



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



Annual  
Report

2015

รายงานประจำปี 2558

# CONTENTS



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

2	Message from Chairman of the Board of Directors
3	Report of Chairman of the Corporate Governance Committee
5	Financial Highlights
6	The Board of Directors and Management
8	Policy and Business Operation Overview
11	Investment Projects
12	General Information
14	Revenue Structure
14	Dividend Payment Policy
15	Risk Factors
19	Shareholding Structure
21	Management Structure
32	The Board of Directors and Management Details
49	Corporate Governance
55	Internal Control and Risk Management
57	Corporate Social Responsibilities : CSR
61	Financial Information
62	Management Discussion and Analysis
64	Report of the Board of Directors' Responsibility to the Financial Reports
65	Report of the Audit Committee
66	Report of Independent Auditor
68	Financial Statements



## Message from Chairman of the Board of Directors

### Dear shareholders,

In 2015, Thailand economy is still grown, though price of consumer products is decreased and the investment in private market of Thailand is continuously reduced. However, the government rushes investment in the basic public utility and continuously issues many fiscal stimulus packages in the second half of the year, so it causes Thailand economy continues growing in the 4th quarter. The overall economy is boosted by the internal expense especially the urgent government withdrawal and the factors of added household consumers at the end of 2015 from both New Year payment stimulus policy and policy of car purchasing before tax rate is increased in 2016. Moreover, it has the investment contract in part of the increased business machine and instrument also. The GDP growth rate in 2015 was 2.8% that was higher than growth rate 0.8% in 2014. The overall of palm industry production in Thailand in 2015 had the growth rate 3.39% compared to prior. Total production of crude palm oil (CPO) was 2.07 million Metric tons (MT) in 2015. The total domestic consumption was 1.89 million MT, with 56% being used in the food industry and for consumer, while the biodiesel consumption was 44%, and the rest was export.

In conclusion as above information, the market situation quite fluctuates in 2015 that CPO stock in Thailand reached a critically low level at the beginning of the year. In this case, the government approved importing of Crude Palm Olein (CPOL) to keep the balance during shortage period, afterwards Higher Fresh Fruit Bunches (FFB) output start and forced FFB price down rapidly, also that leads to other government policies e.g. biodiesel mandate changed from usage level of B3.5 to B7 to keep balance stock of CPO, the suggested minimum price announcement in order to help supporting the price. However, overall CPO stock is still remained high at 334,692 tons that the average CPO price was 27.33 Baht/kg.

### CPI's key performance in 2015


In 2015, company and subsidiary have the performance as net loss 18.28 million Baht, but they still get the operating profit before interest and tax that depreciation and amortization are 212 million Baht. The main cause making company and subsidiary not achieve the plan because of the CPO stock shortage in the 1st quarter and the 4th quarter of year 2015. In addition, the FFB output from the company's plantation are decreased also because company decides to replant the old palm trees to plant the new one instead, so the production cost of CPO is higher when comparing with the previous year together with the government policy to interfere in the CPO price by crushing Mill factory purchasing the CPO as suggested minimum price. In this case, it effect to the CPO market price which not related to the market mechanism.

### Outlook for 2016 and beyond

According to the dry weather change of the world occurred since end of year 2015, it effects to the lower FFB output in the market and is expected that it will continuously be lower in the whole year 2016 to the beginning of year 2017, so the FFB price will be increased because it quite fluctuates in each year. The government decides to issue the act of oil palm and palm oil including the sustainable palm oil industry management and the balance adjustment for proper level of CPO price.

Committee and management still follow up the situation in order to plan the risk management effecting to palm oil price closely and the investment plan to increase the process efficiency continuously and to make the company profit that is expected to be caused by the higher quantity of demand.

The company committee and managements kindly thank you all stakeholders for all activity supports well and realize to manage operating activities efficiently.

  
 Mr. Somchai Sakulsurarat  
 Chairman of The Board of Directors



## Report of Chairman of the Corporate Governance Committee

### Dear Shareholders,

The company focuses on the support and operation in order to conform to the good corporate governance to develop corporate governance to be transparent and fair for all stakeholders related to the company business and to make the confidence and trust for stakeholders and general public. Moreover, it is to support the sustainable organization policy. In 2015, the Board of directors appointed the Corporate Governance Committee with the responsibility of guidance determination, taking care the action of the Board of directors, Management and all employees to conform to the guidance of international standard including Sustainability Management (SM) and Corporate Social Responsibility (CSR) and Collective Action Coalition Against Corruption.

In 2015, the Corporate Governance Committee arranges 4 meetings and it can be summarized as follows:

1) For the policy of good corporate governance, the policy and guidance are reviewed to be conform to Corporate Governance Report of Thai Listed Companies (CGR) that the average result of company evaluation in 2015 is 80% and score of overall listed companies is 75%, so it is equal to 4 stars level. But the evaluation result in 2014 was equal to 2 stars only that the improved result comes from the result of company intention including the policy and guidance improvement.

2) In part of Corporate Social Responsibility (CSR), intend to create the activities in Chumporn and the provinces nearby where are the location of manufacturing base e.g.

- Planting the oil palm to be paid for students' lunch.
- The Annual Unity Kathin Ceremony.
- The exercise support for youth.
- Cooperating to arrange day of older persons in Songkran festival.
- Participating in the annual planting project and etc.

3) Sustainability Management (SM) is proceeded continuously as follows:

- Project of biogas production technology managing the wastewater to conserve energy and environment.
- Project of setting the water pipe and transporting the assuaged water to the animal feed development station and agriculturist nearby in order to water the plants because the assuaged water contained by some kinds of nutrients can be used instead of fertilizer and to reduce the problems of water and nutrient lack for the plant such as Napier grass and Pangola grass.
- Project of CPI Learning Center that it is the complete center for oil palm knowledge by collecting the knowledge from academic documentation, researches and over 30-year experience of palm garden including 500 Rai of demonstration plots to be the place of knowledge distribution related to the planting and taking care of oil palm for the interested people or agriculturists.
- Project of Barn owl breeding to eliminate the rats in the palm garden that affects to the palm loss reduction without chemical use and keeping the balance of ecology system, besides the save of rats bane expense.

In order that the Corporate Governance Committee develops their workings by focusing on the efficiency development as above operation to lead to the efficiency and benefit for organization, stakeholders and social responsibility continuously and next in the future.



Mr. Karoon Nuntileepong

Chairman of the Corporate Governance Committee





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



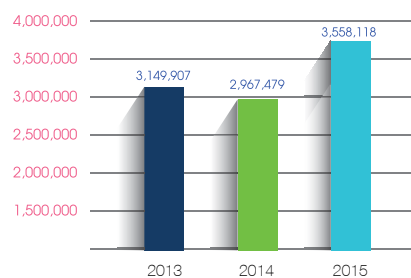
## Financial Highlights

Unit : Thousand Baht

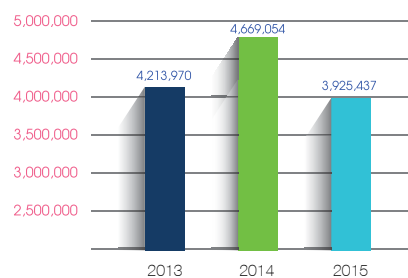
	2013	2014	2015
<b>Total Assets</b>	3,149,907	2,967,479	3,558,118
<b>Total Liabilities</b>	1,560,321	1,313,073	1,776,166
<b>Total Shareholders Equity</b>	1,589,586	1,654,406	1,781,951
<b>Sales</b>	4,190,860	4,660,749	3,909,762
<b>Total Revenues</b>	4,213,970	4,669,054	3,925,437
<b>Net Profit (Loss)</b>	9,055	49,911	(18,276)
<b>Earning per Revenue (%)</b>	0.21	1.07	(0.47)
<b>Return on Equity (%)</b>	0.57	3.02	(1.03)
<b>Return on Asset (%)</b>	0.29	1.68	(0.51)
<b>Earning per Share (Baht)</b>	0.016	0.089	(0.031)
<b>Book Value per Share (Baht)</b>	2.84	2.95	2.82
<b>Dividend per Share (Baht)</b>	0.03	0.06	NA

NA : Dividend will be considered and approved on Annual General Meeting No. 1/2016 on April 27, 2016.

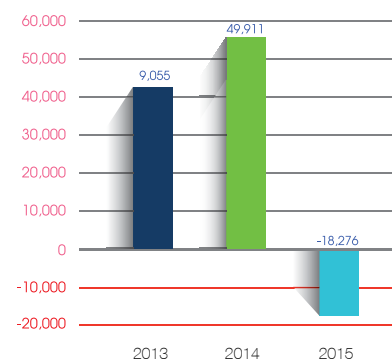
### Total Assets



### Total Revenues



### Net Profit (Loss)



2013

2014

2015



# The Board of Director and Management

## The Board of Director



Mr. Somchai Sakulsurarat

Chairman of the Board of Director  
Chairman of the Nomination and  
Remuneration Committee  
Independent Director



Mr. Suthep Wongvorazathe

Independent Director  
Chairman of the Audit Committee



Assoc. Prof. Dr. Ninnat Olanvoravuth

Independent Director  
Member of the Audit Committee  
Chairman of the Risk Management Committee



Mr. Satit Chanjavanakul

Independent Director  
Member of the Audit Committee



Admiral Satirapan Keyanon

Independent Director  
Member of the Nomination and  
Remuneration Committee



Mr. Takon Tawintermsup

Director  
Chairman of the Executive Board



Mr. Chusak Prachayangprecha

Director  
Member of the Executive Board  
Member of the Nomination and Remuneration Committee



Mr. Karoon Nuntileepong

Director  
Chairman of the Corporate Governance Committee



Mr. Kitt Chalekhavanich

Director  
Member of the Risk Management Committee



Mr. Songridth Niwattisaiwong

Director  
Member of the Corporate Governance Committee



Mr. Racho Tawintermsup

Director



# The Board of Director and Management

## The Management



Mr. Supisith Chorrungsak

Chief Executive Officer



Mr. Racho J Tawintemsup

Assistant Managing Director



Mrs. Ratsamee Pongjindanon

Internal Audit Director  
and Acting Chief Financial Officer



Mr. Thawatchai Chomworn

Sale & Marketing Director



Mr. Ananchai Araniamfa

Project Management Director



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 632,752,650 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
- (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

To be the leader of Thailand's fully intergrated vegetable oil industry

#### Mission

To operate a fully integrated vegetable oil business which accomodates both domestic and international demands, yielding product from a fully integrated palm oil production process, enhancing the efficiency in the management and operation of business in concurrent with the continued development of personnels, maximizing satisfactions and values enjoyed by all stakeholders involved.

#### Quality Policy

The Company is committed to developing and delivering the highest quality products to meet customers' satisfactions and safety of consumers, with continual Improvement of internal process to minimize costs and maximize efficiency. Emphasis is put on developing the capabilities of employees, whilst instilling the values and drive for highest standard and quality through involvement of employees at all levels.

(Remark: Vision Mission and Quality Policy have been reviewed from the Board of director's meeting No.5/2015 on August 14, 2015)

#### Management Policy

1. Efficiency and Effectiveness.
2. Fairness to all Stakeholders.
3. Transparent and Accountable
4. Strict observance of the law and co-operation with the Government of any nation which business is carried out.

#### Anti-Corruption Policy

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

#### Management Wish :

1. White Factory (zero drug policy)
2. Safety – Zero Accident
3. Corporate Social Responsibility (CSR) and Corporate Governance (CG)

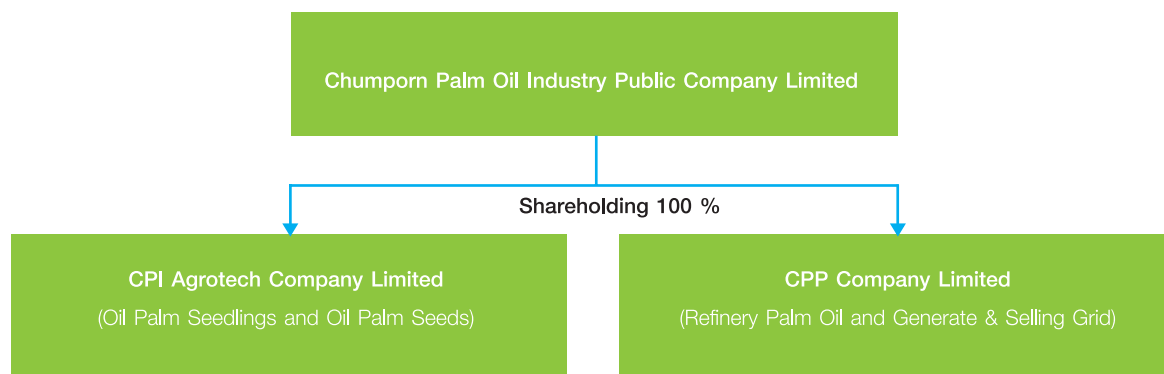
## Policy and Business Operation Overview

### 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 2014 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 subsidiary company's name from "CPI Power Plant Company Limited" to "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 2014 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 waste water treatment and sludge palm to produce Biogas and proceed to generate electricity to use in business and sale.
- Year 2015 Invested in CPP Company Limited for Refinery Palm Oil and Generate & Selling electricity.
- Year 2015 Being awarded "2015 National Excellent Establishment" on Occupational Health Safety and Environment in 2015 Safety Week Activity in the Southern part of Thailand.
- Year 2015 The Company raised the registered paid up capital from Baht 560,569,547 to Baht 632,752,650 with Department of Business Development on July 7, 2015 in order to support the results for the last exercise of CPI-W1.



### The Company 's shareholding structure



Remark CPI Agrotech Company Limited and CPP Company Limited have 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. CPP Company Limited 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 name's company from CPI Power Plant Company Limited to CPP Company Limited and increasing capited company more Baht 124,500,000 which 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 and in 2015 paided up the capital 75% to be fully value. The company is on during construction.

### Company and Subsidiary Company's Investment Policy

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) Ongoing Investment Projects the Company has invested in the following projects.

#### **Palm Oil Replanting Project - Cost Estimate Baht 300 Million.**

The company intends to cut down palm trees of more than 25 years old and replant them with new ones. In order to minimize the effects in terms of overall productivity of fresh fruit bunches, the company has carefully planned to cut down the palm trees. The project was commenced in the first half of the year 2009 with the goal to finish replanting in 2015. The investment for Palm Oil Replanting project is estimated at Baht 300 Million. The company expects that the increasing Palm Oil fruits quantity from the replanting project which will reach peak productivity in 2017 and shall contribute to the rise in overall profits and guarantee the long term financial stability of the company. The fund source for Palm Oil Replanting project in 2013 of approximately 50 Million THB was allocated from working capital.

### 2) Investment Projects within the Company's Subsidiaries - Cost Estimate 1,170 Million THB

The Board of director's meeting on January 21, 2015 has approved an allocation of the investment Baht 1,170 Million to be used in the construction of Palm Oil fruits extraction plant with the production capacity of 45 tones per hour. The plant itself will also generate and distribute electricity of 4 megawatts. This project was invested through CPP Company Limited in which the company owns 100% of its stocks. The company expects the construction of the plant to start with relevant testing conducted within 1st quarter of 2017. In funding for this project, the subsidiary company takes on a loan from a domestic financial institution which accounts for the total of 75% of all fund used and CPI will supports the rest of the fund estimated by raising the money from converting company's warrants and allocating some of CPI's working capital. It is expected that the return of the investment will be achieved within 5 years with the return rate of approximately 16.80%

Project's strong points:

1. Cultivated products (Fresh Palm Oil) will be used directly in all production processes of the refinery plant. 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 built on planation of the company around 10,000 rai. In long term, this will help cutting down various transportation expenses for bringing in the raw materials to the plants. It will also help with reducing risks associated with polluting surrounding communities because the plantation area is equipped with Biogas production machineries which will then be circulated and reused within the plantation.

