Company Limited
2010 - 2013	Administration & Office Manager	Khonburi Sugar Public Company Limited

Company Limited/Others

2002 - 2010	Administration Manager	Khonburi Sugar Company Limited
1996 - 2002	Purchasing Manager	Khonburi Sugar Company Limited

Punishment Record during the past 5 years related to the commission of offences under the provisions of the Securities and Exchange Act B.E. 2535 or Derivatives Act B.E. 2546 in the following cases :

1. Act in bad faith or with gross negligence : None
2. Disclosure or providing the information or a false statement which may be misled, or concealing facts which should have been stated in materiality that may affect on the decisionmaking to shareholders, investors, or related persons : None
3. Unfair practices or taking advantage of investors in the trading of securities or derivatives, or being or having been participated in or supported such act : None

Board of Directors and Management Details

Company Secretary

Name	: Miss. Wirarat Wiwattanatikul		
Age	: 59 years		
Education	: BACHELOR DEGREE OF ARTS. RAMKHAMHEANG UNIVERSITY		
Training	: None		
Attended training course in last year	: Anti-Corruption : The Practical Guide by IOD		
Shareholding of Company	: None		
Shareholding of Subsidiaries	: None		
Spouses shareholding of Company or Subsidiaries	: None		
Change of securities holding of Company or Subsidiaries	: None		
Family Relationship among Company's Directors	: None		
Experience :			
	Listed Companies		
	1994 - Present	Company Secretary	Chumporn Palm Oil Industry Public Company Limited

Responsibilities

Accordance with Section 89/15 of Securities and Exchange Act to perform the following duties: To be a center point in making/keeping documents, Handling Board/Committees members registrations, Arranging shareholders meetings, Reporting the interests of Board/Committees members as well as the Executives, Others, (as assigned by the Board of Directors)

Details of Subsidiary Company Directors

CPI Agrotech Company Limited comprises of 6 members as follows;

1. Mr. Chusak Prachayangprecha
2. Mr. Takon Tawintermsup
3. Mr. Rachoj Tawintermsup
4. Mr. Kittti Chatlekhavanich
5. Mr. Songridth Niwattisaiwong
6. Mr. Kosol Nuntileepong

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

Mr.Takon Tawintermsup or Mr.Rachoj Tawintermsup or Mr.Kosol 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.

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

No. 6 : Please see "Directors of Subsidiary Company Details"

CPP Company Limited comprises of 6 members as follows;

1. Mr. Chusak Prachayangprecha
2. Mr. Takon Tawintermsup
3. Mr. Rachoj Tawintermsup
4. Mr. Kittti Chatlekhavanich
5. Mr. Songridth Niwattisaiwong
6. Mr. Supisith Chorrungsak

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

Mr.Takon Tawintermsup or Mr.Rachoj Tawintermsup or Mr.Supisith Chorrungsak 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.

Remark No. 1-6 : Please see "Board of Directors and Management Details"

Directors of Subsidiary Company Details

Name : Mr. Kosol Nuntileepong
Position : Director / Authorized Director / Managing Director of CPI Agrotech Company Limited
Age : 52 years
Education : BACHELOR DEGREE (STATISTICS), CHULALONGKORN UNIVERSITY
Training : -
Shareholding : 1 share
Shareholding in Subsidiaries : 1 share – CPP Company Limited
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : None
Family Relationship among Company's Directors : Mr.Takon Tawintemsup's wife younger brother
 Brother to Mr.Karoon Nuntileepong

Experience :

Listed Companies

2008 - 2014	Adviser	Khonburi Sugar Public Company Limited
2004 - 2011	Adviser	Chumporn Palm Oil Industry Public Company Limited

Company Limited/Others

2012 - 2014	Director	CPP Company Limited
2011 - Present	Director and Managing Director	CPI Agrotech Company Limited
2004 - Present	Director	Chumporn Holding Company Limited

Business Administration and Management Policies

The Board of Director has both allowed and facilitated good business management in every levels of the organization. We have continuously improved and strived to enhance our performance to achieve intended business goals as efficiently as possible. We have always conducted our business according to local laws and other related regulations. We take pride in our truthfulness and transparency. The Board of Director truly believes that good, transparent and effective business management will significantly contribute to the company's better performance and higher business returns. This is certainly most beneficial in the long run for our shareholders, investors and all other associates. Hence, The Board of Director has determined our business administration and management policies as follows.

1. To conduct the business in accordance with the principles of Good Corporate Governance along with transparency and verifiability.
2. To direct all members of The Board of Director to act according to their entrusted roles and responsibilities as effectively and as efficiently as possible.
3. To treat shareholders and other stakeholders with parity and fairness. And disclose sufficient business information for all parties and associates involved.
4. To supply adequate internal business control to ascertain appropriate risks management standard and ensure regular follow-ups.
5. To determine the company's visions, missions, goals, policies, business plans and corporate budgets and must undertake relevant follow-ups on a regular basis.
6. To provide Administrative Power and Procedures Manual to the company's executives, employees and other associates to inform and specify their roles and responsibilities, their parts in decision-makings and their scope of power in accordance with their entrusted roles and assigned duties.
7. To provide Codes of Conduct Manual and notify the members of The Board of Director along with every other employees and associates to adhere to.

The company uses action plans and conducts regular follow-ups to make sure that everything is done in accordance with the business plans and the cost remains within the corporate budget for every business quarter. The business objectives, plans and budgets are also changed, improved and updated yearly as well.

The company has conformed to the following administration and management principles which specify five areas of conduct. These include Shareholders' Rights Section, Treating All Stocks Holders Impartially Section, Roles of Stakeholders Section, Information Disclosure and Transparency Section, and Responsibilities of The Board of Director Section. The specific contents of each section are elaborated as follows.

1) Shareholders' Rights

In 2014, the company held one meeting among all owners of the company's stocks. The event was known as the Annual General Meeting of 2014. The company used this opportunity to allow all of our shareholders to participate in the matters relating to business management and share their opinions on some aspects of the business operation. What follow are the details of the meeting and its activities.

1.1) The meeting was held at a hotel's Convention Hall. The company had arranged the annual meeting, facilitated and enhanced all of our stocks owners including institutional investors to take part in the annual general meeting. Therefore, it was very crucial to organize the meeting in a convenient location.

1.2) At the meeting, the company allowed our shareholders to voice their concerns and propose the meeting's agenda and also nominate in advance the persons whom they deemed suitable to become part of the director of the company. For the detailed information on the Annual General Meeting of 2014 which took place from December 4th 2013 to January 31st 2014 and for the Annual General Meeting of 2015 which began on September 1st, 2014 and lasted until November 30th 2014, the company notified the stocks holders via the SET news system and the company's website prior to the day of the annual meeting.

1.3) The company sent the letters of invitation to the annual meeting along with related information and documents to be used at the meeting to all of our shareholders. These included the annual report/corporate budget and other related documents that the meeting attendees had to bring to the meeting and used them to confirm their identities. They each also received a letter of proxy which would be used to notify the committee of their absences and also to authorize or entrust another individual as their substitutes. This must be done within 7 working days prior to the meeting. In any case, the meeting documents that were sent to all shareholders along with an official letter of invitation to the meeting must provide adequate and complete information. The shareholders can use them and put together their opinion to make various decisions as specified by the meeting's agenda. Furthermore, the company also included another option for the shareholders in allowing the independent members of committee to act on behalf of the shareholders who were unable to attend the meeting.

1.4) On the day of the meeting, the company arranged a barcode registration system which would show the registration number of each shareholder as appeared on their registration forms and the letters of proxy. This was to ensure convenience for all of our shareholders and expedite the registration process.

1.5) Announced the specific procedures in balloting and counting the votes before starting the meeting. They also clarified how the voting forms were to be used. Each shareholder had one vote count per one stock owned.

1.6) The chairman of the Board of Directors of the meeting orchestrated the meeting as described in the agenda attached to the official invitation to the annual meeting. The Board of Directors allowed all meeting attendees to voice their opinions and ask questions during each chapter of the meeting. The committee members themselves would also give relevant comments, articulate additional suggestions and subsequently make a record of important issues discussed during the meeting in the official report.

1.7) The company did not introduce another meeting agenda or changed any important information without notifying the stockholders in advance.

1.8) The company distributed the official report of the Annual General Meeting to notify all shareholders about the results of the meeting. All shareholders can verify the information using information channels of the SET as well as through visiting the company's website within 14 days after the day of the meeting.

2) Treating All Shareholders Impartially

The company abides by the policy which states that we shall treat all shareholders impartially using the same standard regardless of whether one is a major shareholder, a minor shareholder, or an institutional investor. This is to ensure that we have bona fide and sustainable impartiality. Measures taken to uphold the value are as follows.

2.1) The company arranges all meetings among all shareholders using the same standards and procedures, and try to facilitate all investors, give them equal opportunities in asking questions during meetings and voicing their opinions during each chapter of the meeting. The chairman of the Board of Directors overseeing the convention heeds and respects all shareholders' opinions and always try to answer to all concerns voiced and questions asked as completely as possible. This is evident in all official reports following every annual general meeting.

2.2) For the annual general meeting among all shareholders in 2014, the company distributed an invitation card as well as the annual report/corporate budget and a letter of proxy to be used in nominating at least one person to become an independent committee member to all shareholders whose name appeared in the company's record of stocks holding. We also publicly announced the information regarding the date and time of the Annual General Meeting and the intended agenda in a newspaper prior to the meeting at least 7 days for a period of 3 consecutive days. This was done during April 9th-11th, 2014. We had the total number of 11 committee members attending the meeting.

2.3) Allowed our shareholders to voice their concerns over various issues which would then be included in the meeting's agenda. The shareholders could also nominate in advance an individual they deemed fit to become a member of the executive committee. This must be done prior to the Annual General Meeting which in 2014 lasted from December 4th, 2013 to January 31st 2014 and the Annual General Meeting of 2015 which lasted from September 1st 2014 to November 30th 2014. The company notified all shareholders using the SET news system. We also provided additional information along with specific clarifications regarding the criteria and the specific courses of action on the company's website.

2.4) Allowed our shareholders to exercise their rights in nominating and appointing committee's members as a private individual.

2.5) The company enfranchised all of our shareholders their rights over the company's decision making based on the quantity of stocks owned. This is the standard practice which is applied to all of our shareholders. They can use their specified counts to vote and influence a decision when the occasion arises.

2.6) The company had attached Letter of Proxy, Type B which specifies that the shareholders can determine how they should vote during each period. With it, we also sent a letter of invitation with date and time of the upcoming meeting. For those shareholders who could not come to the meeting, they would have to notify the committee and authorize other individuals to attend the meeting and vote on their behalf. The aforementioned documents were also available and could be downloaded from the company's website.

Corporate Governance

3) Roles of Stakeholders

The company takes every group of stakeholders into consideration by determining various procedures to be taken in the Codes of Conducts Manual. The manual itself is for the members of The Board of Director and all other employees to consult, observe and adhere to to ensure their good and ethical performance. The moral recommendations and codes of conducts as described in this manual are considered essential and shall be closely observed by all individuals, for example

- Stocks Holders : The company shall conduct its business with absolute transparency while taking into account the prospect of long-term growth of the corporate value.
- Employees : The company shall support the development of human resources skills by basing our judgement entirely on individual competency. And we shall emphasize on safety first working ethics, impartiality, fair compensation and provide appropriate workers' benefits.
- Business Partners/Creditors : Abide by trading agreements and strictly comply with conditions as stated in the contract(s).
- Competitors : Observe and abide by relevant competition rules and regulations. We shall not defame or denigrate competitors without sufficient proof or evidence.
- Customers : Strive to improve and keep our goods and products up to the relevant standards with the aim to maximize our customers' satisfaction. In this respect, the company has also achieved and been certified with ISO9001:2000, GMP, and HACCP. And also delegate a group of our employees for customer service and assure confidentiality between the company and our customers.
- Community, Society and Environment : The company support our employees to participate in activities which aim to prevent or remedy environmental problems or pollutions by strictly observing local laws and related environmental regulations. The company also support environmental activities of surrounding communities and other similar activities of the locality where our business establishment are located.

4) Information Disclosure and Transparency

The Board of Director are aware that the company's information, finance-related or not, can have an impact or influence how investors and other stakeholders make their decision. Therefore, the committee has always explicitly instructed all management personnels to be extraordinarily careful in disclosing the information which must be done completely, truthfully, reliably, regularly, and also in a timely manner. The company's management has always given priority to the aforementioned principles and behave accordingly. And regarding to services given to sustain investors relations, the company has delegated Chief Financial Officer to act on behalf of the company in contacting and communicating with investors, shareholders, analysts, relevant government agencies, investors institutions as well as the general public. For further information or specific inquiries, please contact us at 0-269-9166 or visit our website at www.cpi-th.com or email us at info@cpi-th.com

5) Responsibilities of The Executive Board

The appointment of The Board of Director proceeded in accordance with the agreement between the company and our shareholders which states that the members of The Board of Director must come from our shareholders with the ratio that corresponds to the proportion of public stocks holdings. The Board of Director is normally comprised of eleven members.

The specifications are as follows.

- | | |
|-----------------------|-----------|
| - Executives | 3 members |
| - Non-Executives | 4 members |
| - Independent members | 4 members |

All executive committee members must receive an orientation along with necessary information on various aspects of business operation of the company from their very first day in office. This is a company's policy which is applicable to all individuals who agree to take up a position as part of The Board of Director.

