



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



ANNUAL
REPORT

2018
รายงานประจำปี 2561

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บริษัท ชุมพรอุตสาหกรรมน้ำมันปาล์ม จำกัด (มหาชน)

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Message from Chairman of the Board of Directors

Dear shareholders,

Thailand's overall economy in the year 2018 grew by 4.2 percent, but in the second half of the year exports began to slow down due to the effects of the US-China trade war. As for the Thai economy in the year 2019, it is expected to expand by 3.5 - 4.5 percent supported by household spending which is still likely to expand. Total investment continues to grow as well, showing improvements in the tourism sector, international trade volume and export growth as well as production and international investment. These factors will result in a more positive overall economic outlook.

For the palm oil industry in the year 2018, production continued to increase. Both from growing plantations and climate conditions leading to consistently high production while consumption of palm oil grew at a slower rate causing excess production. This affected all sectors of the industry from farmers who sold products at a lower price to manufacturers who had increased product stocks due to limited consumption in the country. Exports could only be made during the first half of 2018. In addition, the palm oil industry was the focus of attacks falsely accusing palm oil as a cause of disease. Furthermore, Europe also took an anti-palm oil consumption stance affecting demand to some degree. It is an important issue for the industry to educate the general public about the facts about palm oil instead of jumping to quick judgements. Overall the picture of the industry last year was one of intense competition and many challenging obstacles to overcome.

For the palm oil industry in 2019, production is expected to continue growing though at a slower rate while the consumer side is expected to have a better chance of recovering in the global market. This is due to major importing countries such as India that will have to ease import tariffs on palm oil and expected easing measures to anti palm oil sentiment in the European renewable energy sector. A major factor will also be the increasing use of biodiesel from Malaysia, Indonesia as well as Thailand that will help increase demand for palm oil causing the price to be more stable. However, conflicts and trade countermeasures between China and the United States are still an important factor that will affect the price of soybean oil which affects the price of palm oil as well. Therefore, it is still a year to be careful and plan accordingly.

Finally, the Board of Directors and the management team would like to thank all our shareholders, customers and all business partners for their continued support to the company. We are ready to move forward firmly with confidence that we can manage the operations of the Company with even greater efficiency and improved results.



Mr. Banphot Hongthong
Chairman of the Board of Directors

The Nomination and Remuneration Committee's Report

Dear shareholders,

In 2018 The Nomination and Remuneration Committee held a total of three meetings and it can be summarized as follows:

1) Nomination of qualified candidates to replace retiring director. In 2018 the company allowed our shareholders to voice their concerns and propose to nominate in advance the persons whom they deemed suitable to become a part of the Board of Director during September 1' 2017 – November 30 '2017 before the Annual General Meeting of year 2018 but no shareholders propose nominate candidates to be elected as the Company's Director.

2) Nomination of qualified candidates to replace director who resign before retiring term. One director resigned before retiring term. The Nomination and Remuneration Committee nominated a person to replace and propose to the Board of directors for consideration and approval.

3) In determining compensation for the Board of directors, the committee took into account commensuration with duties and assigned responsibilities. The compensation rate is still suitable which compared to companies in similar industries and business.



Mr. Banphot Hongthong

Chairman of the Nomination and Remuneration Committee

The Risk Management Committee's report

Dear Shareholders,

In 2018, the Risk Management Committee has performed functions under the scope of performance, duty and responsibility. There were four meetings and always presented to the Board of Directors. In essence, it can be summarized as follows.

- 1) Consideration and suggestion the format and form to prepare the risk management report.
- 2) Consideration the risk factor may occur or impact to the organization as Strategic, Operation, Reporting and Compliance.
- 3) Follow up the performance of risk management in every quarter and give suggestion to meet the goal.
- 4) Consideration the interim financial statement as compare previous year and budget to consider the risk factor may affect the performance.
- 5) Follow up the risk factor which may affect the operation from the Management as assign by Board of director.
- 6) Consideration the adequacy of insurance to be able to claim compensation.



Mr.Paiboon Kujareewanich
Chairman of the Risk Management Committee

The Corporate Governance Committee's report

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. For all those reason the board of directors appointed the Corporate Governance Committee since Year 2015.

In 2018, the Corporate Governance Committee held a total of four meetings. The results of the meeting are reported to the board of directors. 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 (Corporate Governance Report of Thai Listed Companies : CGR) that the average result of company evaluation in 2018 is 90% and score of overall listed companies is 81%, so it is equal to 5 stars level. 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 locations of manufacturing base by manage budget 1,129,076 Baht to create the activities such as Mangrove forest planting activity, Forst planting & Release fish on Mother's day activity, Children's day activity, Renovation of playground, Renovation of library 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 about 69 rai 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. There are over 18,874 visitors since it has opened and also offers Professional Palm Management Course since now the training has already taken 19 classes which are about 10-12 people per class.

4) Compliance with the Anti-Corruption Measure, the company has certified as a member of the Collective Action Coalition Against Corruption since October 2016 which internal audit deparment has been rechecked and audited in every year.

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

The Executive Board's report

Dear Shareholders,

In 2018, the Executive Board held a total of nineteen meetings. It can be summarized as follows;

- 1) Supervise and provide recommendation to the management to manage the company's business in accordance with the policy, assignment and recommendation from the board of directors and shareholders.
- 2) Scrutinize and recommendation for the new investment projects which are proposed by the management before present to the board of directors to consider and approve.



Mr. Takon Tawintermsup
Chairman of the Executive Board

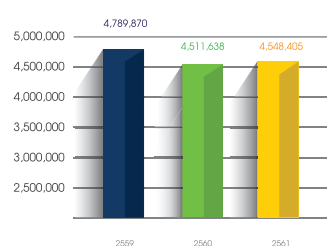
Financial Highlights

(Unit : Thousand Baht)

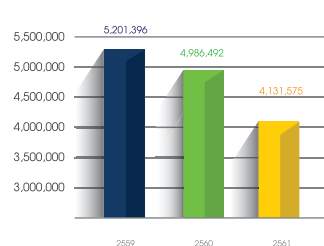
Detail	Year 2016	Year 2017	Year 2018
Total Assets	4,789,870	4,511,638	4,548,405
Total Liabilities	3,018,200	2,742,723	2,781,872
Total Shareholders' Equity	1,771,670	1,768,915	1,766,533
Sales	5,167,487	4,955,817	4,112,338
Service income	5,460	18,554	8,301
Total Revenues	5,201,396	4,986,492	4,131,575
Gross profit	368,773	455,689	355,728
Net Profit (Loss)	(16,267)	16,196	(139,418)
Earning per Revenue (%)	(0.31)	0.32	(3.37)
Return on Equity (%)	(0.92)	0.92	(7.89)
Return on Asset (%)	(0.34)	0.36	(3.07)
Earnings per Share (Baht)	(0.026)	(0.026)	(0.220)
Book value per Share (Baht)	2.80	2.80	2.79
Dividend per Share (Baht)	0.03	0.04	N/A

N/A : Dividend will be considered and approved on Annual General Meeting No. 1/2019 on April 25, 2019.

Total Assets



Total Revenues



Net Profit (Loss)



The Board of Directors



Mr. Banphot Hongthong

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



Mr. Nopporn Picha

Independent Director
Chairman of the Audit Committee
Member of the Nomination and Remuneration Committee



Assoc. Prof. Dr. Ninnat Olanvoravuth

Independent Director
Member of the Audit Committee



Mr. Paiboon Kujareevanich

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



Mr. Saravut Menasavet

Independent Director
Member of the Audit 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. Kittu Chatlekhavanich

Director
Member of the Risk Management Committee



Mr. Songridth Niwattisaiwong

Director
Member of the Corporate Governance Committee



Mr. Racho J Tawintermsup

Director

The Management



Mr. Kritbhong Takviriyanan
Chief Executive Officer



Mr. Racho Tawintarnsup
Deputy Chief Executive Officer



Mrs. Ratsamee Pongjindanon
Chief Financial Officer
and Acting Internal Audit Manager



Mr. Thawatchai Chomwarn
Sale & Marketing Director



Mr. Somchai Chantaramanee
Factory Director



Mr. Chamnan Pitikrittiyakron
Assistant Factory Director



Mr. Kritsana Sommart
Assistant Factory 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, Refined palm oil and including cooking oil and related industry. 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 were 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)

Policy and Business Operation Overview

Vision Mission and Policies

Vision

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

Mission

- 1) The company will produce good quality of palm oil products supplied to local and international edible oil industry and related industry with friendly environment.
- 2) Research and Development to acquire innovative products.
- 3) Emphasis efficient management and personnel development.
- 4) Add value for stakeholders including taking part in community around the factory.

Quality Policy

The Company and subsidiary are 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.5/2018 on November 8, 2018)

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

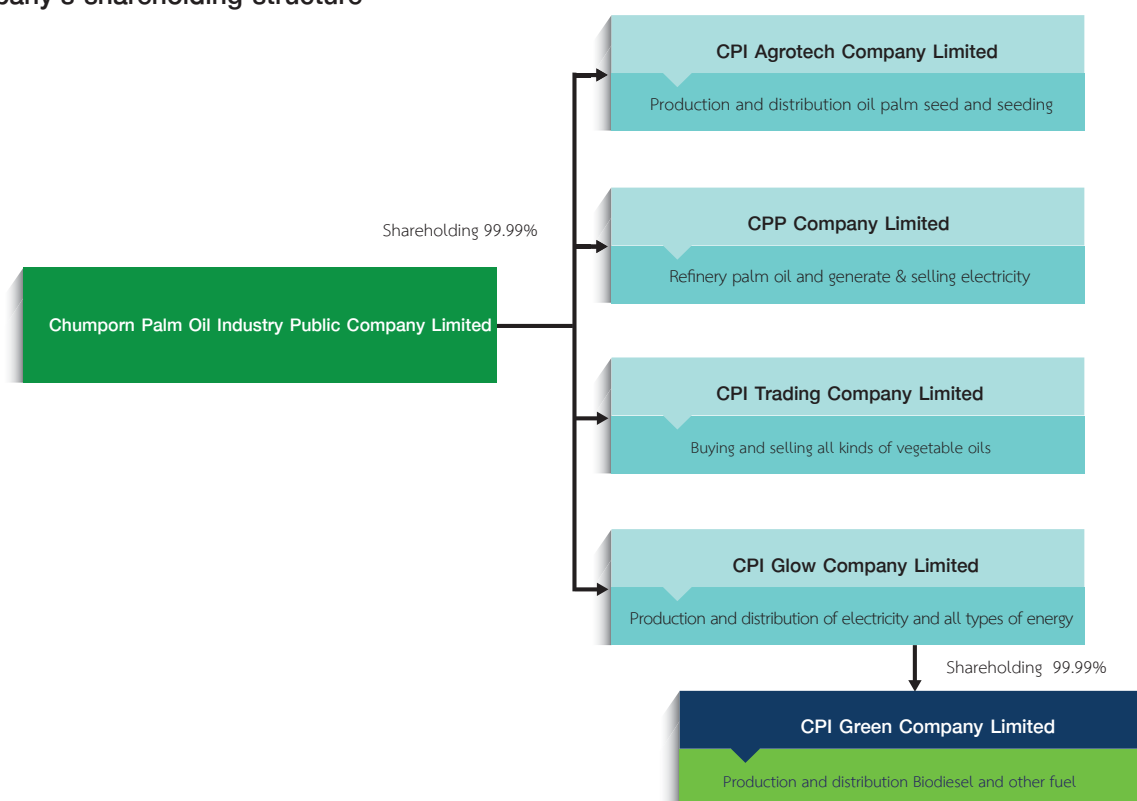
1. White Factory (zero drug policy)
2. Total Productive Maintenance (TPM)
3. Corporate Social Responsibility (CSR) and Corporate Governance (CG)
4. Anti-Corruption

Policy and Business Operation Overview

- Year 2015 Increasing registered capital 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.
- Year 2016 Established the subsidiary namely, CPI Green Company Limited and CPI Trading Company to support the future business plan which are expected to perform.
- Year 2016 Being awarded “Prevention and Correction of drugs problems in the workplace”.
- Year 2016 Department of Business Development granted the certification of the package quantity.
- Year 2016 The Company has certified as a member of the Collective Action Coalition Against Corruption since October 2016.
- Year 2017 The Board of Investment granted CPP Company Limited promotional privileges certificate No. 59-1178-1-00-1-0 on July 13, 2016 for Biomass.
- Year 2017 Established the subsidiary namely, CPI Glow Company Limited to support the future business plan which are expected to perform.
- Year 2017 Restructure of the Shareholding in the Company’s Subsidiary. The objective is to enhance the flexibility and efficiency of internal management for Energy business group by transfer 4,999,995 shares in CPI Green Company Limited to CPI Glow Company Limited.
- Year 2017 CPI Glow Company Limited call up shared capital from shareholder for 1% from 25% to be 26%.
- Year 2017 CPI Trading Company Limited call up shared capital from shareholder for 75% to be fully paid.
- Year 2017 Established the subsidiary namely, CPI Energy Company Limited to support the future business plan which are expected to perform about Production and distribution of biodiesel and other fuel.
- Year 2017 Department of Business Development granted the certification of the package quantity.
- Year 2017 Established the subsidiary namely, All Bloom Coconut Company Limited to support the future business plan which are expected to perform about Research, Improvement, Development, Breeding, Seedling production & distribution of Coconut, Palm Oil and all kind of plant.
- Year 2018 Being awarded “2018 National Excellent Establishment” on Occupational Health Safety and Environment in Safety Week Activity in the Southern part of Thailand.
- Year 2018 CPI Energy Company Limited and All Bloom Coconut Company Limited was registered the dissolution and the liquidation with the Department of Business Development.

Policy and Business Operation Overview

The Company's shareholding structure



- Remark**
- 1) CPI Agrotech Company Limited, CPP Company Limited, CPI Green Company Limited, CPI Trading Company Limited and CPI Glow Company Limited have not invested in other company.
 - 2) CPI Green Company Limited, CPI Trading Company Limited and CPI Glow Company Limited have been established to support the future business plans which are expected to perform.
 - 3) All Bloom Coconut Company Limited and CPI Energy Company Limited was registered the dissolution on September 24, 2018 and registered the liquidation on December 12, 2018 and December 13, 2018 with the Department of Business Development respectively.

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 capital company more Baht 10,000,000 to be total registered capital Baht 15,000,000 with ordinary shares 1,500,000 shares par value per share Baht 10.

Policy and Business Operation Overview

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 capital company more Baht 124,500,000 which paid up the capital in the first time 25% to be total registered capital Baht 125,000,000 with ordinary shares 12,500,000 shares par value per share Baht 10 and in 2015 paid up the capital 75% to be fully value.

In 2016 registered increasing capital company more Baht 60,000,000 which paid up fully value to be total registered capital Baht 185,000,000 with ordinary shares 18,500,000 shares par value per share Baht 10.

In 2018 registered increasing capital company more Baht 6,000,000 which paid up fully value to be total registered capital Baht 191,000,000 with ordinary shares 19,100,000 shares par value per share Baht 10.

CPI Green Company Limited

Production and distribution Biodiesel and other fuel. CPI Green Company Limited has been registered as a juristic person under the Civil and Commercial Code on February 3, 2016 with initial registered capital of Baht 50,000 with ordinary shares 5,000 shares par value per share Baht 10 which paid up in the first time 25% and then increasing capital company more Baht 49,950,000 which paid up in the first time 25% to be total registered capital Baht 50,000,000. The company has been established to support the future business plans which are expected to perform.

CPI Trading Company Limited

Buying and selling all kinds of vegetable oils. CPI Trading Company Limited has been registered as a juristic person under the Civil and Commercial Code on February 3, 2016 with initial registered capital of Baht 50,000 with ordinary shares 5,000 shares par value per share Baht 10 which paid up in the first time 25%. In 2016 paid up the capital 75% to be fully value. The company has been established to support the future business plans which are expected to perform.