## General Information

### 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:	: <a href="http://www.cpi-th.com">www.cpi-th.com</a>
E-mail:	: <a href="mailto:info@cpi-th.com">info@cpi-th.com</a>
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, Cooking Oil packed in tin under "LEELA" brand and "ARO" brand, Cooking Oil packed in pouch under "LEELA" brand and "ARO" 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 632,752,650
Issued shares	: 632,752,650 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

### Subsidiary Company

#### CPI Agrotech Company Limited

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

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

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

Registration No. : 0105554104605

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

Registered Capital : Baht 15,000,000

Ordinary shares : 1,500,000 shares

Par value per share : Baht 10

Paid up per share : Baht 10

Share holding Ratio : 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

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

### References

**Registrar** : Thailand Securities Depository Co., Ltd.  
 Registrar Department  
 The Stock Exchange of Thailand Building  
 93 Ratchadaphisek Road, Din-Daeng, Bangkok 10400, Thailand  
 Tel. (662) 009 9999 Fax. (662) 009 9991

**Auditor** : Mr.Sophon Permsirivallop, C.P.A. Registration No.3182 or  
 Ms.Rungnapa Lertsuwankul, C.P.A. Registration No. 3516 or  
 Mr.Chayapol Suppasedtanon, C.P.A. Registration No. 3972 or  
 Ms.Pimjai Manitkajohnkit, C.P.A. Registration No. 4521 or  
 Ms.Sumana Punpongsanon, C.P.A. Registration No. 5872

EY Office Ltd : Lake Rachada Office Complex, 33rd Floor  
 193/136-137 Rachadapisek Road, Bangkok 10110  
 Tel. (662) 264 0777

Period as the Auditor : Mr.Sophon Permsirivallop, C.P.A. Registration No.3182 was an auditor for CPI 3 year (2010, 2011, 2012)  
 Mr.Chayapol Suppasedtanon, C.P.A. Registration No.3972 has been an auditor for CPI 3 year (2013, 2014, 2015)

Relationship or Stockholder with Company, : None relationship or stockholder with Company,  
 Subsidiaries, the Management and Shareholder Subsidiaries, the Management and Shareholder

**Legal Advisor** : Prof. Sahaton Rattanapijit  
 Dr.Kamonwan Jiravisit  
 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	Year 2013		Year 2014		Year 2015	
			Revenue	%	Revenue	%	Revenue	%
Palm Seedling	CPI Agrotech Company Limited	100	8.00	99.79	28.01	99.78	51.25	99.73
Other products	CPI Agrotech Company Limited	100	0.02	0.21	0.06	0.22	0.14	0.27
	Total Revenue		8.02	100	28.07	100	51.39	100
<b>Domestic Revenue</b>								
Crude Oil	Chumporn Palm Oil Industry Plc.		244.99	5.82	192.58	4.15	201.59	5.21
RBD Oil	Chumporn Palm Oil Industry Plc.		3,115.29	74.04	3,462.12	74.55	2,896.81	74.80
Other Products	Chumporn Palm Oil Industry Plc.		567.11	13.48	574.48	12.37	764.85	19.75
			3,927.39	93.34	4,229.18	91.07	3,863.25	99.76
<b>Export Revenue</b>								
Crude Oil	Chumporn Palm Oil Industry Plc.		91.43	2.17	269.51	5.80	6.11	0.16
RBD Oil	Chumporn Palm Oil Industry Plc.		38.96	0.93	42.07	0.91	0.21	-
Other Products	Chumporn Palm Oil Industry Plc.		149.94	3.56	103.00	2.22	3.05	0.08
			280.33	6.66	414.58	8.93	9.37	0.24
<b>Total Revenue</b>			4,207.72	100	4,643.76	100	3,872.62	100

## 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 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 2013 amount Baht 0.03 per share to 560,568,040 shares on May 19, 2014 which was non tax exemption.

In 2015 the company paid dividend for the performance 2014 amount Baht 0.06 per share to 560,569,547 shares on May 20, 2015 which was non tax exemption.

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

Detail	<sup>1</sup> 2012	<sup>2</sup> 2013	2013
Net Profit (Million Baht)	40.02	24.80	60.78
Retained earnings – Unappropriated (Million Baht)	533.89	270.13	311.05
Basic earning per share (Baht)	0.071	0.044	0.108
Dividend (Baht/Share)	0.03	0.03	0.06
Stock dividend (Baht/Share)	-	-	-
Interim dividend	-	-	-
Stock interim dividend	1	-	-
Dividend Ratio (%)	1,450.70	68.18	55.56

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.

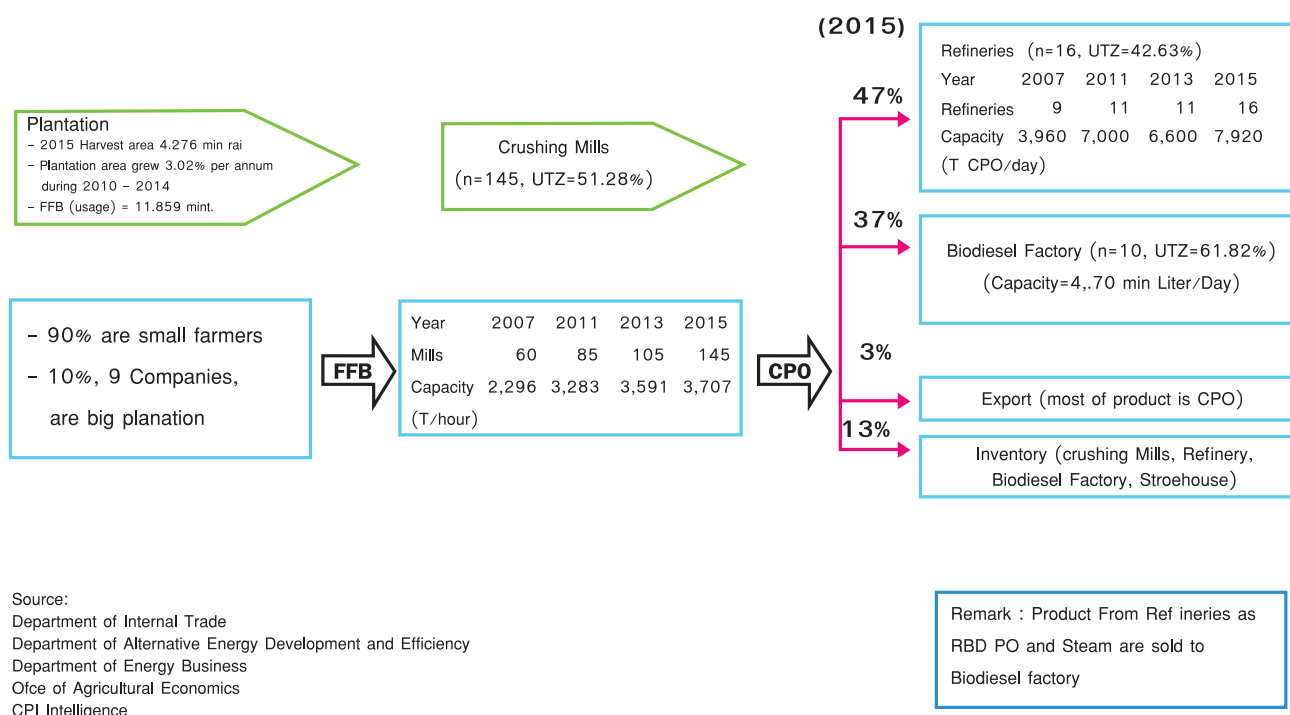
## Risk Factor

The company shall present risks analyses by dividing them into two levels as 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.

Picture 1 Basic Structure of Thai Palm Industries



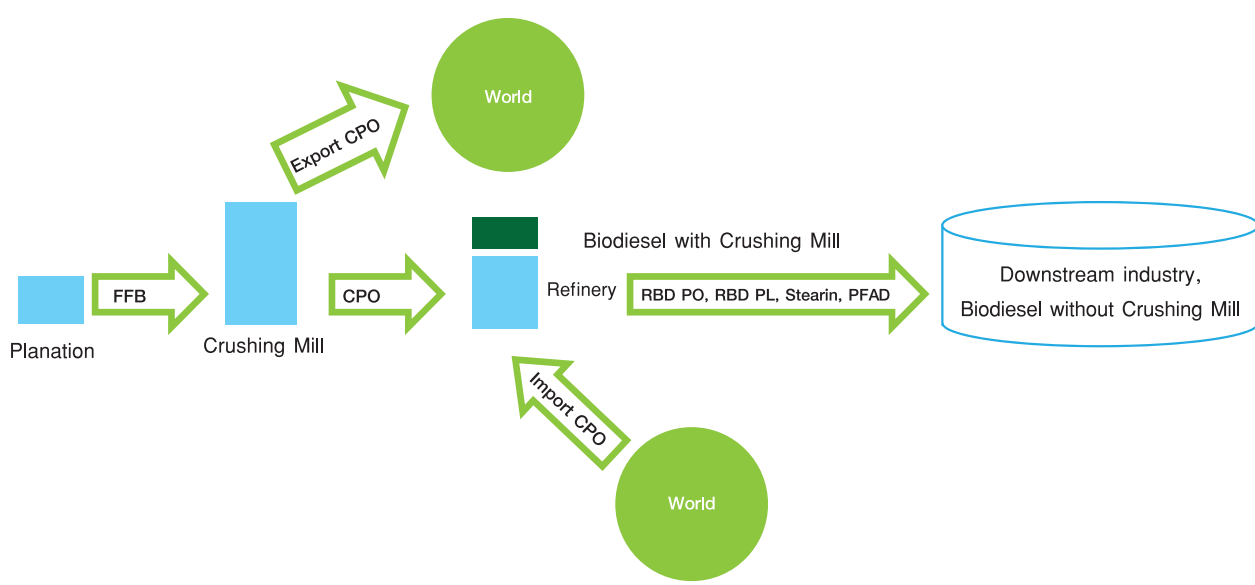
Picture 1 shows the supply chain which is comprised of Oil Palm plantations sending their yields to crushing mills. Then, the crushing mill will extract oil from the fresh fruit bunches. The final product from this process is known as Crude Palm Oil or CPO which will then be sent to a refinery plant 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 2015 reached at 47% of total demand (initial inventory + annual production capacity). While the demand for palm oil to be used as fuel was at 37%, the demand for palm oil for export, however in 2015 almost all of year cost of palm oil in country was higher than international, this affect for export its can be exported 3% and all the rest being stock in coutry at 13%.



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

รายงานประจำปี 2558  
บริษัท ไทยปาล์มอุตสาหกรรมน้ำมันปาล์ม จำกัด (มหาชน)



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

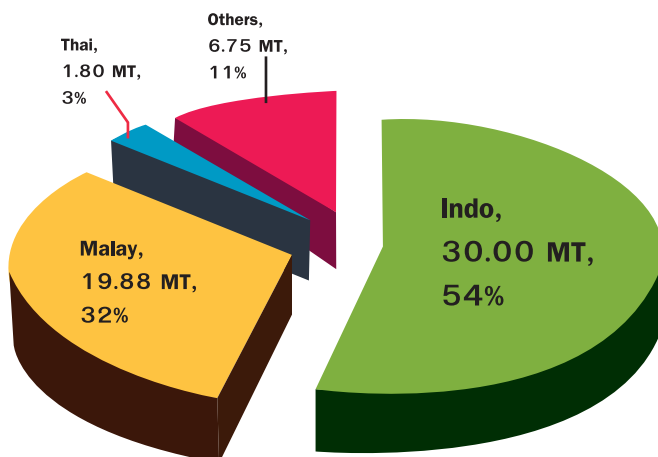
Picture 2 is still related to Picture 1 in that it points out the disproportion between the demand and the supply of raw oil palm fruits available in the market and the additional strain imposed by unfounded import and export policies.

Once all machines and equipments are operated in full force, the production capacity of oil palm crushing mills can reach the maximum of 23 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 estimated 12 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 94% 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 50% 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 40% and 60% respectively. 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)

## Risk Factor



Picture 3 Production Share of Palm Oil by Country – Malaysia and Indonesia can produce palm oil at 86% of global market.

Source: U.S. Department of

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.

### (2) The Specific Risks of Company Operation

#### 1) The Risks of Demand, Marketing, Purchasing and Services

The risk factor which has a significant implication is public policy and regulation such as the determination of ceiling price and palm price assessment which may affect to the production cost and the loss condition from purchasing, the imbalanced policy of imports and exports of crude palm oil, and the difference of crude palm oil which compared to foreign countries that may impact on the smuggling of oil imports from other countries and greatly affect on the domestic competition. Thus, the company favorable collaborates and attends the meetings with public sector in order to closely acknowledge the movements and deal with these risks by analyzing the public policy, appropriate inventory management with the current situation and control the raw material price and long-term extend planting areas.

The risk factor from less major customer reliance that may impact on the company revenue when there is no economic interaction with these customers. However, the company still manages continuously relations with the customer group and determines a higher circulation for current middle customer group within both central and southern regions and includes finding new customers in every units of the company.

The risk from stepping into ASEAN Economic Community may impact on palm oil industry due to the production of Thailand accounted for 3% of the world palm oil production, which total of palm oil production from neighbors are Malaysia and Indonesia accounted for 80% of the world, so this might affect to Thailand's industry in terms of a smaller industry. However, refers to the clarification of the Office of Agricultural Economics to the clearance of palm oil imports which the company ever asked found that the office remains using the same pattern of imports management which required to be considered from the Ministry of Commerce and determines the Public Warehouse Organization (PWO) is the importer and Palm Oil Refinery Association is the distributor to distribute to its members.

#### 2) The Risks of Supply, Purchasing and Delivery

The risk factor which has a significant implication is a high competition in finding raw material and palm is an essential factor which the company firstly considers because the direct effect on the production procedure of the company in terms of deficient of raw material. However, the company has been trying to reduce the risk by distributing the purchasing of raw material from several distributors with in Chumphon province and neighboring provinces and build a great relationship with farmers in both service and a fair purchasing price.

The risk from raw material price fluctuation and by-products which may impacts on the costs and operation result. The company utilizes the advantage from futures market by hedging and uses the inventory management and costs which collects in the lower price range and sells the by-products as much as possible and do not store them in the warehouse in order to reduce the price fluctuation.

#### 3) The Risks of Raw Material and Product Quality and Warehousing

The company emphasizes in raw material and product quality by determining the risk management which may incurs the unqualified raw material and product by indicating the efficient operation process since the raw material receiving procedure, production, quality inspection, through store the product into the proper storage. In addition, the company also provides training program to its employees in order to enhance working capability.

#### 4) The Risks of Safety, Occupational Health and Environment

The company implements the safety, occupational health and environment policy for the working process in order to the clearance of operation and uses it as the guidance of working performance to reduce the risk such as effluent quality, dust from flue boiler etc. Furthermore, in terms of waste water from the production procedure, the company invests in biogas production system from waste water, after that water turns to be fertilizer from the treatment process and will be transmitted by the pipeline to farmers and the nearby livestock development department. In addition, the dust from flue boiler is also treated in terms of control the variable values according to the standard of the Ministry of Industry and the environment department.

#### 5) The Risks of Production and Maintenance

The readiness of machines is literally significant to the production procedure and the continuation of business. Therefore, in order to reduce the risk, the company determines the related departments to prepare the readiness of machines and spare parts in case of the occurrence of problems and there is the preventive maintenance planning for the inspection, report and following up the solution.

#### 6) The Risks of Labor

The risk from the lack of labors is the principal factor of the company, however, the company plans to deal with this type of risk in recruitment by adding more channels in several parts of each department within the company, there is succession plan, builds the relationship with employees to prevent the designation rate and provides training program and employee development in each professional skills.

#### 7) The Risks of Regulations and Rules Performance

The company emphasizes in the regulations and rules performance which related to the business performance such as property rights, tax on taxations, property tax, regulations of ministries and public sectors. In addition, the company considers to the risk by implementing the explicit policy, announce the policy to all employees, provide the information to employee, and control working performance which may risk to the infringement of the property rights by continuously inspect it.

#### 8) The Risks of Project Management

The project management of the company to enhance the efficiency of business performance which may causes the unqualified project and unable to be completed within designated period. Therefore, the company implements the procedure of working performance from project planning, the review of project, the recruitment of the subcontractor, the check up process of working operation, the project inspection and acceptance to ensure that the project performance is qualified and completed within the designated period.

#### 9) The Risks of Natural Disaster

In the recent ears, Thailand and other countries confront with the violent natural disaster, especially in 1989, Chomphon got impacted from Typhoon Gay, so the company considers to the risks of natural disaster which may occurs and violent by doing the insurance that covers to the property of the company such as building, machines, equipment, and inventory as well as covers to business interruption insurance.

In addition, another risk from natural disaster is drought which directly impacts on raw material quantity that used in the production process of the company, in order to reduce of the effect, the company always checks up the climates to make a plan and palm plantation management by water retaining.

#### 10) The Risks of Finance and Exchange Rate

The company lends money from banks in Thailand to expense in business performance because there is floating interest rate which incurs the risk in the global market that tends to increase the interest rate. However, the company has been trying to prevent the floating interest rate by making interest rate swap.

The company annually receives the revenue from trading with foreign countries around 7-8%, that causes the company requires to hold some dollar, this causes the risk in terms of the less perception of the revenue in baht currency from the appreciation of baht currency. Thus, the company works on this matter by following the baht currency tendency from analysis and make a forward contract with banks by comparing the premium and discount.

#### 11) The Risks of Information System

The company emphasizes in information system and data communication to collect the data and quickly process the information, The employee are able to perceive the information correctly and clearly, and includes the system which assists in the decision making process of the executive administrators to make a decision quickly and accurately.

Therefore, the risks that may impact on the information system and data safety, thus the company implements the risks management to set a clear performance standard, which applied to the entire organization, and includes the contingency plan to handle with the disaster and business continuity plan.