Corporate Governance

In 2014, the independent committee members made up a third of the entire of the Board of Director. In any case, the independent members are free to act with their delegated authority. They do not need to answer to the management, major stocks holders or even the chairman. Therefore, the independent members must not be the same person with the Chief Executive Officer. This is to guarantee the good and balanced allocation of responsibilities in both policy-making and day-to-day management. The company clearly stipulates and defines roles and responsibilities of every level of administration which can be referred to in our Business Operation Manual. The company also delegates and allocates duties and responsibilities of each finance position to ensure that relevant officers can work independently and can fully exercise their delegated authority to achieve their goals and objectives. This shall establish balance, transparency, and also credibility throughout bookkeeping processes and in their acting as custodians for the company's assets. With clear boundaries between each administrative and finance position, the company can make sure that all related works and financial records are verified and that all committee members can work to the fullest of their ability as representatives of all stocks holders to achieve intended results. This shall lead and necessitate a counterbalance between administrative and financial officers and help, in turn, to prevent fraudulence or other misconducts.

The Board of Director is responsible for directing and managing the company. Their performance shall comply with laws and regulations, the company's objectives and obligations as well as the decisions resulted from the general meetings between the company and the shareholders with due honesty and transparency. They must also strive to safe keep the company's profits and other advantages. The tenure of a committee member is fixed and must be in accordance with rules and regulations which stipulate that during the Annual General Meeting of every year, one-third (1/3) of the committee members must leave the posts. In the case which committee members cannot be equally divided into three separate groups, the closest possible number shall be applied instead. The committee members whose tenure are the longest shall be the ones who have to leave the posts. Regarding appointing independent members of the committee, the tenure must not be longer than the period of 6 years. However, in the 2015 meeting, there was a proposal for nominating an individual who had been in the posts for more than 6 years to continue on with the position. The exception was conceded because the rest of The Board of Director mutually agreed that the independent committee member possesses necessary expertises, abilities and excellent understanding of the business operation, and thus, should remain in position for an extended period of time.

All members of the Board of Directors possess knowledge, abilities, aptitudes and have undergone a training course necessary to become and act as committee members. The program is known as "Directors Certification Program"(DCP) or as "Directors Accreditation Program" (DAP). Both are provided by Thai Institute of Directors (IOD). The following list shows members who have undertaken the programs.

1. Mr. Somchai Sakulsurarat	DCP Certificate; Class 80/2006
2. Mr. Suthep Wongvorazathe	DAP Certificate; Class 48/2005
3. Mr. Satit Chanjavanakul	DCP Certificate; Class 83/2007
4. Assoc. Prof. Dr. Ninnat Olanvoravuth	DCP Certificate; Class 121/2009
5. Mr. Chusak Prachayangprecha	DCP Certificate; Class 18/2002
6. Mr. Takon Tawintermsup	DCP Certificate; Class 32/2003
7. Mr. Kitt Chatlekhanich	Diploma and DCP Certificate; Class 4/2000
8. Mr. Karoon Nuntileepong	Diploma and DCP Certificate; Class 9/2001
9. Mr. Songridth Niwattisaiwong	Diploma and DCP Certificate; Class 15/2002

The Board of Director members possess leadership skills, visions, and are able to make decision independently in order to maximize the company's and all shareholders' benefits. The Board of Director also participate in the process of determining and approving the company's visions, missions, strategies, and objectives. The management team reviews the proposals for The Board of Director every 5 years, or, whenever major changes occur both in the business operation or in the economy. For business plans and corporate budget, the management normally presents them to The Executive Board to consider on a yearly basis. This practice is in accordance with the framework for business operation. The team shall report the information to the Executive Board and if the business plans or the corporate budgets put forward exceed the decision making authority delegated to the Executive Board, they shall bring the proposals to The Board of Directors for the approval. The Board of Directors shall direct the management team to act according to business plans and proposed corporate budgets as efficiently and as effectively as possible. Furthermore, The Board of Directors and the management team are functionally responsible to answer to all shareholders. Therefore, the delegation of authority and clear separation of each job duty, role and responsibility between the Chairman of the Board of Directors, Chief Executive Officer and the management team must be generally practiced. The company also clearly specifies and describes the operational authorities in written language.

Corporate Governance

To prevent future conflict over business profits, the company does not engage in business transaction with major shareholders, Board of Directors members, executives or any person related to the individuals. The Board of Directors also takes precaution against any conflict over benefits that may arise. Under such circumstance, the company shall delegate an The Audit Committee to see to the problems/conflicts and other related matters and put forward practical solutions appropriately and immediately. All business transactions shall be in accordance with the SET rules and regulations both in terms of prices and conditions—similar to transactions with any outsider. The specific details of the transaction, value, contract partners, reasons/needs must be clearly present in the annual report and Form 56-1 and must also be included in notice section of Corporate Budget under the detail on account reports of related individuals. Moreover, the company has a policy which states that The Board of Directors and the company's executives must notify about the trading of the company's stocks at least 1 day prior to the actual transaction so that the Board of Directors can investigate on the matter through the Company secretary and must hand in report on all stakes holders involved every 6 month. The company Secretary must hand in a copy of the report to the chairman of the Audit Committee afterwards.

Changes in stocks owned by The Board of Directors and Executives in 2014

Name	Total stocks owned at January 1, 2014	Changes during the year	Total stocks owned at December 31, 2014
Mr. Somchai Sakulsurarat	0 share	No transaction made	0 share
Mr. Suthep Wongvorazathe	0 share	No transaction made	0 share
Assoc. Prof. Dr. Ninnat Olanvoravuth	0 share	No transaction made	0 share
Mr. Satit Chanjavanakul	0 share	No transaction made	0 share
Admiral Satirapan Keyanon	0 share	No transaction made	0 share
Mr. Takon Tawintermsup	4,996,130 shares	No transaction made	4,996,130 shares
Mr. Chusak Prachayangprecha	8,977,250 shares	Bought 1,250,000 shares on June 4, 2014	10,227,250 shares
Mr. Rachoj Tawintermsup	4,000,000 shares	No transaction made	4,000,000 shares
Mr. Karoon Nuntileepong	0 share	No transaction made	0 share
Mr. Kitt Chatlekhanavich	8,008,332 shares	Bought 2,200,000 shares on June 4, 2014	10,208,332 shares
Mr. Songridth Niwattisaiwong	2,831,260 shares	No transaction made	2,831,260 shares
Mr. Supisith Chorruangsak	0 share	No transaction made	0 share
Mr. Rakkitit Tanglamlert	0 share	No transaction made	0 share
Mrs. Ratsamee Pongjindanon	0 share	No transaction made	0 share
Mr. Thawatchai Chomwarn	0 share	No transaction made	0 share
Mr. Ananchai Araniamfa	0 share	No transaction made	0 share
Mr. Sumin Chudankura	0 share	No transaction made	0 share

The Board of Director has developed a system for internal control that covers all areas—finance, business operation, risk management to ensure that they comply with laws, rules and related regulations. The Board of Director also provides an effective mechanism to investigate and counterbalance and make sure that all funds and assets of both the company's and the investors' are attentively protected. In addition, The Board of Director also determines the company's levels of authority. Any committee approval shall have with it clear signatures of associated personnels as specified in the manual concerning the business operation and executives/ employees' responsibilities. All business forms must be written clearly and explicitly. There should be a department delegated solely to investigate and control the working processes of all departments and keep up to the relevant standards. The department must also assess the effectiveness and sufficiency of the current level of internal control within the company. In any case, the Audit committee shall delegate necessary power and authority to the internal investigation department to enhance them to work independently. This is to make sure that they can fully investigate any problem or misconduct and can immediately and directly report the problems found to The Board of Director for every business quarter.

Corporate Governance

The Board of Director have collaborated to devise Development Plan for high-leveled executives along with Succession Plan and also undertaken annual assessment regarding the work performance of high-leveled executives on a regular basis. They also come up with a compensation system which takes into account the work performances of high-leveled executives and translate them into benefits and compensations befitting their business performances. This is an attempt to encourage initiatives on the executives' behalf. It is to prompt them to take up challenges and become more successful at what they do. This shall benefit the company as a whole.

The company has published Codes of Conducts Manual and provides them to all associates as something to abide by. All of the company's employee shall work and attend to their duties with honesty and trustworthiness. The company has given the manual to The Board of Directors, executives and employees and urges all to abide by the ethic principles. In addition, the company also provides training/meeting sessions to explain to all employees about the codes of conducts described in the manual. Directors and managers at every level shall pay close attention to their subordinates and make sure that they all act according to the principles. More specifically, the company has officially delegated the codes of conducts as part of the trainings to be provided and followed up by Human Resources Department on a yearly basis.

The company determines and subsequently announces about a meeting among The Board of Director in advance. The meeting will be held once for every business quarter. There might also be additional meeting(s) if it is deemed as necessary. The agenda of such meeting shall be clearly determined prior to the meeting itself. There might also arise an occasion in which the results and work performance are checked upon. On such occasion, the company secretary will send an official letter of invitation, along with the meeting's agenda to each director 7 days prior to the actual meeting. This is to make certain that all director have the time needed to ponder and examine the relevant information, be sufficiently prepared and arrive at the meeting ready to discuss the issues or problems.

During The Board of Directors meeting, all members can express their opinions freely. All things discussed shall be put down in writing. Afterwards, the records already approved by The Board of Director will be passed on to another body of committee which shall further investigate and proofread before giving their final approvals. Normally, a meeting lasts for approximately 3 hours. In addition, the company will delegate a company secretary and legal consultants who shall suggest or recommend on legal matters and other related regulations, oversee the committee activities, and coordinate with all associates to ensure that all practices comply with the committee's decisions.

The company's regulations state that in attending meetings, the members of The Board of Director or other bodies of committee must be present no less than two third (2/3) of the entire body. In 2014, the rate of attendance can be summarized as follows.

Name	Participation / Numbers of meetings Year 2014				
	Board of Director	Executive Board	Audit Committee	Nomination and Remuneration Committee	Annual General Meeting
Mr. Somchai Sakulsurarat	4/4			1/1	1/1
Mr. Suthep Wongvorazathe	4/4		4/4		1/1
Assoc. Prof. Dr. Ninnat Olanvoravuth	4/4		4/4		1/1
Mr. Satit Chanjavanakul	3/4		4/4		1/1
Admiral Satirapan Keyanon	3/4			1/1	1/1
Mr. Takon Tawintermsup	3/4	18/20			1/1
Mr. Chusak Prachayangprecha	4/4	19/20		1/1	1/1
Mr. Voravit Rojrapitada	-	2/2			-
Mr. Racho Tawintermsup	3/4				1/1
Mr. Karoon Nuntileepong	4/4				1/1
Mr. Kitt Chatlekhanich	3/4				1/1
Mr. Songridth Niwattisaiwong	4/4				1/1

- Notes
- 1) Mr. Worawit Rojrapeetada resigned from being part of the Board of Director from February 24, 2014. Two executive board meetings were held between January 1, 2014 and February 24, 2014. attended both meetings.
 - 2) Mr. Rachoj Tawintermsup was appointed a director of the board from February 24, 2014 onwards. He first attended the second The Board of Directors' meeting on May 7th, 2014.

Every year, after the annual business operation comes to an end, The Board of Director must assess work performance of each director. During the Board of Directors' meeting of 2015 on February 25, 2015, the entire body of working committee were assessed on their 2014 performance. Each member must assess his or her own performance by referring to the SET performance assessment form. The member will then notify the results to The Board of Director who will engage in further assessment to find a practical solution in order to develop potentials and skills necessary for the individual to improve their overall performances. The Board of Director must also review how each committee member perform his or her roles and must preemptively prevent any mishap or misconduct that may arise and damage or undermine staffs' performance or decision making on any issue.

Each director member shall review and abide by the post limits. He or she must not take more than 5 executive positions in other companies, listed or unlisted. This is in accordance with the company's policies. However, in case of absolute necessity, a member can take posts in more than five companies but will need to get an approval from The Board of Director first. Additionally, The Board of Director mutually agree that every member should attend trainings provided in order to develop their knowledge, skills, and abilities in order to strengthen their performance level.

Subsidiaries Company Operation Management

All subsidiaries company and operate their business under the policy frameworks and management patterns similar to those of the company. Operation procedures, decision making power along with approvals on various matters must be performed in accordance with the delegated authority and individual responsibilities as stated in the company's Business Operation Manual. Some members of The Board of Director also take executive positions in the company's subsidiaries. This practice can assure that the operation procedures as practiced in the company's subsidiaries will definitely remain unaltered. Likewise, the financial status of the company's subsidiaries will also be included in the financial report of the main company as well.

Compensation for Auditors

From the first Annual General Meeting of 2014, Mr.Chayapol Supposedtanon was appointed Certified Public Accountant (CPA). Reg.no. 3972 and/or Miss Runghapa Lertsuwankul, Certified Public Accountant (CPA). Reg. no. 3516 and/or Miss Pimjai Manitkajohnkit, Certified Public Accountant (CPA). Reg. no. 4521. EY Corporate Services Limited audited the company for the 2014 accounting year. The company paid 1,050,000 THB to compensate for their service. In addition, the company paid another 300,000 THB as a compensation for the subsidiaries. No other service fee was paid apart from those mentioned.

Related Party Transactions

The company has determined a relevant policy. All related Party Transactions must receive an approval from the Board of Director before the actual transaction can be made. For any transaction, the persons involved shall consult computation methods, rules and regulations and procedures for information disclosure to ensure that the deeds performed comply with the SET regulations. The transaction must be proceeded fairly and remain within the scope of market prices and normal business transaction. In 2014, the company undertook Related Party Transactions with its subsidiaries. The details, relations, features, conditions and prices of the transactions are clearly written under the Note section of Corporate Budget Report for the accounting year ending on December 31, 2014, Section 6

Internal Control and Risks Management

Use of Internal Information Management

Regarding the use of internal information, the company observes and abides by the principles of good business management as stated in the company's Codes of Conducts Manual and The Board of Director, Executives and Employees Duties and Responsibilities Manual which are both given to all Director, executives, and employee on their first day of work. The following is a short summary for a number of important policies written in the manuals.