CPI Glow Company Limited

Production and distribution of electricity and all types of energy. CPI Glow Company Limited has been registered as a juristic person under the Civil and Commercial Code on January 4, 2017 with initial registered capital of Baht 50,000 with ordinary shares 5,000 shares par value per share Baht 10 which paid up in the first time 25% and then increasing capital company more Baht 45,500,000 which paid up in the first time 25% to be total registered capital Baht 50,000,000. In 2017 paid up the capital 1% to be 26%. The company has been established to support the future business plans which are expected to perform.

Policy and Business Operation Overview

CPI Energy Company Limited

Production and distribution of biodiesel and other fuel. CPI Energy Company Limited has been registered as a juristic person under the Civil and Commercial Code on April 5, 2017 with initial registered capital of Baht 50,000 with ordinary shares 5,000 shares par value per share Baht 10 which paid up in the first time 25%. The company has been established to support the future business plans which are expected to perform.

Remark CPI Energy Company Limited was registered the dissolution on September 24, 2018 and registered the liquidation on December 13, 2018 with the Department of Business Development.

All Bloom Coconut Company Limited

Research, Improvement, Development, Breeding, Seedling production & distribution of Coconut, Palm Oil and all kind of plant. All Bloom Coconut Company Limited has been registered as a juristic person under the Civil and Commercial Code on September 7, 2017 with initial registered capital of Baht 5,000,000 with ordinary shares 500,000 shares par value per share Baht 10 which paid up in the first time 25%. The company has been established to support the future business plans which are expected to perform.

Remark All Bloom Coconut Company Limited was registered the dissolution on September 24, 2018 and registered the liquidation on December 12, 2018 with the Department of Business Development.

Company and Subsidiary Company's Investment Policy

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

General Information

Chumporn Palm Oil Industry Public Company Limited

Head Office	: 296, Moo 2, Phet Kasem Road, Salui Sub District, Thasae District, Chumporn 86140 Tel. (077) 611 000 Fax. (077) 611 011
Branch Office No 1.	: 1168/91 Lumpini Tower, 30th Floor, Rama IV Road, Thung Maha Mek, Sathorn, Bangkok 10120 Tel. (662) 679 9166-72 Fax. (662) 285 6369
Branch Office No 2.	: 28/6 Moo 9, Chiang Rak Noi Sub District, Bang Pa In District, Phranakhon Si Ayutthaya
Website	: www.cpi-th.com
E-mail	: info@cpi-th.com
Registration No.	: 0107536001184 (Former : BorMorJor.192)
Type of Business	: The company produces and distributes palm oil product to the related industry and consumer markets. The products are Crude Palm Oil, Crude Palm Kernel Oil, Refined Bleached Deodorized Palm Oil, Cooking Oil packed in PET bottle under “Leela” brand, 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

The company plantation

CPI 1	: Pathiu plantaion 10,788 rais at Don Yang Sub-district and Kao Chairat Sub-district, Pathiu District, Chumporn
CPI 2	: Huai Sak plantation 3,899 rais at Moo 7, Saithong Sub District, Bangsapannoi District, Prachuabkhiran
CPI 3	: Khao Chaiyarat plantation 2,401 rais at Moo 4,5 Kao Chairat Sub-, Pathiu District, Chumporn
CPI 4	: Bangson plantation 2,626 rais at Moo 4, Bangson Sub District and Moo 1, Talaysub Sub District, Pathiu District, Chumporn
CPI 5	: Khlong Wang Chang 1,202 rais at Moo 4, Chumko Sub District, Pathiu District, Chumporn.

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
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
Shareholding Ratio	: owned by Chumporn Palm Oil Industry Public Company Limited 99.99%

General Information

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, Prachuabkhirikan 77170

Registration No. : 0105555182855

Type of Business : Refinery Palm Oil and Generate & Selling electricity.

Registered Capital : Baht 191,000,000

Ordinary shares : 19,100,000 shares

Par value per share : Baht 10

Paid up per share : Baht 10

Shareholding Ratio : owned by Chumporn Palm Oil Industry Public Company Limited 99.99%

CPI Green Company Limited

(The company has been established to support the future business plans which are expected to perform)

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 : 296, Moo 2, Phet Kasem Road, Salui Sub District, Thasae District, Chumporn 86140

Registration No. : 0105559019851

Type of Business : Production and distribution of biodiesel and other fuel.

Registered Capital : Baht 50,000,000

Ordinary shares : 5,000,000 shares

Par value per share : Baht 10

Paid up per share : Baht 2.50

Shareholding Ratio : owned by CPI Glow Company Limited 99.99%

CPI Trading Company Limited

(The company has been established to support the future business plans which are expected to perform)

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

Registration No. : 0105559020027

Type of Business : Buying and selling all kinds of vegetable oils.

Registered Capital : Baht 50,000

Ordinary shares : 5,000 shares

Par value per share : Baht 10

Paid up per share : Baht 10

Shareholding Ratio : owned by Chumporn Palm Oil Industry Public Company Limited 99.99%

General Information

CPI Glow Company Limited

(The company has been established to support the future business plans which are expected to perform)

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

Registration No. : 0105560000352

Type of Business : Production and distribution of electricity and all types of energy.

Registered Capital : Baht 50,000,000

Ordinary shares : 5,000,000 shares

Par value per share: Baht 10

Paid up per share : Baht 2.60

Shareholding Ratio : owned by Chumporn Palm Oil Industry Public Company Limited 99.99%

CPI Energy Company Limited

(It was registered the dissolution on September 24, 2018 and registered the liquidation on December 13, 2018 with the Department of Business Development)

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

Registration No. : 0105560056251

Type of Business : Production and distribution of biodiesel and other fuel

Registered Capital : Baht 50,000

Ordinary shares : 5,000 shares

Par value per share: Baht 10

Paid up per share : Baht 2.50

Shareholding Ratio : owned by Chumporn Palm Oil Industry Public Company Limited 99.94%

All Bloom Coconut Company Limited

(It was registered the dissolution on September 24, 2018 and registered the liquidation on December 12, 2018 with the Department of Business Development)

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

Registration No. : 0105560056251

Type of Business : Research, Improvement, Development, Breeding, Seedling production & distribution of Coconut, Palm Oil and all kind of plant.

Registered Capital : Baht 5,000,000

Ordinary shares : 500,000 shares

Par value per share: Baht 10

Paid up per share : Baht 2.50

Shareholding Ratio : owned by CPI Agrotech Company Limited 99.99%

General Information

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.Sumana Punpongsanon	C.P.A. Registration No. 5872 or
Ms.Pimjai Manitkajohnkit	C.P.A. Registration No. 4521 or
Ms.Rosaporn Decharkom	C.P.A. Registration No. 5659 or
Ms.Orawan Techawatanasirikul	C.P.A. Registration No. 4807
EY Office Ltd address	: 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 (Year 2010, 2011 and 2012) : Mr.Chayapol Suppasedtanon, C.P.A. Registration No.3972 has been an auditor for CPI 4 year (Year 2013, 2014, 2015 and 2016) : Ms.Sumana Punpongsanon, C.P.A. Registration No. 5872 has been an auditor for CPI 2 year (Year 2017)
Conflict with interest	: None relationship or stockholder with Company, 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 2016		Year 2017		Year 2018	
			Revenue	%	Revenue	%	Revenue	%
Palm seed and Palm Seedling	CPI Agrotech Company Limited	99.99	46.62	95.61	45.77	95.71	35.36	95.05
Other products	CPI Agrotech Company Limited	99.99	2.14	4.39	2.05	4.29	1.84	4.95
	Total Revenue		48.76	100.00	47.82	100.00	37.20	100.00
Crude oil	CPP Copany Limited	99.99	-	-	892.38	71.38	1,026.41	70.53
Other products	CPP Copany Limited	99.99	-	-	357.73	28.62	428.92	29.47
	Total Revenue		-	-	1,250.11	100.00	1,455.33	100.00
Domestic Revenue								
Crude Oil	Chumporn Palm Oil Industry PCL.		314.57	6.10	414.66	8.15	401.25	9.21
RBD Oil	Chumporn Palm Oil Industry PCL.		3,583.11	69.46	3,071.30	60.34	2,514.26	57.69
Other Products	Chumporn Palm Oil Industry PCL.		735.40	14.26	1,044.30	20.52	1,094.70	25.12
			4,633.08	89.82	4,530.25	89.01	4,010.21	92.01
Export Revenue								
Crude Oil	Chumporn Palm Oil Industry PCL.		482.51	9.35	425.32	8.36	224.02	5.14
RBD Oil	Chumporn Palm Oil Industry PCL.		5.02	0.10	16.84	0.33	20.92	0.48
Other Products	Chumporn Palm Oil Industry PCL.		37.89	0.73	117.73	2.30	103.18	2.37
			525.42	10.18	559.89	10.99	348.12	7.99
Total Revenue			5,158.50	100.00	5,090.14	100.00	4,358.33	100.00

Dividend Payment Policy

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

In 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.

In 2016 the company paid dividend for the performance 2015 amount Baht 0.03 per share to 632,752,650 shares on May 19, 2016 which was non tax exemption from retained earnings of separate financial statements of the company.

In 2017 the company paid dividend for the performance 2016 amount Baht 0.03 per share to 632,752,650 shares on May 19, 2017 which was non tax exemption from retained earnings of separate financial statements of the company.

In 2018 the company paid dividend for the performance 2017 amount Baht 0.04 per share to 632,752,650 shares on May 21, 2018 which was non tax exemption from retained earnings of separate financial statements of the company.

Detail	2013	2014	2015	2016	2017
Net/(Loss) Profit (Million Baht)	24.80	60.78	(32.62)	(6.52)	(82.13)
Retained earnings-Unappropriated (Million Baht)	270.13	311.05	243.85	232.56	130.18
Basic earnings/(loss) per share (Baht)	0.044	0.108	(0.055)	(0.01)	(0.13)
Dividend (Baht/Share)	0.03	0.06	0.03	0.03	0.04
Stock dividend (Baht/Share)	-	-	-	-	-
Interim dividend	-	-	-	-	-
Stock interim dividend	-	-	-	-	-
Dividend Ratio (%)	68.18	55.56	N/A	N/A	N/A

Remark 1. Non-consolidated subsidiaries

2. N/A Dividend ratio could be calculated because paid from retained earnings of separate financial statements of the company.

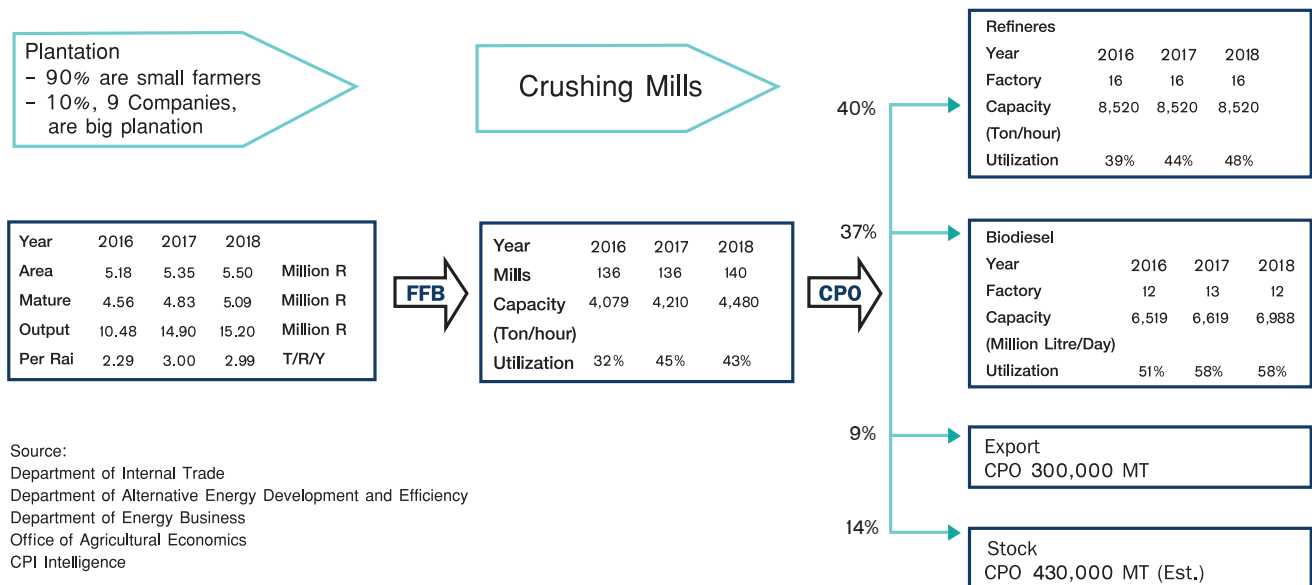
Risk Factors

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 lay down by the SET

(1) 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 No. 1 Basic Structure of Thai Palm Industries



Picture No.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.

In year 2018 Thailand could produce CPO around 2.7 million tons of FFB around 15.3 million tons while demands for palm oil were around 2.3 million tons which consisted of demand for cooking and industry was around 1.2 million tons or 44% of total CPO production per year, demand for palm oil to be used as fuel to mix for diesel B7 and B20

Risk Factors

was around 1.1 million tons or 41% and export was around 0.37 million tons or 14% of total CPO production per year 2018. The total palm oil for cooking, industry and export was around 2.67 million tons while in stock from year 2018 was around 0.43 million tons. Therefore in year 2017 had more FFB because of increased from cultivation and effect from LaNina which was rain all year that affected in good way to Palm because palm could grow up in warm and humid. While demands were growth less than supplies this affected over supply of material which this reason in late year 2017 had to exported CPO.



Picture No. 2 – Disproportion in the Supply Chain of Thai Palm Oil Industry

Picture No. 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.

The production capacity of oil palm crushing mills can reach the maximum of 30 million tons of fresh fruit palm per year (running the machines 330 day per year). However, at the moment the total yields of the fruits from all plantations in the country remain estimated 15 million tons. It does not even reach the half point of the total production capacity of all crushing mills. It could be process CPO around 2.7 million tons.

Competition in the industry that are in the middle stream and downstream have capacity more than FFB as raw materials issued throughout the year. The industries in this business have to compete to by FFB as raw materials. The proportion of the consumption in domestic, industry and biodiesel were grown in a little which was not balance the output in past three years. It affected the price of CPO and FFB which was lower and the farmers were affected by also this matter.

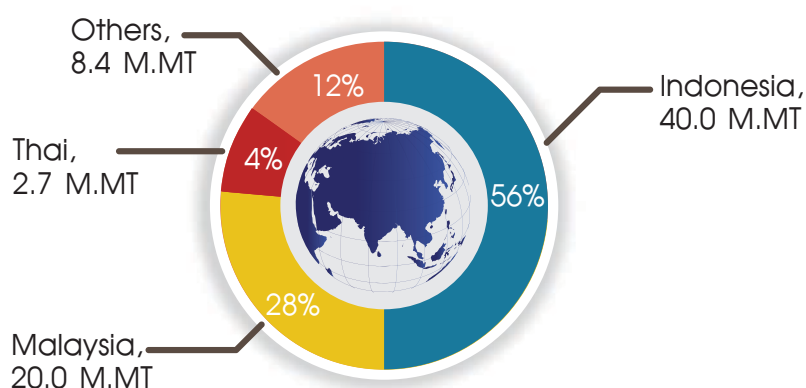
The new investor just has a few restrictions its can invest as easy for this business or the entrepreneurs can invest to expand or increase the production capacity as easier too but by nature of the industry, barriers to entry are not high but due to current competition is quite intense and no incentive or attract for the new investor to compete in the industry.

In addition, soybean oil is still considered as a substitute for palm oil. In year 2018 soybean yield was rather good due to the expansion of plantation and the weather was conducive to productivity, especially in the North and South America which made soybean price not too high. It affected to the palm oil price all year 2018. In addition in late year 2018.