## Shareholding Structure

The first ten major shareholders as of December 30, 2015

Shareholders	Shares	Percentage
<b>1. Chumporn Holding Company Limited</b>	<b>214,619,400</b>	<b>33.918</b>
<b>2. Mr. Chusak Prachayangprecha's Group</b>	<b>35,359,141</b>	<b>5.588</b>
Mr. Chusak Prachayangprecha	13,253,181	2.095
Mr. Kovit Prachayangprecha	13,987,574	2.211
Mrs. Achara Prachayangprecha	2,808,336	0.444
Mr. Pramote Prachayangprecha	1,470,136	0.232
Mrs. Patcharee Prachayangprecha	1,334,720	0.211
Mr. Suriyan Prachayangprecha	1,171,202	0.185
Mr. Chakorn Prachayangprecha	156,150	0.025
Mrs. Vimol Saeju	1,177,842	0.186
<b>3. Mr. Takon Tawintermsup's Group</b>	<b>33,790,001</b>	<b>5.340</b>
Mr. Takon Tawintermsup	6,680,158	1.056
Mr. Rangsak Tawintermsup	18,721,720	2.959
Mr. Rachoj Tawintermsup	5,348,266	0.845
Mrs. Chongkolrat Tawintermsup	3,039,857	0.480
<b>4. Bangkok Insurance Public Company Limited</b>	<b>33,433,581</b>	<b>5.284</b>
<b>5. Mr. Kitti Chatlekhavanich's Group</b>	<b>32,637,693</b>	<b>5.158</b>
Mr. Kitti Chatlekhavanich	8,171,923	1.291
Mr. Methee Chatlekhavanich	7,106,020	1.123
Mr. Suthee Chatlekhavanich	6,345,418	1.003
Mrs. Jongjin Chatlekhavanich	5,329,516	0.842
Ms. Sukanya Chatlekhavanich	2,842,408	0.449
Ms. Warapond Chatlekhavanich	2,842,408	0.449
<b>6. Mr. Kosol Nuntileepong</b>	<b>14,979,535</b>	<b>2.367</b>
<b>7. Mr. Songridth Niwattisaiwong's Group</b>	<b>8,697,074</b>	<b>1.374</b>
Mr. Songridth Niwattisaiwong	2,831,260	0.447
Mrs. Benjapan Niwattisaiwong	134,946	0.021
Mr. Supachai Niwattisaiwong	2,898,802	0.458
Mr. Meesak Niwattisaiwong	2,832,066	0.448
<b>8. Mr. Prateep Tangmatitum</b>	<b>8,838,000</b>	<b>1.397</b>
<b>9. Thai NVDR Company Limited</b>	<b>7,465,673</b>	<b>1.180</b>
<b>10. Mr. Thawat Tachawattanasuk</b>	<b>6,961,077</b>	<b>1.100</b>
<b>11. Minor Shareholders</b>	<b>235,971,475</b>	<b>37.293</b>
<b>Total</b>	<b>632,752,650</b>	<b>100</b>

## Shareholding Structure

**Remark** Chumporn Holding Company Limited comprises shareholder as follows:

1. Mr. Takon Tawintermsup's group holds 1,845,000 shares or 21.96%
  - Mr. Takon Tawintermsup is director and holds 250,000 shares or 2.98%
  - 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%
  - Mrs. Rampha Tawintermsup holds 1,140,000 shares or 13.57%
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 772,800 shares or 9.20%
  - Mr. Kitti Chatlekhavanich is director and holds 193,200 shares or 2.30%
  - Mrs. Jongjin Chatlekhavanich holds 126,000 shares or 1.50%
  - Mr. Methee Chatlekhavanich holds 168,000 shares or 2.00%
  - Mr. Suthee Chatlekhavanich holds 151,200 shares or 1.80%
  - Ms. Warapond Chatlekhavanich holds 67,200 shares or 0.80%
  - Ms. Sukanya Chatlekhavanich holds 67,200 shares or 0.80%
4. Mrs. Rakkhana Jeusaman holds 67,200 shares or 0.80%
5. 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%
6. 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%
7. Mr. Akechai Rojwanit is director and holds 639,000 shares or 7.61%
8. Mrs. Veerawan Sekisumi holds 50,000 shares or 0.60%
9. Mrs. Sirirat Songpattanyothin holds 100,000 shares or 1.19%
10. Greenergy Company Limited holds 2,110,000 shares or 25.12%  
(Not operate the same business with Chumporn Palm Oil Industry PCL.)
11. Grand Barai Company Limited holds 805,000 shares or 9.58%  
(Not operate the same business with Chumporn Palm Oil Industry PCL.)

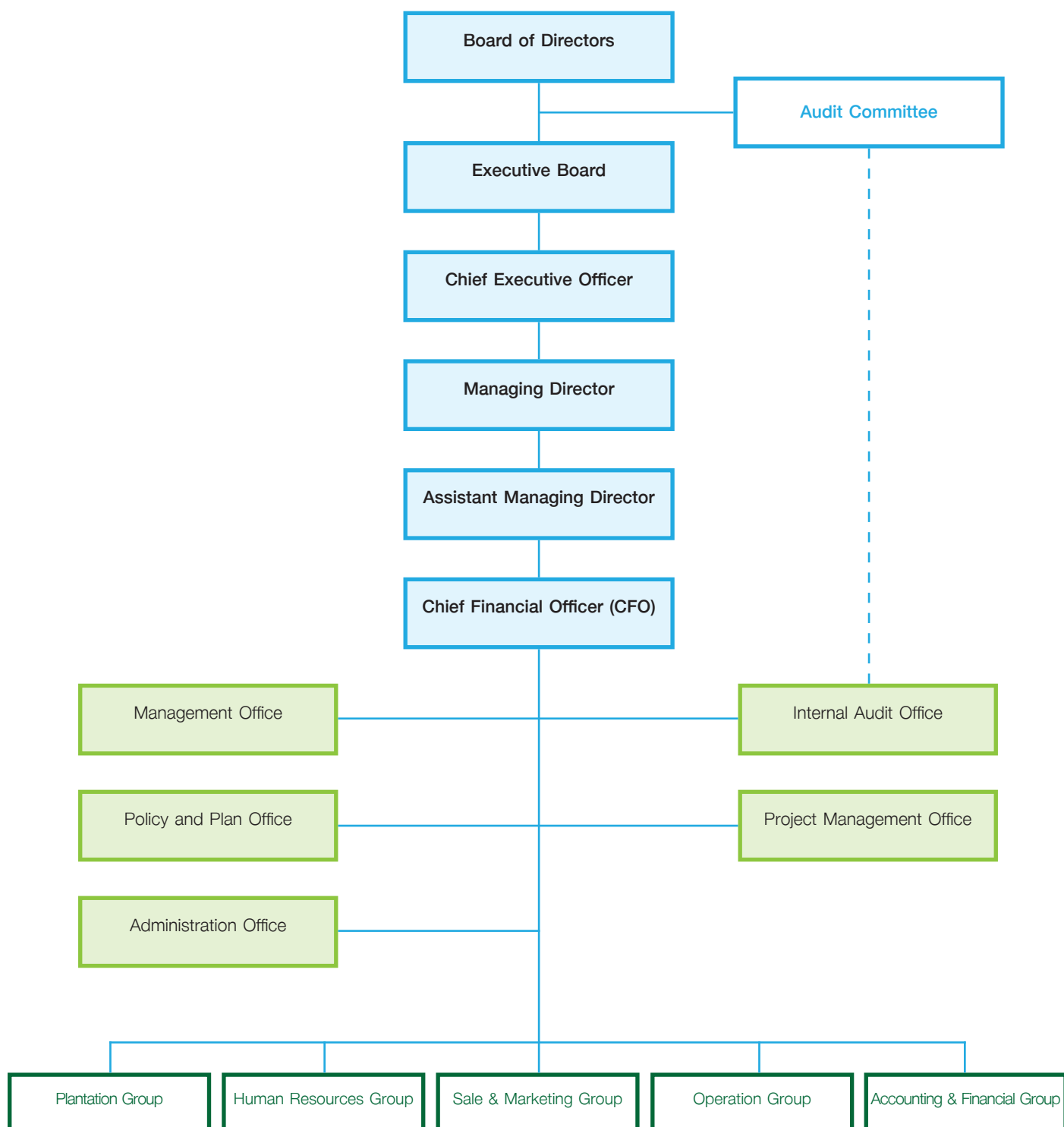
### Shareholding by nationality of December 30, 2015

Nationality	Person	Share	Percentage
Thai	2,495	621,099,718	98.16
Other	14	11,652,932	1.84
<b>Total</b>	<b>2,509</b>	<b>632,752,650</b>	<b>100</b>



# Management Structure

**Organization Chart** as of December 31, 2015



The Board of Directors comprises of member as follows;

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

Remark : 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.

**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.

## Management Structure

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 Committee 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	Member of the Audit Committee
3.	Mr. Satit Chanjavanakul	Member of the 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.

**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	Member of the 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	Member of the Nomination and Remuneration Committee
3.	Mr. Chusak Prachayangprecha	Member of the 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** comprises of 3 member as follows;

No.	Name of Directors	Position
1.	Assoc. Prof. Dr. Ninnat Olanvoravuth	Chairman of the Risk Management Committee
2.	Mr. Kitti Chatlekhanich	Member of the Risk Management Committee
3.	Mrs. Ratsamee Pongjindanon	Member of the Risk Management Committee

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

1. Set the policy and suggest how to manage the risk in concern to the business company.

2. Set the Risk Management Plan.

3. Follow up and Evaluation according the Risk Management plan.

4. Perform other duties as assigned by the Board of Directors.

**Tenure of The Risk Management Committee**

The Risk Management Committee shall be comprises of 2 Board of direcotrs and should be 1 Independent Director including. The Risk Management Committee shall hold a term of 2 years and the Risk Management Committee may be re-appointed by the Board of Directors for another term.

**The Corporate Governance Committee** comprises of 2 member as follows;

No.	Name of Directors	Position
1.	Mr. Karoon Nuntileepong	Chairman of the Corporate Governance Committee
2.	Mr. Songridth Niwattisaiwong	Member of the 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.

**The Corporate Governance Committee has the scope of duties and responsibilities as follows;**

1. Propose the Corporate Govenance regulation to the Board of director.
2. Review and recheck perform of the Board of director and the Management to follow the Corporate Govenance regulation.
3. Review the Corporate Govenance regulation at lease onec a year to up to date of regulation and propose to the Board of director.
4. Set plan and policy for Sustainability Management (SM) and Corporate Social Responsibility (CSR).
5. Follow the operation of Sustainability Management and report to the Board of Director.
6. Set plan and policy of Collective Action Coalition (CAC).
7. Perform other duties as assigned by the Board of Directors.

**Chief Executive Officer**

No.	Name of Directors	Position
1.	Mr. Supisith Chorruangsak	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.

## Management Structure

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** as of January 16, 2016 comprises of 19 member as follows:

No.	Name of Management	Position
1.	Mr. Supisith Chorrungsak	Chief Executive Officer
2.	Mr. Rachoj Tawintermsup	Assistant Managing Director
3.	Mrs. Ratsamee Pongjindanon	Internal Audit Director and Acting Chief Financial Officer
4.	Mr. Thawatchai Chomwarn	Sale & Marketing Director
5.	Mr. Sumin Chudankura	Human Resources Director
6.	Mr. Somsak Pongraman	Factory Director
7.	Mr. Ananchai Araniamfa	Project Management Director
8.	Mrs. Pranee Jitworajinda	Assistant Factory 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. Chumpon Thainukul	Production 1 Manager
14.	Mr. Chamnan Duangsai	Production 2 Manager
15.	Mr. Somchai Chantaramanee	Production 3 Manager
16.	Mr. Kritsana Sommart	Engineering Manager
17.	Mr. Yutthana Ruangthamrong	Factory Office Manager
18.	Mr. Phongsit Phopo	Human Resources Manager – Factory
19.	Ms. Yada Sawadsree	Quality Assurance & Production Planning Manager

- Remark
- 1) 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, 2015.
  - 2) Mr. Rakkiti Tang Ramlert Chief Financial Officer resigned on January 16, 2016.
  - 3) Mrs. Ratsamee Pongjindanon Internal Audit Director is appointed to action another position as Acting Chief Financial Officer since January 16, 2016.
  - 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.

### Company Secretary

The Board of Directors appointed Mr.Komklid Thonguam to be Company Secretary since January 04, 2016 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).

Remark Miss Wirarat Wiwattanatikul was appointed as Company Secretary since May 14, 2008 and retired on December 31, 2015.

### 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 nay person having business relationship with the company, its parent company, subsidiary, affiliate, or any organization that may have conflicts unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 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.



## Management Structure

### Selecting Directors and Executives

The Nomination and Remuneration committee will recruit the qualified persons to be directors of the company which will propose to the Board of director or 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.1/2015, the company gave an opportunity to the shareholder to propose the qualified during September 1, 2014 to November 30, 2014 and the Annual General Meeting of Shareholder No.1/2016 the company gave an opportunity to the shareholder to propose the qualified during September 1, 2015 to November 30, 2015. 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 referring to the Nomination and Remuneration Committee's duties and responsibilities.

### Remuneration for Directors and Managements Policy

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 for Directors

According to Annual General Meeting of Shareholders No.1/2015 held on April 24, 2015 has approved director's remuneration for the year 2014 and approved the meeting allowance for the year 2015 as follows;

- 1) The director's remuneration for the year 2014 total Baht 2,250,000 for 11 directors.
- 2) The meeting allowance for the year 2015

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 Nomination and Remuneration Committee	Chairman	25,000.00
	Member	20,000.00
The Executive Board	Chairman	20,000.00
	Member	10,000.00
The Risk Management Committee	Chairman	20,000.00
	Member	10,000.00
The Corporate Governance Committee	Chairman	20,000.00
	Member	10,000.00

## Management Structure

### Remuneration for Directors as of December 31, 2015

(Unit : Baht)

No.	Name	The meeting allowance						The director's remuneration	Total
		The Audit Committee	The Executive Board	The Nomination and remuneration Committee	The Corporate Governance Committee	The Risk Management Committee	The Board of Director		
1.	Mr. Somchai Sakulsurat	-	-	50,000	-	-	180,000	247,500	477,500
2.	Mr. Suthep Wongvorazathe	100,000	-	-	-	-	90,000	225,000	415,000
3.	Assoc. Dr. Ninnat Olanvravuth	80,000	-	-	-	60,000	90,000	197,500	427,500
4.	Mr. Satit Chanjavanakul	80,000	-	-	-	-	90,000	197,500	367,500
5.	Admiral Satirapan Keyanon	-	-	40,000	-	-	75,000	197,500	312,500
6.	Mr.Takon Tawintermsup	-	420,000	-	-	-	90,000	197,500	707,500
7.	Mr. Chusak Prachayangprecha	-	230,000	40,000	-	-	90,000	197,500	557,500
8.	Mr. Karoon Nuntileepong	-	-	-	80,000	-	90,000	197,500	367,500
9.	Mr. Kitti Chatlekhanich	-	-	-	-	30,000	60,000	197,500	287,500
10.	Mr. Songridth Niwattisaiwong	-	-	-	40,000	-	90,000	197,500	327,500
11.	Mr. Rachoj Tawintermsup	-	-	-	-	-	90,000	197,500	287,500
Total		260,000	650,000	130,000	120,000	90,000	1,035,000	2,250,000	4,535,000

Remark : According to Annual General Meeting of Shareholders No.1/2015 held on April 24, 2015 has approved director's remuneration for the year 2014 of performance year 2014 total 2,250,000 baht which chairman could manage as appropriate (paid to director in 2015)

## Management Structure

### Remuneration for Executives as of December 31, 2015

Detail	Year 2013	Year 2014	Year 2015
Executives (person)	7 person	9 person	10 person
Remuneration Meeting allowance, salary, bonus and provident fund , other (retirement compensation)	25.12 million baht	16.23 million baht	16.43 million baht
Provident car	3 person	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 and Year 2015 None

## Employees

### Employees and Remuneration

Detail	Year 2014	Year 2015
<b>Employees as</b>		
Bangkok branch	78 person	79 person
Chumporn Office	934 person	916 person
<b>Total</b>	1,012 person	995 person
<b>Employees by level</b>		
Executives and manager	23 person	27 person
Foreman, Section head	160 person	109 person
Employees	829 person	859 person
<b>Remuneration</b>		
Salary	172,069,425 baht	171,798,183 baht
- Bonus	18,323,126 baht	3,039,320 baht
- Other	26,108,477 baht	21,882,095 baht
- Provident fund	4,890,841 baht	4,492,293 baht
- Social security	7,109,076 baht	6,982,314 baht
<b>Total</b>	228,500,945 baht	208,194,205 baht

### 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 2015 total 34,437.75 hours or 34.65 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 / Independent Director		
Appointed date	:	2 April 2004		
Age	:	68 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				
2015 - Present	Independent Director	Chumporn Palm Oil Industry Public Company Limited		
2013 - Present	Chairman of the Nomination and Remuneration Committee	Chumporn Palm Oil Industry Public Company Limited		
2010 - Present	Vice Chairman	Sahaviriya Steel Industries 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** : 65 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

2015 - Present	Chairman of the Board of Director and Chairman of Executive	M.K. Real Estate Development Public Company Limited
2013 - Present	Chairman of the Board of Director	Seamico Securities Public Company Limited
2012 - Present	Director	Bangchak Petroleum Public Company Limited
2007 - Present	Chairman of the Board of Director	Khonburi Sugar Public Company Limited
2003 - Present	Chairman of the Audit Committee and Independent Director	Chumporn Palm Oil Industry Public Company Limited

### Company Limited/Others

2015 - Present	Director	Bun Tat Thong Company Limited
2014 - Present	Director	KT ZMICO Securities Company Limited
2011 - Present	Director	News corp Company Limited
2009 - Present	Director	Aisa Ganguam Copmany Limited

## Board of Directors and Management Details

Name	: Assoc. Prof. Dr. Ninnat Olanvoravuth		
Position	: Independent Director / Member of the Audit Committee / Chairman of the Risk Management Committee		
Appointed date	: 11 March 2003		
Age	: 70 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			
2015 - Present	Chairman of the Risk Management Committee	Chumporn Palm Oil Industry Public Company Limited	
2003 - Present	Member of the 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		