1. The company determines that all executives and employees must sign and acknowledge any related announcements from the Office of the Securities and Exchange Commission (SEC) which specify that all committee members and executives of the company must report any change in shareholding of the company to SEC in accordance with Provision 59 of The Securities and Exchange Act B.E. 2535 within 3 days after the change in shareholding. The company must also notify the secretary of the company so that an official record of the change can be produced. The secretary will also summarize the total stocks owned by each committee member or executive and present them to The Board of Director during the next meeting. In addition, the secretary should also explain all committee members about plausible penalties for violating or intentionally ignoring the regulations.

2. The company determines that no employee can disclose financial information or other information that can affect the company's stocks' prices to the outsiders or stakeholders. The company also prohibits selling and purchasing of stocks during the 1 month period in which any financial information or other confidential details may affect the prices of the company's stocks. Any company's subsidiaries that chooses to disclose such information to the general public must not sell or purchase the company stocks until 24 hours after the information disclosure. Violation of these conditions is considered an offense against the company's disciplines. If a committee member, an executive, or an employee comes to know about the important but confidential information, the individual shall receive a penalty as befits the level of his or her infringement. This can range from warning, salary cut, unpaid suspension to layoff.

In addition, the company also determines that the committee and high-leveled executives shall report to the The Audit Committee about the selling and purchasing of the company's stocks at least 1 day prior to the actual transaction. The specific details of the selling or purchasing of the company's stocks shall be collected and passed on to the company's secretary who would then present the information to the The Audit Committee to analyze and determine whether the proposed transaction is in line with the company's policies.

Opinions of The Audit Committee on Internal Control System

During the 4th The Board of Directors meeting on May 5th, 2014, all three members of the The Audit Committee attended the meeting. The Board of Director assessed the internal control system of the company using a satisfaction survey on the internal control system which was based on "Assessment on Internal Control Adequacy Survey" used by both SEC and SET. The The Board of Director agreed that the company has sufficient internal control over all 5 areas, namely, Internal Control, Risk Assessment, Operation Control and Management, Information and Mass Communication System and, Tracking System.

The Board of Director judged that the internal control system of the company is sufficient and appropriate. The company had delegated staffs and skilled personnels to work with the system as effectively as possible. The company also provided its subsidiaries with similar internal control system to make sure that the company can prevent misuse or embezzlement of the company assets by a director of the company or an executive officer. This also applies to any business transaction between individuals who were either in conflict or are related in some ways to the company's staffs. On other aspects of internal control, The Board of Director mutually agreed that the company has already exercised sufficient control.

Furthermore, the committee had reviewed and come up with new Business Operation Manual. The manual describes how authority within the company shall be delegated. The directors and managers at each working level must act according to their specified duties and responsibilities to ensure smooth business operation. The company uses the manual as a reference material to specify and limit the authority of each director/manager. The management team understood the significance of the manual and had decided to review Operation Manual to better suit the business conditions and current economic events. The team finished their proposed revision of the manual in mid 2014.

In 2014, the company also introduced "Whistle Blower" system which would allow the company's employees and all stocks holders to notify the company about plausible misconducts, violations of the company's codes of conducts, regulations and other rules concerning working, laws or corruption. The system can help with business operation by keeping it in line with work ethics and sustainable development. You can inform the company about the plausible misconducts via P.O.Box 68, Klong Teoiy, BKK 10111 and via the company website: <https://cpi-th.com>

Opinions of the Audit Committed

In 2014, the The Audit Committee reported the investigation results along with suggestions for further investigation which emphasized more on improving performance-based investigation to be more effective and more efficient. The committee has been followed up and revised all investigation records and report the findings to the Board of Director for every business quarter. And in regards to the management of the company's assets, the company has always taken preemptive measures against misconducts. In summary, we found no fraudulence or embezzlement of the company's and the subsidiaries' properties. Investigation results also indicated that our employees observed and abided by standard procedures and generally behaved in accordance with rules and regulations as prescribed by relevant government agencies as well as the policies concerning business operation and management.

In addition, the company's Certified Public Accountant or Mr. Chayapol Suppasetanon from EY Corporate Services Limited who audited the company for each business quarter of the 2014 accounting year had commented in Auditing Report that the company had formulated the corporate budget in line with accounting standards. Likewise, the internal control that the company employed was deemed sufficient and suitable for the current business condition. There was not any unusual weakness in this aspect of the business operation.

By all means, the The Audit Committee ought to supervise and ensure that the undertaking of internal auditing body can be proceeded independently, fairly, ethically and professionally. They should also clearly display charters or codes of conducts for both The Audit Committee and the auditing authority.

Moreover, the internal Audit office of the company had formulated an investigation plan by taking into account the risk factors that may arise. After the revision from the 4th Audit committee meeting on November 2014, the plan was approved and would be used in 2015.

Corporate Social Responsibilities : CSR

The company takes part in CSR or Corporate Social Responsibilities Program to ensure sustainable business development. We pay close attention to current environmental conditions, community safety and also coordinate with relevant public and private agencies to help and assist society or those who are in need with utmost authenticity. Our aim is to cooperate and be accepted by the people from surrounding areas as part of their communities. This can help us with creating and also sustaining meaningful human relations with them well into the future.

The business operation of the company covers both production operation and all other aspects. In order to create balance in terms of economy, environment and society, the company begins its mission from within the organization before attempting to expand it outwardly. All employees of the company are encouraged to regularly take part in assisting, cooperating, enhancing and organizing activities in order to realize and fulfill the program's objectives.

The company has participated in a variety of projects concerning with strengthening its industrial potentials, environmental development and sustainable social responsibility that were organized by the Department of Industrial Work. The company also devises a standard procedures of its own to act upon in pursuing and upholding Corporate Social Responsibilities programs. The standard consists of the following 7 main topics.

- 1) Corporate Governance
- 2) Human Rights
- 3) Labor Practice
- 4) Environment
- 5) Fair Operation Practice
- 6) Consumers Issues
- 7) Community Involvement and Development

Internal Structure of the Organization

1) Project : Biogas Production Technology and Waste Water Management for the Preservation of Energy and Environment.

The company's business operation involves employing CPO crushing mills and refinery plants. We have comprehensive ranges of industrial agricultural business, with more than 35 years of business operation. And for a very long time, the major and recurring issue in the company business operation has always been waste water management. Polluted water resulting from the manufacturing process can cause serious environmental harms, generate health and hygiene pollutions such as bad odors and insect infestation. These can directly affect the surrounding communities and the production of the company as well as contribute or even exacerbate global warming situation as a result of the greenhouse gas emissions entailed in the production processes.

The company is aware of the environment and the use of natural resources to their maximum advantage. We continue to focus our attention on environmental conservation and make sure that they remain in good conditions well into the future. In accordance with policies as determined by the Ministry of Industry, the company has set up biogas system which is an anaerobic waste water management system in our continued effort to conserve energy and preserve the environment. The biogas resulted from the waste water management process will be reused as a renewable source of energy in the production system of the company's refinery plants. The construction to expand and modify the production system was first initiated in 2006 with phase 2 of the modification completed in 2014. This is to ensure that the production cycle of the company's business operation can handle waste water resulted from production process as efficiently and as effectively as possible.

Project Objectives and Goals

It is to include biogas technology fermentation tank A+CSTRth (Appropriate + Completely Stirred Tank Reactor, Thailand) and other related components to handle waste water from Palm Oil production process. It is also to produce biogas as another source of renewable energy and to reduce pollution caused by waste water and waste water treatment system of the plants. In general, the company's objectives for biogas technology application in waste water management shall be elaborated as follows.

1. To install biogas system with A+CSTRth and A+HCSRth fermentation tanks along with other applicable equipments in a water treatment system for waste water derived from fresh oil palm production which can reach up to 2160 tons per day.
2. To produce and use Biogas products of 40000 cubic meters. 60% of Methane gas derived can be used as biomass renewable energy as well
3. To produce electricity and distribute them. The approximate quantity required per day is 3.36 Mkh.
4. To produce quality dry organic fertilizer for approximately 5 tons per day. The humidity of the produce shall range between 70-80%. They are to be used to improve soil materials components—as chemicals-free fertilizer for Oil Palm plants within the company's plantations.
5. To produce water-based fertilizer of approximately 600-700 m3/day. They shall subsequently be used as fertilizer for the company's agricultural products.
6. To send treated and purified water to Animal Food Development Station.
7. To reduce pollution problems especially those relating to odors, insect infestation and to ensure the commitment of the company to environmental conservation.

Corporate Social Responsibilities : CSR

Technology Used in the Biogas Production

Biogas technology is used in the company's waste water management in palm oil production. Biogas fermentation tank technology, A + CSTRth (Com-pletely Stirred Tank Reactor + Appropriate, Thailand), and A + UASBth (Upflow Anaerobic Sludge Blanket, Thailand), A + HCSRth (Appropriate High Sludge Concentration, Reactor + Thailand), is the main water treatment technology which does not involve air as the main component to digest organic matters found in the contaminated water with high concentration of suspended matter and COD. With bacteria that can digest organic matter without air, the organic compounds will be transformed into biogas components which can then be collected and reused as another source of renewable energy within the production plant. Waste water that has been treated via fermentation tanks from A+CSTRth, A+UASBth, and A+HCSRth values with reduced dirt in the form of COD for approximately 90 %. For sewage sludge from fermentation tanks, it is to be sent to filter out solid organic waste and can then be used as organic fertilizer. Treated water that goes through the filter will be passed over to even more advanced treatment system—in open pond system—in order to achieve proper quality of water that can be used as water-based fertilizer in future planting.

Benefits for the Production Plants

1. The total production costs are reduced as a result of renewable biogas as a much cheaper substitute for fuel oil and other biomass.
2. The technology and the products derived from it help with cost reduction. The company no longer rely too much on using chemical-based fertilizer. With our own capacity for organic fertilizers production both as dry and as water-based, we can cut down a significant part of the production costs.
3. The application of the technology ensure better quality of life and overall health of the company's employees.
4. With the technology, the company can lower pollution problems and prevent insect infestation that might spread germs.

Benefits for Surrounding Communities

1. The Biogas technology employed can help lowering insect infestation and other problems between communities with factories.
2. The quality of life and mental health of the community shall be improved as well.
3. Possible contamination natural water sources can be minimized, if not entirely eradicated.

Benefits to the Environment

1. The technology helps with maintaining environmental quality by reducing air pollution in soil and in water and also limit water contamination problems to nature.
2. The technology helps with the reduction of methane gas emissions to the atmosphere that is among the main contributing factors to global warming by using them as renewable energy sources

2. Waste Water Pipelines to Animal Foods and Agriculture Center Project at Mhu 2, Khantasaphr Village, Tambol Salui, Ta-sae District, Chumphon Province. The objectives for this project are

1. To send waste water that has gone through a final waste water treatment and filled with mineral nutrients to water Napier grass fields in Animal Food Development Station of Chumphon Province as animal food and as renewable energy.
2. To send waste water that has gone through a final wastewater treatment to oil palm plantations of the farmers who live around the establishment. This shall reduce the production costs because the reduced use of chemical fertilizer and also help alleviating water shortage problems.

This project is a corporate attempts between three authorities, which are:

1. Chumphon Palm Oil Industry Public Company Limited
2. Animal Food and Agriculture Development Center, Chumphon Province
3. Oil Palm Plantation Harvestors Mhu 2, Khantasaphr Village, Tambol Salui, Ta-sae District, Chumphon Province.

Routes for Pipelines Distributing Cleaned Waste Water

The water pipes for water undergone the water therapy and the product after the biogas production systems will be sent to Animal food Development Station of 2.8 km distance. Along the pipelines, there are 22 places where the water can be released into the oil palm plantation of the farmers in the area. This is an alternative to chemicals-based fertilizer. The pipelines end at Animal Food Development Station. The water sent in the pipelines will be kept in 25 m³ tank—2 of them and will be used by the center to water napier grass which is a high quality food source for animals, both in terms of productivity and nutrients it provide. Additionally, the napier grass can be used to produce energy as well. It is considered a type of biomass. The grass is high in organic fiber and humidity. It can be used to produce energy by burning after initial humidity reduction process. It can also be fermented to produce biogas or Methane gas.

In addition, the water that has gone through therapy is also released into Angola grass fields within the center. Angola grass is a main food source for cattle. At the present, it is relatively rare and can be very expensive because the relevant government agencies have not been encouraging farmers to grow them continuously and systematically.

At present, the company still send treated water to the center with 22 distributing points for oil palm plantation in Kantasaphr Village, Mhu 2, Tambol Salui, Amphur Ta-sae. This service we provide to the surrounding community has continued to receive good response because our water management process does not harm but greatly benefit the daily life of the people within the community.

Corporate Social Responsibilities : CSR

The company is still committed to conduct business while paying close attention to the importance to the environment. Corporate social responsibility will continue to be our long-termed goals which allow for sustainable development and peaceful community forever.

3. CPI Learning Center Project

To be successful in a palm plantation, good management is considered very important no less than selecting good varieties of the palm trees. The company aims, therefore, that farmers can manage their plantation knowingly and effectively. This is the very reason why in 2013, we established "CPI Learning Center" to help local farmers to learn more and comprehensively about palm oil production.

The materials provided at the Center include publications, academic papers both by the company's research and from acquired experience from working in the industry for more than 30 years in more than 20000 acres of oil palm plantation. The Learning Center is located in Amphoe Ta-SAE of Chumphon province and it consists of a learning center building. Pathways that visitors can take to observe a variety of oil palm trees. At the center, we also exhibit common barn owls. The center has been opened from 2014 onwards. The services provided are free of charge.

4. Common Barn Owl Breedings Project (to eliminate pests in oil palm plantations.)

The company gives priority to the environment by providing a project center for bird breedings for farmers to get rid of rats in the oil palm plantations. This is to reduce the damage caused by a collapse on insects and pests population control without using chemicals, which would affect the ecological system. This project will help reduce the cost of using chemical substances and shall cause farmers to pay attention to and care more towards the natural, chemicals-free approach in dealing with pests and infestation. The company provide training courses for anyone who is interested from 2014 onwards.