Risk Factors

Therefor in late year 2018 has been a trade reaction between China and the United States of America (USA) about import-export tax which soybean is in this tax list and also China is the big market for USA to export soybean. In this matter USA could export soybean to China less than before and this also affected soybean price to be lower and also affected to palm oil price which is a competitive produce and substitute.

The risk in this industry in year 2018 to 2019 would be production oversupply. The demand would be likely slower increased while supply would be increased continuously. This could be balance between demand and supply in year 2019 and the palm oil price should be better than last year.



Picture No. 3 Production Share of Palm Oil by Country – Year 2018 Malasia and Indonesia can produce palm oil at 85% of global market.
Source: U.S. Department of Agriculture

(2) The Specific Risks of Company Operation

1) The strategic factor can be summarized as follows;

- 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 effect 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.

Risk Factors

- 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 Chumporn 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.

- 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.

2) The operation factor can be summarized as follows;

- 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.

- 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.

- 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 checkup process of working operation, the project inspection and acceptance to ensure that the project performance is qualified and completed within the designated period.

- The Risks of Natural Disaster.

In the recent ears, Thailand and other countries confront with the violent natural disaster, especially in 1989, Chomporn 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.

Risk Factors

- 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.

3) The reporting factor can be summarized as follows;

- 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.

4) The compliance factor can be summarized as follows;

- 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 eluent 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.

- 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.

- The Risks of Anti-Corruptions.

The company pay attends to Anti-Corruptions by assessment and controls all activities to prevent the corruption within the company and with government agencies or with all suppliers.

In addition, the company signed a jointed program among private companies in Thailand as a gesture to fight against corruption as “Collective Action Coalition” and notify all parties involved, both internal and external, along with the company’s entire employee to abide by the policies and related regulations. The Internal Audit will assess and follow up in every business quarter.

Shareholding Structure

The first ten major shareholders as of December 28, 2018

Shareholders	Shares	Percentage
1. Chumporn Holding Company Limited	214,669,400	33.926
2. Mr.Chusak Prachayangprecha's Group	35,465,615	5.605
Mr.Chusak Prachayangprecha	13,253,181	2.095
Mr.Kovit Prachayangprecha	14,240,974	2.251
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	1,321,202	0.209
Mr.Chakorn Prachayangprecha	156,150	0.025
Mrs.Vimol Saeju	880,916	0.139
3. Mr.Takon Tawintermsup's Group	33,790,001	5.340
Mr.Takon Tawintermsup	6,680,158	1.056
Mr.Rangsan Tawintermsup	18,721,720	2.959
Mr.Rachoj Tawintermsup	5,348,266	0.845
Mrs.Chongkolrat Tawintermsup	3,039,857	0.480
4. Bangkok Insurance Public Company Limited	33,433,581	5.284
5. Mr.Kitti Chatlekhavanich's Group	33,567,701	5.305
Mr.Kitti Chatlekhavanich	10,621,923	1.679
Mr.Methee Chatlekhavanich	7,106,020	1.123
Mr.Suthee Chatlekhavanich	6,345,418	1.003
Mrs.Jongjin Chatlekhavanich	3,809,516	0.602
Ms.Sukanya Chatlekhavanich	2,842,408	0.449
Ms.Warapond Chatlekhavanich	2,842,408	0.449
Mrs.Rakkhana Jeusaman	8	0.000
6. Mr.Songridth Niwattisaiwong's Group	8,697,074	1.374
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
7. Thai NVDR Company Limited	8,972,992	1.418
8. Mr.Thawat Tachawattanasuk	6,961,077	1.100
9. Mr.Wisut Ruangsukawanna	5,872,776	0.928
10. Mr.Kosol Nuntileepong	5,782,985	0.914
11. Minor Shareholders	245,589,448	38.813
Total	632,752,650	100

Shareholding Structure

Remark Chumporn Holding Company Limited comprises shareholder as follows:

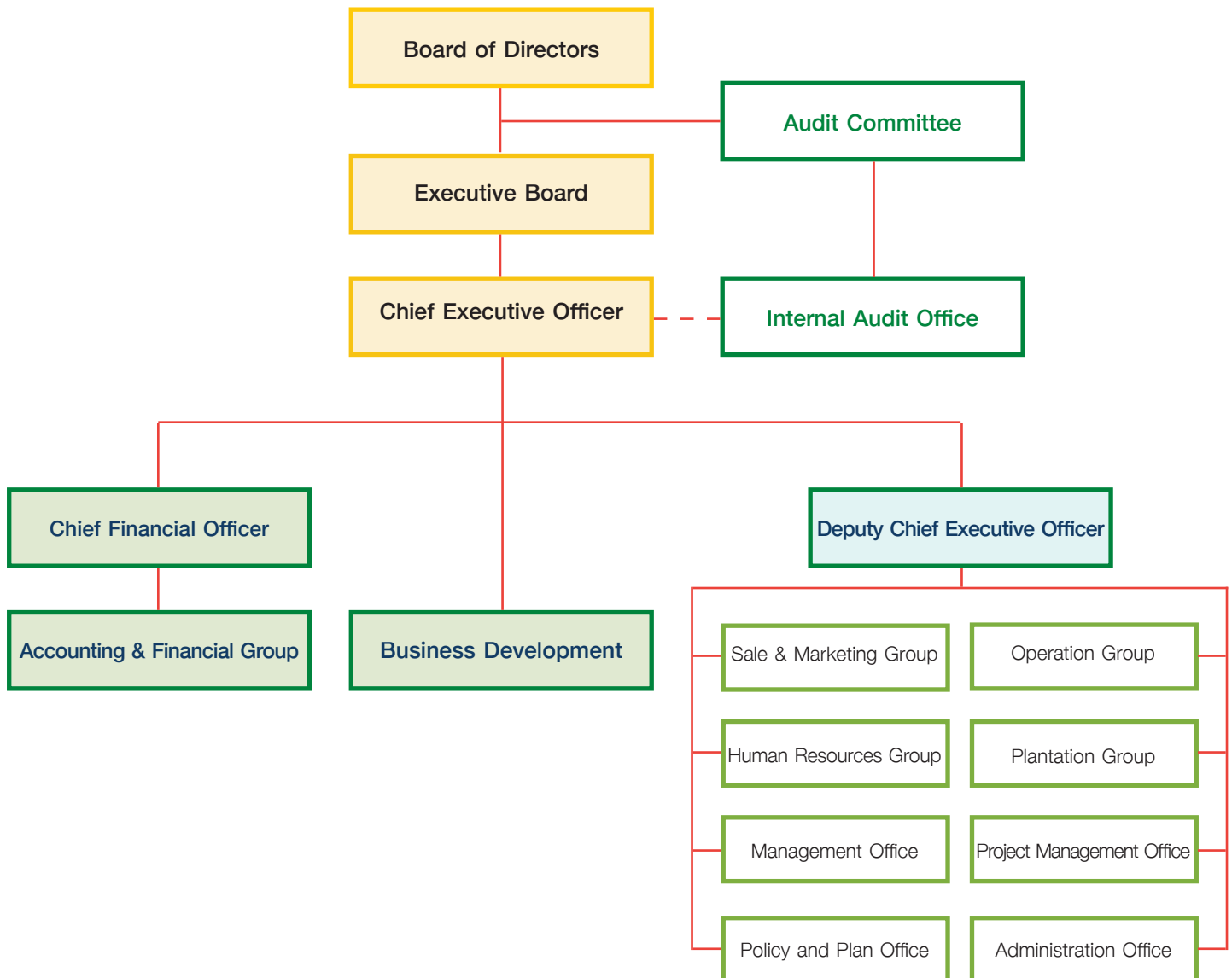
1. Mr.Takon Tawintermsup's group holds 1,845,000 shares or 21.96%
 - Mr.Takon Tawintermsup is director and holds 250,000 shares or 2.98%
 - Mr.Rachoj Tawintermsup is director and holds 225,000 shares or 2.68%
 - Mr.Rangsan Tawintermsup is director and holds 230,000 shares or 2.74%
 - Mrs.Rampha Tawintermsup 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 840,000 shares or 10%
 - 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%
 - Mrs.Rakkhana Jeusaman holds 67,200 shares or 0.80%
4. Mr.Songridth Niwattisaiwong's group holds 620,000 shares or 7.38%
 - Mr.Songridth Niwattisaiwong is director and holds 205,000 shares or 2.44%
 - Mr.Meesak Niwattisaiwong holds 205,000 shares or 2.44%
 - Mr.Supachai Niwattisaiwong holds 205,000 shares or 2.44%
 - Mrs.Benjapan Niwattisaiwong holds 5,000 shares or 0.06%
5. Mr.Sommart Paisansirirat's group holds 609,000 shares or 7.25%
 - Mr.Sommart Paisansirirat is director and holds 100,000 shares or 1.19%
 - Mr.Somboon Paisansirirat holds 169,000 shares or 2.01%
 - Miss.Siriporn Paisansirirat holds 40,000 shares or 0.48%
 - Mr.Hiran Paisansirirat holds 100,000 shares or 1.19%
 - Mrs.Bugsim Paisansirirat holds 100,000 shares or 1.19%
 - Mrs.Kulya Paisansirirat holds 100,000 shares or 1.19%
6. Mr.Akechai Rojwanit is director and holds 639,000 shares or 7.61%
7. Mrs.Veerawan Sekisumi holds 50,000 shares or 0.60%
8. Mrs.Sirirat Songpattanayothin holds 100,000 shares or 1.19%
9. Greenergy Company Limited holds 2,110,000 shares or 25.12%
(Not operate the same business with Chumporn Palm Oil Industry PCL.)
10. 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 as of December 28, 2018

Nationality	Person	Share	Percentage
Thai	2,318	623,698,818	98.57
Other	10	9,053,832	1.43
Total	2,328	632,752,650	100

Management Structure

Organization Chart



Management Structure

The Board of Directors comprises of member as follows;

No.	Name of Directors	Position
1.	Mr. Banphot Hongthong	Chairman of the Board of Director Chairman of the Nomination and Remuneration Committee Independent Director
2.	Mr. Nopporn Picha	Independent Director Chairman of the Audit Committee Member of the Nomination and Remuneration Committee
3.	Assoc. Prof. Dr. Ninnat Olanvoravuth	Independent Director Member of the Audit Committee
4.	Mr. Paiboon Kujareevanich	Independent Director Member of the Audit Committee Chairman of the Risk Management Committee
5.	Mr. Saravut Menasavet	Independent Director Member of the Audit 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. Rachoij Tawintermsup	Director

- Remark**
- 1) Directors have never been an employee or partner of the external auditor which the company has employed in the last 2 years.
 - 2) Board of Director meeting no.1/2018 held on January 31, 2018 appointed Mr. Nopporn Picha as Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee to replace Admiral Satirapan Keyanon Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee who resigned from directorship of the company on November 10, 2017.
 - 3) Mr.Somchai Sakulsurarat Chairman of the Board of director, Chairman of the Nomination and Remuneration Committee, Independent Director completed directorship term on April 26, 2018 and requests not to be re-elected to resume the directorship for another term.
 - 4) The Annual General Meeting of Shareholders No.1/2018 on Thursday, April 26, 2018 approved to elect 2 directors, Mr.Banphot Hongthong and Mr.Saravut Menasavet as Independent Director.
 - 5) Board of Director meeting no.3/2018 held on May 10, 2018 appointed Mr.Banphot Hongthong Independent Director as Chairman of the Nomination and Remuneration Committee and Chairman of the Board of Director.
 - 6) Board of Director meeting no.4/2018 held on August 9, 2018 appointed Mr.Nopporn Picha, Independent Director and a member of the Audit Committee as Chairman of the Audit Committee and Assoc.Prof.Dr.Ninnat Olanvoravuth, Independent Director and Chairman of the Audit Committee as a member of the Audit Committee and appointed Mr.Saravut Menasavet, Independent Director as a member of the Audit Committee.

Management Structure

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

Mr.Takon Tawinternsup or Mr.Rachoj Tawinternsup is authorized to co-sign with Mr.Chusak Prachayangprecha 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.
- (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, Deputy 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.

Tenure of the director

In compliance with the law and the Company's Articles of Association, one-third of the directors must retire. The retired directors may be re-appointed for another term.

Chairman of Directors of the company has the scope of duties and responsibilities as Articles of Association as follows;

Clause 22 To call for a meeting for the board of directors, the chairman of the board or the person assigned is required to send a letter of appointment of the meeting to the directors at least seven days before the meeting date unless it is the urgent case to look after the rights or interest of the company, the appointment on the meeting may be notified through other means and the meeting date may be set earlier than that. If at least two directors have called for the meeting of the board of directors, the chairman of the board is required to arrange the meeting within fourteen days since the date of receipt of such request.

Clause 26. All resolutions of the meeting of the board of directors are made through the majority votes of the directors attending the meeting. One director has one vote to cast unless the director has an interest in any issue, such director is not allowed to cast a vote on such matter. If the votes are on par, the chairman of the meeting is eligible to cast another decisive vote.

Clause 38 The chairman of the board of directors is required to chair the meeting. If the chairman of the board is absent in the meeting or is unable to perform his duty and if there is a vice chairman, the vice chairman is required to chair the meeting. If there is no vice chairman or there is one but he is unable to perform his duty, the shareholders in the meeting shall elect one of the shareholder to chair the meeting.

Management Structure

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

No.	Name of Directors	Position
1.	Mr.Nopporn Picha	Chairman of the Audit Committee
2.	Assoc. Prof. Dr. Ninnat Olanvoravuth	Member of the Audit Committee
3.	Mr. Paiboon Kujareevanich	Member of the Audit Committee
4.	Mr.Saravut Menasavet	Member of the Audit Committee

Remark Board of Director meeting no.4/2018 held on August 9, 2018 appointed Mr.Nopporn Picha, Independent Director and a member of the Audit Committee as Chairman of the Audit Committee and Assoc.Prof.Dr.Ninnat Olanvoravuth, Independent Director and Chairman of the Audit Committee as a member of the Audit Committee and appointed Mr.Saravut Menasavet, Independent Director as a member of the Audit Committee.

The Audit Committee No. 1, 2, 3 and 4 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 and 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, nominate or lay off an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
- (5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company.
- (6) To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information.
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the audit committee from its performances of duties in accordance with the charter, and
 - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
- (7) To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

Management Structure

Tenure of the Audit Committee

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

The Executive Board comprises 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, Deputy Chief Executive Officer, Chief Financial Officer and high-level Executives accordance with duties, responsibilities and risks which may occur.
- (5) Consider to appoint Senior Manager level to Director level 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 or 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 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.

Management Structure

- (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 or approve to establish subsidiary company 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, increment capital subsidiary company and/or process accordingly to the said matters until the completion which cost up to 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) Consider and approve loans between the Company and subsidiary company in amount not over than Baht 200 Million.
- (15) Specify trading conditions such as credit limit, payment period, sales agreement, alteration of trading conditions and etc.
- (16) 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 transection/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 as follows:

No.	Name of Directors	Position
1.	Mr. Banphot Hongtong	Chairman of the Nomination and Remuneration Committee
2.	Mr. Nopporn Picha	Member of the Nomination and Remuneration Committee
3.	Mr. Chusak Prachayangprecha	Member of the Nomination and Remuneration Committee

- Remark** 1) Board of Director meeting no.1/2018 held on January 31, 2018 appointed Mr. Nopporn Picha as Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee to replace Admiral Satirapan Keyanon Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee who resigned from directorship of the company on November 10, 2017.
- 2) Board of Director meeting no.3/2018 held on May 10, 2018 appointed Mr.Banphot Hongthong Independent Director as Chairman 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.

Management Structure

- (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, Deputy Chief Executive Officer and Chief Financial Officer .
- (5) Proposed the annual increment and bonuse of Chief Financial Officer, Deputy Chief Executive Officer and Chief Financial Officer as proposed by Executive Board to the Board director to consider and approve.
- (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 may be re-appointed by the Board of Directors for another term.