Name	:	Mr. Satit Chanjavanakul	
Position	:	Independent Director / Member of the Audit Committee	
Appointed date	:	29 April 2009	
Age	:	68 years	
Education	:	B.ENG. (Industrail), Chulalongkorn University	
	:	M.SC. (Textile Technology) University of Leeds, UK	
	:	M.A. (Business Adminstaration), Thummasat University UNIVERSITY	
Training	:	DCP Certificate from IOD 83/2007	
Attened 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	Member of the Audit Committee	Thaiagroenergy Public Company Limited	
2009 - Present	Chairman of the Board	SNC Former Public Company Limited	
2009 - Present	Member of the Audit Committee and Independent Director	Chumporn Palm Oil Industry Public Company Limited	
2009 - Present	Member of the Audit Committee	Crown Seal Public Company Limited	
2009 - Present	Member of the Audit Committee	Lalin Property Public Company Limited	
2004 - Present	Member of the 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	PC Home Ideas Company Limited	

## Board of Directors and Management Details

**Name** : **Admiral Satirapan Keyanon**  
**Position** : Independent Director / Member of the Nomination and Remuneration Committee  
**Appointed date** : 28 April 2010  
**Age** : 69 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	Member of the Nomination and Remuneration Committee	Chumporn Palm Oil Industry Public Company Limited
2010 - Present	Independent Director	Chumporn Palm Oil Industry Public Company Limited
2008 - Present	Advisor	Charoen Pokphand Foods Public Company Limited
2006 - 2008	Advisor of Chairman	TMB Bank Public Company Limited

## Company Limited/Others

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

## Board of Directors and Management Details

**Name** : **Mr. Takon Tawintermsup**  
**Position** : Director / Chairman of Executive Director / Authorized Director  
**Appointed date** : 14 October 1993  
**Age** : 62 years  
**Education** : Secondary Education, 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** : 1.05%  
**Shareholding in subsidiaries** : 1 share – CPI Agrotech Company Limited  
**Spouses shareholding of Company or Subsidiaries** : None  
**Change of securities holding of Company** : increased 1,684,028 shares from exercise CPI-W1  
**Change of securities holding of 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

<b>Name</b>	: <b>Mr. Chusak Prachayangprecha</b>
<b>Position</b>	: Director / Member of the Executive Director / Member of the Nomination and Remuneration Committee / Authorized Director
<b>Appointed date</b>	: 14 October 1993
<b>Age</b>	: 71 years
<b>Education</b>	: BS.BA Husson University, Maine, USA
<b>Training</b>	: DCP Certificate from IOD 18/2002
<b>Attended training course in last year</b>	: None
<b>Shareholding</b>	: 2.09%
<b>Shareholding in subsidiaries</b>	: 1 share – CPI Agrotech Company Limited
<b>Spouses shareholding of Company or Subsidiaries</b>	: None
<b>Change of securities holding of Company</b>	: increased 3,025,931 shares from exercise CPI-W1
<b>Change of securities holding of Subsidiaries</b>	: None
<b>Family Relationship among Company's Directors</b>	: None
<b>Experience</b>	:

## Listed Companies

2013 - Present	Member of the Nomination and Remuneration Committee	Chumporn Palm Oil Industry Public Company Limited
2010 - 2013	Independent Director And Member of the 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



Name	:	Mr. Karoon Nuntileepong
Position	:	Director / Chairman of the Corporate Governance Committee
Appointed date	:	14 October 1993
Age	:	56 years
Education	:	Master of Business Administration, Chulalaongkorn 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

2015 - Present	Chairman of the Corporate Governance Committee	Chumporn Palm Oil Industry Public Company Limited
2015 - Present	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee	Singha Estate Public Company Limited
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

<b>Name</b>	<b>: Mr. Kitti Chatlekhavanich</b>	
Position	: Director / Member of the Risk Management Committee / Authorized Director	
Appointed date	: 23 April 1999	
Age	: 47 years	
Education	: Sasin Graduate Institute of Administration, Chulalongkorn University	
Training	: DCP Diploma & Certificate from IOD 4/2000	
Attended training course in last year	: CG Forum 2/2015	
Shareholding	: 1.29%	
Shareholding of Subsidiaries	: None	
Spouses shareholding of Company or Subsidiaries	: None	
Change of securities holding of Company	: transferred 3,588,687 shares to Mrs.Jongjin Chatlekhavanich (Mother) and increased 1,552,278 shares from exercise CPI-W1	
Change of securities holding of Subsidiaries	: None	
Family Relationship among Company's Directors	: None	
Experience :		
Listed Companies		
2015 - Present	Member of the Risk Management Committee	Chumporn Palm Oil Industry Public Company Limited
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

## Board of Directors and Management Details

**Name** : **Mr. Songridth Niwattisaiwong**  
**Position** : Director / Member of the Corporate Governance Committee / Authorized Director  
**Appointed date** : 14 October 1993  
**Age** : 64 years  
**Education** : Master of Engineering, UNSW, Australia  
    Bachelor of Engineering (Chemical), Chulalongkorn University  
**Training** : DCP Diploma & Certificate from IOD 15/2002  
**Attended training course in last year** : Thailand CG Forum : Governance as a driving force for business sustainability  
**Shareholding** : 0.44%  
**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

2015 - Present	Member of the Corporate Governance Committee	Chumporn Palm Oil Industry Public Company Limited
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** : 30 years  
**Education** : UNIVERSITY OF ESSEX, UK, LLB LAW  
MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University  
**Training** : None  
**Attended training course in last year** : Corporate Code of Conduct & Anti Corruption  
**Shareholding** : 0.84%  
**Shareholding of Subsidiaries** : None  
**Spouses shareholding of Company or Subsidiaries** : None  
**Change of securities holding of Company** : increased 1,348,266 shares from exercise CPI-W1  
**Change of securities holding of Subsidiaries** : None  
**Family Relationship among Company's Directors** : Son to Mr. Takon Tawintermsup  
Nephew to Mr. Karoon Nuntileepong

### Experience :

#### Listed Companies

2014 - Present	Director	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.



## Board of Directors and Management Details

**Name** : **Mrs. Ratsamee Pongjindanon**  
**Position** : Internal Audit Director and Acting Chief Financial Officer  
 (Appointed to Acting Chief Financial Officer since January 16, 2016)  
**Age** : 44 years  
**Education** : Master of Science Accounting, Thammasat University  
 Diploma in Auditing, Thammasat University  
**Training** : Certified public accountant  
 Chief Financial Officer Certification Program No.17  
**Attended training course in last year** : Corporate Code of Conduct & Anti-Corruption, 80/20 Pareto's Principle,  
 Financial Reporting, Audit results& content and CG Forum 2/2015  
**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

2016 - Present	Acting Chief Financial Officer	Chumporn Palm Oil Industry Public Company Limited
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

**Name** : **Mr. Thawatchai Chomwarn**  
**Position** : Sales & Marketing Director  
**Age** : 48 years  
**Education** : Master of Business Administration, Sul Ross State University, Texas, USA  
**Training** : None  
**Attended training course in last year** : Corporate Code of Conduct & Anti Corruption and Negotiations professional Technical  
**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



## Board of Directors and Management Details

**Name** : **Mr. Sumin Chudankura**  
**Position** : Human Resources Director  
**Age** : 55 years  
**Education** : Master of Arts (Government), Chulalongkorn University  
**Training** : None  
**Attended training course in last year** : 80/20 Pareto's Principle, Risk Management, Interview Technical and Anti Corruption The Pracital  
**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 Sermsuk Public Company Limited  
 Human Resource

**Name** : **Mr. Ananchai Araniamfa**  
**Position** : Project Management Director  
**Age** : 54 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

## Board of Directors and Management Details

**Name** : **Mr. Somsak Pongraman**  
**Position** : Factory Director  
**Age** : 69 years  
**Education** : Diploma in Carpenter, Chonburi Technical College  
**Training** : None  
**Attended training course in last year** : Corporate Code of Conduct and Management Skill  
**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

2015 - Present	Factory Director	Chumporn Palm Oil Industry Public Company Limited
2000 - 2002	Agriculture Development Manager	Chumporn Palm Oil Industry Public Company Limited
1996 - 1999	Factory Management Manager	Chumporn Palm Oil Industry Public Company Limited
1990 - 1995	Factory Manager	Chumporn Palm Oil Industry Public Company Limited
1981 - 1989	Plantation Manager	Chumporn Palm Oil Industry Public 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

<b>Name</b>	<b>: Miss. Wirarat Wiwattanatikul</b>	
<b>Position</b>	: Company Secretary (Retired on December 31, 2015)	
<b>Age</b>	: 60 years	
<b>Education</b>	: Bachelor Degree of Arts, Ramkhamheang University	
<b>Training</b>	: None	
<b>Attended training course in last year</b>	: Anti-Corruption : The Practical Guide by IOD and Corporate Code of Conduct & Anti Corruption	
<b>Shareholding of Company</b>	: None	
<b>Shareholding of Subsidiaries</b>	: None	
<b>Spouses shareholding of Company or Subsidiaries</b>	:	None
<b>Change of securities holding of Company or Subsidiaries</b>	:	None
<b>Family Relationship among Company's Directors</b>	:	None
<b>Experience:</b>		
Listed Companies		
1994 - 2015	Company Secretary	Chumporn Palm Oil Industry Public Company Limited

<b>Name</b>	<b>: Mr.Komklid Thonguam</b>	
<b>Position</b>	: Company Secretary (Appointed by the Board of Director No. 6/2015 on November 13, 2015 with effect from January 04, 2016)	
<b>Age</b>	: 35 years	
<b>Education</b>	: Bachelor Degree of General Management Business, Rajamagala University of Technology Tawon-Ok : Chakrabongse Bhuvanarth Campus	
<b>Training</b>	: Fundamentals for Corporate Secretaries	
<b>Attended training course in last year</b>	: CS Sharing No.3/2015, CSR Reporting No.6/2015, Corporate Code of Conduct and Present Skill	
<b>Shareholding of Company</b>	: None	
<b>Shareholding of Subsidiaries</b>	: None	
<b>Spouses shareholding of Company or Subsidiaries</b>	:	None
<b>Change of securities holding of Company or Subsidiaries</b>	:	None
<b>Family Relationship among Company's Directors</b>	:	None
<b>Experience:</b>		
Listed Companies		
2016 - Present	Company Secretary	Chumporn Palm Oil Industry Public Company Limited
2014 - 2015	Administration Secretary	Chumporn Palm Oil Industry Public Company Limited
2011 - 2014	Secretary to Managing Director	Chumporn Palm Oil Industry Public Company Limited
2001 - 2007	Administration Registrar of Legal Office	Charoen Pokphand Food Public Company Limited
Company Limited/Others		
2009 - 2011	Invoice & Costing Officer	Der Asia Tours 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).

## Board of Directors and Management Details

### Details of Subsidiary Company Directors

**CPI Agrotech Company Limited** consists of 6 members as follows;

1. Mr. Chusak Prachayangprecha
2. Mr. Takon Tawintermsup
3. Mr. Rachoj Tawintermsup
4. Mr. Kitti 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 - CPI Agrotech Company Limited”

**CPP Company Limited** consists of 6 members as follows;

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

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

Mr.Takon Tawintermsup or Mr.Rachoj Tawintermsup or Mr.Supisith Chorruangsak 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 Details of Subsidiary Company – CPI Agrotech Company Limited

<b>Name</b>	: <b>Mr. Kosol Nuntileepong</b>
<b>Position</b>	: Director / Authorized Director / Managing Director
<b>Age</b>	: 53 years
<b>Education</b>	: Bachelor Degree (Statistics), Chulalongkorn University
<b>Training</b>	: None
<b>Shareholding</b>	: 1 share
<b>Shareholding in Subsidiaries</b>	: 1 share – CPP Company Limited
<b>Shareholding in CPI</b>	: 2.36%
<b>Spouses shareholding of Company or Subsidiaries</b>	: None
<b>Change of securities holding of CPI</b>	: increased 612,935 shares from exercise CPI-W1
<b>Change of securities holding of Subsidiaries</b>	: None
<b>Family Relationship among Company's Directors</b>	: Mr.Takon Tawintermsup's wife younger brother Brother to Mr.Karoon Nuntileepong and Uncle to Mr.Rachoj Tawintermsup
<b>Experience</b>	:

#### 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

### Corporate Governance Policies

The Board of Director has both allowed and facilitated good business management in every levels of the organization and it has continuously improved and strived to enhance our performance to achieve intended business goals as efficiently as possible. The Board of Director has always conducted our business according to local laws and other related regulations and 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 business in accordance with the principles of Good Corporate Governance along with transparency and verifiability.
2. To direct all members 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 Authorization 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 Code of Conduct and notify the members 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 2015, the company held one meeting as the Annual General Meeting of Year 2015. 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 shareholders 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 Board of Director. For the detailed information on the Annual General Meeting of 2015 which took place from September 1, 2014 and lasted until November 30, 2014 and for the Annual General Meeting of 2016 which began on September 1, 2015 and lasted until November 30, 2015, the company notified shareholders 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, financial statements 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 Director 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) The Meeting would be 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 meeting orchestrated the meeting as described in the agenda attached to the official invitation to the annual meeting. The executive committee allowed all meeting attendees to voice their opinions and ask question during each chapter of the meeting. The Board of Director themselves would also give relevant comments, articulate additional suggestions and subsequently makes a record of important issues discussed during the meeting in the Minutes.

1.7) The company did not introduce another meeting agenda or changed any important information without notifying the shareholders in advance. However at the Annual General Meeting No.1/2015 Chairman of the meeting informed shareholders who attended in the meeting to adding detail in Agenda No.5 Consider to appoint directors to succeed those who completed their terms because has found missing one director information due to typo and error sending information. The adding information was Mr.Rachoj Tawintermsup Director and Assistant Managing Director for shareholders consideration.

1.8) The company distributed the Minutes 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 the company has 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 shareholders and investors, give them equal opportunities in asking questions during meetings and voicing their opinions during each chapter of the meeting . The Chairman of the meeting was 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 Minutes following every annual general meeting.

2.2) For the Annual General Meeting among in Year 2015, the company distributed an invitation card as well as the annual report, Financial statement and a letter of proxy to be used in nominating at least one person to become an independent director to all shareholders whose name appeared in the company's record of stocks holding. The company 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 1-3, 2015. Eleven directors attended in the meeting.

2.3) The company 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 director of the company This must be done prior to the Annual General Meeting which in 2015 lasted from September 1, 2014 to November 30, 2014 and the Annual General Meeting of 2016 which lasted from September 1, 2015 to November 30, 2015. The company notified all shareholders using the SET news system and also provided additional information along with specific clarifications regarding the criteria and the specific courses of action on the company's website.

2.4) The company allowed our shareholders to exercise their rights in nominating and appointing director of the company 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, the company 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 independent director 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.

## 3) Roles of Stakeholders

The company takes every group of stakeholders into consideration by determining various procedures to be taken in the Code of Conduct. The manual itself is for Director, Executive and all other employees to consult, observe and adhere to ensure their good and ethical performance. The moral recommendations and codes of conduct 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 judgment entirely on individual competency and shall emphasize on safety first working ethics, impartiality, fair compensation and provide appropriate workers' benefits.
- Business Partners/Creditors : To abide by trading agreements and strictly comply with conditions as stated in the contract(s).
- Competitors : To observe and abide by relevant competition rules and regulations and shall not defame or denigrate competitors without sufficient proof or evidence.
- Customers : To strive, 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 supports 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 supports 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 is 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 Board of Director has always explicitly instructed all Executives to be extraordinarily careful in disclosing the information which must be done completely, truthfully, reliably, regularly, and also in a timely manner. The Executives 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](http://www.cpi-th.com) or email us at [info@cpi-th.com](mailto:info@cpi-th.com)

#### 5) Responsibilities of the Administrative Committee

The appointment of the director of the company is proceeded in accordance with the agreement between the company and our shareholders which states that the 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 Director     | 3 members |
| - Non-Executives Director | 3 members |
| - Independent Director    | 5 members |

All directors 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 executive committee.

In 2015, the independent director made up a third of the entire of the Board of Director. In any case, the independent directors are free to act with their delegated authority. They do not need to answer to Executives, major stocks holders or even the Chairman of the Board of director. Therefore, the Chairman of the Board of director 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 directors 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 director 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 director members must leave the posts. In the case which director member cannot be equally divided into three separate groups, the closest possible number shall be applied instead. The Director whose tenure are the longest shall be the ones who have to leave the posts. Regarding appointing independent director, the tenure must not be longer than the period of 6 years. However, in the 2016 meeting, there will be 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 executive committee mutually agreed that the independent committee member possesses necessary expertise, abilities and excellent understanding of the business operation, and thus, should remain in position for an extended period of time.

All directors possess knowledge, abilities, aptitudes and have undergone a training course necessary to become and act as Director. 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 committee members who have undertaken the programs.

- |                                     |   |
|-------------------------------------|---|
| 1. Mr. Somchai Sakulsurat           | 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. Ninnat Olanvoravuth | Ph.D., 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. Kitti 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 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 reviews the proposals for the Board of director every 5 years, or, whenever major changes occur both in the business operation and in the economy. For business plans and corporate budget, the Management normally presents them to the Executives 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 Board of director and if the business plans or the corporate budgets put forward exceed the decision making authority delegated to the Executives Board, they shall bring the proposals to the Board of director for the approval. The Board of director shall direct the Management to act according to business plans and proposed corporate budgets as efficiently and as effectively as possible. Furthermore, the Board of director and the Management 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 Board of director, Chief Executive Officer and the Management must be generally practiced. The company also clearly specifies and describes the operational authorities in written language.