Common Barn Owl is one of the local birds of Thailand. They are in every region throughout the country. They are nocturnal and often live near a human community. Normally, they use niche in a building, a nook or a roof space as their nests. Their preying behavior include catching preys in the open spaces like pasture fields, farm or especially in oil palm plantations. The mating period is often during the month of September to February. The number of eggs in each nest 5-7 eggs. The hatching takes about 30 days to hatch. Every day, the bird will incubate the laid eggs for 18 hours. During this time, male bird will be the one preying and bring in foods to the nests for both the mother and baby birds every day.

From our study of the birds' spew around the nests, we found that common barn owl living in oil palm plantation areas often take wild rats as their favorite food source to almost 100%. From this discovery, we then calculate that the birds can eat on average 1-2 tons of wild rat a year (or 350-700 rats). This large number of rats within plantation, if left alone, will induce loss to the palm production of more than 1.1-2.5 tons per acres, which amounts to 5500-12500 THB per acre per year (Fresh Oil Palm Fruits Branch at 5 THB/kg.) At the same time, farmers will have to pay for chemicals and other pests repellent products which will increase the production cost for more than 700-1400 THB per acre per year.

Community activities Participation in 2014

Project: Oil Palm Planting to Pay for Students' Lunches.

The company has provided money and seedlings of CPI Hybrid Oil Palm to be planted in a school area to support and cover costs of students' lunches at Ban Thung Ria Marp Amarit School, Prachanikom School and Ban Kuring School in Amphoe Tha Sae in Chumphon Province.

Project : Green Energy

This is an educational project for the general public on using waste products to produce renewable energy in an industrial operation. The sessions have been arranged for educational institutions such as King Mongkut's Ladkrabang Institute of technology (Chumphon campus), Prince of Songkla University (Surat Thani Campus), Vocational college of Kra Buri, the Cooperative Industrial Estate of Tha Sae, and the Research Institute of Chulalongkorn University, etc.

Project : White Campaigns

- This is a project aimed to build relationships between the staffs and employees of the company. We have organized events such as football and volleyball tournament, and also blood donation.
- It is also an opportunity for the company to cooperate with relevant government agencies to random check on employee and screen for drugs use within the factory.

Project : A Study for Future Development of Community-based Renewable Energy Enterprises

The company attend a forum for developing community-based enterprises among farmers in Tambol Salui Amphur Tha Sae in Chumphon province on the construction of Biomass Energy Plant by using waste agricultural products such as palm leaf stalks, scraps of woods, rubber plant branches as fuels.

Corporate Social Responsibilities : CSR

Project : Community Relations

- Attending village meetings in the nearby area every month in order to listen to the opinions and listen for problems that have occurred. This was done so the company can improve management strategies to limit potential affects that our business operation can have on the surround-ing community.
- Promoting and supporting local religious institutions. The company of-fered Lent candles to 9 Buddhist temples in the surrounding areas to al-low the company's employee too participate in the religious activities. The company also takes part in organizing Thot Kathin or the annual do-nation ceremony at Khao-Liew monastery, Tambol Chaiyaraj, Amphur Pa-tiew, Chumporn province to construct meditation area surrounding the statue of Luang-Por-To,a late famous monk.
- Providing Soccer trophies for 7th Salui Cup Footbal Tournament to sup-port sport activities of the youth that are going to grow and become im-portant drining force for the society in the future.
- Participating in a tree planting project at Rachaprachanukroah School on Mother's Day.Participating in a tree planing project at Phru Yai Temple on National La-bor Day in 2014 Participating in local mangroves restoration activities because the com-pany understands how important mangroves are in restoring the envi-ronment and improving the overall air and atmosphere within the areas.
- Participating in Elders' Day during Songkran festival in 2014 in Tambol Salui

Community and Social Activities of the Bangkok Office in 2014

Project: Temple Cleaning at Dan Phra Ram 3 Temple.

On Saturday, June 28, 2014, the company organized an event called "CPI Volunteer for Temple Cleaning at Dan Phra Ram 3 Temple" The activity was organize with the intention to allow the company's employees participate in volunteer activities and demonstrate social consciousness and responsibility.

Project: Free Lunch Program at Ban Rachawadee, Pak Kret

The company recognizes the importance of corporate social responsibilities and the need to build awareness in creating happiness and smiles to the Thai society. The company organized "CPI Free Lunch Program" at Center for Chil-dren with Mental Disabilities (Ban Rachawadee) on July 31, 2014. The compa-ny's Board of executives and attending employees participate in the games and activities to entertain and engage with the children at Ban Rachawadee. The program ended with participants having lunch together.

Project: Mangrove planting at Fort King Rama V

The company recognizes the importance of corporate social responsibility and the need to build awareness in creating happiness and smiles to Thai society. For this event, the company organized an activity called CPI "Mangroves Plant-ing Volunteer Program" to pay homage to Queen Sirikit in the even of her 82th birthday at Fort King Rama V in Samut Prakarn Province.The program is also part of the company attempt to create social awareness about natural re-source conservation and publicize about the breeding habitat of many aquatic creatures.

Project: Garbage Cleaning at Khlong Mayom Canal.

The company organized another environmental volunteer activity called " CPI Volunteer activity: Canal Garbage Cleaning" at Klong Mayom floating market. Participants of the program were encouraged conserve, restore, and improve the environment in the area surrounding Klong Mayom Canal by picking up garbages, wastes and pull up water hyacinth along Klong Mayom Canal.

Project: Coral Reef Restoration Project: Love Our Sea

The company organized a volunteering activity known as "Coral Reef Revival Projects: Love Our Sea." on October 25, 2014 at Toei Ngam Beach near Satta-hip Naval Base in Chonburi Province to create environmental consciousness for our employees to value and cherish natural resources of the Thai seas.

Project: CPI Childcare Volunteer

The project "CPI Childcare Volunteer" was held at Naresuan Pa La Oo Border Patrol Police School, Amphoe Hua Hin Prachuab Khiri Khan Province on Satur-day, November 22, 2014. The company's management team and attending employees donated winter clothing and other amenities to the school's stu-dents and had lunch together. Then all attendees traveled together to make artificial salt lick for elephants and other wild animals. This activity was intend-ed to promote and create environmental consciousness about our natural re-sources and urge all of the company's employee to do their parts in conserving natural resources, forests and wildlife.

The Company's Actions in Fighting Against Corruption.

In 2014, the company signed a jointed program among private companies in Thailand as a gesture to fight against corruption. The Chairman of the company acknowledged and participated in the ratification announcement known as ' Collective Action Coalition' among all Thai private companies to oppose and fight against every forms of corruptions. The Board of Director had considered and approved counter corruption policies, protection policies for employees who take the courage to notify about corruption or other forms of misconduct (Whistle Blower Policy) and the policy on gifts receiving or taking unlawful possessions by notifying all parties involved, both internal and exter-nal, along with all of the company'e employee to abide by the policies and re-lated regulations. In 2015, the company shall proceed with notifying outside agencies, trade partners to similarly acknowledge and act in accordance with the aforementioned policies. The company shall plan and organize necessary trainings to educate and inform about the policies against corruption and make sure that all staffs and employees have better understanding and can act accordingly.

Financial Information

Ratio

	Consolidated financial statements			Separate financial statement		
	2014	2013	2012	2014	2013	2012
LIQUIDITY RATIO						
Current Ratio (Time)	0.74	0.83	0.98	0.76	0.85	0.98
Quick Ratio (Time)	0.44	0.42	0.34	0.48	0.46	0.34
Cash Ratio (Time)	0.50	0.23	0.43	0.51	0.25	0.45
Account Receivable Turnover (Time)	13.32	13.16	14.23	13.28	13.16	14.23
Average Collection Period (Day)	27.03	27.37	25.30	27.11	27.35	25.30
Inventory Turnover (Time)	11.00	6.81	5.32	11.53	6.95	5.34
Average Sale Period (Day)	32.73	52.85	67.67	31.22	51.81	67.40
Account Payable Turnover (Day)	23.99	24.23	34.65	24.07	24.34	34.80
Receivable Turnover (Day)	15.00	14.86	10.39	14.96	14.79	10.35
Cash Cycle (Day)	44.75	65.36	82.58	43.37	64.37	82.35
PROFITABILITY RATIO						
Gross Profit Margin (%)	9.73	10.33	10.61	9.51	10.30	10.61
Operating Income Margin (%)	2.17	1.26	1.79	2.40	1.60	2.25
Net Profit Margin (%)	10.7	0.22	0.99	1.31	0.59	1.46
Return on Equity (%)	3.02	0.57	2.73	3.58	1.53	3.96
EFFICIENCY RATIO						
Return on Assets (%)	1.68	0.29	1.39	2.03	0.79	2.05
Return on fix Assets (%)	2.75	0.52	2.46	3.40	1.46	3.66
Asset Turnover (Time)	1.57	1.33	1.40	1.55	1.33	1.40
FINANCIAL POLICY RATIO						
Debt to Equity (Time)	0.79	0.98	0.96	0.76	0.94	0.93
Interest Coverage Ratio (Time)	2.80	1.32	1.75	3.15	1.74	2.21
Leverage Ratio (Time)	0.09	0.04	0.05	0.10	0.05	0.07
Pay Out Ratio (%)	NA	185.73	41.98	NA	67.82	28.57
Stock dividend Ratio (%)	NA	-	700.30	NA	-	476.54
Information of share***						
Book value per share (Baht)	2.95	2.84	2.62	0.03	2.90	2.65
Earnings per share (Baht)	0.089	0.016	0.071	0.108	0.044	0.105

NA Waiting approval from AGM on April 24 '2014

Management Discussion and Analysis

Operation Results Analysis

1) Sales Income

The company and its subsidiaries earned sale incomes which had increased for the total of 469.89 Million THB or 11.21% compared to that of last year. This income change resulted from the 14% price rise of our main commodity while the total sale quantity reduced for the total of 3.24%. In addition, the company received additional income from producing and distributing biogas electricity to PEA for 3.67 Million THB. The gross profit of the service was estimated to be 49.72%. The company also received special tax cut from the Board of Investment of Thailand in accordance with a provision under the INVESTMENT PROMOTION ACT B.E. 2520 and started to earn income from distributing electricity during 4th business quarter of 2014.

Regarding CPI Agrotech Co., Ltd., the company earned income from the selling of plant seedlings for the total amount of 28.01 Million THB (2013 : 8 Million THB) which equaled to 250% increase in sales. The company began to receive income from the sales of plant seedlings in August 2013.

2) Sales Capital (Costs of Goods and Products)

The company and its subsidiaries had an increase in sale capital for 449.34 Million THB or 11.96 %. The main reason was that in 2014, there was 20.30% increase in the costs of Palm Oil fruit bunches, which were on average sold at 4.32 THB per kg. Also, the cost of fresh palm oil rose for 13.30%, or equaled to an average price of 27.18 THB per kg.

3) Sales Expenses

The company and its subsidiaries had a total decrease of 39.89 Million THB in sale expenses, or 22.85% drop. The main reason for this was because the cost for the distribution of the commodities and the overall reduction as a result of reduced sales with Modern Trade customer group.

4) Sales Income Administration Expenses

The company and its subsidiaries had a reduction on administration expenses for 4.78 Million THB less from last year. This equaled to 2.09% drop in expenses. The main reason for this came from a decline in the general expenses spent on the company's employees.

5) Other Incomes

The company and its subsidiaries received less incomes for the total amount of 16.67 Million THB, compared to last year's. This was because in 2013, the company achieved net profit of 13.06 Million THB from inventory and risk management of fresh palm oil. However, in 2014, the company lost 14.45 Million THB in the inventory and risk management. The loss was included as part of the administrative expenses

6) Financial Ratios

Liquidity Ratios

Current Ratio (times)

The company and its subsidiaries had lower current ratio from 0.83 times in 2013 to 0.74 times in 2014. This resulted from the company and its subsidiaries having 31.30% lower in current assets and 22.97 % lower in current debts.

Average Collection Period (days)

The company and its subsidiaries had the average collection period from 27.37 days in 2013 to 27.03 days in 2014. This was because in December of 2014, the company and its subsidiaries had lower total sales compared to that of the same period in the previous year.

Repayment Period (days)

The company and its subsidiaries had longer repayment period, from 14.86 days in 2013 to 15 days in 2014. This was because the company purchased a lower quantity of raw palm oil fruits and had less quantity of the gross products in december 2014.

Profits Making Capacity

Gross Profits Ratio(%)

The company and its subsidiaries had gross profit margin decreased from 10.33% in 2014 to 9.73 % in 2014. The causes of the decline have been described in Section 2) Sales Capital.

Return on Equity (ROE) (%)

The company and its subsidiaries had a return on equity increased from 0.57 % in 2013 to 3.02 % in 2014. This was because the company and its subsidiaries achieved net profits which had increased from that of 2013. The balance of the shareholders' equity also increased from that of 2013 as well.

Operation Efficiency Ratios

Return on Assets (ROA) (%)

The company and its subsidiaries had a rate of return on assets increased from 0.29 % in 2013 to 1.68% in 2014. The was the result of the increase in net profits of both the company and its subsidiaries.

Financial Policies Analysis Ratios

Debt to Equity Ratio (times)

The company and its subsidiaries had Debt to Equity ratio reduced from 0.98 times in 2013 to 0.79 times in 2014. This was because in 2014, the company and its subsidiaries had total liabilities fell 15.85% from the year before, while shareholders' equity increased by 4.08%

Interest Coverage Ratio (times)

The company and its subsidiaries had Interest Coverage ratio increased from 1.32 times in 2013 to 2.80 times in 2014 because the company and its subsidiaries paid lower interests while the net profits increased compared to the year before.