The Risk Management Committee comprises as follows;

No.	Name of Directors	Position
1.	Mr. Paiboon Kujareevanich	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 directors 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 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.

Management Structure

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

- (1) Propose the Corporate Governance regulation to the Board of director.
- (2) Review and recheck perform of the Board of director and the Management to follow the Corporate Governance regulation.
- (3) Review the Corporate Governance regulation at lease once 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

Tenure of the Corporate Governance Committee

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

Chief Executive Officer

No.	Name of Directors	Position
1.	Mr. Kritbhong Takviriyanan	Chief Executive Officer

Remark 1) Mr.Supisith Chorruangsak Chief Financial Officer retired on December 31, 2017. Board of Director meeting no.4/2017 held November 9, 2017 appointed Mr.Kritbhong Takviriyanan as Chief Financial Officer to replace with effective on January 1, 2018.

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

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

Management Structure

Management

No.	Name	Position
1.	Mr. Kritbhong Takviriyanan	Chief Executive Officer
2.	Mr. Rachoj Tawintermsup	Deputy Chief Executive Officer
3.	Mrs. Ratsamee Pongjindanon	Chief Financial Officer and Acting Internal Audit Manager
4.	Mr. Thawatchai Chomwarn	Sale & Marketing Director
5.	Mr. Somchay Chantaramanee	Factory Director
6.	Mr. Chamnan Pitikrittiyakron	Assistant Factory Director
7.	Mr. Kritsana Sommart	Assistant Factory Director
8.	Ms. Sutisa Thainchai	Senior Administrative Manager
9.	Mr. Choonhui Saelow	Senior Plantation Manager
10.	Mr. Mongkol Siengsuttivong	Management Information System Manager
11.	Mr. Sorawat Ong-Ajchaowlerd	Raw Material Procurement Manager and Acting Policy & Plan Office Manager
12.	Mr. Krissada Srichotrungreung	Logistic Manager
13.	Ms.Slinporn Prachayangprecha	Purchasing Manager
14.	Mr. Krit Siriprasertchok	General Manager
15.	Mr. Phongsit Phopo	Human Resources Manager – Factory
16.	Ms. Yada Sawadsree	Quality Assurance & Production Planning Manager
17.	Mr. Suranan Polprachit	FFB Procurement Manager
18.	Mr. Sinchai Sukarak	Production 1 Manager
19.	Mr. Chalong Intago	Senior Plan Head Department and Acting Production 2 Manager

- Remark**
- 1) 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.
 - 2) Mr.Supisith Chorruangsak Chief Executive Officer retired on December 31, 2017. Board of Director meeting no.4/2017 held November 9, 2017 appointed Mr.Kritbhong Takviriyanan as Chief Executive Officer to replace with effective on January 1, 2018.

Company Secretary

The Board of Directors appointed Mr.Komklid Thonguam to be Company Secretary since January 04, 2016 which joined Company Secretary Program Class No.71/2016 of IOD to assign duty 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).

Management Structure

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 and Operation Strategy 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.1/2018, the company gave an opportunity to the shareholder to propose the qualified during September 1, 2017 to November 30, 2017 and the Annual General Meeting of Shareholder No.1/2019 the company gave an opportunity to the shareholder to propose the qualified during September 1, 2018 to November 30, 2018. The Shareholders were notified by new system of the SET and the company's website and The Nomination and Remuneration committee also use data and information via Director Pool to recruit person to be director.

The Nomination and Remuneration committee will recruit for the Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer to propose to the Board of Director for consideration and appointed referring to the Nomination and Remuneration Committee's duties and responsibilities.

Remuneration for Directors, Executives and Employees

- Remuneration for Directors : The Company has policy for remunerating its Directors with clarity, transparency and suitable for the job with adequacy and 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 Employess : The remuneration for employess will consistant with the company's performance as short term and long term. In short term, the company will evaluate from KPI performance which this issue employess will be gain in Bonut and for long term, the company will evaluate from competency which will make two times per year and employess will gain in salary and promotion.

Management Structure

Remuneration for Directors

According to Annual General Meeting of Shareholders No.1/2018 held on April 26, 2018 approved director's remuneration and the meeting allowance for the year 2018 as follows;

1) The meeting allowance for year 2018 is equivalent as previous year as follows

Meeting allowance	Baht/Person/time			
	Position	Year 2016	Year 2017	Year 2018
The Board of directors	Chairman	30,000	30,000	30,000
	Member	15,000	20,000	20,000
The Audit Committee	Chairman	25,000	25,000	25,000
	Member	20,000	20,000	20,000
The Nomination and Remuneration Committee	Chairman	25,000	25,000	25,000
	Member	20,000	20,000	20,000
The Executive Board	Chairman	20,000	25,000	25,000
	Member	10,000	20,000	20,000
The Risk Management Committee	Chairman	20,000	25,000	25,000
	Member	10,000	20,000	20,000
The Corporate Governance Committee	Chairman	20,000	25,000	25,000
	Member	10,000	20,000	20,000

2) Director's remuneration for year 2018 is equivalent as previous year which chairman of the board of directors will distribute accordingly.

Detail	Year 2016	Year 2017	Year 2018
Director's remuneration	2,445,000 Baht	4,000,000 Baht	4,000,000 Baht

Management Structure

Remuneration for Directors as of December 31, 2018

(Unit : Baht)

No.	Name	The meeting allowance						The director's remuneration Year 2018 ⁽¹⁾	total
		The Audit Committee (4 meetings)	The Executive Board (19 meetings)	The Nomination and remuneration Committee (3 meetings)	The Corporate Governance Committee (4 meetings)	The Risk Management Committee (4 meetings)	The Board of Director (5 meetings)		
1.	Mr. Somchai Sakulsuratat ⁽³⁾	-	-	50,000	-	-	60,000	-	110,000
2.	Mr.Banphot Hongthong ^{(4),(5)}	-	-	25,000	-	-	80,000	454,272	559,272
3.	Assoc. Dr. Ninnat Olanvoravuth ⁽⁶⁾	95,000	-	-	-	-	100,000	382,267	577,267
4.	Mr. Paiboon Kujareevanich ⁽²⁾	80,000	-	-	-	100,000	100,000	348,816	628,816
5.	Mr. Saravut Menasavet ^{(4),(6)}	20,000	-	-	-	-	60,000	348,816	428,816
6.	Mr.Nopporn Picha ^{(2),(6)}	85,000	-	20,000	-	-	80,000	372,933	557,933
7.	Mr. Takon Tawintermsup	-	450,000	-	-	-	100,000	348,816	898,816
8.	Mr. Chusak Prachayangprecha	-	380,000	60,000	-	-	100,000	348,816	888,816
9.	Mr. Karoon Nuntileepong	-	-	-	100,000	-	100,000	348,816	548,816
10.	Mr. Kitti Chatlekhavanich	-	-	-	-	80,000	100,000	348,816	528,816
11.	Mr. Songridth Niwattisaiwong	-	-	-	80,000	-	100,000	348,816	528,816
12.	Mr. Rachoj Tawintermsup	-	-	-	-	-	100,000	348,816	448,816
13.	Mrs. Ratsamee Pongjindanon ⁽⁷⁾	-	-	-	-	80,000	-	-	80,000
รวม		280,000	830,000	155,000	180,000	260,000	1,080,000	4,000,000	6,785,000

- Remark**
- 1) The Annual General Meeting of Shareholding No 1/2018 on April 26, 2018 approved the budget for director's remuneration which is limit of Baht 4,000,000. It's equivalent as previous year and not has other benefits. The chairman of the board of directors can distribute accordingly.
 - 2) Board of Director meeting no.1/2018 held on January 31, 2018 appointed Mr. Nopporn Picha as Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee to replace Admiral Satirapan Keyanon Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee who resigned from directorship of the company on November 10, 2017.
 - 3) Mr.Somchai Sakulsuratat Chairman of the Board of director, Chairman of the Nomination and Remuneration Committee, Independent Director completed directorship term on April 26, 2018 and requests not to be re-elected to resume the directorship for another term.
 - 4) The Annual General Meeting of Shareholders No.1/2018 on Thursday, April 26, 2018 approved to elect 2 directors, Mr.Banphot Hongthong and Mr.Saravut Menasavet as Independent Director.
 - 5) Board of Director meeting no.3/2018 held on May 10, 2018 appointed Mr.Banphot Hongthong Independent Director as Chairman of the Nomination and Remuneration Committee and Chairman of the Board of Director.
 - 6) Board of Director meeting no.4/2018 held on August 9, 2018 appointed Mr.Nopporn Picha, Independent Director and a member of the Audit Committee as Chairman of the Audit Committee and Assoc.Prof.Dr.Ninnat Olanvoravuth, Independent Director and Chairman of the Audit Committee as a member of the Audit Committee and appointed Mr.Saravut Menasavet, Independent Director as a member of the Audit Committee.
 - 7) Mrs.Ratsamee Pongjindanon, Chief Financial Officer is not a director of company but is appointed as member of the Risk Management Committee.

Management Structure

Remuneration for Executives as of December 31, 2018

Detail	Year 2016	Year 2017	Year 2018
Executives (person)	10 persons	10 persons	8 persons
Remuneration (Baht)	16.70 MB	17.42 MB	16.20 MB
Meeting allowance, salary, bonus and provident fund, other (retirement compensation)			
Provident car	3 persons	3 persons	2 persons

Remuneration for Chief Executive Officer as of December 31, 2018

Remuneration for Chief Executive Officer will be dividing as compensation and fixed benefits depend on duty, responsibility and experience. The Nomination and remuneration Committee will review rate salary and bonus every year to present the board of director to consideration and approval. Other compensation as health insurance, accident insurance, travels insurance, provident fund and other welfare which will depend on duty of operation. The total compensation for Chief Executive Officer is about Baht 2,500,000-6,000,000 per year.

Other remuneration for Directors and Executives

- Year 2013 Issued ESOP#1 to Directors and Employees of the company and its subsidiary.
- Year 2014 to Year 2018 None

Management Structure

Employees

Employees and Remuneration

Detail	Year 2016	Year 2017	Year 2018
Employees as			
Bangkok branch	79 persons	81 persons	83 persons
Chumporn office	874 persons	885 persons	853 persons
Total	953 persons	966 persons	936 persons
Employees by level			
Executive's and manager	23 persons	26 persons	26 persons
Foreman, Section head	147 persons	159 persons	165 persons
Employees	783 persons	781 persons	745 persons
Remuneration			
Salary	169,868,177 Baht	175,476,728 Baht	179,774,913 Baht
- Bonus	13,479,951 Baht	13,072,889 Baht	24,634,385 Baht
- Other	22,531,037 Baht	25,119,527 Baht	35,404,360 Baht
- Provident fund	4,443,240 Baht	4,299,963 Baht	4,417,182 Baht
- Social security	6,845,588 Baht	6,395,015 Baht	7,168,387 Baht
Total	217,167,993 Baht	224,364,122 Baht	251,399,227 Baht

Labor disputes in the past 3 years

None

Management Structure

Skill Development for Executive 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. In year 2018 the company recognizes about Anti-Corruption by training to all level employee.

Training for Director

Year	Name	Course
2018	Mr. Paiboon Kujareewanich Mr. Kitti Chatlekhanich	- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance by SET

Training for Executive

Year	Hours of training	Course
2018	Mrs. Ratsamee Pongjindanon	- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance by SET

Hours of training for management and employees

Year	Hours of training	Average/Person/Year (Hours)
2016	34,603.00	36.31
2017	19,526.00	20.19
2018	23,239.00	24.11

Remark Training courses were management of cost and resource, cost analysis and control, strategic management, presentation skills, efficiency of work, decision making and problem solving, leader skills, communication skill, team work, safety health and environment, thai labor standards, company business, company production, ISO, GMP, HACCP, RSPO etc.

Board of Directors and Management Details

Name : **Mr. Banphot Hongthong**

Position : Independent Director / Chairman of the Board of Directors /
Chairman of the Nomination and Remuneration Committee

Appointed date : April 26, 2018

Age : 71 years

Education : B.A (Economics) from Northeastern University, USA
M.A (Economic Development) from Northeastern University, USA

Training : DAP Certificate from IOD year 2013

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 last year : None

Family Relationship among Company's Directors : None

Positions in other businesses that may cause conflict of interest to the Company : None

Experience :

Listed Companies

2018 - Present	Chairman of the Board of Directors and Independent Director and Chairman of the Nomination and Remuneration Committee	Chumporn Palm Oil Industry Public Company Limited
2013 - Present	Chairman of the Board of Directors and Independent Director	Exotic food Public Company Limited
2013 - Present	Consultant	National Power Supply Public Company Limited
2013 - Present	Consultant	Unicord Public Company Limited
2011 - Present	Chairman of the Board of Directors	Dhipaya Life Assurance Public Company Limited
2010 - Present	Independent Director and Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee	Grand Canal Land Public Company Limited

Company Limited/Others

2016 - Present	Consultant	P-Mart Superstore Company Limited
2013 - Present	Consultant	Shop Global (Thailand) Company Limited
2009 - Present	Director	Evergreen Plus Company Limited

Board of Directors and Management Details

Name	: Assoc. Prof. Dr. Ninnat Olanvoravuth
Position	: Independent Director / Member of the Audit Committee
Appointed date	: March 11, 2003
Age	: 71 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 last year	: None
Family Relationship among Company's Directors	: None
Positions in other businesses that may cause conflict of interest to the Company	: None
Experience :	

Listed Companies

2018 - Present	Member of the Audit Committee	Chumporn Palm Oil Industry Public Company Limited
2016 - 2018	Chairman of the Audit Committee	Chumporn Palm Oil Industry Public Company Limited
2015 - 2017	Chairman of the Risk Management	Chumporn Palm Oil Industry Public Company Limited
2003 - 2016	Member of the Audit Committee	Chumporn Palm Oil Industry Public Company Limited
2003 - Present	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

2016 - Present	Council of Campus Management for Higher Education, Chalermkarnchana College
2011 - Present	Member, International Advisory Council of University Tenaga Nasional, Malaysia
2010 - Present	Vice Chairman Governing Board of Chalermkarnchana College
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
2007 - 2017	Chairman Board of Trustee, Srisopon College
2006 - Present	Member Asia-Europe Education Hub Advisory Committee
2006 - 2014	Administrative Committee Chulabhorn Graduate Institute
2004 - Present	Sub-Committee on Recognition of Overseas University Degrees
1998 - Present	Member Ratchathani University
1994 - Present	Founding Member Association of Universities in Asia and the Pacific
1992 - Present	Member Personnel Committee Suranaree University of Technology
1981 - Present	Member Governing Board, SEAMEO-RIHED
1981 - Present	Association of Southeast Asian Institutions of Higher Learning

Board of Directors and Management Details

Name : **Mr. Paiboon Kujareewanich**

Position : Independent Director / Member of the Audit Committee /
Chairman of the Risk Management Committee

Appointed date : November 9, 2016

Age : 62 years

Education : B.A (Commerce and Accountancy), Chulalongkorn University
: M.B.A., Thummasat University

Training : DAP Certificate from IOD 13/2014

Attended training course in last year : None

Shareholding : None

Shareholding in subsidiaries : None

Spouses' shareholding of Company or Subsidiaries : None

Change of securities holding of Company : None

Change of securities holding of Subsidiaries : None

Family Relationship among Company's Directors : None

Positions in other businesses that may cause conflict of interest to the Company : None

Experience :

Listed Companies

2017 - Present	Chairman of the Risk Management Committee	Chumporn Palm Oil Industry Public Company Limited
2016 - Present	Independent Director and Member of the Audit Committee	Chumporn Palm Oil Industry Public Company Limited
2014 - 2017	Deputy Managing Director	Carabao Group Public Company Limited
2014 - 2017	Member of Executive Director	Carabao Group Public Company Limited
2014 - 2017	Member of the Risk Management Committee	Carabao Group Public Company Limited
2014 - 2015	Director	Carabao Group Public Company Limited
2011 - 2013	Member of Executive Director	Oishi Group Public Company Limited
2011 - 2013	Member of the Risk Management Committee	Oishi Group Public Company Limited
2006 - 2013	Deputy Managing Director	Oishi Group Public Company Limited