To prevent future conflict over business profits, the company does not engage in business transaction with major shareholders, Director, Executives or any person related to the individuals. The Board of director also takes precaution against any conflict over benefits that may arise. Under such circumstance, the company shall delegate an 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 Director and Executives must notify about the trading of the company's stocks at least 1 day prior to the actual transaction so that the Audit committee can investigate on the matter through Company Secretary and must hand in report on all stakes holders involved every 6 month. Secretary Company must hand in a copy of the report to the head of the Audit committee afterwards.

## Changes in stocks owned by Director and Executives in 2015

Name		Total stocks owned at January 1, 2015	Changes during the year		Total stocks owned at December 31, 2015
			Exercise CPI-W1	Buy / (Sell) / (Transfer)	
Mr.Somchai	Sakulsurarat	0 share	-	-	0 share
Mr.Suthep	Wongvorazathe	0 share	-	-	0 share
Assco.Prof.Dr.Ninnat	Olanvoravuth	0 share	-	-	0 share
Mr.Satit	Chanjavanakul	0 share	-	-	0 share
Admiral Satirapan	Keyanon	0 share	-	-	0 share
Mr.Takon	Tawintermsup	4,996,130 share	1,684,028 share	-	6,680,158 share
Mr.Chusak	Prachayangprecha	10,227,250 share	3,025,931 share	-	13,253,181 share
Mr.Karoon	Nuntileepong	0 share	-	-	0 share
Mr.Kitti	Chatlekhavanich	10,208,332 share	1,552,278 share	(3,588,687) share	8,171,923 share
				(11/02/15 transferred to Mrs.Chongjin Chatlekhavanich, Mother)	
Mr.Songridth	Niwattisaiwong	2,831,260 share	-	-	2,831,260 share
Mr.Rachoj	Tawintermsup	4,000,000 share	1,348,266 share	-	5,348,266 share
Mr.Supisith	Chorruangsak	0 share	-	-	0 share
Mr.Rakkiti	Tanglamlert	0 share	-	-	0 share
Mrs.Ratsamee	Pongjindanon	0 share	-	-	0 share
Mr.Thawatchai	Chomwarn	0 share	-	-	0 share
Mr.Ananchai	Araniamfa	0 share	-	-	0 share
Mr.Somsak	Pongraman	0 share	-	-	0 share
Mr.Sumin	Chudankura	0 share	-	-	0 share

Remark Mr.Rakkiti Tanglamlert resigned on January 16, 2016.

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 personnel 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 Internal Audit solely to investigate and control the working processes of all departments and keep up to the relevant standards. Internal Audit 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 Audit 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 Audit committee for every business quarter.

The Board of director has collaborated to devise Development Plan for Executives along with Succession Plan and also undertake annual assessment regarding the work performance of Executives on a regular basis. They also come up with a compensation system which takes into account the work performances of 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 Conduct 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 Codes of Conduct to all Directors, Executives and employees and urges all to abide by the ethical principles. In addition, the company also provides training/meeting sessions to explain to all employees about the code of conduct 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 code of conduct 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 directors 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 director meeting, all directors 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 director of company 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 board of director activities, and coordinate with all associates to ensure that all practices comply with the board of director's decisions.

The company's regulations state that in attending meetings, the members of the board of director or other sub-committee must be present no less than two third (2/3) of the entire body. In 2015, the rate of attendance can be summarized as follows;

Name	Numbers of meetings attended/ Numbers of meetings Year 2015						
	The Board of director	The Executive Board	The Audit Committee	The Nomination and Remuneration Committee	The Risk Management Committee	The Corporate Governance Committee	Shareholder's meeting
Mr. Somchai Sakulsurarat	6/6			2/2			1/1
Mr. Suthep Wongvorazather	6/6		4/4				1/1
Assco.Prof.Dr. Ninnat Olanvoravuth	6/6		4/4		3/3		1/1
Mr. Satit Chanjavanakul	6/6		4/4				1/1
Admiral Satirapan Keyanon	5/6			2/2			0/1
Mr. Takon Tawintermsup	6/6	21/23					1/1
Mr. Chusak Prachayangprecha	6/6	23/23		2/2			1/1
Mr. Karoon Nuntileepong	6/6					4/4	1/1
Mr. Kitti Chatlekhavanich	4/6				3/3		1/1
Mr. Songridth Niwattisaiwong	6/6					4/4	1/1
Mr. Rachoj Tawintermsup	6/6						1/1

Every year, after the annual business operation comes to an end, all directors must assess work performance of each director. Each director must assess his or her own performance by referring to the SET performance assessment form. The director 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 director 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. For the performance in year 2014, the board of director had agreed that every director should attend trainings provided in order to develop their knowledge, skills, and abilities in order to strengthen their performance level. The chairman has assigned Company Secretary to inform all directors about the trainings program. In 2015, Mr.Kitti Chatlekhavanich director and member of the Risk Management Committee attended to CG Forum 2/2015 and Mr.Songridth Niwattisaiwong director and member of Corporate Governance Committee attended to Thailand CG Forum : Governance as a driving force for business sustainability by SET.

In the board of director's meeting no.1/2016 on February 24, 2016, all directors assessed work performance of the board of director and each director for performance in year 2015. The board of director had agreed that every director should attend trainings provided in order to develop their knowledge, skills, and abilities in order to strengthen their performance level.

### Subsidiaries Business Operation Management

All subsidiaries manage 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 Authority Manual. Some members of the Executive 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 Annual General Meeting No.1/2014 approved and appointed Mr.Chayapol Suppasedtanon Certified Public Accountant (CPA) No.3972 or Miss.Runnapa Lertsuwankul, Certified Public Accountant (CPA) No.3516 or Miss.Pimjai Manitkajohnkit, Certified Public Accountant (CPA) No.4521 of Ernst & Young Office Limited audited the company for the 2015 accounting year. The company paid Baht 1,100,000 to compensate for their service. In addition, the company paid another Baht 425,000 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 have to approved as per the company's Authority Manual, therefor if the related party transaction budget is over of the Executive's authority it has to be approval by the Executive Board or the Board of director depend on related transaction. 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 2015, the company undertook mutual transactions with its subsidiaries. The details, relations, features, conditions and prices of the transactions are clearly written under the Note section of Financial Statement Report for the accounting year ending on December 31, 2015, Section 6.

## Internal Control and Risks Management

### 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 Code of Conduct and the Board of Director, Executives and Employees Duties and Responsibilities Manual which are both given to all Directors, 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 directors, executives and employees must sign and acknowledge any related announcements from the Office of the Securities and Exchange Commission (SEC) which specify that all directors 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 Company Secretary so that an official record of the change can be produced. The Company Secretary will also summarize the total stocks owned by each director or executive and present them to the Board of Director during the next meeting. In addition, the Company Secretary should also explain all directors 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 choose 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 director, 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 and unpaid suspension to layoff. In addition, the company also determines that director, executive shall report to 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 Secretary who would then present the information to the Audit committee to analyze and determine whether the proposed transaction is in line with the company's policies.

### Opinions of the Board of director on Internal Control System

During the Board of director's meeting No. 6/2015 on November 13, 2015, all three members of 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 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 personnel 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 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 Board of director had reviewed and come up with new Authority 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 company also introduced "Whistle Blower" system which would allow the company's employees and all shareholders to notify the company about plausible misconducts, violations of the company's code of conduct, 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 Committee

In 2015, the Audit Committee reported the audit's results along with suggestions for further audit which emphasized more on improving performance-based audit to be more effective and more efficient. The Audit Committee has been followed up and revised all audit's records and reports 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, it have been found no fraudulence or embezzlement of the company's and the subsidiaries' properties. Audit's 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 Suppasertanon from Ernst & Young Office Limited who audited the company for each business quarter of the 2015 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 Audit Committee ought to supervise and ensure that the undertaking of internal auditing body can be preceded 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 of the company had formulated an audit's plan by taking into account the risk factors that may arise. After the revision from the Audit Committee's Meeting No.4/2015 on November 12, 2015, the plan was approved and would be used in 2016.



## Corporate Social Responsibilities (CSR)

The company takes part in CSR or Corporate Social Responsibilities Program to ensure sustainable business development and 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 economics, 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 procedure 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. The company has 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 and 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 equipment 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 40,000 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 35 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.

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

## Corporate Social Responsibilities (CSR)

### 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 send in the pipelines will be kept in 25 m<sup>3</sup> 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.

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 that 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.

## Corporate Social Responsibilities (CSR)

### Community activities Participation in Chumporn Facotry in Year 2015.

#### 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 Chumporn Province.

#### 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 surrounding community.
- Promoting and supporting local religious institutions. The company offered Lent candles to 9 Buddhist temples in the surrounding areas to allow the company's employee too participate in the religious activities. The company also takes part in organizing Thot Kathin or the annual donation ceremony at Por Ta Hin Chang, Tambol Sa-Lui, Amphur Ta-sae, Chumporn.
- Providing Soccer trophies for 7th Salui Cup Footbal Tournament to support sport activities of the youth that are going to grow and become important drinving force for the society in the future.
- Participating in Elders' Day during Songkran festival in 2014 in Tambol Salui
- Participating in local mangroves restoration activities because the company understands how important mangroves are in restoring the environment and improving the overall air and atmosphere within the areas.

### Anti Corruption Management.

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 external, along with all of the company'e employee to abide by the policies and related regulations.

In 2015, the company shall proceed with notifying outside agencies, trade partners to similarly acknowledge and act in accordance with the aforementioned policies via [www.cpi-th.com](http://www.cpi-th.com). The company have been training to all employees to educate and inform about the policies against corruption and make sure that all staffs and employees have better understanding and can act accordingly.

During year 2015, the company and subsidiaries arrange workshop meeting to assess risk factors and setting plan to de-crease and protect the risk factor including any corruption may affect the company. The Internal Audit will assess and follow up in every business quarter.

The Company and subsidiaries communicated and public about Code of Conduct and Anti-Corruption Policy via as;

- The orientation.
- Code of Conduct and Anti-Corruption program.
- Publishing all policy via intranet (internal communicate) and Website.

## Financial Information

	Consolidated financial statements			Separate financial statement		
	2015	2014	2013	2015	2014	2013
<b>LIQUIDITY RATIO</b>						
Current Ratio (Time)	0.92	0.74	0.83	0.95	0.76	0.85
Quick Ratio (Time)	0.39	0.44	0.42	0.43	0.48	0.46
Cash Ratio (Time)	(0.20)	0.50	0.23	(0.22)	0.51	0.25
Account Receivable Turnover (Time)	12.58	13.32	13.16	12.42	13.28	13.16
Average Collection Period (Day)	28.63	27.03	27.37	28.97	27.11	27.35
Inventory Turnover (Time)	8.16	11.00	6.81	8.48	11.53	6.95
Average Sale Period (Day)	44.11	32.73	52.85	42.46	31.22	51.81
Account Payable Turnover (Day)	30.84	23.99	24.23	31.24	24.07	24.34
Receivable Turnover (Day)	11.67	15.00	14.86	11.52	14.96	14.79
Cash Cycle (Day)	61.07	44.75	65.36	59.91	43.37	64.37
<b>PROFITABILITY RATIO</b>						
Gross Profit Margin (%)	8.84	9.73	10.33	8.06	9.51	10.30
Operating Income Margin (%)	0.23	2.17	1.26	(0.15)	2.40	1.60
Net Profit Margin (%)	(0.47)	1.07	0.22	(0.85)	1.31	0.59
Return on Equity (%)	(1.03)	3.02	0.57	(1.80)	3.58	1.53
<b>EFFICIENCY RATIO</b>						
Return on Assets (%)	(0.51)	1.68	0.29	(0.95)	2.03	0.79
Return on fix Assets (%)	(0.89)	2.75	0.52	(1.85)	3.40	1.46
Asset Turnover (Time)	1.10	1.57	1.33	1.12	1.55	1.33
<b>FINANCIAL POLICY RATIO</b>						
Debt to Equity (Time)	1.00	0.79	0.98	0.09	0.76	0.94
Interest Coverage Ratio (Time)	0.24	2.80	1.32	(0.15)	3.15	1.74
Leverage Ratio (Time)	0.005	0.085	0.037	(0.003)	0.095	0.048
Pay Out Ratio (%)	NA	67.39	185.73	NA	55.34	67.82
Information of share***						
Book value per share (Baht)	2.82	2.95	2.84	2.86	3.03	2.90
Earnings per share (Baht)	(0.031)	0.089	0.016	(0.055)	0.108	0.044

NA it will be approved on Annual General Meeting on April 27, 2016.

## Operation Results Analysis

### 1) Sales Income

The company and its subsidiaries earned sale incomes in Year 2015 total Baht 3,909.76 Million which had decreased for the total of Baht 750.99 Million or 16.11% compared to that of last year. This income change resulted from the 6.55% price rise of our main commodity while the total sale quantity reduced for the total of 11.43%. In addition, the company received additional income from producing and distributing biogas electricity to PEA for Baht 28.13 Million. The gross profit of the service was estimated to be 26.14%. 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.

Regarding CPI Agrotech Co., Ltd earned income from the selling of palm seedlings and seeds for the total amount of Baht 51.21 Million (2014 : Baht 28.01 Million) which had increased 82.97%.

### 2) Sales Capital (Costs of Goods and Products)

The company and its subsidiaries had a decrease in sale capital for THB 643.09 Million or 15.29%. The main reason was that in 2015, there was 3% decrease in the costs of Palm Oil fruit bunches. Also, the cost of CPO for 5.69%.

### 3) Sales Expenses

The company and its subsidiaries had a total increase of Baht 3.97 Million in sale expenses, or 2.95% 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 Baht 3.97 Million less from last year. This equaled to 4.69% 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 more incomes for the total amount of Baht 9.23 Million, compared to last year's. This was because in 2015, the company achieved net profit of Baht 6.07 Million from risk management of exchange rate.

### 6) Financial Ratios

#### Liquidity Ratios

#### Current Ratio (times)

The company and its subsidiaries had higher current ratio from 0.74 times in 2014 to 0.92 times in 2015. This resulted from the company and its subsidiaries in 2015 having 51.28% higher in current assets because of inventory and receivable more than last year and 20.67 % higher in current debts because of paying short term loans and Long-term-loan to bank due to paying contact end of the year.

#### Average Collection Period (days)

The company and its subsidiaries had the average collection period from 27.03 days in 2014 to 28.63 days in 2015. This was because the company and its subsidiaries had higher total sales compared to that of the same period in the previous year.

#### Repayment Period (days)

The company and its subsidiaries had shorter repayment period from 15 days in 2014 to 11.67 days in 2015. This was because the company purchased a more quantity of FFB and CPO which their credit term was shorter than another Supplier.

#### Profits Making Capacity

#### Gross Profits Ratio(%)

The company and its subsidiaries had gross profit margin decreased from 9.73% in 2014 to 8.84 % in 2015 because of sale income was decrease 16.11% while cost of product was decrease 15.29%.

#### Return on Equity (ROE) (%)

The company and its subsidiaries had a return on equity decreased from 3.02% in 2014 to (1.03 %) in 2015. This was because the company lost more than in 2014 total Baht 68.19 million or 136.62%.

#### Operation Efficiency Ratios

#### Return on Assets (ROA) (%)

The company and its subsidiaries had a rate of return on assets decreased from 1.68 % in 2014 to (0.51% ) in 2015. This was because the company lost more than in 2014 total Baht 68.19 million.

#### Financial Policies Analysis Ratios

#### Debt to Equity Ratio (times)

The company and its subsidiaries had Debt to Equity ratio increased from 0.79 times in 2014 to 1 times in 2015. This was because in 2015, the company and its subsidiaries had total liabilities increased 35.27% from the year before, while shareholders' equity decreased by 7.71%

#### Interest Coverage Ratio (times)

The company and its subsidiaries had Interest Coverage ratio decreased from 2.80 times in 2014 to 0.24 times in 2015 because the company and its subsidiaries paid more interests while the net profits decreased 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 Baht 3,558.12 Million as of December 31, 2015. These are divided into land lots, buildings and machineries and equipment the total worth of Baht 2,042.05 Million or 57.39% of all assets. Next up is inventory or remaining items account for Baht 600.11 Million, palm oil capital account for Baht 342.35 Million and trade accounts receivable and other receivables account for Baht 332.46 Million or 16.87%, 9.62% and 9.34% 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 Baht 241.15 Million or 6.78% of the total assets.

1.2) Changes in Assets : Total assets of the company and its subsidiaries as of December 31, 2015 were increased by Baht 590.67 Million or 19.90 % because of the following reasons:

- Land lots, buildings, equipments and machineries had increased for Baht 255.60 Million. The company had invested in subsidiaries.
- Inventory expenses had increased Baht 326.67 Million because of collecting CPO for selling in next period and for Refinery's process in Low seasonal.
- The total cost of palm plants increased to Baht 11.94 million from cutting down and replanting projects.
- Trade receivables had increased for Baht 38.70 Million because in December 2015, the company had increase in sales as compared with the sales of the same time in the previous year.

#### 2) Financial Liquidity

2.1) Cash Flow : The company and its subsidiaries had cash and cash equivalents amounting Baht 71.66 Million as of December 31, 2015, a total decrease of Baht 19.80 Million compared to that of last year.