Management Discussion and Analysis

Financial Status Analysis

1.) Assets

1.1) Components of the assets :

The company and its subsidiaries had total assets worth 2967.48 Million THB as of December 31st, 2014. These are divided into land lots, buildings and machineries and equipments—the total worth of 1816.46 Million THB or 61.21% of all assets. Next up is palm oil capital which accounts for approximately 330.41 Million THB. Trade accounts receivable and other receivables account for 293.76 Million THB. Inventory or remaining items account for another 273.35 Million THB or 11.13%, 9.90% and 9.21% respectively of the total assets. The rest, including cash and cash equivalents, advance cash for land purchasing and other current assets along with other intangible assets accounted for 253.50 Million THB or 8.55% of the total assets.

1.2) Changes in Assets :

Total assets of the company and its subsidiaries as of December 31st, 2014 were down by 182.43 Million THB or 5.79 % because of the following reasons:

- Trade receivables and other account receivables had decreased for 116.72 Million THB because in December 2014, the company had decrease in sales as compared with the sales of the same time in the previous year. This was resulted from decreased demand for the goods.
- Land lots, buildings, equipments and machineries had increased for 89.35 Million THB. The company had invested in Biogas Plant Expansion Project to improve productivity of the palm oil refinery plants.
- The total cost of palm plants increased to 42 million THB from cutting down and replanting projects.
- Inventory expenses fell to 218.34 Million THB from an attempt to reduce the quantity of oil inventory to reduce risk that may arise from price fluctuations of crude palm oil.

2.) Financial Liquidity

2.1) Cash Flow :

The company and its subsidiaries had cash and cash equivalents amounting 91.46 Million THB as of December 31, 2014, a total increase of 16.72 Million THB compared to that of last year.

- Cash Flow from Operating Activities: Cash from operating actives increased for 537.75 Million THB. The main reason was because trade receivables and other account receivables had decreased for 121.24 million THB. The inventory had 218.88 Million THB decrease. Trade payables and other account payables also fell for the amount of 55.39 Million THB. In 2014, the company had paid 4.14 Million THB as corporate income tax.

-Cash Flow from Investing Activities : Cash for the total amount of 270 Million THB to be used in various investing activities. This included investment expenditure of 272.95 Million THB which was used to improve and repair the company's buildings, plants and buy new equipments and machineries for 231.94 Million THB. The company invested in Biogas Plant Expansion Project to improve the overall production processes of palm oil refinery plants, invested another 45.80 Million THB in palm oil replanting project and received cash as interests for 2.60 Million THB.

- Cash Flow from Financing Activities : Cash was used in financing activities for the total amount of 250.68 Million THB. Short-termed loan payment of 240 Million THB and cash received from long-termed loan of 149.29 Million THB were to be used in Biogas plant expansion project to improve oil refinery production, payments of long-termed loans of 102 Million THB, paying dividends of 16.82 Million THB and interests payment of 40.30 Million THB.

3. Fund Sources

3.1) Shareholders Equity:

Shareholders' equity of the company and its subsidiaries as of December 31st 2014 for the total amount of 1654.41 Million THB had increased for the total of 64.82 Million THB or 4.08% compared to shareholders' equity as of December 31st, 2013 which was 1589.59 Million THB. Because the company had to set aside 3.04 Million THB as required by law, the retained earning had increased to 30.06 Million THB or 12.76 % from the net profits and from dividends payment in cash of 16.82 Million THB. Other components of shareholders' equity also increased for 28.40 Million THB or 6.47% from the profits received from land appraisal of 35.50 Million THB and 7.10 Million THB as income tax.

Book value per share as of December 31, 2014 was equal to 2.95 THB, a total increase of 0.11 THB per share or 3.87%

Management Discussion and Analysis

3.2) Liabilities

3.2.1) Components of Liabilities

The company and its subsidiaries had total liabilities as of December 31, 2014 of 1313.07 Million THB. Part of the liabilities was short-termed loan from a financial institution of 640 Million THB or 21.57%, long-termed loan with one year loan period of 224.24 Million THB or 7.56%. It also included loans from trade payables as well as other account payables of 145.35 Million THB or 4.90%. The rest were comprised of a long-termed loan which must be paid off within one year of 130.65 Million THB or 4.40% and income tax liabilities of 107.78 Million THB or 3.63%

3.2.2) Changes in Liabilities

The total amount of all company's liabilities as of December 31st, 2014 was cut down from the year before for 247.25 Million THB or 15.85 % because of the following reasons:

- Short-termed loans from financial institutions decreased for 240 Million THB or 27.27% as a result of lower demand for the products at the end of the year and decline in the purchase of raw materials.

- Trade payables and other payables fell for the total amount of 59.58 Million THB or 29.21% because of low purchase in raw materials in December 2014. This was resulted from low harvest of palm fruit bunches, a normal occurrence according to Palm Oil seasonal cycle.

- A portion of long-termed loan which was due within one year increased to 28.65 Million THB or 28.09% and the total amount of the long-termed loan which must be paid within the period of one year also increased for another 19.64 million THB or 9.07 % from the company's investment project in Biogas plant extension project to improve overall productivity of palm oil refinery plants.

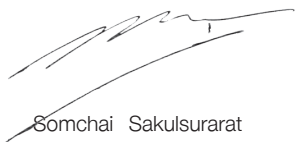
NOTE: FINANCIAL STATEMENTS ARE SHOWN IN ADDENDUM

INTERESTED INVESTORS CAN LEARN MORE ABOUT THE COMPANY AND ITS ISSUED SECURITIES FROM THE ANNUAL REGISTRATION STATEMENT OR FORM 56-1 WHICH IS ALSO LISTED IN www.sec.or.th OR ON THE COMPANY'S WEBSITE AT www.cpi-th.com

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 2014 to 31 December 2014, 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 2014 to 31 December 2014 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 2014.



Somchai Sakulsurarat
Chairman of The Board of Directors



Supisith Chorruangsak
Chief Executive Officer

Report of the Audit Committee

Dear shareholders,

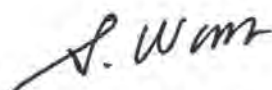
The Board of Director has appointed the Audit Committee which comprises of three independent directors as follows.

- | | |
|---|---------------------------------|
| 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 2014, 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 2014 which is presented to Board of Directors for approval. Financial statement for 2014 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 Audit Committee have an opinion that internal control system is appropriate and adequate to the business and agree with the company's auditors report that it doesn't find any defects in essences to effect the financial statement and can be complied 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 Suppasedtanon and/or Ms.Pimjai Manitkajohnkit, EY Office Limited, as auditors of the year 2014. In the event that such nominated auditors are not able to perform their functions and duty, the EY 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

Independent Auditor's Report Financial Statements

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 2014, 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

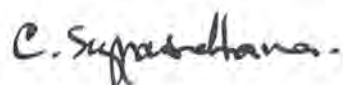
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, 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 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Chayapol Suppasetanon
Certified Public Accountant (Thailand) No. 3972

EY Office Limited
Bangkok, 25 February 2015

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	91,461,800	74,742,036	56,701,654	71,321,730
Trade and other receivables	6, 8	293,763,597	410,478,592	305,009,247	419,413,133
Short-term loans to related party	6	-	-	55,000,000	33,000,000
Prepaid expenses		1,275,881	2,988,469	1,275,881	2,988,469
Inventories	9	273,349,534	491,689,110	253,328,069	473,748,270
Other current assets	10	29,518,816	23,487,873	29,516,605	23,395,294
Total current assets		689,369,628	1,003,386,080	700,831,456	1,023,866,896
Non-current assets					
Investments in subsidiaries	11	-	-	46,625,000	15,500,000
Property, plant and equipment	12	1,816,455,498	1,727,104,546	1,789,123,838	1,701,160,395
Cost of palm trees	13	330,406,984	288,404,768	326,101,326	283,977,970
Intangible assets	14	6,090,968	6,675,652	6,042,051	6,621,171
Advances for purchases of land	15	124,007,750	124,007,750	124,007,750	124,007,750
Deposits		1,148,170	328,170	348,170	328,170
Total non-current assets		2,278,109,370	2,146,520,886	2,292,248,135	2,131,595,456
Total assets		2,967,478,998	3,149,906,966	2,993,079,591	3,155,462,352

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

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	640,000,000	880,000,000	640,000,000	880,000,000
Trade and other payables	17	145,351,903	205,329,972	144,207,063	204,187,070
Current portion of long-term loans	18	130,650,000	102,000,000	120,650,000	92,000,000
Current portion of liabilities under finance leases	19	624,609	857,257	624,609	857,257
Income tax payable		1,255,030	-	1,255,030	-
Value added tax payable		16,306,816	25,312,926	16,306,816	25,312,926
Other current liabilities		2,385,219	2,368,521	1,926,453	2,368,521
Total current liabilities		936,573,577	1,215,868,676	924,969,971	1,204,725,774
Non-current liabilities					
Long-term loans, net of current portion	18	224,240,000	205,600,000	219,240,000	190,600,000
Liabilities under finance leases, net of current portion	19	-	624,609	-	624,609
Deferred tax liabilities	26	107,782,776	90,958,148	107,454,276	90,629,648
Provision for long-term employee benefits	20	44,476,916	47,269,954	42,813,595	45,964,351
Total non-current liabilities		376,499,692	344,452,711	369,507,871	327,818,608
Total liabilities		1,313,073,269	1,560,321,387	1,294,477,842	1,532,544,382
Shareholders' equity					
Share capital	21				
Registered					
775,424,053 ordinary shares of Baht 1 each		775,424,053	775,424,053	775,424,053	775,424,053
Issued and paid-up					
560,569,547 ordinary shares of Baht 1 each					
(2013: 560,568,040 ordinary shares of Baht 1 each)		560,569,547	560,568,040	560,569,547	560,568,040
Share premium		249,436,348	249,433,731	249,436,348	249,433,731
Warrants	22.1	74,449,240	74,449,990	74,449,240	74,449,990
Capital reserve for share-based payment transactions	22.2	4,980,713	1,660,237	4,980,713	1,660,237
Retained earnings					
Appropriated - statutory reserve	23	32,345,939	29,307,188	32,345,939	29,307,188
Unappropriated		265,539,681	235,484,091	311,049,701	270,130,482
Other components of shareholders' equity	24	467,084,261	438,682,302	465,770,261	437,368,302
Total shareholders' equity		1,654,405,729	1,589,585,579	1,698,601,749	1,622,917,970
Total liabilities and shareholders' equity		2,967,478,998	3,149,906,966	2,993,079,591	3,155,462,352

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

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales		4,660,748,504	4,190,859,859	4,632,737,534	4,182,856,099
Gain on exchange		-	2,346,519	-	2,346,519
Other income		8,305,426	20,763,884	11,021,729	22,513,554
Total revenues		4,669,053,930	4,213,970,262	4,643,759,263	4,207,716,172
Expenses					
Cost of sales		4,207,293,915	3,757,954,887	4,192,188,112	3,752,185,311
Selling expenses		134,679,775	174,570,114	126,128,543	169,097,282
Administrative expenses		223,990,938	228,773,924	212,451,612	219,351,387
Loss on exchange		1,860,957	-	1,860,957	-
Total expenses		4,567,825,585	4,161,298,925	4,532,629,224	4,140,633,980
Profit before finance cost and income tax expenses		101,228,345	52,671,337	111,130,039	67,082,192
Finance cost		(36,201,971)	(39,796,742)	(35,240,036)	(38,465,872)
Profit before income tax expenses		65,026,374	12,874,595	75,890,003	28,616,320
Income tax expenses	26	(15,114,992)	(3,820,027)	(15,114,992)	(3,820,027)
Profit for the year		49,911,382	9,054,568	60,775,011	24,796,293
Other comprehensive income:					
Actuarial losses arising from defined benefit plan of employees	20	-	(11,378,221)	-	(11,378,221)
Income tax effect	26	-	2,275,644	-	2,275,644
		-	(9,102,577)	-	(9,102,577)
Gain on revaluation of land	12	35,502,448	77,656,775	35,502,448	76,014,275
Income tax effect	24, 26	(7,100,489)	(15,531,355)	(7,100,489)	(15,202,855)
		28,401,959	62,125,420	28,401,959	60,811,420
Other comprehensive income for the year		28,401,959	53,022,843	28,401,959	51,708,843
Total comprehensive income for the year		78,313,341	62,077,411	89,176,970	76,505,136
Earnings per share	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.089	0.016	0.108	0.044
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.085	0.016	0.104	0.044

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

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2014

Consolidated financial statements										(Unit: Baht)
	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	
Balance as at 1 January 2013		280,289,020	249,433,731	-	-	28,028,952	533,892,839	376,556,882	376,556,882	1,468,201,424
Profit for the year		-	-	-	-	-	9,054,568	-	-	9,054,568
Other comprehensive income for the year		-	-	-	-	-	(9,102,577)	62,125,420	62,125,420	53,022,843
Total comprehensive income for the year		-	-	-	-	-	(48,009)	62,125,420	62,125,420	62,077,411
Stock dividend	31	280,279,020	-	-	-	-	(280,279,020)	-	-	-
Dividend paid	31	-	-	-	-	-	(16,803,483)	-	-	(16,803,483)
Cash received for warrants	22.1	-	-	74,449,990	-	-	-	-	-	74,449,990
Share-based payment transactions	22.2	-	-	-	1,660,237	-	-	-	-	1,660,237
Appropriation retained earnings	23	-	-	-	-	1,278,236	(1,278,236)	-	-	-
Balance as at 31 December 2013		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
Balance as at 1 January 2014		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
Profit for the year		-	-	-	-	-	49,911,382	-	-	49,911,382
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	28,401,959	28,401,959	28,401,959
Dividend paid	31	-	-	-	-	-	49,911,382	28,401,959	28,401,959	78,313,341
Conversion of warrants to ordinary shares	21, 22.1	-	-	-	-	-	(16,817,041)	-	-	(16,817,041)
Share-based payment transactions	22.2	1,507	2,617	(750)	-	-	-	-	-	3,374
Appropriation retained earnings	23	-	-	-	3,320,476	-	-	-	-	3,320,476
Balance as at 31 December 2014		560,569,547	249,436,348	74,449,240	4,980,713	32,345,939	(3,038,751)	467,084,261	467,084,261	1,654,405,729