Company Limited/Others

2018 - Present	Independent Director and Chairman of the Audit Committee	I & I Consulting Public Company Limited
2018 - Present	Chief Financial Officer	Bangpakok Hospital Group
2014 - 2015	Director	Carabaodang Company Limited
2014 - 2015	Director	Tawandang DCM Company Limited
2014 - 2015	Director	Asia Pacific Glass Company Limited

Board of Directors and Management Details

Name	: Mr. Nopporn Picha
Position	: Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee
Appointed date	: Janurey 31, 2018
Age	: 71 years
Education	: Bachelor Degree of Science, Kasetsart University : M.S in Development Economics, National Institution of Development Administration (NIDA)
Training	: Corporate Governance for Capital Market Intermediaries (CGI) Class 3/2015 : Advance Audit Committee Program (AACP) from IOD 14/2014 : Directors Certification Program (DCP) from IOD 100/2008 : Directors Accreditation Program (DAP) from IOD 2/2003
Attended training course in last year	: None
Shareholding	: None
Shareholding in subsidiaries	: None
Spouses' shareholding of Company or Subsidiaries	: None
Change of securities holding of Company	: None
Change of securities holding of Subsidiaries	: None
Family Relationship among Company's Directors	: None
Positions in other businesses that may cause conflict of interest to the Company	: None
Experience	:

Listed Companies

2018 - Present	Chairman of the Audit Committee	Chumporn Palm Oil Industry Public Company Limited
2018 - Present	Independent Director	Chumporn Palm Oil Industry Public Company Limited
	Member of the Audit Committee	
	Member of the Nomination and Remuneration Committee	
2010 - Present	Independent Director	AIRA Capital Public Company Limited
	Chairman of Audit Committee	
2006 - Present	Independent Director	AIRA SecuritiesI Public Company Limited
	Chairman of Audit Committee	
2004 - 2007	Chairman of Audit Committee	Oishi Group Public Company Limited
1998 - 2006	Independent Director	Thai Agri Foods Public Company Limited
	Member of the Audit Committee	

Company Limited/Others

2015 - 2018	Director	Siam Smile Broker (Thailand) Company Limited
2010 - 2016	Director	Ratchaburi World Cogeneration Company Limited
2007 - 2015	Chairman of Board of Director	Viet World Company Limited
2000 - 2005	Chairman of Board of Director	UEA Witthaya Equipment Company Limited

Board of Directors and Management Details

Name : **Mr.Saravut Menasavet**

Position : Independent Director and Member of Audit Committee

Appointed date : April 26, 2018

Age : 71 years

Education : Bachelor Degree of Laws, Thammasat University

Training : DAP Certificate from IOD 119/2015
 : Executive Course 1 No.23 from Office of the Civil Service Commission
 : Accounting and Financial Officer Course No.35 from Comptroller General's Department

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 last year : None

Family Relationship among Company's Directors : None

Positions in other businesses that may cause conflict of interest to the Company : None

Experience :

Listed Companies

2018 - Present	Independent Director and Chairman of the Audit Committee	Chumporn Palm Oil Industry Public Company Limited
2017 - Present	Independent Director and Member of the Audit Committee	Exotic food Public Company Limited
2015 - Present	Independent Director	Dhipaya Life Assurance Public Company Limited
Company Limited/Others		
2016 - Present	Consultant	P-Mart Superstore Company Limited

Board of Directors and Management Details

Name : **Mr. Takon Tawintermsup**

Position : Director / Chairman of Executive Board / Authorized Director

Appointed date : 14 October 1993

Age : 64 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 of CPI Agrotech Company Limited, 1 share of CPI Green Company Limited, 1 share of CPI Trading Company Limited, 1 share of CPI Glow Company Limited

Spouses' shareholding of Company or Subsidiaries : None

Change of securities holding of Company : None

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 and Mr.Kosol Nuntileepong

Positions in other businesses that may cause conflict of interest to the Company : None

Experience :

Listed Companies

2018 - Present	Acting Managing Director	Khonburi Sugar Public Company Limited
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

2017 - 2018	Director	All Bloom Coconut Company Limited
2017 - Present	Director	CPI Glow Company Limited
2016 - Present	Director	CPI Trading Company Limited
2016 - Present	Director	CPI Green Company Limited
2014 - Present	Director	CPP Company Limited
2011 - Present	Director	CPI Agrotech Company Limited
2010 - Present	Director	Khonburi Capital Company Limited
2008 - Present	Director	KBS Trading Company Limited
2008 - Present	Director	Khonburi Power Plant Company Limited
2004 - Present	Director	Khonburi Bio Energy Company Limited
1993 - Present	Managing Director	Chumporn Holding Company Limited
1988 - Present	Executive Director	Bomrungrat M.C. Company Limited

Board of Directors and Management Details

Name	: Mr. Chusak Prachayangprecha
Position	: Director / Member of the Executive Board / Member of the Nomination and Remuneration Committee / Authorized Director
Appointed date	: 14 October 1993
Age	: 73 years
Education	: BS.BA Husson University, Maine, USA
Training	: DCP Certificate from IOD 18/2002
Attended training course in last year	: None
Shareholding	: 2.09%
Shareholding in subsidiaries	: 2 share of CPI Agrotech Company Limited, 1 share of CPI Green Company Limited, 1 share of CPI Trading Company Limited, 1 share of CPI Glow Company Limited
Spouses' shareholding of Company or Subsidiaries	: None
Change of securities holding of Company	: None
Change of securities holding of Subsidiaries	: Buy 1 share of CPI Agrotech Company Limited and 1 share of CPP Company Limited
Family Relationship among Company's Directors	: None
Positions in other businesses that may cause conflict of interest to the Company	: None
Experience	:

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

2017 - 2018	Director	All Bloom Coconut Company Limited
2017 - 2018	Director	CPI Energy Company Limited
2017 - Present	Director	CPI Glow Company Limited
2016 - Present	Director	CPI Trading Company Limited
2016 - Present	Director	CPI Green Company Limited
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
1993 - Present	Chairman	Chumporn Holding Company Limited

Board of Directors and Management Details

Name : **Mr. Karoon Nuntileepong**

Position : Director / Chairman of the Corporate Governance Committee

Appointed date : 14 October 1993

Age : 59 years

Education : Master Degree of Business Administration, Chulalongkorn University

Training : DCP Diploma & Certificate from IOD 9/2001
How to Develop a Risk Management Plan Certificate No.11/22016
Board Matters and Trends Certificate No.2/2017
Advanced Audit Committee Program Certificate No.25/2017

Attended training course in last year: None

Shareholding : None

Shareholding in subsidiaries : None

Spouses' shareholding of Company or Subsidiaries : None

Change of securities holding of Company : None

Change of securities holding of Subsidiaries : None

Family Relationship among Company's Directors : Mr.Takon Tawintermsup's wife younger brother
Uncle of Mr.Rachoj Tawintermsup and Brother
of Mr.Kosol Nuntileepong

Positions in other businesses that may cause conflict of interest to the Company : None

Experience :

Listed Companies

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

Name : **Mr. Kitti Chatlekhavanich**

Position : Director / Member of the Risk Management Committee / Authorized Director

Appointed date : 23 April 1999

Age : 49 years

Education : Sasin Graduate Institute of Administration, Chulalongkorn University

Training : DCP Diploma & Certificate from IOD 4/2000

Attended training course in last year : Update COSO Enterprise Risk Management : Integrating with Strategy and Performance by SET

Shareholding : 1.67%

Shareholding in subsidiaries : 1 share of CPI Green Company Limited, 1 share of CPI Trading Limited

Spouses' shareholding of Company or Subsidiaries : None

Change of securities holding of Company : Buy 2,450,000 shares

Change of securities holding of Subsidiaries : None

Family Relationship among Company's Directors : None

Positions in other businesses that may cause conflict of interest to the Company : 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

2016 - Present	Director	CPI Trading Company Limited
2016 - Present	Director	CPI Green Company Limited
2014 - Present	Director	CPP Company Limited
2014 - Present	Director	CPI Agrotech Company Limited
2006 - Present	Director	Chumporn Holding Company Limited
2006 - Present	Director	Polymer Marketing 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 : 66 years
Education : Master Degree of Engineering, UNSW, Australia
 Bachelor Degree of Engineering (Chemical), Chulalongkorn University
Training : DCP Diploma & Certificate from IOD 15/2002
Attended training course in last year : None
Shareholding : 0.44%
Shareholding of Subsidiaries : None
Spouses' shareholding of Company or Subsidiaries : None
Change of securities holding of Company and Subsidiaries : None
Family Relationship among Company's Directors : None
Positions in other businesses that may cause conflict of interest to the Company : 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 / Deputy Chief Executive Officer
Appointed date	: 24 February 2014
Age	: 32 years
Education	: University of Essex United Kingdom, LLB LAW MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
Training	: None
Attended training course in last year	: None
Shareholding	: 0.84%
Shareholding in subsidiaries	: 2 shares of CPI Green Company Limited, 2 shares of CPI Trading Company Limited, 2 shares of CPI Glow Company Limited, 1 share of CPI Agrotech Company Limited
Spouses' shareholding of Company or Subsidiaries	: None
Change of securities holding of Company	: None
Change of securities holding of Subsidiaries	: Buy 1 share of CPI Agrotech Company Limited, 1 share of CPP Company Limited, 1 Share of CPI Trading Company Limited, 1 share of CPI Green Company Limited and 1 share of CPI Glow Company Limited
Family Relationship among Company's Directors	: Son to Mr.Takon Tawintermsup Nephew to Mr.Karoon Nuntileepong and Mr.Kosol Nuntileepong
Positions in other businesses that may cause conflict of interest to the Company	: None
Experience	:

Listed Companies

2018 - Present	Deputy Chief Executive Officer	Chumporn Palm Oil Industry Public Company Limited
2014 - Present	Director	Chumporn Palm Oil Industry Public Company Limited
2014 - 2017	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

2017 - 2018	Director	All Blom Coconut Company Limited
2017 - 2018	Director	CPI Energy Company Limited
2017 - Present	Director	CPI Glow Company Limited
2016 - Present	Director	CPI Trading Company Limited
2016 - Present	Director	CPI Green Company Limited
2016 - Present	Assistant Managing Director	CPI Agrotech Company Limited
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 : **Mr.Kritbhong Takviriyanan**
Position : Chief Executive Officer
Age : 51 years
Education : Master Degree of Business Administration from Chulalongkorn University
: An education certificate of Asian International Executive Program from INSEAD
: An education certificate of Mini MBA from Thammasat University
: Bachelor Degree of Electrical and Electronics Engineering from Chulalongkorn University
Training : Certificate of Asian International Executive Program from INSEAD
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
Positions in other businesses that may cause conflict of interest to the Company : None
Experience :

Listed Companies

2018 - Present	Chief Executive Officer	Chumporn Palm Oil Industry Public Company Limited
2017 - 2017	Deputy Chief Executive Officer	Chumporn Palm Oil Industry Public Company Limited

Company Limited/Others

2008 - 2014	Managing Director	Praxair (Thailand) Company Limited
2006 - 2007	Deputy Managing Director	Praxair (Thailand) Company Limited
2005 - 2006	Director of Business Development (Asia Pacific)	Praxair (Thailand) Company Limited
2001 - 2005	Director of Sales and Marketing	Praxair (Thailand) Company Limited
2000 - 2001	Director of Business Development	Praxair (Thailand) Company Limited
1998 - 2000	Plant Director	Praxair (Thailand) Company Limited

Board of Directors and Management Details

Name	: Mrs. Ratsamee Pongjindanon
Position	: Chief Financial Officer and Acting Internal Audit Manager
Age	: 47 years
Education	: Master Degree of Science Accounting, Thammasat University Diploma Degree in Auditing, Thammasat University
Training	: Certified public accountant Chief Financial Officer Certification Program Class 17
Attended training course in last year	: Update COSO Enterprise Risk Management Integrating with Strategy and Performance by SET
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
Positions in other businesses that may cause conflict of interest to the Company	: None
Experience :	

Listed Companies

2018 - Present	Acting Internal Audit Manager	Chumporn Palm Oil Industry Public Company Limited
2016 - Present	Chief Financial Officer	Chumporn Palm Oil Industry Public Company Limited
2013 - 2016	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

Board of Directors and Management Details

Name : **Mr. Thawatchai Chomwarn**
Position : Sales & Marketing Director
Age : 51 years
Education : Master Degree of Business Administration, Sul Ross State University, Texas, USA
Training : None
Attended training course in last year : None
Shareholding of Company : None
Shareholding of Subsidiaries : None
Spouses shareholding of Company or Subsidiaries : None
Change of securities holding of Company or Subsidiaries : None
Family Relationship among Company's Directors : None
Positions in other businesses that may cause conflict of interest to the Company : 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. Somsak Pongraman**
Position : Factory Director
Age : 46 years
Education : Master Degree of Business Administration, Ramkhamhaeng University
 Bachelor Degree of Engineering, Siam University
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
Positions in other businesses that may cause conflict of interest to the Company : None
Experience :

Listed Companies

2018 - Present	Factory Director	Chumporn Palm Oil Industry Public Company Limited
2017 - 2018	Assistant Factory Directory and Acting Product 3 Manager	Chumporn Palm Oil Industry Public Company Limited
2016 - 2017	Product 3 Manager and Acting Assistant Factory Director	Chumporn Palm Oil Industry Public Company Limited
2011 - 2016	Production 3 Manager	Chumporn Palm Oil Industry Public Company Limited
2010 - 2011	Assistant Manager and Acting Production 3 Manager	Chumporn Palm Oil Industry Public Company Limited
2008 - 2010	Assistant Manager and Acting Engineering Manager	Chumporn Palm Oil Industry Public Company Limited
2006 - 2008	Engineering Section Head	Chumporn Palm Oil Industry Public Company Limited
2001 - 2005	Electric Engineer Officer of Production Dept.	Chumporn Palm Oil Industry Public Company Limited
1999 - 2001	Electric Engineer Officer of Engineer Dept.	Chumporn Palm Oil Industry Public Company Limited
1986 - 1999	Engineer Officer of Engineer Dept.	Chumporn Palm Oil Industry Public Company Limited

Board of Directors and Management Details

Name : **Mr. Chamnan Pitikrittiyakron**
Position : Assistant Factory Director
Age : 53 years
Education : Diploma in Welding Technician, Satun Technical 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
Positions in other businesses that may cause conflict of interest to the Company : None
Experience :

Listed Companies

2018 – Present	Assistant Factory Director	Chumporn Palm Oil Industry Public Company Limited
2017 - 2018	Product 3 Manager and Acting Assistant Factory Director	Chumporn Palm Oil Industry Public Company Limited
2016 - 2017	Product 2 Manager and Acting Assistant Factory Director	Chumporn Palm Oil Industry Public Company Limited
2010 - 2016	Product 2 Manager	Chumporn Palm Oil Industry Public Company Limited
2008 - 2010	Assistant Product 2 Manager and Acting Product 2 Manager	Chumporn Palm Oil Industry Public Company Limited
2006 - 2008	Assistant Product Manager and Acting Refine Head Department	Chumporn Palm Oil Industry Public Company Limited
2004 - 2006	Assistant Refine Head Department	Chumporn Palm Oil Industry Public Company Limited

Board of Directors and Management Details

Name	:	Mr. Kritsana Sommart
Position	:	Assistant Factory Director
Age	:	39 years
Education	:	Master Degree of Engineering, King Mongkut’s University of Technology Thonburi
	:	Bachelor Degree of Engineering, Srinakharinwirot University
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
Positions in other businesses that may cause conflict of interest to the Company	:	None
Experience	:	

Listed Companies

2018 - Present	Assistant Factory Director	Chumporn Palm Oil Industry Public Company Limited
2014 - 2018	Product 4 Manager	Chumporn Palm Oil Industry Public Company Limited
2011 - 2014	Planning Head Department	Chumporn Palm Oil Industry Public Company Limited
2007 - 2011	Planning Engineering	Chumporn Palm Oil Industry Public Company Limited
2006 - 2007	Biogas Head Department	Chumporn Palm Oil Industry Public Company Limited
2003 - 2006	Engineering of Product Department	Chumporn Palm Oil Industry Public Company Limited

Qualifications Director and Management

Director and Management are qualified related to the commission of offences under the provisions of the Securities and Exchange Act B.E. 2535 and never been an employee or partner of an external auditor company in the last 2 years.