- Cash Flow from Operating Activities: Cash from operating actives was paid (Baht 203.32 Million). The main reason was because trade receivables and other account receivables had increased for Baht 38.14 Million THB. The inventory had increased Baht 324.63 Million. Trade payables and other account payables had decreased Baht 62.25 Million THB. In 2015, the company had paid 1.41 Million THB as corporate income tax.
- Cash Flow from Investing Activities : Cash for the total amount of Baht 434.26 Million to be used in various investing activities. This included investment expenditure of Baht 434.67 Million which was used to build the new Crushing Mill factory and selling grid in subsidiary and bought new equipment, machine total Baht 378.81 Million and invested Baht 58.72 Million in palm oil replanting project .
- Cash Flow from Financing Activities : Cash was used in financing activities for the total amount of Baht 617.77 Million. Short-termed loan was increased Baht 220.71 Million and cash received from long-termed loan Baht 437.29 Million were to be used to build the new Crushing Mill factory and selling grid in subsidiary and paying for new equipment, machine and long term loan total Baht 126.10 Million. The paying dividends of Baht 33.63 Million and interests payment of Baht 40.48 Million.

#### 3) Fund Sources

3.1) Shareholders Equity: Shareholders' equity of the company and its subsidiaries as of December 31, 2015 for the total amount of Baht 1,781.95 Million had increased for the total of Baht 127.55 Million or 7.71% compared to shareholders' equity as of December 31, 2014 which was Baht 1,654.41 Million because exercise warrant CPI-W1 to ordinary share total Baht 72.18 Million and the premium for ordinary share was over Baht 124.12 Million. In July 2015 the retained earning had decreased to Baht 52.54 Million from dividends payment in cash of Baht 33.63 Million. The company and its subsidiary lost in 2015 total Baht 18.28 Million.

Book value per share as of December 31, 2015 was equal to 2.85 THB, a total increase of Baht 0.21 per share or 7.71%

#### 3.2) Liabilities

##### 3.2.1) Components of Liabilities

The company and its subsidiaries had total liabilities as of December 31, 2015 of Baht 1,776.17 Million. Part of the liabilities was short-termed loan from a financial institution of Baht 860.71 Million or 24.19%, long-termed loan with one year loan period of Baht 500.93 Million or 14.08%. The rest were comprised of a long-termed loan which must be paid off within one year of Baht 165.15 Million or 4.64% and income tax liabilities of Baht 101.68 Million or 2.86%

##### 3.2.2) Changes in Liabilities

The total amount of all company's liabilities as of December 31, 2015 was increased from the year before for Baht 463.09 Million or 35.27% because of the following reasons:

- Short-termed loans from financial institutions were increased for Baht 220.71 Million or 34.49% for working capital and CPO inventory.
- Long-termed loans were increased for Baht 276.69 Million or 123.39% to invest in subsidiary to build new Cushing Mill Factory total Baht 144.80 Million.
- Trade payables and other payables were decreased for the total amount of Baht 59.58 Million or 40.99% because buying CPO less in December 2015.

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](http://www.sec.or.th) OR ON THE COMPANY'S WEBSITE AT [www.cpi-th.com](http://www.cpi-th.com)

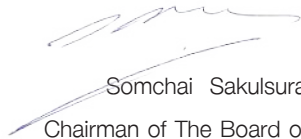


## Report of the Board of Directors' Responsibility to the Financial Reports

The Board of Directors of Chumporn Palm Oil Industry Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance principles. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the period as from 1 January 2015 to 31 December 2015, 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 2015 to 31 December 2015 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 2015.



Somchai Sakulsurat  
Chairman of The Board of Directors



Supisith Chorrungsak  
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 2015, 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 2015 which is presented to Board of Directors for approval. Financial statement for 2015 has been discussed 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 and related party transactions 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 and pass to the Shareholders' Meeting appointed to consider and select Ms.Rungnapa Lertsuwankul and/or Mr.Chayapol Suppasedtanon and/or Ms.Pimjai Manikajohnkit, EY Office Limited, as auditors of the year 2015. 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.

5. Compliance with the Anti-Corruption Measure : the Audit Committee has reviewed the report of Internal Audit Department of its monitoring work to ensure that the operation of the company is in line with the corporate anti-corruption policy and the provisions of Collective Action Coalition Against Corruption. It is found that the company is committed to the policy and has relevant anti-corruption measures in place, including a system to accommodate external corruption complaints and claims. Moreover, the company has submitted its intention to join Collective Action Coalition Against Corruption.



Mr. Suthep Wongvorazathe  
Chairman of the Audit Committee

## Report of Independent Auditor

### Independent Auditor's Report

To the Shareholders of Chumpon Palm Oil Industry Public Company Limited

I have audited the accompanying consolidated financial statements of Chumpon Palm Oil Industry Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, 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 Chumpon 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.

## Report of Independent Auditor

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 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Chayapol Suppasedtanon  
Certified Public Accountant (Thailand) No. 3972

EY Office Limited  
Bangkok: 24 February 2016

## Financial Statements

## Chumphorn Palm Oil Industry Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	71,658,235	91,461,800	62,849,481	56,701,654
Trade and other receivables	6, 8	332,458,655	293,763,597	342,078,120	305,009,247
Short-term loans to related party	6	-	-	50,000,000	55,000,000
Prepaid expenses		3,068,762	1,275,881	3,068,762	1,275,881
Inventories	9	600,107,563	273,349,534	583,410,818	253,328,069
Other current assets	10	35,552,388	29,518,816	28,371,949	29,516,605
<b>Total current assets</b>		<b>1,042,845,593</b>	<b>689,369,628</b>	<b>1,069,779,130</b>	<b>700,831,456</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	140,000,000	46,625,000
Property, plant and equipment	12	2,042,054,085	1,816,455,498	1,759,324,328	1,789,123,838
Cost of palm trees	13	342,347,317	330,406,984	338,162,797	326,101,326
Intangible assets	14	5,314,616	6,090,968	5,233,409	6,042,051
Advances for purchases of land	15	124,007,750	124,007,750	124,007,750	124,007,750
Deposits		1,548,170	1,148,170	348,170	348,170
<b>Total non-current assets</b>		<b>2,515,271,938</b>	<b>2,278,109,370</b>	<b>2,367,076,454</b>	<b>2,292,248,135</b>
<b>Total assets</b>		<b>3,558,117,531</b>	<b>2,967,478,998</b>	<b>3,436,855,584</b>	<b>2,993,079,591</b>

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 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	16	860,713,327	640,000,000	860,713,327	640,000,000
Trade and other payables	17	85,769,619	145,351,903	82,879,443	144,207,063
Current portion of long-term loans	18	165,150,000	130,650,000	165,150,000	120,650,000
Current portion of liabilities under finance leases	19	-	624,609	-	624,609
Value added tax payable		15,454,820	16,306,816	15,454,820	16,306,816
Income tax payable		-	1,255,030	-	1,255,030
Other current liabilities		3,044,309	2,385,219	2,026,314	1,926,453
Total current liabilities		1,130,132,075	936,573,577	1,126,223,904	924,969,971
Non-current liabilities					
Long-term loans, net of current portion	18	500,930,000	224,240,000	356,070,000	219,240,000
Deferred tax liabilities	26	101,682,539	107,782,776	101,276,061	107,454,276
Provision for long-term employee benefits	20	43,421,880	44,476,916	41,792,094	42,813,595
Total non-current liabilities		646,034,419	376,499,692	499,138,155	369,507,871
Total liabilities		1,776,166,494	1,313,073,269	1,625,362,059	1,294,477,842
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					
632,752,650 ordinary shares of Baht 1 each					
(2014: 560,569,547 ordinary shares of Baht 1 each)		632,752,650	560,569,547	632,752,650	560,569,547
Share premium		412,309,890	249,436,348	412,309,890	249,436,348
Warrants	22.1	-	74,449,240	-	74,449,240
Capital reserve for share-based payment transactions	22.2	8,301,187	4,980,713	8,301,187	4,980,713
Retained earnings					
Appropriated - statutory reserve	23	32,345,939	32,345,939	32,345,939	32,345,939
Unappropriated		212,996,049	265,539,681	243,852,537	311,049,701
Other components of shareholders' equity	24	483,245,322	467,084,261	481,931,322	465,770,261
Total shareholders' equity		1,781,951,037	1,654,405,729	1,811,493,525	1,698,601,749
Total liabilities and shareholders' equity		3,558,117,531	2,967,478,998	3,436,855,584	2,993,079,591

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

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Directors



## Financial Statements

Cinumporn Palm Oil Industry Public Company Limited and its subsidiaries  
Statement of comprehensive income  
For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	27, 29	3,909,761,981	4,660,748,504	3,858,511,620	4,632,737,534
Gain on exchange		6,070,588	-	1,629,686	-
Other income		9,604,554	8,305,426	12,469,176	11,021,729
<b>Total revenues</b>		<b>3,925,437,123</b>	<b>4,669,053,930</b>	<b>3,872,610,482</b>	<b>4,643,759,263</b>
<b>Expenses</b>					
Cost of sales		3,564,203,102	4,207,293,915	3,547,340,408	4,192,188,112
Selling expenses		138,652,780	134,679,775	130,493,253	126,128,543
Administrative expenses		213,482,094	223,990,938	200,446,781	212,451,612
Loss on exchange		-	1,860,957	-	1,860,957
<b>Total expenses</b>		<b>3,916,337,976</b>	<b>4,567,825,585</b>	<b>3,878,280,442</b>	<b>4,532,629,224</b>
<b>Profit (loss) before finance cost and income tax expenses</b>		<b>9,099,147</b>	<b>101,228,345</b>	<b>(5,669,960)</b>	<b>111,130,039</b>
Finance cost		(37,357,569)	(36,201,971)	(36,930,082)	(35,240,036)
<b>Profit (loss) before income tax expenses</b>		<b>(28,258,422)</b>	<b>65,026,374</b>	<b>(42,600,042)</b>	<b>75,890,003</b>
Income tax revenue (expenses)	26	9,982,195	(15,114,992)	9,982,195	(15,114,992)
<b>Profit (loss) for the year</b>		<b>(18,276,227)</b>	<b>49,911,382</b>	<b>(32,617,847)</b>	<b>60,775,011</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial losses arising from defined benefit plan of employees	20	(791,540)	-	(1,181,430)	-
Income tax effect	26	158,308	-	236,286	-
		(633,232)	-	(945,144)	-
Gain on revaluation of land	12, 24	20,201,326	35,502,448	20,201,326	35,502,448
Income tax effect	24, 26	(4,040,265)	(7,100,489)	(4,040,265)	(7,100,489)
		16,161,061	28,401,959	16,161,061	28,401,959
<b>Other comprehensive income for the year</b>		<b>15,527,829</b>	<b>28,401,959</b>	<b>15,215,917</b>	<b>28,401,959</b>
<b>Total comprehensive income for the year</b>		<b>(2,748,398)</b>	<b>78,313,341</b>	<b>(17,401,930)</b>	<b>89,176,970</b>
<b>Earnings (losses) per share</b>	28				
Basic earnings (losses) per share		(0.031)	0.089	(0.055)	0.108
Profit attributable to equity holders of the Company					
Diluted earnings per share					
Profit (losses) attributable to equity holders of the Company			0.085		0.104

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



## Financial Statements

## Chumpon Palm Oil Industry Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the year ended 31 December 2015

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			
					Appropriated - statutory reserve	Unappropriated	Other comprehensive income - revaluation surplus on land	Total other components of shareholders' equity		
<b>Balance as at 1 January 2014</b>										
	560,568,040	249,433,731	74,449,990	1,660,237	29,307,188	235,484,091	438,682,302	438,682,302	1,589,586,579	
Profit for the year	-	-	-	-	-	49,911,382	-	-	49,911,382	
Other comprehensive income for the year	-	-	-	-	-	-	28,401,959	28,401,959	28,401,959	
Total comprehensive income for the year	-	-	-	-	-	-	28,401,959	28,401,959	28,401,959	
Dividend paid	-	-	-	-	-	49,911,382	-	-	49,911,382	
Conversion of warrants to ordinary shares	1,507	2,617	(750)	-	-	(16,817,041)	-	-	78,313,341	
Share-based payment transactions	-	-	-	-	-	-	-	-	(16,817,041)	
Transferred unappropriated retained earnings to statutory reserve	-	-	-	-	3,320,476	-	-	-	3,374	
	-	-	-	-	-	-	-	-	3,320,476	
23	-	-	-	-	3,038,751	(3,038,751)	-	-	-	
<b>Balance as at 31 December 2014</b>	560,569,547	249,436,348	74,449,240	4,980,713	32,345,939	265,539,681	467,084,261	467,084,261	1,654,405,729	
<b>Balance as at 1 January 2015</b>										
	560,569,547	249,436,348	74,449,240	4,980,713	32,345,939	265,539,681	467,084,261	467,084,261	1,654,405,729	
Loss for the year	-	-	-	-	-	(18,276,227)	-	-	(18,276,227)	
Other comprehensive income for the year	-	-	-	-	-	(633,232)	-	-	(633,232)	
Total comprehensive income for the year	-	-	-	-	-	(18,909,459)	-	-	(18,909,459)	
Dividend paid	-	-	-	-	-	(33,634,173)	-	-	(33,634,173)	
Conversion of warrants to ordinary shares	72,183,103	124,116,151	(35,691,849)	-	-	-	-	-	16,161,061	
Transferred warrants to share premium	-	38,757,391	(38,757,391)	-	-	-	-	-	16,161,061	
Share-based payment transactions	-	-	-	3,320,474	-	-	-	-	16,161,061	
22.2	632,752,650	412,309,890	-	8,301,187	32,345,939	212,996,049	483,245,322	483,245,322	3,320,474	
<b>Balance as at 31 December 2015</b>										

The accompanying notes are an integral part of the 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 2015

(Unit: Baht)

Separate financial statements									
Note	Issued and paid-up share capital	Share premium	Warrants	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity		Total
					Appropriated - statutory reserve	Unappropriated	Other comprehensive income - revaluation surplus on land	Total other components of shareholders' equity	
<b>Balance as at 1 January 2014</b>	560,568,040	249,433,731	74,449,990	1,660,237	29,307,188	270,130,482	437,368,302	437,368,302	1,622,917,970
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	22.1	1,507	2,617	(750)	-	-	-	-	3,374
Share-based payment transactions	22.2	-	-	-	3,320,476	-	-	-	3,320,476
Transferred unappropriated retained earnings to statutory reserve	23	-	-	-	-	3,038,751	(3,038,751)	-	-
<b>Balance as at 31 December 2014</b>	<b>560,569,547</b>	<b>249,436,348</b>	<b>74,449,240</b>	<b>4,980,713</b>	<b>32,345,939</b>	<b>311,049,701</b>	<b>465,770,261</b>	<b>465,770,261</b>	<b>1,698,601,749</b>
<b>Balance as at 1 January 2015</b>	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
Loss for the year	-	-	-	-	-	(32,617,847)	-	-	(32,617,847)
Other comprehensive income for the year	-	-	-	-	-	(945,144)	16,161,061	16,161,061	15,215,917
Total comprehensive income for the year	-	-	-	-	-	(33,562,991)	16,161,061	16,161,061	(17,401,930)
Dividend paid	31	-	-	-	-	(33,634,173)	-	-	(33,634,173)
Conversion of warrants to ordinary shares	21, 22.1	72,183,103	124,116,151	(35,691,849)	-	-	-	-	160,607,405
Transferred warrants to share premium	22.1	-	38,757,391	(38,757,391)	-	-	-	-	-
Share-based payment transactions	22.2	-	-	-	3,320,474	-	-	-	3,320,474
<b>Balance as at 31 December 2015</b>	<b>632,752,650</b>	<b>412,309,890</b>	<b>-</b>	<b>8,301,187</b>	<b>32,345,939</b>	<b>243,852,537</b>	<b>481,931,322</b>	<b>481,931,322</b>	<b>1,811,493,525</b>

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(28,258,422)	65,026,374	(42,600,042)	75,890,003
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	203,141,863	174,231,602	198,659,424	170,140,598
Write-off assets under installation and under construction	-	4,850,000	-	4,850,000
Write-off palm trees	19,555,320	-	19,555,320	-
Loss (gain) on sales of equipment and palm trees	1,206,332	(1,893,601)	1,197,942	(1,893,601)
Reversal of allowance for doubtful debts	(553,840)	(5,062,902)	(589,540)	(5,062,902)
Reduction of cost of inventories to				
net realisable value (reversal)	(2,130,290)	(543,618)	(2,130,290)	878,787
Long-term employee benefits expenses	4,340,375	4,175,702	3,984,020	3,817,984
Unrealised loss (gain) on exchange	(1,626,102)	1,615,132	(1,626,102)	1,615,132
Expenses for share-based payment transactions	3,320,474	3,320,476	3,320,474	3,320,476
Interest income	(415,011)	(2,600,228)	(1,956,910)	(4,052,350)
Interest expenses	37,357,569	36,201,971	36,930,082	35,240,036
Profit from operating activities before changes in				
operating assets and liabilities	235,938,268	279,320,908	214,744,378	284,744,163
Operating assets (increase) decrease				
Trade and other receivables	(38,141,218)	121,238,605	(36,790,079)	118,901,847
Prepaid expenses	(1,792,881)	1,712,588	(1,792,881)	1,712,588
Inventories	(324,627,729)	218,883,194	(327,952,459)	219,541,414
Other current assets	(5,037,296)	(5,995,896)	2,139,713	(6,088,027)
Deposits	(400,000)	(820,000)	-	(20,000)
Operating liabilities increase (decrease)				
Trade and other payables	(62,247,288)	(55,387,128)	(63,573,927)	(55,389,066)
Value added tax payable	(851,996)	(9,006,110)	(851,996)	(9,006,110)
Other current liabilities	1,441,769	(1,091,719)	882,541	(1,550,485)
Cash paid for long-term employee benefits	(6,186,951)	(6,968,740)	(6,186,951)	(6,968,740)
Cash flows from (used in) operating activities	(201,905,322)	541,885,702	(219,381,661)	545,877,584
Cash paid for income tax expenses	(1,410,050)	(4,137,586)	(1,408,831)	(4,135,823)
<b>Net cash flows from (used in) operating activities</b>	<b>(203,315,372)</b>	<b>537,748,116</b>	<b>(220,790,492)</b>	<b>541,741,761</b>