The accompanying notes are an integral part of the financial statements

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

Separate financial statements										(Unit: Baht)
	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	
Balance as at 1 January 2013		280,289,020	249,433,731	-	-	28,028,952	552,797,505	376,556,882	376,556,882	1,487,106,090
Profit for the year		-	-	-	-	-	24,796,293	-	-	24,796,293
Other comprehensive income for the year		-	-	-	-	-	(9,102,577)	60,811,420	60,811,420	51,708,843
Total comprehensive income for the year		-	-	-	-	-	15,693,716	60,811,420	60,811,420	76,505,136
Stock dividend	31	280,279,020	-	-	-	-	(280,279,020)	-	-	-
Dividend paid	31	-	-	-	-	-	(16,803,483)	-	-	(16,803,483)
Cash received for warrants	22.1	-	-	74,449,990	-	-	-	-	-	74,449,990
Share-based payment transactions	22.2	-	-	-	1,660,237	-	-	-	-	1,660,237
Appropriation retained earnings	23	-	-	-	-	1,278,236	(1,278,236)	-	-	-
Balance as at 31 December 2013		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
Balance as at 1 January 2014		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
Profit for the year		-	-	-	-	-	60,775,011	-	-	60,775,011
Other comprehensive income for the year		-	-	-	-	-	-	28,401,959	28,401,959	28,401,959
Total comprehensive income for the year		-	-	-	-	-	60,775,011	28,401,959	28,401,959	89,176,970
Dividend paid	31	-	-	-	-	-	(16,817,041)	-	-	(16,817,041)
Conversion of warrants to ordinary shares	21, 22.1	1,507	2,617	(750)	-	-	-	-	-	3,374
Share-based payment transactions	22.2	-	-	-	3,320,476	-	-	-	-	3,320,476
Appropriation retained earnings	23	-	-	-	-	3,038,751	(3,038,751)	-	-	-
Balance as at 31 December 2014		560,569,547	249,436,348	74,449,240	4,980,713	32,345,939	311,049,701	465,770,261	465,770,261	1,698,601,749

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

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2014

			(Unit: Baht)	
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	65,026,374	12,874,595	75,890,003	28,616,320
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	174,231,602	165,027,300	170,140,598	161,787,621
Write-off assets under installation and under construction	4,850,000	-	4,850,000	-
Loss (gain) on sales of equipment and palm trees	(1,893,601)	1,327,139	(1,893,601)	1,327,139
Reversal of allowance for doubtful debts	(5,062,902)	(15,000)	(5,062,902)	(15,000)
Reduction of cost of inventories to net realisable value (reversal)	(543,618)	573,225	878,787	(460,708)
Long-term employee benefits expenses	4,175,702	5,089,156	3,817,984	3,801,721
Unrealised loss (gain) on exchange	1,615,132	(519,239)	1,615,132	(519,239)
Expenses for share-based payment transactions	3,320,476	1,660,237	3,320,476	1,660,237
Interest income	(2,600,228)	(1,571,944)	(4,052,350)	(2,014,823)
Interest expenses	36,201,971	39,796,742	35,240,036	38,465,872
Profit from operating activities before changes in operating assets and liabilities	279,320,908	224,242,211	284,744,163	232,649,140
Operating assets (increase) decrease				
Trade and other receivables	121,238,605	(181,150,863)	118,901,847	(180,942,754)
Prepaid expenses	1,712,588	(810,075)	1,712,588	(810,075)
Inventories	218,883,194	119,402,670	219,541,414	132,946,944
Other current assets	(5,995,896)	(15,460,241)	(6,088,027)	(15,368,133)
Deposits	(820,000)	10,000	(20,000)	10,000
Operating liabilities increase (decrease)				
Trade and other payables	(55,387,128)	100,306,374	(55,389,066)	99,952,493
Value added tax payable	(9,006,110)	14,796,203	(9,006,110)	14,796,203
Other current liabilities	(1,091,719)	585,173	(1,550,485)	585,173
Cash paid for long-term employee benefits	(6,968,740)	(11,678,405)	(6,968,740)	(11,678,405)
Cash flow from operating activities	541,885,702	250,243,047	545,877,584	272,140,586
Cash paid for income tax expenses	(4,137,586)	(730,283)	(4,135,823)	(730,283)
Net cash flows from operating activities	537,748,116	249,512,764	541,741,761	271,410,303

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

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Interest received	2,600,228	1,571,944	4,077,999	1,554,581
Increase in short-term loans to related party	-	-	(22,000,000)	(33,000,000)
Cash paid for investment in subsidiary	-	-	(31,125,000)	-
Acquisitions of property, plant and equipment	(231,939,724)	(189,940,513)	(226,636,277)	(181,593,756)
Advance for purchase of land	-	(31,007,750)	-	(31,007,750)
Proceeds from sales of equipment	5,089,313	4,881,443	5,089,313	4,881,443
Increase in cost of palm trees	(45,801,161)	(67,607,569)	(45,801,161)	(67,607,569)
Acquisitions of intangible assets	(300,480)	(484,140)	(300,480)	(428,500)
Net cash flows used in investing activities	(270,351,824)	(282,586,585)	(316,695,606)	(307,201,551)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(240,000,000)	180,000,000	(240,000,000)	180,000,000
Cash received from long-term loans	149,290,000	33,924,000	149,290,000	31,600,000
Repayment of long-term loans	(102,000,000)	(207,000,000)	(92,000,000)	(202,000,000)
Repayment of liabilities under finance leases	(857,257)	(809,237)	(857,257)	(809,237)
Cash received for warrants	-	74,449,990	-	74,449,990
Cash received from conversion warrants to ordinary shares	3,374	-	3,374	-
Dividend payment	(16,817,041)	(16,803,483)	(16,817,041)	(16,803,483)
Cash paid for interest expenses	(40,295,604)	(40,986,457)	(39,285,307)	(39,539,980)
Net cash flows from (used in) financing activities	(250,676,528)	22,774,813	(239,666,231)	26,897,290
Net increase (decrease) in cash and cash equivalents	16,719,764	(10,299,008)	(14,620,076)	(8,893,958)
Cash and cash equivalents at beginning of year	74,742,036	85,041,044	71,321,730	80,215,688
Cash and cash equivalents at end of year	91,461,800	74,742,036	56,701,654	71,321,730
Supplemental cash flows information:				
Non-cash transactions				
Stock dividend	-	280,279,020	-	280,279,020
Land increased from revaluation	35,502,448	77,656,775	35,502,448	76,014,275
Actuarial losses arising from defined benefit plan of employees	-	11,378,221	-	11,378,221
Interest recorded as property, plant, equipment and cost of palm trees	4,557,858	1,356,638	4,509,496	1,241,031
Purchases of equipment which had yet been paid	294,127	5,350,000	294,127	5,350,000

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

Financial Statements

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2014

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	
			2014	2013
			(%)	(%)
CPI Agrotech Co., Ltd.	Production and distribution of palm seeds and palm sprouts	Thailand	100	100
CPP Co., Ltd. (formerly known as "CPI Power Plant Co., Ltd.")	Production and distribution of palm oil and electricity from biogas	Thailand	100	100

Financial Statements

- 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 financial reporting standards

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

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Financial Statements

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

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At present, the management of the Company's and its subsidiaries is evaluating the impact to the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 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.

4.2 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.

4.3 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.

4.4 Inventories

Inventories are valued at the lower of cost under the weighted average method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost, and includes all production costs and attributable factory overheads. Raw materials, spare parts and factory supplies are charged to production costs whenever consumed.

4.5 Investments in subsidiaries

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

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4.6 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.

4.7 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.

4.8 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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4.9 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.

Financial Statements

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

Financial Statements

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company's and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.15 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.

4.16 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.

4.17 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.

Financial Statements

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.

4.18 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.

5. Significant accounting judgements and estimates

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

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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.

6. Related party transactions

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

Name of related parties	Relationship
CPI Agrotech Co., Ltd.	Subsidiary
CPP Co., Ltd. (formerly known as "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
	2014	2013	
<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	1.5	0.5	2.90% - 3.19% per annum and rate charged on call borrowings from a bank plus 0.5% per annum

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The balances of the accounts as at 31 December 2014 and 2013 between the Company and these related companies are as follows:

		(Unit: Thousand Baht)	
		Separate financial statements	
		2014	2013
<u>Other receivables - related party (Note 8)</u>			
Subsidiary		11,299	9,991
<u>Short-term loans to related party</u>			
Subsidiary		55,000	33,000
<u>Interest receivables - related party (Note 8)</u>			
Subsidiary		435	460

Loans to related party

As at 31 December 2014 and 2013, 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 2014	Increase	Decrease	31 December 2014
CPI Agrotech Co., Ltd.	Subsidiary	33,000	22,000	-	55,000

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 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management recognised in profit or loss as below.

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	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	17,418	18,645	16,390	17,435
Post-employment and termination benefits	603	1,745	499	1,586
Share-based payment	1,003	524	1,003	524
Total	19,024	20,914	17,892	19,545

Guarantee obligations with related party

The Company had outstanding guarantee obligations with its subsidiary, as described in Note 32.4 a) to the financial statements.

Investment commitments

As at 31 December 2014, the Company has commitments in respect of the uncalled portion of its investment in a subsidiary, as described in Note 32.2 to the financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	1,303	1,283	1,280	1,260
Bank deposits	90,159	73,459	55,422	70,062
Total	91,462	74,742	56,702	71,322

As at 31 December 2014, bank deposits in saving accounts carried interest at a rate of 0.38% per annum (2013: between 0.5% and 0.63% per annum).

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8. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2014	2013	2014	2013
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	203,320	263,456	203,320	263,456
Past due				
Up to 1 month	84,773	138,848	84,284	137,353
2 - 3 months	-	2,449	-	2,449
3 - 6 months	-	4,960	-	4,960
6 - 12 months	1,801	500	1,801	500
Over 12 months	3,379	8,456	3,379	8,456
Total	293,273	418,669	292,784	417,174
Less: Allowance for doubtful debts	(3,542)	(8,605)	(3,542)	(8,605)
Total trade receivables - unrelated parties, net	289,731	410,064	289,242	408,569
Other receivables				
Other receivables - related party	-	-	11,299	9,991
Interest receivables - related party	-	-	435	460
Other receivables - unrelated parties	4,714	1,096	4,714	1,074
Total	4,714	1,096	16,448	11,525
Less: Allowance for doubtful debts	(681)	(681)	(681)	(681)
Total other receivables - net	4,033	415	15,767	10,844
Total trade and other receivables - net	293,764	410,479	305,009	419,413

9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	141,202	202,844	(2,130)	(1,252)	139,072	201,592
Raw materials	72,885	230,081	-	-	72,885	230,081
Work in process	22,247	21,563	-	(1,422)	22,247	20,141
Spare parts and factory supplies	39,145	39,875	-	-	39,145	39,875
Total	275,479	494,363	(2,130)	(2,674)	273,349	491,689

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(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2014	2013	2014	2013	2014	2013
Finished goods	141,092	201,713	(2,130)	(1,252)	138,962	200,461
Raw materials	72,885	230,081	-	-	72,885	230,081
Work in process	3,751	4,558	-	-	3,751	4,558
Spare parts and factory supplies	37,730	38,648	-	-	37,730	38,648
Total	255,458	475,000	(2,130)	(1,252)	253,328	473,748

Movements in the allowance for diminution in value of inventories account during the years 2014 and 2013, which were presented as cost of sales, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Balance as at beginning of the year	2,674	2,101	1,252	1,712
Add: Allowance for diminution in value of inventories made during the year (reversal)	(544)	573	878	(460)
Balance as at ending of the year	2,130	2,674	2,130	1,252

10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Amounts placed for trading of palm oil forward contracts	26,144	15,941	26,144	15,941
Others	3,375	7,547	3,373	7,454
Total other current assets	29,519	23,488	29,517	23,395

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11. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

Company's name	Called-up capital		Shareholding percentage		Cost	
	2014	2013	2014	2013	2014	2013
			(%)	(%)		
CPI Agrotech Co., Ltd.	15,000	15,000	100	100	15,000	15,000
CPP Co., Ltd. (formerly known as "CPI Power Plant Co., Ltd.")	31,625	500	100	100	31,625	500
Total					46,625	15,500

On 24 June 2014, the Extraordinary General Meeting of the shareholders of CPI Power Plant Co., Ltd. passed a resolution to change company name to CPP Co., Ltd. The subsidiary registered the change of its name with the Ministry of Commerce on 26 June 2014.

On 29 September 2014, the Extraordinary General Meeting of the shareholders of CPP Co., Ltd. passed a resolution to increase its registered share capital by Baht 124.5 million, from Baht 0.5 million to Baht 125 million, through the issuance of 12,450,000 new ordinary shares with a par value of Baht 10 each, of which 25% or Baht 2.50 per share, is to be called up. The Company made additional share payment of Baht 31.1 million to CPP Co., Ltd. on 1 October 2014, and the subsidiary registered the increase in its share capital with the Ministry of Commerce on 2 October 2014.

There was no dividend received from the subsidiaries during the years 2014 and 2013.

12. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements									
Revaluation basis	Cost basis								
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Tools and factory equipment	Motor vehicles	Furniture, fixtures and office equipment	Assets under installation and under construction	Total
Cost / Revalued amount:									
1 January 2013	544,899	163,698	382,719	1,452,341	33,438	119,325	95,680	132,128	2,924,228
Additions	-	100	300	10,349	2,057	6,139	2,637	168,633	190,215
Disposals	-	(2)	(975)	(18,420)	(629)	(2,155)	(2,571)	-	(24,752)
Transfers	-	311	21,916	50,138	993	10,102	1,550	(85,010)	-
Revaluations	77,657	-	-	-	-	-	-	-	77,657
31 December 2013	622,556	164,107	403,960	1,494,408	35,859	133,411	97,296	215,751	3,167,348
Additions	766	-	-	11,962	661	1,222	2,541	214,289	231,441
Disposals	-	-	(180)	(8,086)	(812)	(13,463)	(3,069)	-	(25,610)
Write-off	-	-	-	-	-	-	-	(4,850)	(4,850)
Transfers	-	5,277	31,126	137,965	6,714	10,369	1,375	(192,826)	-
Revaluations	35,503	-	-	-	-	-	-	-	35,503
31 December 2014	658,825	169,384	434,906	1,636,249	42,422	131,539	98,143	232,364	3,403,832
Accumulated depreciation:									
1 January 2013	-	84,362	195,196	843,470	21,886	89,676	62,530	-	1,297,120
Depreciation charged for the year	-	7,049	19,947	111,518	4,185	11,092	8,133	-	161,924
Depreciation on disposals	-	(2)	(703)	(12,926)	(510)	(2,155)	(2,505)	-	(18,801)
31 December 2013	-	91,409	214,440	942,062	25,561	98,613	68,158	-	1,440,243
Depreciation charged for the year	-	6,957	20,778	118,590	4,171	11,159	7,935	-	169,590
Depreciation on disposals	-	-	(84)	(6,472)	(663)	(12,318)	(2,919)	-	(22,456)
31 December 2014	-	98,366	235,134	1,054,180	29,069	97,454	73,174	-	1,587,377
Net book value:									
31 December 2013	622,556	72,698	189,520	552,346	10,298	34,798	29,138	215,751	1,727,105
31 December 2014	658,825	71,018	199,772	582,069	13,353	34,085	24,969	232,364	1,816,455
Depreciation for the year									
2013 (Baht 133 million included in manufacturing cost, and the remaining balance in administrative expenses)									161,924
2014 (Baht 145 million included in manufacturing cost, and the remaining balance in administrative expenses)									169,590

Separate financial statements									(Unit: Thousand Baht)
	Revaluation basis	Cost basis							
		Land improvement	Buildings and building improvement	Machinery and equipment	Tools and factory equipment	Motor vehicles	Furniture, fixtures and office equipment	Assets under installation and under construction	Total
Cost / Revalued amount:									
1 January 2013	543,349	163,561	377,111	1,449,984	32,206	114,259	92,537	129,703	2,902,710
Additions	-	-	-	10,011	1,725	6,139	2,053	161,825	181,753
Disposals	-	(2)	(975)	(18,420)	(529)	(2,155)	(2,571)	-	(24,752)
Transfers	-	-	17,284	48,326	709	9,813	1,436	(77,568)	-
Revaluations	76,014	-	-	-	-	-	-	-	76,014
31 December 2013	619,363	163,559	393,420	1,489,901	34,011	128,056	93,455	213,960	3,135,725
Additions	766	-	-	11,962	634	1,222	2,224	209,282	226,090
Disposals	-	-	(180)	(8,086)	(812)	(13,463)	(3,069)	-	(25,610)
Write-off	-	-	-	-	-	-	-	(4,850)	(4,850)
Transfers	-	4,994	25,661	137,690	6,420	10,369	1,375	(186,509)	-
Revaluations	35,503	-	-	-	-	-	-	-	35,503
31 December 2014	655,632	168,553	418,901	1,631,467	40,253	126,184	93,985	231,883	3,366,858
Accumulated depreciation:									
1 January 2013	-	84,360	195,163	843,298	21,857	87,591	62,290	-	1,294,559
Depreciation charged for the year	-	7,015	19,273	110,849	3,890	10,372	7,408	-	158,807
Depreciation on disposals	-	(2)	(703)	(12,926)	(510)	(2,155)	(2,505)	-	(18,801)
31 December 2013	-	91,373	213,733	941,221	25,237	95,808	67,193	-	1,434,565
Depreciation charged for the year	-	6,886	19,786	117,556	3,775	10,398	7,124	-	165,625
Depreciation on disposals	-	-	(84)	(6,472)	(663)	(12,318)	(2,919)	-	(22,456)
31 December 2014	-	98,259	233,435	1,052,405	28,349	93,888	71,398	-	1,577,734
Net book value:									
31 December 2013	619,363	72,186	179,687	548,680	8,774	32,248	26,262	213,960	1,701,160
31 December 2014	655,632	70,294	185,466	579,062	11,904	32,296	22,587	231,883	1,789,124
Depreciation for the year									
2013 (Baht 131 million included in manufacturing cost, and the remaining balance in administrative expenses)									158,807
2014 (Baht 142 million included in manufacturing cost, and the remaining balance in administrative expenses)									165,625

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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".

In 2014, the Company arranged for an independent professional valuer to appraise the value of land acquired in 2014. The basis of the revaluation used was the market approach. The revaluation value of the land is higher than its cost by Baht 36 million. The Company recognised the increase in shareholders' equity as "Other components of shareholders' equity".

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land				
Original cost	74,969	74,203	73,419	72,653
Surplus from revaluation	583,856	548,353	582,213	546,710
Revalued amount	658,825	622,556	655,632	619,363
Stated at cost				
Net book value	74,969	74,203	73,419	72,653

Borrowing costs of the Company and its subsidiaries totaling Baht 4.6 million were capitalised as part of the assets during the year 2014 (2013: Baht 0.2 million) (the Company only: Baht 4.5 million, 2013: Baht 0.1 million). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation of the Company was 4.4% and of a subsidiary was 3.2% (2013: 2.9% of the Company and 5.5% of the subsidiary).

As at 31 December 2014, the Company had equipment with net book value of Baht 1.3 million (2013: Baht 2 million) which were acquired under finance lease agreements.

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As at 31 December 2014, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation of those assets amounted to Baht 515 million (2013: Baht 411 million).

13. 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
Cost:			
1 January 2013	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
Additions	-	45,801	45,801
Disposals	(135)	-	(135)
Transfers	59,130	(59,130)	-
31 December 2014	125,320	218,691	344,011
Accumulated amortisation:			
1 January 2013	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
Amortisation charged for the year	3,758	-	3,758
Amortisation on disposals	(94)	-	(94)
31 December 2014	13,604	-	13,604
Net book value:			
31 December 2013	56,385	232,020	288,405
31 December 2014	111,716	218,691	330,407
Amortisation for the year (included in manufacturing cost)			
2013			2,247
2014			3,758

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(Unit: Thousand Baht)

	Separate financial statements		
	Cost of palm trees ready for harvest	Cost of palm trees not ready for harvest	Total
Cost:			
1 January 2013	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
Additions	-	45,801	45,801
Disposals	(135)	-	(135)
Transfers	59,130	(59,130)	-
31 December 2014	120,658	218,691	339,349
Accumulated amortisation:			
1 January 2013	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
Amortisation charged for the year	3,637	-	3,637
Amortisation on disposals	(94)	-	(94)
31 December 2014	13,248	-	13,248
Net book value:			
31 December 2013	51,958	232,020	283,978
31 December 2014	107,410	218,691	326,101
Amortisation for the year (included in manufacturing cost)			
2013			2,126
2014			3,637

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

As at 31 December 2014, palm trees costing a total of Baht 9 million (2013: Baht 9 million) were located on land over which the Company had only occupancy rights.

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14. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2014 and 2013 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cost	19,363	19,063	19,307	19,007
Less: Accumulated amortisation	(13,272)	(12,387)	(13,265)	(12,386)
Net book value	6,091	6,676	6,042	6,621

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	6,676	7,047	6,621	7,047
Acquisition of computer software	300	484	300	428
Amortisation	(885)	(855)	(879)	(854)
Net book value at end of year	6,091	6,676	6,042	6,621

Amortisation was included in administrative expenses in profit or loss.

15. Advances for purchases of land

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 2014 and 2013, the Company has made full payment of the purchase price.

16. Short-term loans from financial institutions

As at 31 December 2014, the Company had Baht 640 million (2013: Baht 880 million) of short-term loans from financial institutions, in the form of unsecured notes, carried interest rates between 2.70% and 2.90% per annum (2013: between 2.78% and 3.22% per annum).

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17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade payables	117,108	160,226	116,906	159,958
Accrued expenses	13,458	22,762	13,247	22,550
Other payables	14,786	22,342	14,054	21,679
Total trade and other payables	145,352	205,330	144,207	204,187

18. Long-term loans

Credit line	Interest rate (% per annum)	Repayment condition	(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2014	2013	2014	2013
1) Credit line of Baht 550 million of the Company	MLR - 2 to 2.25	Quarterly installments of Baht 23 million for the first 24 installments and Baht 21 million for the final installment. The repayment period is within August 2016	159,000	251,000	159,000	251,000
2) Credit line of Baht 229 million of the Company (2013: Baht 430 million)	MLR - 3	Grace period until the earlier of 18 months, the first installment starts from June 2015, then quarterly installments of not less than Baht 9.55 million. The repayment period is within March 2021	180,890	31,600	180,890	31,600
3) 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	15,000	25,000	-	-
Total			354,890	307,600	339,890	282,600
Less: Current portion			(130,650)	(102,000)	(120,650)	(92,000)
Long-term loans, net of current portion			224,240	205,600	219,240	190,600

Movement in the long-terms loans account during the year 2014 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2014	307,600	282,600
Add: Additions	149,290	149,290
Less: Repayments	(102,000)	(92,000)
Balance as at 31 December 2014	354,890	339,890

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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 several covenants among other things, require the Company and its subsidiary to maintain debt-to-equity ratio and debt service coverage ratio at the rates prescribed in the agreements.

On 29 August 2014, the Company entered into an amendment of the loan agreement with a financial institution relating to credit line no. 2), reducing the loan facility by an amount equal to the undrawn portion. As a result, the credit line was reduced from Baht 430 million to Baht 229 million, and the quarterly installments were reduced from not less than Baht 18 million to not less than Baht 9.55 million.

As at 31 December 2014, the Company's long-term credit facilities which have not yet been drawn down amounted to Baht 48 million (2013: Baht 398 million). As at 31 December 2014 and 2013, the subsidiary had no long-term credit facilities that it has yet to draw down.

19. Liabilities under finance leases

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2014	2013
Liabilities under finance leases	636	1,552
Less: Deferred interest expenses	(11)	(70)
Total	625	1,482
Less: Portion due within one year	(625)	(857)
Liabilities under finance leases - net of current portion	-	625

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.

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As at 31 December 2014 and 2013, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)			
Consolidated and Separate financial statements			
2014			
Less than			
	1 year	1 - 2 years	Total
Future minimum lease payments	636	-	636
Deferred interest expenses	(11)	-	(11)
Present value of future minimum lease payments	625	-	625
(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 expenses	(59)	(11)	(70)
Present value of future minimum lease payments	857	625	1,482

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, was as follows:

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Provision for long-term employee				
benefits at beginning of year	47,270	42,481	45,964	42,463
Current service cost	2,047	2,835	1,741	1,702
Interest cost	2,128	2,254	2,077	2,099
Benefits paid during the year	(6,968)	(11,678)	(6,968)	(11,678)
Actuarial loss	-	11,378	-	11,378
Provision for long-term employee				
benefits at end of year	44,477	47,270	42,814	45,964

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Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	2,047	2,835	1,741	1,702
Interest cost	2,128	2,254	2,077	2,099
Total expenses recognised in profit or loss	4,175	5,089	3,818	3,801
Line items in profit or loss under which such expenses are included				
Cost of sales	511	1,444	511	1,049
Selling and administrative expenses	3,664	3,645	3,307	2,752

As at 31 December 2014, cumulative actuarial losses, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 11 million (2013: Baht 11 million) (The Company only: Baht 11 million and 2013: Baht 11 million).

Key actuarial assumptions used for the valuation are as follows:

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Discount rate	3.9	3.9	3.9	3.9
Future salary increase rate	5.0 - 6.0	5.0 - 6.0	5.0	5.0
Employee turnover rate (depending on age)	0 - 30.0	0 - 30.0	0 - 30.0	0 - 30.0

The amounts of defined benefit obligations and experience adjustments for the current year and the past four 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 2014	44,477	42,814	-	-
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	-	-

21. Share capital

21.1 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.

21.2 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.

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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 22.1 to the financial statements.
- To allocate capital increase of 28,000,000 ordinary shares reserved for the exercise of ESOP #1 warrants, as described in Note 22.2 to the financial statements.

21.3 On 30 June 2014, the holder of 1,500 CPI-W1 warrants exercised options to purchase 1,507 ordinary shares at an exercise price of Baht 2.239 each. The Company received payment of the additional share capital amounting to Baht 3,374 in June 2014, resulting in an increase in the Company's paid-up share capital from Baht 560,568,040 to Baht 560,569,547. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 15 July 2014. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 25 July 2014.

Reconciliation of number of ordinary shares

	(Unit: Shares)	
	Consolidated and	
	Separate financial statements	
	2014	2013
<u>Registered share capital</u>		
Number of ordinary shares at beginning of year	775,424,053	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 at end of year	<u>775,424,053</u>	<u>775,424,053</u>

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	(Unit: Shares)	
	Consolidated and Separate financial statements	
	2014	2013
<u>Issued and paid-up share capital</u>		
Number of ordinary shares at beginning of year	560,568,040	280,289,020
Distribution of stock dividend	-	280,279,020
Increase from exercise of warrants	1,507	-
Number of ordinary shares at end of year	<u>560,569,547</u>	<u>560,568,040</u>

22. Warrants**22.1 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 2014 and 2013, 37,956,033 warrants were unsubscribed, which the Company will decrease its registered share capital.