Board of Directors and Management Details

Company Secretary

Name	: Mr.Komklid Thonguam
Position	: Company Secretary
Age	: 37 years
Education	: Bachelor Degree of General Management Business, Rajamagala University of Technology Tawon-Ok : Chakrabongse Bhuvanarth Campus
Training	: Company Secretary Program (CSP) 71/2016 Company Reporting Program - CRP 15/2016 Board Reporting Program (BRP) 21/2016
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

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 Registers of Legal Office	Charoen Pokphand Food Public Company Limited

Company Limited/Others

2009 - 2011	Invoice & Costing Officer	Der Asia Tours Company Limited
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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)

Director of Subsidiary Company Details

Details of Subsidiary Company Directors

CPI Agrotech Company Limited consists of 5 members as follows;

- 1) Mr. Chusak Prachayangprecha
- 2) Mr. Takon Tawintermsup
- 3) Mr. Rachoj Tawintermsup
- 4) Mr. Kitti Chatlekhavanich
- 5) Mr. Kosol Nuntileepong

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

Mr.Rachoj Tawintermsup or Mr.Kosol Nuntileepong is authorized to co-sign with Mr.Chusak Prachayangprecha or Mr.Kitti Chatlekhavanich totaling 2 persons and affix with the company seal.

Remark No. 1-4 : Please see “Board of Directors and Management Details”

No. 5 : Please see “Directors of Subsidiary Company Details”

CPP Company Limited consists of 4 members as follows;

- 1) Mr. Chusak Prachayangprecha
- 2) Mr. Takon Tawintermsup
- 3) Mr. Rachoj Tawintermsup
- 4) Mr. Kitti Chatlekhavanich

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

Mr.Rachoj Tawintermsup is authorized to co-sign with Mr.Chusak Prachayangprecha or Mr.Kitti Chatlekhavanich totaling 2 persons and affix with the company seal.

Remark No. 1-4 : Please see “Board of Directors and Management Details”

CPI Green Company Limited consists of 4 members as follows;

- 1) Mr. Chusak Prachayangprecha
- 2) Mr. Takon Tawintermsup
- 3) Mr. Rachoj Tawintermsup
- 4) Mr. Kitti Chatlekhavanich

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 totaling 2 persons and affix with the company seal.

Remark No. 1-4 : Please see “Board of Directors and Management Details”

Director of Subsidiary Company Details

CPI Trading Company Limited consists of 4 members as follows;

- 1) Mr. Chusak Prachayangprecha
- 2) Mr. Takon Tawintermsup
- 3) Mr. Rachoj Tawintermsup
- 4) Mr. Kitti Chatlekhavanich

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 totaling 2 persons and affix with the company seal.

Remark No. 1-4 : Please see “Board of Directors and Management Details”

CPI Glow Company Limited consists of 3 members as follows;

1. Mr. Chusak Prachayangprecha
2. Mr. Takon Tawintermsup
3. Mr. Rachoj Tawintermsup

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

One director sign and affix with the company seal.

Remark No. 1-3 : Please see “Board of Directors and Management Details”

Director of Subsidiary Company Details

Directors Details of Subsidiary Company

CPI Agrotech Company Limited

Name	: Mr. Kosol Nuntileepong
Position	: Director / Authorized Director / Managing Director
Age	: 57 years
Education	: Bachelor Degree (Statistics), Chulalongkorn University
Training	: None
Shareholding	: 1 share
Shareholding in Subsidiaries	: 1 share of CPP Company Limited
Shareholding in CPI	: 0.91%
Spouses' shareholding of Company or Subsidiaries	: None
Change of securities holding of CP	: Buy 550,000 shares
Change of securities holding of Subsidiaries	: None
Family Relationship among Company's Directors	: Mr.Takon Tawintermsup's wife younger brother Brother to Mr.Karoon Nuntileepong and Uncle to Mr.Rachoj Tawintermsup

Positions in other businesses that may cause conflict of interest to the Company : None

Experience :

Listed Companies

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

Company Limited/Others

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

Corporate Governance

Corporate Governance Policies

The Board of Directors 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 Directors has always conducted our business according to local laws and other related regulations and takes pride in our truthfulness and transparency. The Board of Directors 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 Directors 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 2018, the company held one meeting as the Annual General Meeting of Year 2018. 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.

Corporate Governance

1.2) 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 2018 during on September 1, 2017 until November 30, 2018 and the Annual General Meeting of 2019 during on September 1, 2018 until November 30, 2018. 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.

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.

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.

Corporate Governance

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 2018, 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 3-4-5, 2018 and nine of ten 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 2018 during on September 1, 2017 until November 30, 2017 and the Annual General Meeting of 2019 during on September 1, 2018 until November 30, 2018. 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.

Corporate Governance

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 establishments are located and pronounce to every employee known and having training program for employee about safety, health and environment.

4) Information Disclosure and Transparency

The Board of Directors 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 investor's 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, investor's institutions as well as the general public. For further information or specific inquiries, please contact us at 0-269-9166 or visit our website at www.cpi-th.com or email us at info@cpi-th.com

Corporate Governance

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 comprised of 11 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 2018, the independent director made up a third of the entire of the Board of Directors. 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 Directors 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 is the longest shall be the ones who have to leave the posts. Regarding as Corporate Governance, an independent director's tenure must not be longer than the period of 6 years. There are one independent director has been act more than 6 years and director should not be as director more than 5 listed companies because it will effect performance. None of director works as director more than 5 listed companies.

Corporate Governance

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. Banphot Hongthong | DAP Certificate Class 2013 |
| 2. Assoc.Prof. Ninnat Olanvoravuth | Ph.D., DCP Certificate Class 121/2009 |
| 3. Mr. Chusak Prachayangprecha | DCP Certificate Class 18/2002 |
| 4. Mr. Takon Tawintermsup | DCP Certificate Class 32/2003 |
| 5. Mr. Pailboon Kujareevanich | DAP Certificate Class 13/2014 |
| 6. Mr. Kittti Chatlekhanavich | Diploma and DCP Certificate Class 4/2000 |
| 7. Mr. Karoon Nuntileepong | Diploma and DCP Certificate Class 9/2001 |
| 8. Mr. Songridth Niwattisaiwong | Diploma and DCP Certificate Class 15/2002 |
| 9. Mr. Nopporn Picha | DAP Certificate Class 2003 |
| 10.Mr. Saravut Menasavet | DAP Certificate Class 2015 |

The Board of directors 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 participates 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 1-3 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 directors 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 directors for the approval. The Board of directors 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 directors 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.

Corporate Governance

Changes in stocks owned by Director and Executives in 2018

Name	Total Stocks owned as of January 1, 2018		Changes during the year				Total Stocks owned as of December 31, 2018	
			Exercise CPI-W1		Buy / (Sold) / (Transfer)			
	Share(s)	%	Share(s)	%	Share(s)	%	Share(s)	%
1. Mr.Somchai Sakulsurarat	0		-		-		0	
Spouses and underage children	0		-		-		0	
2. Assoc.Prof.Ninnat Olanvoravuth	0		-		-		0	
Spouses and underage children	0		-		-		0	
3. Mr.Paiboon Kujareevanich	0		-		-		0	
Spouses and underage children	0		-		-		0	
4. Mr.Nopporn Picha	0		-		-		0	
Spouses and underage children	0		-		-		0	
5. Mr. Saravut Menasavet	0		-		-		0	
Spouses and underage children	0		-		-		0	
6. Mr.Takon Tawintermsup	6,680,158	1.05	-		-		6,680,158	1.05
Spouses and underage children	0		-		-		0	
7. Mr.Chusak Prachayangprecha	13,253,181	2.09	-		-		13,253,181	2.09
Spouses and underage children	0		-		-		0	
8. Mr.Karoon Nuntileepong	0		-		-		0	
Spouses and underage children	0		-		-		0	
9. Mr.Kitti Chatlekhanich	8,171,923	1.29	-		2,450,000	0.38	10,621,923	1.67
Spouses and underage children	0		-		-		0	
10. Mr.Songridth Niwattisaiwong	2,831,260	0.44	-		-		2,831,260	0.44
Spouses and underage children	0		-		-		0	
11. Mr.Rachoj Tawintermsup	5,348,266	0.84	-		-		5,348,266	0.84
Spouses and underage children	0		-		-		0	
12. Mr.Kritbhong Takviriyanan	0		-		-		0	
Spouses and underage children	0		-		-		0	
13. Mrs.Ratsamee Pongjidanon	0		-		-		0	
Spouses and underage children	0		-		-		0	
14. Mr.Thawatchai Chomwarn	0		-		-		0	
Spouses and underage children	0		-		-		0	
15. Mr.Somsak Pongraman	0		-		-		0	
Spouses and underage children	0		-		-		0	
16. Mr.Somchay Chataramanee	0		-		-		0	
Spouses and underage children	0		-		-		0	
Total share of Director (personal no.1-11)	36,284,788	5.71	-		2,450,000	0.38	38,734,788	6.09
Total share of Executive (personal no.12-16)	0		-		-		0	

Corporate Governance

The Board of directors 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 directors 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 directors 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 directors 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 directors 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.

Corporate Governance

The company's regulations state that in attending meetings, the members of the board of directors or other sub-committee must be present no less than two third (2/3) of the entire body. In 2018, the rate of attendance can be summarized as follows;

Name	Number of meetings attended / Numbers of meetings Year 2018						
	The Board of director (5 Times)	The Executive Board (19 Times)	The Audit Committee (4 Times)	The Nomination and Remuneration Committee (3 Times)	The Risk Management Committee (4 Times)	The Corporate Governance Committee (4 Times)	Shareholder's meeting (1 Times)
Mr.Somchai Sakulsurarat ⁽²⁾	2/2 (100%)			2/2 (100%)			1/1
Mr.Banphot Hongthong ^{(3),(4)}	3/3 (100%)			1/1 (100%)			0/0
Assoc.Prof.Dr.Ninnat Olanvoravuth ⁽⁵⁾	5/5 (100%)		4/4 (100%)				1/1
Mr.Paiboon Kujareevanich	5/5 (100%)		4/4 (100%)		4/4 (100%)		1/1
Mr.Nopporn Picha ^{(1) (5)}	4/4 (100%)		4/4 (100%)	1/1 (100%)			0/1
Mr.Saravut Menasavet ^{(3) (5)}	3/3 (100%)		1/1 (100%)				0/0
Mr.Takon Tawinttermsup	5/5 (100%)	18/19 (94.74%)					1/1
Mr.Chusak Prachayangprecha	5/5 (100%)	19/19 (100%)		3/3 (100%)			1/1
Mr.Karoon Nuntileepong	5/5 (100%)					4/4 (100%)	1/1
Mr.Kitti Chatlekhavanich	5/5 (100%)				4/4 (100%)		1/1
Mr.Songridth Niwattisaiwong	5/5 (100%)					4/4 (100%)	1/1
Mr.Rachoj Tawinttermsup	5/5 (100%)						1/1
Mrs.Ratsamee Pongjindanon ⁽⁶⁾	-				4/4 (100%)		

- Remark :**
- 1) Board of Director meeting no.1/2018 held on January 31, 2018 appointed Mr. Nopporn Picha as Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee to replace Admiral Satirapan Keyanon Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee who resigned from directorship of the company on November 10, 2017.
 - 2) Mr.Somchai Sakulsurarat Chairman of the Board of director, Chairman of the Nomination and Remuneration Committee, Independent Director completed directorship term on April 26, 2018 and requests not to be re-elected to resume the directorship for another term.
 - 3) The Annual General Meeting of Shareholders No.1/2018 on Thursday, April 26, 2018 approved to elect 2 directors, Mr.Banphot Hongthong and Mr.Saravut Menasavet as Independent Director.
 - 4) Board of Director meeting no.3/2018 held on May 10, 2018 appointed Mr.Banphot Hongthong Independent Director as Chairman of the Nomination and Remuneration Committee and Chairman of the Board of Director.
 - 5) Board of Director meeting no.4/2018 held on August 9, 2018 appointed Mr.Nopporn Picha, Independent Director and a member of the Audit Committee as Chairman of the Audit Committee and Assoc.Prof.Dr.Ninnat Olanvoravuth, Independent Director and Chairman of the Audit Committee as a member of the Audit Committee and appointed Mr.Saravut Menasavet, Independent Director as a member of the Audit Committee.
 - 6) Mrs.Ratsamee Pongjindanon, Chief Financial Officer is assigned to be a member of the Risk Management Committee but is not a board of director.

Corporate Governance

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. With a scoring system of 100%; >80%= excellent, >60%=good, >40%=fair, >20%=improvement need and less than 20%=not in action in that topic. In the Board of directors meeting No.1/2019 on February 21, 2019, all directors assessed work performance of the board of director, Sub-committee and individual director for performance in year 2018. The summary of this assessment was presented to the Board as follows;

1) Self-Assessment to evaluate entire of the board of directors which has topics as the structure and qualification of the directors, the roles and responsibilities, the meeting, the duty and acting, the relationships with the management and the skill development of the director and the executive. The overall summary of assessment findings showed an average of 94.28%, regarded as excellent.

2) Self-Assessment to evaluate sub-committees which has topics as the structure and qualification of the sub-committees, the meeting, the roles responsibilities and duty. The overall summary of assessment findings showed as follows;

- The Nomination and Remuneration Committee had the average score 90.63%, rated excellent.
- The Audit Committee had the average score 96.94%, rated excellent.
- The Risk Management Committee had the average score 94.44%, rated excellent.
- The Corporate Governance Committee had the average score 97.78%, rated excellent.
- The Executive Board had the average score 96.67%, rated excellent.

3) Self-Assessment to evaluate individual director. The overall summary of assessment findings showed an average of 94.05%, regarded as excellent.

Compensation for Auditors

From the Annual General Meeting No.1/2018 approved and appointed Mr.Sophon Permsirivallop, Certified Public Accountant (C.P.A.) Registration No.3182 or Ms.Rungrapa Lertsuwankul, C.P.A. No.3561 or Mr.Chayapol Suppasatdanon, C.P.A. No.3972 or Ms.Sumana Punpongsanon, C.P.A. No.5872 or Ms.Pimjai Manitkajohnkit, C.P.A. No.4521 or Ms.Rosaporn Decharkom, C.P.A. No.5659 or Ms.Orawan Techawatanasirikul C.P.A. Registration No. 4807 Techawatanasirikul C.P.A. No.4807 of Ernst & Young Office Limited audited the company for the Year 2018 and fix their audit fee Baht 1,400,000 increased by Baht 230,000 from the last year which was Baht 1,170,000 and audited in accordance with compliance to BOI standard is Baht 100,000, equal from the last year. In addition EY Office Limited is also the auditor of subsidiaries for the year 2018 too.

Related party transactions

The company has determined a relevant policy. All related party transactions have to approve 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 directors 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 2017, 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, 2017, 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 Directors, 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. 5/2018 on November 8, 2018, all three members of the Audit Committee attended the meeting. The Board of directors 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 directors 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 directors mutually agreed that the company has already exercised sufficient control.