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 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Interest received	415,011	2,600,228	2,267,656	4,077,999
Decrease (increase) in short-term loans to related party	-	-	5,000,000	(22,000,000)
Cash paid for investment in subsidiary	-	-	(93,375,000)	(31,125,000)
Acquisitions of property, plant and equipment	(376,811,629)	(231,939,724)	(119,739,361)	(226,636,277)
Proceeds from sales of equipment	3,016,344	5,089,313	2,716,344	5,089,313
Increase in cost of palm trees	(58,724,373)	(45,801,161)	(58,724,373)	(45,801,161)
Acquisitions of intangible assets	(154,216)	(300,480)	(112,700)	(300,480)
<b>Net cash flows used in investing activities</b>	<b>(434,258,863)</b>	<b>(270,351,824)</b>	<b>(261,967,434)</b>	<b>(316,695,606)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from banks	220,713,327	(240,000,000)	220,713,327	(240,000,000)
Cash received from long-term loans	437,290,000	149,290,000	292,430,000	149,290,000
Repayment of long-term loans	(126,100,000)	(102,000,000)	(111,100,000)	(92,000,000)
Repayment of liabilities under finance leases	(624,609)	(857,257)	(624,609)	(857,257)
Cash received from conversion warrants to ordinary shares	160,607,405	3,374	160,607,405	3,374
Dividend payment	(33,634,173)	(16,817,041)	(33,634,173)	(16,817,041)
Cash paid for interest expenses	(40,481,280)	(40,295,604)	(39,486,197)	(39,285,307)
<b>Net cash flows from (used in) financing activities</b>	<b>617,770,670</b>	<b>(250,676,528)</b>	<b>488,905,753</b>	<b>(239,666,231)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(19,803,565)</b>	<b>16,719,764</b>	<b>6,147,827</b>	<b>(14,620,076)</b>
Cash and cash equivalents at beginning of year	91,461,800	74,742,036	56,701,654	71,321,730
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>71,658,235</b>	<b>91,461,800</b>	<b>62,849,481</b>	<b>56,701,654</b>

## Supplemental cash flows information:

Non-cash transactions				
Land increased from revaluation	20,201,326	35,502,448	20,201,326	35,502,448
Actuarial losses arising from defined benefit plan of employees	791,540	-	1,181,430	-
Interest recorded as property, plant, equipment and cost of palm trees	3,266,629	4,557,858	2,280,337	4,509,496
Purchases of equipment which had yet been paid	2,524,253	294,127	2,524,253	294,127

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



**Chumporn Palm Oil Industry Public Company Limited and its subsidiaries****Notes to consolidated financial statements****For the year ended 31 December 2015****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 the Thai language financial statements.

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	
			2015	2014
			(%)	(%)
CPI Agrotech Co., Ltd.	Production and distribution of palm seeds and palm sprouts	Thailand	100	100
CPP Co., Ltd.	Production and distribution of palm oil and electricity from biogas	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries 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.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

### 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 period

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below:

#### TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or 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 recognise 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 content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does 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 on 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 measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

#### **(b) Financial reporting standard issued during the period and not yet effective**

During the period, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards will not have any significant impact on the financial statements when it is initially applied, except for TAS 41 Agriculture and Accounting Treatment Guidance for Recognition and Measurement of Bearer Plant. The management of the Company is evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

#### **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, and 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 accounts receivable

Trade accounts receivable 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.

#### 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 equity 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 diminution in value (if any).

Amortisation is calculated by reference to cost over the estimated useful life of 20 years, using a systematic basis that takes into account the age of the palm trees.

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
----------	---	----------------

#### 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.

#### 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.

**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.

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.

##### **Interest rate swap contracts**

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

#### **4.19 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:



Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 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 recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **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 as described in Note 12.

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.



### 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.	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
	2015	2014	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Rental income	1.0	1.3	Monthly fees of Baht 0.1 million
Interest income	1.7	1.5	2.90% - 3.19% per annum and rate charged on call borrowings from a bank plus 0.5% per annum

The balances of the accounts as at 31 December 2015 and 2014 between the Company and these related companies are as follows:

	(Unit: Thousand Baht)	
	Separate financial statements	
	2015	2014
<b><u>Other receivables - related party (Note 8)</u></b>		
Subsidiary	9,725	11,299
<b><u>Short-term loans to related party</u></b>		
Subsidiary	50,000	55,000
<b><u>Interest receivables - related party (Note 8)</u></b>		
Subsidiary	124	435

#### Loans to related party

As at 31 December 2015 and 2014, 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			
	Balance as at	During the year		Balance as at
Loan to	1 January 2015	Increase	Decrease	31 December 2015
CPI Agrotech Co., Ltd.	55,000	5,000	(10,000)	50,000

The above loans are unsecured and due at call. Interest is charged at 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 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management recognised in profit or loss as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	20,725	17,418	19,295	16,390
Post-employment and termination benefits	1,120	603	1,007	499
Share-based payment	1,003	1,003	1,003	1,003
Total	22,848	19,024	21,305	17,892

**Guarantee obligations with related party**

The Company had outstanding guarantee obligations with its subsidiary, as described in Note 32.3 a) to the financial statements.

**7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cash	2,333	1,303	2,280	1,280
Bank deposits	69,325	90,159	60,569	55,422
Total	71,658	91,462	62,849	56,702

As at 31 December 2015, bank deposits in saving accounts carried interest at rates of 0.13% - 0.75% per annum (2014: between 0.13% - 0.50% per annum).

**8. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	251,913	203,320	251,913	203,320
Past due				
Up to 1 month	77,480	84,773	77,480	84,284
2 - 3 months	692	-	498	-
3 - 6 months	72	-	-	-
6 - 12 months	489	1,801	489	1,801
Over 12 months	4,428	3,379	4,428	3,379
Total	335,074	293,273	334,808	292,784
Less: Allowance for doubtful debts	(2,989)	(3,542)	(2,953)	(3,542)
Total trade receivables - unrelated parties, net	332,085	289,731	331,855	289,242

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Other receivables</b>				
Other receivables - related party	-	-	9,725	11,299
Interest receivables - related party	-	-	124	435
Other receivables - unrelated parties	1,055	4,714	1,055	4,714
Total	1,055	4,714	10,904	16,448
Less: Allowance for doubtful debts	(681)	(681)	(681)	(681)
Total other receivables - net	374	4,033	10,223	15,767
Total trade and other receivables - net	332,459	293,764	342,078	305,009

## 9. Inventories

(Unit: Thousand Baht)						
Consolidated financial statements						
	Reduce cost to net			Inventories - net		
	Cost	realisable value				
	2015	2014	2015	2014	2015	2014
Finished goods	191,329	141,202	-	(2,130)	191,329	139,072
Raw materials	354,953	72,885	-	-	354,953	72,885
Work in process	17,125	22,247	-	-	17,125	22,247
Spare parts and factory supplies	36,701	39,145	-	-	36,701	39,145
Total	600,108	275,479	-	(2,130)	600,108	273,349

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net		Inventories - net	
			realisable value			
	2015	2014	2015	2014	2015	2014
Finished goods	192,361	141,092	-	(2,130)	192,361	138,962
Raw materials	354,953	72,885	-	-	354,953	72,885
Work in process	97	3,751	-	-	97	3,751
Spare parts and factory supplies	36,000	37,730	-	-	36,000	37,730
Total	583,411	255,458	-	(2,130)	583,411	253,328

Movements in the allowance for diminution in value of inventories account during the years 2015 and 2014, which were presented as cost of sales, are summarised below.



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Balance as at beginning of the year	2,130	2,674	2,130	1,252
Add: Allowance for diminution in value of inventories made during the year (reversal)	(2,130)	(544)	(2,130)	878
Balance as at ending of the year	-	2,130	-	2,130

#### 10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Amounts placed for trading of palm oil forward contracts	25,558	26,144	25,558	26,144
Others	9,994	3,375	2,814	3,373
Total other current assets	35,552	29,519	28,372	29,517

#### 11. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2015 and 2014 are as follows:

Company's name	(Unit: Thousand Baht)					
	Called-up capital		Shareholding percentage		Cost	
	2015	2014	2015	2014	2015	2014
			(%)	(%)		
CPI Agrotech Co., Ltd.	15,000	15,000	100	100	15,000	15,000
CPP Co., Ltd.	125,000	31,625	100	100	125,000	31,625
Total					140,000	46,625

During the current year, CPP Co., Ltd additional called up 75% of its registered share capital. The Company made share payment of Baht 93.4 million to the subsidiary on 10 June 2015.

There was no dividend received from the subsidiaries during the years 2015 and 2014.



## 12. Property, plant and equipment

(Unit: Thousand Baht)

[illegible]

(Unit: Thousand Baht)

Separate 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 2014	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	
Additions	25,511	-	-	20,001	3,627	5,796	2,557	67,051	124,543	
Disposals	-	(866)	(56)	(14,523)	(211)	(3,467)	(1,150)	-	(20,273)	
Transfers	-	100,110	20,925	177,433	1,931	2,916	1,677	(304,992)	-	
Revaluations	20,201	-	-	-	-	-	-	-	20,201	
Adjustment	-	-	-	-	-	-	-	19,669	19,669	
31 December 2015	701,344	267,797	439,770	1,814,378	45,600	131,429	97,069	13,611	3,510,998	
Accumulated depreciation:										
1 January 2014	-	91,373	213,733	941,221	25,237	95,808	67,193	-	1,434,565	
Depreciation charged for the year	-	6,886	19,786	117,656	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	
Depreciation charged for the year	-	11,614	21,334	137,289	3,886	11,337	6,993	-	192,453	
Depreciation on disposals	-	(808)	(42)	(13,084)	(172)	(3,406)	(1,001)	-	(18,513)	
31 December 2015	-	109,065	254,727	1,176,610	32,063	101,819	77,390	-	1,751,674	
Net book value:										
31 December 2014	655,632	70,294	185,466	579,062	11,904	32,296	22,587	231,883	1,789,124	
31 December 2015	701,344	158,732	185,043	637,768	13,537	29,610	19,679	13,611	1,759,324	
Depreciation for the year										
2014 (Baht 142 million included in manufacturing cost, and the remaining balance in administrative expenses)										165,625
2015 (Baht 164 million included in manufacturing cost, and the remaining balance in administrative expenses)										192,453

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".

In 2015, the Company arranged for an independent professional valuer to appraise the value of land acquired in 2015. The basis of the revaluation used was the market approach. The revaluation value of the land is higher than its cost by Baht 20 million. The Company recognised the increase of land revaluation in shareholders' equity in the part of "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	
	2015	2014	2015	2014
<b>Land</b>				
Original cost	100,480	74,969	98,930	73,419
Surplus from revaluation	604,057	583,856	602,414	582,213
Revalued amount	704,537	658,825	701,344	655,632
<b>Stated at cost</b>				
Net book value	100,480	74,969	98,930	73,419

Borrowing costs of the Company and its subsidiaries totaling Baht 3.3 million were capitalised as part of the assets during the year 2015 (2014: Baht 4.6 million) (the Company only: Baht 2.3 million, (2014: Baht 4.5 million)).

As at 31 December 2015, the Company had equipment with net book value of Baht 0.3 million (2014: Baht 1.3 million) which were acquired under finance lease agreements.

As at 31 December 2015, 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 684 million (2014: Baht 515 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
<b>Cost:</b>			
1 January 2014	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
Additions	-	58,725	58,725
Disposals	(2,189)	-	(2,189)
Write off	-	(19,555)	(19,555)
Transfers	53,994	(53,994)	-
Adjustment	-	(19,669)	(19,669)
31 December 2015	177,125	184,198	361,323
<b>Accumulated amortisation:</b>			
1 January 2014	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
Amortisation charged for the year	5,408	-	5,408
Amortisation on disposals	(36)	-	(36)
31 December 2015	18,976	-	18,976
<b>Net book value:</b>			
31 December 2014	111,716	218,691	330,407
31 December 2015	158,149	184,198	342,347
<b>Amortisation for the year (included in manufacturing cost)</b>			
2014			3,758
2015			5,408

## Financial Statements

(Unit: Thousand Baht)

	Separate financial statements		
	Cost of palm trees ready for harvest	Cost of palm trees not ready for harvest	Total
<b>Cost:</b>			
1 January 2014	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
Additions	-	58,725	58,725
Disposals	(2,189)	-	(2,189)
Write off	-	(19,555)	(19,555)
Transfers	53,994	(53,994)	-
Adjustment	-	(19,669)	(19,669)
31 December 2015	172,463	184,198	356,661
<b>Accumulated amortisation:</b>			
1 January 2014	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
Amortisation charged for the year	5,286	-	5,286
Amortisation on disposals	(36)	-	(36)
31 December 2015	18,498	-	18,498
<b>Net book value:</b>			
31 December 2014	107,410	218,691	326,101
31 December 2015	153,965	184,198	338,163
<b>Amortisation for the year (included in manufacturing cost)</b>			
2014			3,637
2015			5,286

As at 31 December 2015, palm trees costing a total of Baht 9 million (2014: Baht 9 million) were located on land over which the Company had only occupancy rights.

**14. Intangible assets**

The net book value of intangible assets which is computer software as at 31 December 2015 and 2014 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cost	19,517	19,363	19,420	19,307
Less: Accumulated amortisation	(14,203)	(13,272)	(14,187)	(13,265)
Net book value	5,314	6,091	5,233	6,042

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	6,091	6,676	6,042	6,621
Acquisition of computer software	155	300	113	300
Amortisation	(932)	(885)	(922)	(879)
Net book value at end of year	5,314	6,091	5,233	6,042

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 2015 and 2014, the Company has made full payment of the purchase price.

**16. Bank overdrafts and short-term loans from banks**

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Bank overdrafts	7.375 (2014: None)	713	-	713	-
Short-term loans from banks	2.20 - 2.40 (2014: 2.70 - 2.90)	860,000	640,000	860,000	640,000
Total		860,713	640,000	860,713	640,000



## 17. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Trade payables	51,488	117,108	51,488	116,906
Accrued expenses	13,749	13,458	12,169	13,247
Other payables	20,533	14,786	19,222	14,054
Total trade and other payables	85,770	145,352	82,879	144,207

## 18. Long-term loans

	Credit line	Interest rate (% per annum)	Repayment condition	Consolidated		(Unit: Thousand Baht)	
				financial statements		Separate	
				2015	2014	2015	2014
1) Credit line of Baht 550 million of the Company	MLR - 2 to 2.25	Quarterly instalments of Baht 23 million for the first 23 instalments and Baht 21 million for the final instalment. The repayment period is within August 2016		67,000	159,000	67,000	159,000
2) Credit line of Baht 204 million of the Company (2014: Baht 229 million)	MLR - 3	Grace period until the earlier of 18 months, the first instalment starts from June 2015, then quarterly instalments of not less than Baht 9.55 million. The repayment period is within March 2021		204,220	180,890	204,220	180,890
3) Credit line of Baht 250 million of the Company	THBFX + 2.32	Monthly instalments of Baht 4.2 million for 60 months, the last instalment is remaining principal and accrued interest. The repayment period is from January 2016 to January 2021		250,000	-	250,000	-
4) Credit line of Baht 30 million of the subsidiary	MLR - 2.25	Semi-annually instalments of not less than Baht 5 million from September 2013 to March 2016		-	15,000	-	-
5) Credit line of Baht 800 million of the subsidiary	AMLR - 2.90	Grace period until the earlier of 18 months, then semi - annually instalments of Baht 67 million for 11 instalments and Baht 63 million for the final instalment. The repayment period is within August 2022.		144,860	-	-	-
Total				666,080	354,890	521,220	339,890
Less: Current portion				(155,150)	(130,650)	(155,150)	(120,650)
Long-term loans, net of current portion				500,930	224,240	366,070	219,240

Movement in the long-terms loans account during the year 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	354,890	339,890
Add: Additions	437,290	292,430
Less: Repayments	(126,100)	(111,100)
Balance as at 31 December 2015	666,080	521,220

On 4 August 2015, CPP Company Limited ("the subsidiary") entered into loan agreement with a local bank of Baht 800 million. The objective is to fund the acquisition of plant, machinery and power plant. Long-term loan is a Baht loan and to be repaid in full within 7 years and 6 months. The loan is payable on semi-annual basis, the first installment is payable in February 2017.

On 16 October 2015, the Company entered into loan agreement with a local bank of Baht 250 million. The objective is to fund the working capital. Long-term loan is to be repaid in full within 5 years. The loan is payable on monthly basis, the first installment is payable in January 2016.

Long-term credit facilities of the Company are collateral-free loans. The loan of the subsidiary is guaranteed by the Company. The loan agreements contain several covenants 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.