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Subsequently on 30 April 2014, the Company adjusted the exercised price and exercised ratio for the CPI-W1 warrants as a result of final dividends for 2013 as mentioned in Note 31 to the financial statements which was an adjustment criteria of the warrants covenant. Details of the adjustment are as follows:

	The existing exercise rights	The new exercise rights
Exercise ratio	1 warrant to purchase 1 ordinary share	1 warrant to purchase 1.00471 ordinary shares
Exercise price	Baht 2.25 per share	Baht 2.239 per share

Reconciliation of number of CPI-W1 warrants

	(Unit: Units)	
	Consolidated and Separate financial statements	
	2014	2013
Number of warrants at the beginning of year	148,899,980	-
Warrants issued during the year	-	148,899,980
Exercised during the period (Note 21.3)	(1,500)	-
Number of warrants at the end of year	<u>148,898,480</u>	<u>148,899,980</u>

22.2 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. 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
Number of issued warrants	: 28,000,000 units

Conditions and period of exercise	<ol style="list-style-type: none"> 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. 2) Each time the warrants are exercised, the warrant holders can exercise not more than 10% of their allocated warrants. 3) The unexercised warrants can be accumulated to exercise during the next exercise period, until maturity of the warrants.
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 2014, the Company recorded expenses of Baht 3.3 million (2013: 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.

As of 31 December 2014, the Company had 28,000,000 unexercised ESOP #1 warrants (2013: 28,000,000 warrants), which included 1,959,000 unallocated warrants (2013: 1,351,700 warrants).

23. 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.

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24. 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 2014 and 2013 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Balance as at beginning of the year	438,682	376,557	437,368	376,557
Revalue during the year (Note 12)	35,503	77,657	35,503	76,014
Income tax effect	(7,101)	(15,532)	(7,101)	(15,203)
Balance as at ending of the year	<u>467,084</u>	<u>438,682</u>	<u>465,770</u>	<u>437,368</u>

25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Salaries, wages and other employee benefits	277,704	270,193	258,434	253,167
Depreciation and amortisation	174,232	165,027	170,141	161,788
Raw materials and consumables used	3,688,180	3,295,700	3,683,986	3,292,727
Changes in finished goods	61,642	30,378	60,621	31,509
Fuel and energy	59,541	78,356	59,541	78,026

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26. Income tax

26.1 Deferred tax assets / liabilities

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful debts	136	1,101	136	1,101
Allowance for diminution in value of inventories	426	250	426	250
Provision for long-term employee benefits	8,563	9,193	8,563	9,193
Unused tax losses	-	8,240	-	8,240
Total	9,125	18,784	9,125	18,784
Deferred tax liabilities				
Finance lease agreements	136	72	136	72
Revaluation surplus on assets	116,772	109,670	116,443	109,342
Total	116,908	109,742	116,579	109,414
Deferred tax liabilities - net	107,783	90,958	107,454	90,630

26.2 Income tax expenses

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Corporate income tax charge for the year	5,391	-	5,391	-
Deferred tax:				
Relating to origination and reversal of temporary differences	9,724	3,820	9,724	3,820
Income tax expenses reported in the statements of comprehensive income	15,115	3,820	15,115	3,820

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The reconciliation between accounting profit and income tax expenses is shown below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2014	2013	2014	2013
	65,026	12,875	75,890	28,616
Accounting profit before tax				
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	13,005	2,575	15,178	5,723
Effects of:				
Promotional privileges (Note 27)	(346)	-	(346)	-
Non-deductible expenses	2,991	1,880	2,919	1,824
Additional expense deductions allowed	(2,636)	(3,432)	(2,636)	(3,432)
Others	-	(224)	-	(295)
Unused tax losses of subsidiaries which may not utilise	2,030	2,553	-	-
Temporary differences of subsidiaries which may not utilise	71	468	-	-
Income tax expenses reported in the statements of comprehensive income	15,115	3,820	15,115	3,820

As at 31 December 2014, the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 40 million (2013: Baht 31 million). No deferred tax assets have been recognised on these amounts as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

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26.3 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 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
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	7,101	15,532	7,101	15,203
	<u>7,101</u>	<u>13,256</u>	<u>7,101</u>	<u>12,927</u>

27. Promotional privileges

The Board of Investment granted the Company and its subsidiaries 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	Subsidiary	Subsidiary
1. Certificate No.	1025(2)/2548	1702(1)/2556	2644(1)/2556	2390(5)/2554	2548(2)/2557
2. Promotional privileges for	Manufacture of vegetable oil	Manufacture of biogas	Production of electricity from biogas	Production of palm seeds and palm sprouts	Production of crude palm oil and kernel oil
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
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	Granted	Granted	Not granted	Not granted
3.3 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted
4. Date of approval	20 October 2004	19 February 2013	14 October 2013	20 September 2011	2 July 2013
5. Date of first earning operating income	3 November 2005	Not start	29 September 2014	1 August 2013	Not start

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The Company's and its subsidiaries' operating revenues for the years ended 31 December 2014 and 2013, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Sales						
Domestic sales	31,682	2,261,610	4,214,488	1,648,918	4,246,170	3,910,528
Export sales	-	120,156	414,579	160,176	414,579	280,332
Total	<u>31,682</u>	<u>2,381,766</u>	<u>4,629,067</u>	<u>1,809,094</u>	<u>4,660,749</u>	<u>4,190,860</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Sales						
Domestic sales	3,671	2,253,606	4,214,488	1,648,918	4,218,159	3,902,524
Export sales	-	120,156	414,579	160,176	414,579	280,332
Total	<u>3,671</u>	<u>2,373,762</u>	<u>4,629,067</u>	<u>1,809,094</u>	<u>4,632,738</u>	<u>4,182,856</u>

28. 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 year 2013 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 in the year 2013, 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.

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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	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	49,911	9,055	560,569	560,568	0.089	0.016
Effect of dilutive potential ordinary shares						
CPI-W1 warrants	-	-	26,455	982		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of CPI-W1 warrants to ordinary shares	49,911	9,055	587,024	561,550	0.085	0.016
Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	60,775	24,796	560,569	560,568	0.108	0.044
Effect of dilutive potential ordinary shares						
CPI-W1 warrants	-	-	26,455	982		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of CPI-W1 warrants to ordinary shares	60,775	24,796	587,024	561,550	0.104	0.044

There is no disclosure of diluted earnings per share for the years 2014 and 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.

29. 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 three 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.
- The electricity from biogas segment (started in September 2014).

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 on a basis consistent with that used to measure operating profit or loss 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 and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013, respectively.

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(Unit: Million Baht)

For the year ended 31 December 2014

	Palm oil products segment	Palm seeds and palm sprouts segment	Total reportable segments	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	4,629	28	4	4,661	-	4,661
Interest income	4	-	-	4	(1)	3
Interest expenses	35	2	-	37	(1)	36
Depreciation and amortisation	169	4	1	174	-	174
Income tax expenses	15	-	-	15	-	15
Segment profit (loss)	58	(10)	2	50	-	50

(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
Interest income	2	-	2	-	2
Interest expenses	38	2	40	-	40
Depreciation and amortisation	162	3	165	-	165
Income tax expenses	4	-	4	-	4
Segment profit (loss)	24	(15)	9	-	9

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.

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2014	2013
Revenue from external customers		
Thailand	4,246,170	3,910,528
Singapore	361,520	196,619
Others	53,059	83,713
Total	<u>4,660,749</u>	<u>4,190,860</u>

Major customers

For the year 2014, the Company had revenue from two major customers in amount of Baht 1,067 million (2013: one major customer in amount of Baht 847 million), arising from sales by the palm oil products segment.

30. 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 2014, the Company and its subsidiaries contributed Baht 5.6 million (2013: Baht 6.0 million) to the fund, and the Company separately Baht 5.3 million (2013: Baht 5.7 million).

31. Dividend payment

Dividend	Approved by	Total dividend	Dividend per share
		(Thousand Baht)	(Baht)
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		<u>297,083</u>	
Final dividends for 2013	Annual General Meeting of the shareholders on 23 April 2014	16,817	0.03
Total		<u>16,817</u>	

32. Commitments and contingent liabilities**32.1 Capital commitments**

As at 31 December 2014, the Company and its subsidiaries had capital commitments of approximately Baht 41 million (2013: Baht 110 million) (the Company only: Baht 25 million (2013: Baht 107 million)), relating to the construction of building and the acquisitions of machinery and equipment.

32.2 Investment commitments

As at 31 December 2014, the Company has commitments totaling Baht 93 million in respect of the uncalled portion of its investment in a subsidiary (2013: Nil).

32.3 Service commitments

As at 31 December 2014, the Company and its subsidiary had payment commitments due within 1 year under service agreements totaling Baht 3 million (2013: Baht 4 million) (the Company only: Baht 3 million (2013: Baht 4 million)).

32.4 Bank guarantees

- a) As at 31 December 2014, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 30 million (2013: Baht 30 million).
- b) As at 31 December 2014, there were outstanding bank guarantees 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	
	2014	2013
Letters of guarantee for the gold card importer and exporter status provided by the Customs Department	-	2
Letters of guarantee for electricity usage	4	3
Total	4	5

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	(Unit: Million USD)	
	Consolidated and Separate financial statements	
	2014	2013
Letters of guarantee for payments due to a creditor	1.2	1.2

32.5 Sale of palm oil agreement

As at 31 December 2014 and 2013, 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.

33. Financial instruments

33.1 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 of palm oil forward 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 statements 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.

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As at 31 December 2014 and 2013, 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						
	2014						
	Fixed interest rates			Floating	Non-interest		
	Within		Over 5	Floating	Non-interest	Total	Interest rate
	1 year	1 - 5 years	years	interest rate	bearing		(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	90	1	91	0.38
Trade and other receivables	-	-	-	-	294	294	-
Amounts placed for trading of palm oil forward contracts	-	-	-	-	26	26	-
Financial liabilities							
Short-term loans from financial institutions	640	-	-	-	-	640	2.70 - 2.90
Trade and other payables	-	-	-	-	145	145	-
Long-term loans	-	-	-	355	-	355	Note 18
Liabilities under finance leases	1	-	-	-	-	1	5.95

(Unit: Million Baht)

	Separate financial statement						
	2014						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	56	1	57	0.38
Trade and other receivables	-	-	-	-	305	305	-
Short-term loans to related party	18	-	-	37	-	55	Note 6
Amounts placed for trading of palm oil forward contracts	-	-	-	-	26	26	-

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(Unit: Million Baht)

Separate financial statement							
2014							
Fixed interest rates				Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1 - 5 years	Over 5 years					
Financial liabilities							
Short-term loans from financial institutions	640	-	-	-	-	640	2.70 - 2.90
Trade and other payables	-	-	-	-	144	144	-
Long-term loans	-	-	-	340	-	340	Note 18
Liabilities under finance leases	1	-	-	-	-	1	5.95

(Unit: Million Baht)

Consolidated financial statement							
2013							
Fixed interest rates				Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1 - 5 years	Over 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	74	1	75	0.5 - 0.63
Trade and other receivables	-	-	-	-	410	410	-
Amounts placed for trading							
of palm oil forward contracts	-	-	-	-	16	16	-
Financial liabilities							
Short-term loans from							
financial institutions	880	-	-	-	-	880	2.78 - 3.22
Trade and other payables	-	-	-	-	205	205	-
Long-term loans	-	-	-	308	-	308	Note 18
Liabilities under finance leases	1	1	-	-	-	2	5.95

Financial Statements

(Unit: Million Baht)

Separate 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.)
Financial assets						
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 Note 6
Amounts placed for trading of palm oil forward contracts	-	-	-	-	16	16 -
Financial liabilities						
Short-term loans from financial institutions	880	-	-	-	-	880 2.78 - 3.22
Trade and other payables	-	-	-	-	204	204 -
Long-term loans	-	-	-	283	-	283 Note 18
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 2014 and 2013, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2014	2013	2014	2013	2014	2013
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	798	14	-	32.9630	32.8136
Ringit Malaysia	2,786	1,387	-	-	9.4251	9.9671

As at 31 December 2014 and 2013, the subsidiaries did not have any financial instruments in foreign currencies.

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Foreign exchange contracts outstanding are summarised below.

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

The Company had no outstanding foreign exchange contracts as of 31 December 2014.

33.2 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 values of the derivatives as at 31 December 2014 and 2013 are as follows:

	(Unit: Million Baht)	
	Consolidated and	
	Separate financial statements	
	2014	2013
	Fair value	Fair value
	Gain (loss)	Gain (loss)
Derivatives		
Forward exchange contracts	-	(2.1)
Forward contracts to sell palm oil	0.2	-

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.

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34. 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 2014, the Group's debt-to-equity ratio was 0.79:1 (2013: 0.98:1) and the Company's was 0.76:1 (2013: 0.94:1).

35. Event after the reporting period

On 25 February 2015, a meeting of the Board of Directors of the Company has a resolution to propose the dividend payment for the year 2014 of Baht 0.06 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 24 April 2015, and payment will be on 20 May 2015.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2015.



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

สำนักงานใหญ่ :

296 หมู่ 2 ถนนเพชรเกษม ตำบลสลุย
อำเภอท่าแซะ จังหวัดชุมพร 86140
โทร : +66 (0) 7761 1000 แฟกซ์ : +66 (0) 7761 1011

สาขารุงเทพฯ :

1168/91 อาคารลุมพินีทาวเวอร์ ชั้น 30 ถนนพระราม 4
แขวงทุ่งมหาเมฆ เขตสาทร กรุงเทพฯ 10120
โทร : +66 (0) 2679 9166 แฟกซ์ : +66 (0) 2285 6369

Head Office :

296 Moo 2 Phetkasem Road, Salui Sub-District,
Thasae District, Chumphon 86140 Thailand
Tel : +66 (0) 7761 1000 Fax : +66 (0) 7761 1011

Bangkok Branch :

1168/91 30th Floor, Lumpini Tower, Rama IV Road,
Thung Mahamek, Sathorn, Bangkok 10120 Thailand
Tel : +66 (0) 2679 9166 Fax : +66 (0) 2285 6369