Internal Control and Risks Management

Furthermore, the Board of directors 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 Teoi, Bangkok 10111 and via the company website: <https://cpi-th.com> or send to Chairman of Audit Committee E-mail : noppornpicha@hotmail.com

Opinions of the Audit Committee

In 2018, 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 Ms.Sumana Punpongsanon and Ms.Orawan Techawatanasirikul from Ernst & Young Office Limited who audited the company for each business quarter of the 2018 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.4/2087 on November 7, 2018, the plan was approved and would be used in 2019.

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 39 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.

Corporate Social Responsibilities : CSR

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 2,160 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

Corporate Social Responsibilities : CSR

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 ensures 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 bass 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 as follow;

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 corporative attempt 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.

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 m³tank-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.

Corporate Social Responsibilities : CSR

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 sends 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 39 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 breeding 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 provides 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 nests 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 2018

Project: Oil Palm Planting to Pay for Student's 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 or support education at 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.
- Attending Children activities day in the nearby area at Baan Hauy Sak, Baan Mai Somboon, Ban Kansub, Chairad, Saitong, Kammasan, Saikaew, Songpinong, Hongcharoen.
- Attending merit in the community at Wat Phu Ta Kean Chumporn.
- Make merit by release fish at Klong Ta-Sae, Wat Hongpiyaram Chumporn.
- Participating in Elders' Day during Songkran festival in 2018 at Wa Hongpiyaram, Champorn.
- Participating in Elders' Day at Wa Hauysak, Prachaubkririkan.
- Attending Labor activity Day at Chumporn.
- Attending Run for Kids 2018.
- Providing Soccer at Baan Thatapao, Chumporn to support the youth generation.
- Attending merit and clearing temple at Wat Popang Chumporn at Labor's day.
- Attending Thai slik activity at Chumporn

Budget for all activity total Baht 1,129,076

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's 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. The company has 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 decrease 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.

In 2016 the Company has certified as a member of the Collective Action Coalition Against Corruption since November 2016 which has to renew in every 3 years. The Internal Audit has planed to review and follow up the corporate governance and Anti-Corruption policy in every year.

In 2017 – 2018 Internal Audit have planned to review and audit the Collective Action Coalition Against Corruption Policy along with evaluating and monitoring to summaries the results to the relevant authorities.

Financial information

(RATIO)	Consolidated financial statements			Separate financial statement		
	2018	2017	2016	2018	2017	2016
LIQUIDITY RATIO						
Current Ration (Time)	0.59	0.74	0.81	0.85	0.96	0.93
Quick Ration (Time)	0.29	0.39	0.35	0.51	0.55	0.44
Cash Ration (Time)	0.19	0.37	(0.17)	0.08	0.26	(0.13)
Account Receivable Turnover (Time)	9.82	10.27	12.73	10.37	10.70	12.51
Average Collection Period (Day)	36.67	35.05	28.28	34.72	33.65	28.78
Inventory Turnover (Time)	6.34	6.03	6.48	6.83	6.54	6.59
Average Sale Period (Day)	56.81	59.69	55.58	52.68	55.07	54.60
Account Payable Turnover (Day)	19.72	34.78	49.61	28.01	51.26	55.35
Receivable Turnover (Day)	18.26	10.35	7.26	12.85	7.02	6.50
Cash Cycle (Day)	75.22	84.39	76.61	74.55	81.70	76.87
(PROFITABILITY RATIO)						
Gross Profit Margin (%)	8.63	9.16	7.13	3.22	5.57	6.57
Operating Income Margin (%)	(1.67)	1.35	0.63	(0.41)	(1.02)	0.80
Net Profit Margin (%)	(3.39)	0.33	(0.31)	(1.53)	(1.63)	(0.13)
Return on Equity (%)	(7.89)	0.92	(0.92)	(3.55)	(4.83)	(0.36)
(EFFICIENCY RATIO)						
Return on Assets (%)	(3.07)	0.36	(0.34)	(1.63)	(2.24)	(0.16)
Return on Fix Assets (%)	(4.89)	0.59	(0.60)	(3.75)	(5.37)	(0.40)
Asset Turnover (Time)	0.90	1.10	1.08	1.07	1.38	1.28
(FINANCIAL POLICY RATIO)						
Debt to Equity (Time)	1.57	1.55	1.70	1.17	1.15	1.23
Interest Coverage Ration (Time)	(0.98)	0.95	0.70	(0.38)	(1.02)	0.88
Leverage Ration (Time)	(0.02)	0.023	0.010	(0.008)	(0.025)	0.017
Pay Out Ration (%)	NA	NA	NA	NA	NA	N/A
Information of share***						
Book value per share (Baht)	2.79	2.80	2.80	2.81	2.69	2.85
Earnings per share (Baht)	(0.220)	0.026	(0.026)	(0.100)	(0.130)	(0.010)

NA could not calculate in percentage or it will be approved on Annual General Meeting on April 25, 2019

Management Discussion and Analysis

Operation Results Analysis

1) Sales Income

The company and its subsidiaries earned sale incomes in Year 2018 total Baht 4,120.64 Million which was decreased from the last year Baht 853.73 Million or 17.16%. This income change resulted from the 20.98% price rise of our main commodity while the average selling price for main products in the year 2018 increased 8.29%. In addition, the company received additional income from producing and distributing biogas electricity to PEA for Baht 167.54 Million. 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. 1977.

Regarding CPI Agrotech Co., Ltd earned income from the selling of palm seedlings and seeds for the total amount of Baht 35.36 Million (Year 2017 : Baht 45.77 Million) which had decreased Baht 10.41 or 22.75%.

2) Sales Capital (Costs of Goods and Products)

The company and its subsidiaries had a total Baht 3,764.91 million in cost of sale & service income. It was decreased from the last year Baht 753.77 Million or 16.68%. The main reason was average cost of raw materials lower than last year.

3) Sales Expenses

The company and its subsidiaries had a total Baht 156.74 Million in sale expenses. It was increased from the last year Baht 5.89 million or 3.91%. The main reason for this was because the cost for the distribution higher in year 2018.

4) Sales Income Administration Expenses

The company and its subsidiaries had a total Baht 226.56 million in administration expenses. It was decreased from the last year Baht 21.88 million or 8.81%. The main reason for this came from expense of employees, overtime.

5) Other Incomes

The company and its subsidiaries gained on change in fair value of biological assets was decreased Baht 5.40 Million or 863.69% from last year 2017.

6) Financial Ratios

Liquidity Ratios

Current Ratio (times)

The company and its subsidiaries had lower current ratio from 0.74 times in 2017 to 0.59 times in 2018. This resulted from the company and its subsidiaries in 2018 having 7.90% decreased in current assets because of inventory, receivable and fair value of biological assets less than last year while 16.29% higher in other current asset because of short term loan, trade and other payables and value added tax payable was higher.

Average Collection Period (days)

The company and its subsidiaries had the average collection period from 35.05 days in 2017 to 36.67 days in 2018.

Repayment Period (days)

The company and its subsidiaries had longer repayment period from 10.35 days in 2017 to 18.26 days in 2018. This was because more of credit was from raw material supplier.

Management Discussion and Analysis

Profits Making Capacity

Gross Profits Ratio(%)

The company and its subsidiaries had gross profit margin decreased from 9.16% in 2017 to 8.63 % in 2018 because of cost of product was decreased less than sale income was decrease.

Return on Equity (ROE) (%)

The company and its subsidiaries had a return on equity decreased from 0.92% in 2017 to (7.89)% in 2018. This was because the company and its subsidiaries had lost profit more than year 2017 total Baht 155.61 million or 960.84%.

Operation Efficiency Ratios

Return on Assets (ROA) (%)

The company and its subsidiaries had a rate of return on assets decreased from 0.36% in 2017 to (3.07)% in 2018. This was because the company and its subsidiaries had loss profit more than year 2017 total Baht 155.61 million or 960.84%.

Financial Policies Analysis Ratios

Debt to Equity Ratio (times)

The company and its subsidiaries had Debt to Equity ratio increased from 1.55 times in 2017 to 1.57 times in 2018. This was the company and its subsidiaries had total liabilities increased 1.43% from last year because had many trade payable in raw material supplier while shareholders' equity was decreased 0.13%

Interest Coverage Ratio (times)

The company and its subsidiaries had Interest Coverage ratio decreased from 0.95 times in 2017 to (0.98) times in 2018 because the company and its subsidiaries had loss profits before finance cost and income increased from last year.

Management Discussion and Analysis

2. Financial Status Analysis

1) Assets

1.1) Components of the assets

The company and its subsidiaries had total assets as of December 31, 2018 total Baht 4,548.40 Million. These were divided into land lots, buildings and equipment total Baht 2,848.68 Million or 62.63% of all assets. Next up was inventory total Baht 589.79 Million, bearer plants total 403.36, trade accounts receivable and other receivables account total Baht 345.65 Million or 12.97%, 8.87% and 7.80% respectively of the total assets. The rest, including cash and cash equivalents, advance cash for land purchasing, biological asset, current asset and intangible assets total Baht 351.93 Million or 7.73% of the total assets.

1.2) Changes in Assets

Total assets of the company and its subsidiaries as of December 31, 2018 were decreased Baht 36.77 Million or 0.81% from year 2017 because of the following reasons:

- Land lots, buildings and equipment had increased Baht 126.12 Million because the revaluation value of the land higher Baht 202.66 Million.
- Cash and cash equivalents were increased Baht 32.78 Million.
- Bearer plants was increased Baht 11.52 Million because of replans.
- Trade receivables and other receivables had decreased Baht 130.54 Million because price of main product was decrease in December 2018.
- Inventory had decreased Baht 7.15 Million because of CPO price in stock was lower.

2) Financial Liquidity

2.1) Cash Flow

The company and its subsidiaries had cash and cash equivalents as of December 31, 2018 total Baht 120.09 Million which was increase of Baht 32.78 Million from the last year.

- Cash flow from operating activities: Cash was used in operating actives total Baht 346.18 Million. The main reason was because trade receivables and other account receivables had decreased Baht 130.41 Million, inventory had decreased Baht 9.11 Million, trade payables and other account payables had increased Baht 76.61 Million and value added tax payable was decrease Baht 4.23 Million.
- Cash flow from investing activities: Cash was used in various investing activities total Baht 139.57 Million to buy new equipment and machine total Baht 117.85 Million and invested Baht 23.24 Million in palm oil replanting project.
- Cash flow from financing activities: Cash was used in financing activities total Baht 173.83 Million because of short-termed loan was increased Baht 195 Million, current portion of long-term loans was paid total Baht 272.60 Million, the dividend payment was total Baht 25.31 Million and interests payment was Baht 70.92 Million.

Management Discussion and Analysis

3) Fund Sources

3.1) Shareholders Equity

Shareholders' equity of the company and its subsidiaries as of December 31, 2018 total Baht 1,766.53 Million which had decreased Baht 2.38 Million or 0.13% when compared to shareholders' equity as of December 31, 2017 total Baht 1768.92 Million because dividends payment in cash total Baht 25.31 Million, share-base payment transactions total Baht 0.22 Million and the company and its subsidiary had loss profit in 2018 total Baht 139.42 Million and other comprehensive income for the year 2018 of Baht 162.13 Million.

Book value per share as of December 31, 2018 was 2.79 and year 2017 was Baht 2.80

3.2) Liabilities

3.2.1) Components of Liabilities

The company and its subsidiaries had total liabilities as of December 31, 2018 of Baht 2,781.87 Million. Part of the liabilities was short-termed loan from a financial institution of Baht 1,448 Million or 31.84%, long-termed loan with one year loan period of Baht 625.77 Million or 13.76%, long-termed loan which must be paid off within one year Baht 282.15 Million or 6.20%, trade and other payables of Baht 229.97 Million or 5.03%, income tax liabilities of Baht 130.62 Million or 2.87%, cash paid for long-term employee benefits of Baht 42.89 Million or 0.94%

3.2.2) Changes in Liabilities

The total amount of company and subsidiaries' liabilities as of December 31, 2018 was increased Baht 39.15 Million or 1.43% from year 2017 because of the following reasons:

- Short-termed loans from financial institutions were increased for Baht 195 Million or 15.56% for working capital.
- Trade payables and other payables were increased total Baht 78.54 Million or 51.87% because of bought CPO in December 2018.
- Deferred tax liabilities were increased total Baht 41.60 Million or 46.70% because of the revaluation value of the land was higher
- Value added tax payables were increased Baht 4.23 Million or 29.36%.
- Long-termed loan which must be paid off within one year was decreased Baht 272.60 Million or 30.34%.

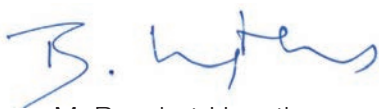
Note : Financial statements are shown in addendum, interested investors can learn more about the company and its issued securities from the annual registration statement or from 56-1 which is also listed in www.sec.or.th or on the company's website at www.cpi-th.com

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 2018 to 31 December 2018, 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 2018 to 31 December 2018 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 2018.



Mr. Banphot Hongthong
Chairman of the Board of Directors



Mr. Kritbhong Takviriyanan
Chief Executive Officer

Report of the Audit Committee

Dear shareholders,

The Board of Director has appointed the Audit Committee which comprises of four independent directors as follow;

- | | |
|---|---------------------------------|
| 1. Mr. Nopporn Picha | Chairman of the Audit Committee |
| 2. Assoc. Prof. Dr. Ninnat Olanvoravuth | Member of the Audit Committee |
| 3. Mr. Paiboon Kujareevanich | Member of the Audit Committee |
| 4. Mr. Saravut Menasavet | Member of the Audit Committee |

And Acting Internal Audit Manager is Audit Committee Secretary.

In 2018, 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 two 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 financial statement for 2018 which is presented to Board of Directors for approval. Financial statement for 2018 has been discussed with Chief Financial Officer and Acting Internal Audit Manager and Auditor to ensure that the financial statement is correct and reliable according to the statutory provision and accounting standard.

2) Surveillance of internal audit: the Audit Committee reviewed the performance undertaken by the Internal Audit Department as to annual plan, summarizing audit results on quarterly basis, and follow-up of correction as marked and recommended by the Internal Audit Department and the Audit Committee.

3) Review of internal control assessment: the Audit Committee reviewed the internal control and the risk management 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 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 Board of Directors for approval and pass to the Shareholders' Meeting appointed to consider and select Mr.Sophon Permasirivallop Certified Public Accountant (C.P.A.) Registration No.3182 or Ms.Runnapa Lertsuwankul C.P.A. No.3561 or Mr.Chayapol Suppasdtanon C.P.A. No.3972 or Ms.Sumana Punpongsanon C.P.A. No.5872 or Ms.Pimjai Manitkajohnkit C.P.A. No.4521 or Ms.Rosaporn Decharkom C.P.A. No.5659 or Ms.Orawan Techawatanasirikul C.P.A. No.4807 of EY Office Limited, as auditors of the year 2018. 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.

Mr. Nopporn Picha
Chairman of the Audit Committee

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Chumporn Palm Oil Industry Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Chumporn Palm Oil Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Chumporn Palm Oil Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chumporn Palm Oil Public Company Limited and its subsidiaries and of Chumporn Palm Oil Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Since the Group have sales with a large number of customers in several business sectors such as modern retailing, industrial and alternative energy and revenue is the key performance indicator to which users of the financial statements pay attention. I have therefore considered the revenue recognition as key audit matter and focused on the audit of occurrence and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing the Group's IT systems and internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data by customer and by product to detect possible irregularities in sales transactions throughout the period.

Independent Auditor's Report

Biological assets

The Group is required to record biological assets at their fair value less cost to sell, as described in Note 4.5 and Note 10 to the financial statements. The estimation data and assumptions used in measuring fair value which consisted of estimated harvesting volume and selling price at each points of harvest. The data are primarily based on random count and based on judgement of the management as to the basis and assumptions relevant to the estimations. There is a risk with respect to the amount of biological assets.