As at 31 December 2015, the Company did not have long-term credit facilities that it has yet to draw down (2014: the Company's long-term credit facilities which have not yet been drawn down amounted to Baht 48 million). As at 31 December 2015, the subsidiary has long-term credit facilities that it has not yet been drawn down amounted to Baht 655.14 million (2014: the subsidiary did not have long term credit facilities that it has yet to draw down).

In order to manage the interest rate risks associated with the Company's long-term loans from banks as described in Note 18.2 and Note 18.3, the Company entered into interest rate swap agreements with two commercial banks to swap interest rates as described in Note 34.1.

## 19. Liabilities under finance leases

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	2015	2014
Liabilities under finance leases	-	636
Less: Deferred interest expenses	-	(11)
Total	-	625
Less: Portion due within one year	-	(625)
Liabilities under finance leases - net of current portion	-	-

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

As at 31 December 2014, 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

## 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:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	44,477	47,270	42,814	45,964
Included in profit or loss:				
Current service cost	2,576	2,047	2,262	1,741
Interest cost	1,502	2,128	1,460	2,077
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(3,452)	-	(3,071)	-
Financial assumptions changes	1,966	-	2,044	-
Experience adjustments	2,277	-	2,207	-
Benefits paid during the year	(5,924)	(6,968)	(5,924)	(6,968)
Provision for long-term employee benefits at end of year	43,422	44,477	41,792	42,814

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Current service cost	2,576	2,047	2,262	1,741
Interest cost	1,502	2,128	1,460	2,077
Total expenses recognised in profit or loss	4,078	4,175	3,722	3,818
Line items in profit or loss under which such expenses are included				
Cost of sales	1,253	511	1,253	511
Selling and administrative expenses	2,825	3,664	2,469	3,307

The Company and its subsidiaries expect to pay Baht 0.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.6 million) (2014: Baht 5 million, separate financial statements: Baht 5 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 14 years (Separate financial statements: 14 years) (2014: 14 years, (separate financial statements: 14 years)).



## Financial Statements

รายงานประจำปี 2558  
(มหาชน)  
บริษัท อุตสาหกรรมน้ำมันปาล์ม จำกัด

Key actuarial assumptions used for the valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Discount rate	3.3	3.9	3.3	3.9
Future salary increase rate	5.0	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 result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
	(2)	2	(2)	4
Discount rate	(2)	2	(2)	4
Salary increase rate	2	(2)	2	(2)
Turnover rate	Consolidated financial statements		Separate financial statements	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
	2	(2)	2	(2)

## 21. Share capital

During the current year, the holder of 71,383,699 CPI-W1 warrants exercised options to purchase 72,183,103 ordinary shares at an exercise price of Baht 2.225 each, resulting in an increase in the Company's paid-up share capital from Baht 560,569,547 to Baht 632,752,650. The Company received payment of the additional share capital amounting to Baht 160.6 million in June 2015 and registered the increase in paid-up share capital with the Ministry of Commerce on 7 July 2015. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 13 July 2015.

### Reconciliation of issued and paid-up ordinary shares

	(Unit: Shares)	
	Consolidated and	Separate
	financial statements	financial statements
	2015	2014
Number of ordinary shares at beginning of year	560,569,547	560,568,040
Increase from exercise of warrants	72,183,103	1,507
Number of ordinary shares at end of year	632,752,650	560,569,547



## 22. Warrants

### 22.1 CPI-W1

Details of CPI-W1 warrants, which were issued and offered to existing shareholders, 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 1.00471 ordinary share
Exercise price	: Baht 2.239 per share
Exercise date	: Every 6 months from the date of issuance, the first exercise date was 30 December 2013 and the final exercise date was 30 June 2015
Date of issuance	: 2 July 2013
Maturity of warrants	: 2 years from the date of issuance warrants
Number of issued warrants	: 148,899,980 units

On 17 March 2015, the Company adjusted the exercised price and exercised ratio for the CPI-W1 warrants as a result of a resolution of a meeting of the Board of Directors of the Company on 25 February 2015 to propose the dividend payment for the year 2014, 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 1.00471 ordinary share	1 warrant to purchase 1.01120 ordinary shares
Exercise price	Baht 2.239 per share	Baht 2.225 per share

#### Reconciliation of number of CPI-W1 warrants

	(Unit: Units)	
	Consolidated and Separate financial statements	
	31 December 2015	31 December 2014
Number of warrants at the beginning of year	148,898,480	148,899,980
Less: Exercised during the year (Note 21)	(71,383,699)	(1,500)
Less: Expired during the year	(77,514,781)	-
Number of warrants at the end of year	-	148,898,480

The Company transferred warrants approximately Baht 38.8 million, which expired during the year to share premium.

## 22.2 ESOP #1

Details of ESOP #1 warrants, which were issued and offered to directors and employees of the Company and its subsidiaries, 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	: 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 the year 2015, the Company recorded expenses of Baht 3.3 million (2014: Baht 3.3 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 2015, the Company had 28,000,000 unexercised ESOP #1 warrants (2014: 28,000,000 warrants), which included 2,890,900 unallocated warrants (2014: 1,959,000 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.

### 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 2015 and 2014 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Balance as at beginning of the year	467,084	438,682	465,770	437,368
Revaluation during the year (Note 12)	20,201	35,503	20,201	35,503
Income tax effect	(4,040)	(7,101)	(4,040)	(7,101)
Balance as at ending of the year	483,245	467,084	481,931	465,770

### 25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Salaries, wages and other employee benefits	268,424	277,704	252,848	258,434
Depreciation and amortisation	203,142	174,232	198,659	170,141
Raw materials and consumables used	3,148,965	3,688,180	3,145,795	3,683,986
Changes in finished goods	52,257	61,642	53,399	60,621
Fuel and energy	50,974	59,541	50,974	59,541



## Financial Statements

**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	
	2015	2014	2015	2014
<b>Deferred tax assets</b>				
Allowance for doubtful debts	-	136	-	136
Allowance for diminution in value of inventories	-	426	-	426
Provision for long-term employee benefits	8,281	8,563	8,358	8,563
Unused tax losses	11,002	-	11,002	-
<b>Total</b>	<b>19,283</b>	<b>9,125</b>	<b>19,360</b>	<b>9,125</b>
<b>Deferred tax liabilities</b>				
Finance lease agreements	153	136	153	136
Revaluation surplus on assets	120,812	116,772	120,483	116,443
<b>Total</b>	<b>120,965</b>	<b>116,908</b>	<b>120,636</b>	<b>116,579</b>
<b>Deferred tax liabilities - net</b>	<b>101,682</b>	<b>107,783</b>	<b>100,276</b>	<b>107,454</b>

The unused tax losses amounting to Baht 55 million will expire by the year 2020.

**26.2 Income tax expenses**

Income tax expenses for the years ended 31 December 2015 and 2014 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Corporate income tax charge for the year	-	5,391	-	5,391
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(9,982)	9,724	(9,982)	9,724
<b>Income tax (revenues) expenses reported in the statements of comprehensive income</b>	<b>(9,982)</b>	<b>15,115</b>	<b>(9,982)</b>	<b>15,115</b>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit (loss) before tax	(28,258)	65,026	(42,600)	75,890
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(5,652)	13,005	(8,520)	15,178
Effects of:				
Promotional privileges (Note 27)	(4,926)	(346)	(1,331)	(346)
Non-deductible expenses	1,742	2,991	1,742	2,919
Additional expense deductions allowed	(1,867)	(2,636)	(1,867)	(2,636)
Others	(6)	71	(6)	-
Unused tax losses of subsidiaries which may not utilise	727	2,030	-	-
Income tax expenses (revenue) reported in the statements of comprehensive income	(9,982)	15,115	(9,982)	15,115

As at 31 December 2015, the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 4 million (2014: Baht 40 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.

### 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 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax relating to income tax effect of:				
Actuarial losses arising from defined benefit plan of employees	(158)	-	(236)	-
Gain on revaluation of land	4,040	7,101	4,040	7,101
	3,882	7,101	3,804	7,101



## 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 operations

The Company's and its subsidiaries' operating revenues for the years ended 31 December 2015 and 2014, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Non-promoted		Total		
	Promoted operations	operations	2015	2014	2014
Sales					
Domestic sales	79,375	31,682	3,513,162	4,214,488	3,592,537
Export sales	-	-	317,225	414,579	317,225
Total	79,375	31,682	3,830,387	4,629,067	3,909,762
					4,660,749

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2015	2014	2015	2014	2015	2014
Sales						
Domestic sales	28,125	3,671	3,513,162	4,214,488	3,541,287	4,218,159
Export sales	-	-	317,225	414,579	317,225	414,579
Total	28,125	3,671	3,830,387	4,629,067	3,858,512	4,632,738

## 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.

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

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

	Consolidated financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share	
	2015	2014	2015	2014	2015	2014
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit (loss) attributable to equity holders of the Company	(18,276)	49,911	598,069	560,569	(0.031)	0.089
<b>Effect of dilutive potential ordinary shares</b>						
CPI-W1 warrants		-		26,455		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of CPI-W1 warrants to ordinary shares		49,911		587,024		0.085

Separate financial statements						
	Weighted average				Earnings (loss) per share	
Profit (loss) for the year	2015	2014	number of ordinary shares	2015	2014	2014
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit (loss) attributable to equity holders of the Company	(32,618)	60,775	598,069	560,569	(0.055)	0.108
<b>Effect of dilutive potential ordinary shares</b>						
CPL-W1 warrants		-		26,455		
<b>Diluted earnings per share</b>						
Profit attributable to ordinary shareholders assuming the conversion of CPL-W1 warrants to ordinary shares		60,775		587,024		0.104

There is no disclosure of diluted earnings per share for the years 2015 and 2014 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.

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



## Financial Statements

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 2015 and 2014, respectively.

(Unit: Million Baht)

For the year ended 31 December 2015						
	Palm oil products segment	Palm seeds and palm sprouts segment	Other segments	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	3,831	51	28	3,910	-	3,910
Interest income	2	-	-	2	(2)	-
Interest expenses	37	2	-	39	(2)	37
Depreciation and amortisation	190	4	9	203	-	203
Income tax expenses	10	-	-	10	-	10
<b>Segment profit (loss)</b>	<b>(38)</b>	<b>13</b>	<b>7</b>	<b>(18)</b>	<b>-</b>	<b>(18)</b>

(Unit: Million Baht)

For the year ended 31 December 2014						
	Palm oil products segment	Palm seeds and palm sprouts segment	Other 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
<b>Segment profit (loss)</b>	<b>58</b>	<b>(10)</b>	<b>2</b>	<b>50</b>	<b>-</b>	<b>50</b>

### Geographic information

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

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

Revenue from external customers	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2015	2014
Thailand	3,592,537	4,246,170
Singapore	213,021	361,520
Others	104,204	53,059
Total	<u>3,909,762</u>	<u>4,660,749</u>

### Major customers

For the year 2015, the Company had revenue from two major customers in amount of Baht 932 million (2014: two major customers in amount of Baht 1,067 million), arising from sales by the palm oil products segment.

### 30. Provident fund

The Company, its subsidiaries and their 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.

The contributions for the year 2015 by the Company and its subsidiaries amounting to approximately Baht 5.4 million (2014: Baht 5.6 million), to the provident fund (the Company only: Baht 5 million (2014: Baht 5.3 million)) were recognised as expenses.



**31. Dividend payment**

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 23 April 2014	16,817	0.03
Final dividends for 2014	Annual General Meeting of the shareholders on 24 April 2015	33,634	0.06

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

As at 31 December 2015, the Company and its subsidiaries had capital commitments of approximately Baht 405 million and Japanese Yen 217 million (2014: Baht 110 million) (the Company only: Baht 1 million (2014: Baht 25 million)), relating to the construction of building and the acquisitions of machinery and equipment.

**32.2 Service commitments**

As at 31 December 2015, the Company and its subsidiary had payment commitments due within 1 year under service agreements totaling Baht 5 million (2014: Baht 3 million) (the Company only: Baht 4 million (2014: Baht 3 million)).

**32.3 Bank guarantees**

- a) As at 31 December 2015, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 1,015 million and USD 27 million (2014: Baht 30 million).
- b) As at 31 December 2015, 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			
	2015	2014	
Letters of guarantee for stabilization of palm and palm oil price	6	-	
Letters of guarantee for electricity usage	4	4	
Total	10	4	
(Unit: Million USD)			
Consolidated and Separate financial statements			
	2015	2014	
Letters of guarantee for payments due to a creditor	-	1.2	

### 32.4 Commitments related to advanced sale agreements

The Company entered into advanced sale agreements which specified quantity and selling price with local customers. As at 31 December 2015, the Company has sale value of Baht 80 million which the goods will be delivered during January 2016 to March 2016 (31 December 2014: Baht 73 million which the goods would be delivered during January to December 2015).

### 33. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Land	-	705	-	705
Assets for which fair value are disclosed				
Derivative	-	5	-	5
Foreign currency forward contracts	-	5	-	5
Liabilities for which fair value are disclosed				
Derivative	-	5	-	5
Interest rate swap	-	5	-	5

(Unit: Million Baht)				
	Separate Financial Statements			Total
	Level 1	Level 2	Level 3	
<b>Assets measured at fair value</b>				
Land	-	701	-	701
		-		
<b>Liabilities for which fair value are disclosed</b>				
Derivative				
Interest rate swap	-	5	-	5

### 34. Financial instruments

#### 34.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, amounts placed for trading 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.

As at 31 December 2015 and 2014, 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.

## Financial Statements

รายงานประจำปี 2558  
บริษัท ชุมพรอุตสาหกรรมน้ำมันปาล์ม จำกัด (มหาชน)

Consolidated financial statement							(Unit: Million Baht)
2015							
Fixed interest rates							
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)	
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	2	72	Note 7	
Trade and other receivables	-	-	-	332	332	-	
Amounts placed for trading of palm oil forward contracts	-	-	-	-	26	-	
<b>Financial liabilities</b>							
Bank overdrafts and short- term loans from banks	860	-	-	1	861	Note 16	
Trade and other payables	-	-	-	86	86	-	
Long-term loans	-	-	-	666	666	Note 18	

(Unit: Million Baht)

Separate financial statement							
2015							
Fixed interest rates							
Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)	
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	61	63	Note 7	
Trade and other receivables	-	-	-	342	342	-	
Short-term loans to related party	8	-	-	42	50	Note 6	
Amounts placed for trading of palm oil forward contracts	-	-	-	-	26	-	
<b>Financial liabilities</b>							
Bank overdrafts and short- term loans from banks	860	-	-	1	861	Note 16	
Trade and other payables	-	-	-	83	83	-	
Long-term loans	-	-	-	521	521	Note 18	



## Financial Statements

(Unit: Million Baht)

	Consolidated 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	-	-	-	90	1	91	Note 7
Trade and other receivables	-	-	-	-	294	294	-
Amounts placed for trading of palm oil forward contracts	-	-	-	-	26	26	-
Financial liabilities							
Short-term loans from banks	640	-	-	-	-	640	Note 16
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						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	56	1	57	Note 7
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	-
Financial liabilities							
Short-term loans from banks	640	-	-	-	-	640	Note 16
Trade and other payables	-	-	-	-	144	144	-
Long-term loans	-	-	-	340	-	340	Note 18
Liabilities under finance leases	1	-	-	-	-	1	5.95



### Interest rate swap agreements

The Company entered into interest rate swap agreement in order to manage the interest rate risks associated with the Company's long-term loans from banks. The details of the interest rate swap agreements outstanding as at 31 December 2015 are summarized below.

As at 31 December 2015				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 250 million (5 years)	Floating rate 1-month THBFIX plus 2.32%	Fixed rate as stipulated in swap agreement.	December 2020
2	Baht 204 million (5 years)	Floating rate MLR - 3%	Fixed rate as stipulated in swap agreement.	September 2020

### Foreign currency risk

The Company's and its subsidiaries 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 2015 and 2014, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2015	2014	2015	2014	2015	2014
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	-	17	14	36.0886	32.963
Ringit Malaysia	2,559	2,786	-	-	8.4280	9.421

Foreign exchange contracts outstanding of a subsidiary are summarised below.

As at 31 December 2015			
Foreign currency	Bought amount	Contractual exchange rate - Bought	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
Japanese yen	217,800	0.2806	5 July 2016

As at 31 December 2014, the subsidiaries did not have any foreign exchange contracts.

As at 31 December 2015 and 2014, the Company did not have any foreign exchange contracts.

### 34.2 Fair value of financial instruments

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

The estimated fair values of the derivatives as at 31 December 2015 and 2014 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	Fair value	Fair value	Fair value	Fair value
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
<b>Derivatives</b>				
Forward exchange contracts	4.7	-	-	-
Interest rate swap contracts	(4.8)	-	(4.8)	-
Forward contracts to sell palm oil	-	0.2	-	0.2

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

### **35. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.99:1 (2014: 0.79:1) and the Company's was 0.90:1 (2014: 0.76:1).

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

On 24 February 2016, a meeting of the Company's Board of Directors passed a resolution proposing the payment of a dividend of Baht 0.03 per share, totaling to Baht 18.98 million from retained earnings, for approval by the Annual General Meeting of the Company's shareholders.

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

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 24 February 2016.





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, Chumporn 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

Website : [www.cpi-th.com](http://www.cpi-th.com) E-mail : [info@cpi-th.com](mailto:info@cpi-th.com)