I gained an understanding of, assessed and reviewed internal control of the Group related to the fair value estimation of the biological assets. I performed random count including considered the estimation data preparation, assumptions defining. I reviewed the fair value by testing the reasonableness of the estimation data and assumptions used in the valuation based on making enquiry of the management, comparative analysis with historical data, and by testing the calculation. In addition, I reviewed the disclosure information with respect to the fair value measurement of biological assets in the notes to the financial statements.

Deferred tax

The Group has disclosed its accounting policy and details relating to deferred tax in Note 4.18 and Note 25 to the financial statements. A deferred tax asset is recognised when it is highly probable that the Group taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgment with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I assessed the estimates of future taxable profit for the purposes of deferred tax asset recognition by making enquiry of responsible executives and checking the relevant information and key economic assumptions used in the projections against information from internal sources. Furthermore, I assessed the exercise of management judgment in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions.

Independent Auditor's Report

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Independent Auditor's Report

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 21 February 2019

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	129,095,278	96,318,632	97,581,910	62,697,136
Trade and other receivables	6, 8	354,648,375	485,192,220	413,385,046	464,906,687
Short-term loans to related parties	6	-	-	294,000,000	237,600,000
Inventories	9	589,791,703	596,940,432	576,721,396	589,936,823
Biological assets	10	54,326,335	58,196,034	27,064,287	27,163,340
Prepaid expenses		12,811,789	6,819,404	12,781,236	6,760,157
Other current assets	11	25,928,221	23,152,948	12,695,857	11,154,674
Total current assets		1,166,601,701	1,266,619,670	1,434,229,732	1,400,218,817
Non-current assets					
Investments in subsidiaries	12	-	-	219,049,950	213,062,442
Property, plant and equipment	13	2,848,679,075	2,722,563,672	1,680,081,186	1,530,813,323
Bearer plants	14	403,358,818	391,839,878	399,517,431	387,753,938
Intangible assets	15	5,072,889	5,980,777	4,691,119	5,530,423
Advances for purchasing of land	16	124,007,750	124,007,750	124,007,750	124,007,750
Deposits		684,688	626,170	206,688	148,170
Total non-current assets		3,381,803,220	3,245,018,247	2,427,554,124	2,261,316,046
Total assets		4,548,404,921	4,511,637,917	3,861,783,856	3,661,534,863

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

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	17	1,448,000,000	1,253,000,000	1,340,000,000	1,200,000,000
Trade and other payables	6, 18	229,973,029	151,430,323	188,742,948	95,940,840
Current portion of long-term loans	19	282,150,000	282,150,000	148,150,000	148,150,000
Value added tax payable		18,643,864	14,412,329	11,304,917	13,978,974
Other current liabilities		3,821,307	3,916,710	3,428,735	2,890,268
Total current liabilities		1,982,588,200	1,704,909,362	1,691,626,600	1,460,960,082
Non-current liabilities					
Long-term loans, net of current portion	19	625,770,000	898,370,000	227,770,000	366,370,000
Deferred tax liabilities	25	130,621,458	89,025,812	128,022,413	85,492,502
Provision for long-term employee benefits	20	42,892,327	50,417,630	38,351,245	46,757,304
Total non-current liabilities		799,283,785	1,037,813,442	394,143,658	498,619,806
Total liabilities		2,781,871,985	2,742,722,804	2,085,770,258	1,959,579,888
Shareholders' equity					
Share capital					
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		632,752,650	632,752,650	632,752,650	632,752,650
Share premium		412,309,890	412,309,890	412,309,890	412,309,890
Capital reserve for share-based payment transactions	21	12,656,762	12,437,309	12,656,762	12,437,309
Retained earnings					
Appropriated - statutory reserve	22	32,345,939	32,345,939	32,345,939	32,345,939
Unappropriated		31,096,053	195,824,003	41,890,715	130,177,865
Other components of shareholders' equity	23	645,371,642	483,245,322	644,057,642	481,931,322
Total shareholders' equity		1,766,532,936	1,768,915,113	1,776,013,598	1,701,954,975
Total liabilities and shareholders' equity		4,548,404,921	4,511,637,917	3,861,783,856	3,661,534,863

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

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales	26, 28	4,112,338,150	4,955,816,544	4,115,628,275	5,050,881,601
Service income		8,300,553	18,554,301	8,300,553	18,554,301
Gain on exchange		-	2,192,578	-	101,050
Gain on change in fair value of biological assets		-	624,646	-	
Dividend income	12	-	-	212,009,967	-
Other income		10,935,838	9,303,699	22,387,206	20,599,730
Total revenues		4,131,574,541	4,986,491,768	4,358,326,001	5,090,136,682
Expenses					
Cost of sales		3,760,080,273	4,507,092,304	3,986,390,032	4,775,548,373
Cost of services		4,830,147	11,589,848	4,830,147	11,589,849
Selling and distribution expenses		156,743,864	150,851,974	149,946,633	143,877,177
Administrative expenses		226,562,421	248,446,145	186,797,549	210,459,018
Loss on palm oil future contracts		46,985,304	-	46,985,304	-
Loss on change in fair value of biological assets		4,770,381	-	99,053	174,771
Loss on exchange		97,510	1,737,560	97,511	-
Total expenses		4,200,069,900	4,919,717,831	4,375,146,229	5,141,649,188
Profit (loss) before finance cost and income tax		(68,495,359)	66,773,937	(16,820,228)	(51,512,506)
Finance cost		(69,858,419)	(70,514,350)	(44,158,485)	(50,714,565)
Loss before income tax		(138,353,778)	(3,740,413)	(60,978,713)	(102,227,071)
Income tax revenue (expenses)	25	(1,064,066)	19,935,959	(1,998,331)	20,095,842
Profit (loss) for the year		(139,417,844)	16,195,546	(62,977,044)	(82,131,229)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss arising from defined benefit plan of employees	20	-	(1,679,936)	-	(1,586,583)
Less: Income tax effect	25	-	335,986	-	317,316
		-	(1,343,950)	-	(1,269,267)
Changes in revaluation surplus on assets	13, 23	202,657,900	-	202,657,900	-
Less: Income tax effect	25	(40,531,580)	-	(40,531,580)	-
		162,126,320	-	162,126,320	-
Other comprehensive income for the year		162,126,320	(1,343,950)	162,126,320	(1,269,267)
Total comprehensive income for the year		22,708,476	14,851,596	99,149,276	(83,400,496)
Earning (loss) per share					
Basic earning (loss) per share					
Earning (loss) attributable to equity holders of the Company	27	(0.220)	0.026	(0.100)	(0.130)

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

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2018

Consolidated financial statements										(Unit: Baht)
	Note	Issued and share capital paid-up	Share premium	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	Total	
Balance as at 1 January 2017		632,752,650	412,309,890	11,061,243	32,345,939	199,954,987	483,245,322		1,771,670,031	
Profit for the year		-	-	-	-	16,195,546	-	-	16,195,546	
Other comprehensive income for the year		-	-	-	-	(1,343,950)	-	-	(1,343,950)	
Total comprehensive income for the year		-	-	-	-	14,851,596	-	-	14,851,596	
Dividend paid	30	-	-	-	-	(18,982,580)	-	-	(18,982,580)	
Share-based payment transactions	21	-	-	1,376,066	-	-	-	-	1,376,066	
Balance as at 31 December 2017		632,752,650	412,309,890	12,437,309	32,345,939	195,824,003	483,245,322		1,768,915,113	
Balance as at 1 January 2018		632,752,650	412,309,890	12,437,309	32,345,939	195,824,003	483,245,322		1,768,915,113	
Loss for the year		-	-	-	-	(139,417,844)	-	-	(139,417,844)	
Other comprehensive income for the year		-	-	-	-	-	162,126,320	162,126,320	162,126,320	
Total comprehensive income for the year		-	-	-	-	(139,417,844)	162,126,320	162,126,320	22,708,476	
Dividend paid	30	-	-	-	-	(25,310,106)	-	-	(25,310,106)	
Share-based payment transactions	21	-	-	219,453	-	-	-	-	219,453	
Balance as at 31 December 2018		632,752,650	412,309,890	12,656,762	32,345,939	31,096,053	645,371,642		1,766,532,936	

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

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2018

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up share capital	Share premium	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	Total
Balance as at 1 January 2017		632,752,650	412,309,890	11,061,243	32,345,939	232,560,941	481,931,322	481,931,322	1,802,961,985
Loss for the year		-	-	-	-	(82,131,229)	-	-	(82,131,229)
Other comprehensive income for the year		-	-	-	-	(1,269,267)	-	-	(1,269,267)
Total comprehensive income for the year		-	-	-	-	(83,400,496)	-	-	(83,400,496)
Dividend paid	30	-	-	-	-	(18,982,580)	-	-	(18,982,580)
Share-based payment transactions	21	-	-	1,376,066	-	-	-	-	1,376,066
Balance as at 31 December 2017		632,752,650	412,309,890	12,437,309	32,345,939	130,177,865	481,931,322	481,931,322	1,701,954,975
Balance as at 1 January 2018		632,752,650	412,309,890	12,437,309	32,345,939	130,177,865	481,931,322	481,931,322	1,701,954,975
Loss for the year		-	-	-	-	(62,977,044)	-	-	(62,977,044)
Other comprehensive income for the year		-	-	-	-	-	162,126,320	162,126,320	162,126,320
Total comprehensive income for the year		-	-	-	-	(62,977,044)	162,126,320	162,126,320	99,149,276
Dividend paid	30	-	-	-	-	(25,310,106)	-	-	(25,310,106)
Share-based payment transactions	21	-	-	219,453	-	-	-	-	219,453
Balance as at 31 December 2018		632,752,650	412,309,890	12,656,762	32,345,939	41,890,715	644,057,642	644,057,642	1,776,013,598

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

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Cash flows statement

For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Loss before tax	(138,353,778)	(3,740,413)	(60,978,713)	(102,227,071)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	210,193,177	208,389,096	162,084,008	172,715,775
Gain on sales of buildings and equipment	(500,044)	(685,229)	(3,562,462)	(623,618)
Reversal of allowance for doubtful debts	(83,700)	(44,000)	(48,000)	(44,000)
Reduction of cost of inventories to net realisable value (reversal)	(1,961,784)	2,020,249	(1,961,784)	2,020,249
Long-term employee benefits expenses	5,611,787	4,490,823	4,731,031	3,286,079
Loss (gain) on changes in fair value of biological assets	4,770,381	(624,646)	99,053	174,771
Unrealised loss (gain) on exchange	261,840	(15,072)	261,840	(15,072)
Expenses for share-based payment transactions	219,453	1,376,066	219,453	1,376,066
Dividend income	-	-	(212,009,967)	-
Interest income	(1,191,576)	(437,757)	(9,653,767)	(11,930,184)
Interest expenses	69,858,419	70,514,349	44,158,485	50,714,564
Profit (loss) from operating activities before changes in operating assets and liabilities	148,824,175	281,243,466	(76,660,823)	115,447,559
Operating assets (increase) decrease				
Trade and other receivables	130,408,115	56,526,017	114,878,635	33,985,755
Prepaid expenses	(5,992,385)	(1,170,351)	(6,021,079)	(1,144,934)
Inventories	9,110,512	298,823,953	15,177,211	279,054,867
Biological assets	(900,682)	(1,495,035)	-	-
Other current assets	(378,934)	(8,874,320)	384,108	(1,828,737)
Deposits	(58,518)	1,012,000	(58,518)	200,000
Operating liabilities increase (decrease)				
Trade and other payables	76,612,506	60,853,551	90,423,504	5,312,671
Value added tax payable	4,231,535	(9,743,210)	(2,674,057)	(10,176,564)
Other current liabilities	67,600	(1,371,016)	701,470	760,067
Cash paid for long-term employee benefits	(13,137,090)	(1,631,180)	(13,137,090)	(1,631,180)
Cash flows from operating activities	348,786,834	674,173,875	123,013,361	419,979,504
Cash paid for income tax	(2,610,139)	(3,236,591)	(2,139,091)	(2,800,471)
Net cash flows from operating activities	346,176,695	670,937,284	120,874,270	417,179,033

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

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Interest received	1,191,576	437,756	7,245,331	15,806,860
Increase in short-term loans to related parties	-	-	(56,400,000)	(40,300,000)
Cash paid for investments in subsidiaries	-	-	(5,987,508)	(549,967)
Acquisitions of property, plant and equipment	(117,848,863)	(229,386,206)	(93,305,640)	(56,629,660)
Proceeds from sales of buildings and equipment	545,852	1,625,328	3,608,273	1,481,028
Increase in bearer plants	(23,242,718)	(26,302,965)	(23,144,372)	(25,990,365)
Acquisitions of intangible assets	(216,000)	(1,245,393)	(214,000)	(994,243)
Cash received from dividend income	-	-	150,889,977	-
Net cash flows used in investing activities	(139,570,153)	(254,871,480)	(17,307,939)	(107,176,347)
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	195,000,000	(335,398,003)	140,000,000	(380,398,004)
Cash received from long-term loans	-	278,206,000	-	250,000,000
Repayment of long-term loans	(272,600,000)	(235,100,000)	(138,600,000)	(101,100,000)
Dividend payment	(25,310,106)	(18,982,580)	(25,310,106)	(18,982,580)
Cash paid for interest expenses	(70,919,790)	(82,075,225)	(44,771,451)	(50,740,969)
Net cash flows used in financing activities	(173,829,896)	(393,349,808)	(68,681,557)	(301,221,553)
Net increase in cash and cash equivalents	32,776,646	22,715,996	34,884,774	8,781,133
Cash and cash equivalents at beginning of year	96,318,632	73,602,636	62,697,136	53,916,003
Cash and cash equivalents at end of year (Note 7)	129,095,278	96,318,632	97,581,910	62,697,136
Supplemental cash flows information:				
Non-cash transactions				
Surplus on land revaluation	202,657,900	-	202,657,900	-
Actuarial loss arising from defined benefit plan of employees	-	1,679,936	-	1,586,583
Interest recorded as plant and equipment	-	11,076,512	-	-
Purchases of equipment which had yet been paid increase (decrease)	2,999,959	16,638,435	2,999,959	(291,040)
Transfer assets under installation to intangible assets	403	-	403	-

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

Financial Statement

Chumporn Palm Oil Industry Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2018

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 11 October 2016, 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	
			2018	2017
			%	%
CPI Agrotech Co., Ltd.	Production and distribution of palm seeds and palm sprouts	Thailand	100	100

Financial Statement

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			%	%
CPP Co., Ltd.	Production and distribution of palm oil and production and distribution of electricity from biogas	Thailand	100	100
CPI Trading Co., Ltd.	Trading of vegetable oil	Thailand	100	100
CPI Glow Co., Ltd.	Production and distribution of electricity	Thailand	100	100
CPI Energy Co., Ltd. (Liquidated on 13 December 2018)	Production and distribution of biodiesel	Thailand	-	100
CPI Green Co., Ltd. (100% held by CPI Glow Co., Ltd.)	Production and distribution of biodiesel	Thailand	100	100
All Bloom Coconut Co., Ltd. (100% held by CPI Agrotech Co., Ltd.) (Liquidated on 12 December 2018)	Production and distribution of sprouts of coconut, palm oil and all kind of plants.	Thailand	-	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.

Financial Statement

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Financial Statement

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

Financial Statement

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 Biological assets

The Company and its subsidiary's biological assets are palm fruit on trees, palm seeds and palm sprouts which were measured at their fair value less costs to sell. Agricultural produce is harvested palm fruit.

The fair value of palm fruit on trees is determined based on reference to price of palm fruit at the front of the Company's factory, less estimated point-of-harvest costs. Gains or losses on changes in fair value of biological assets are recognised in profit or loss.

Financial Statement

The fair value of palm seeds and palm sprouts are determined based on reference to selling price of the market, less estimated selling expense. Gains or losses on changes in fair value of biological assets are recognised in profit or loss.

In case the fair value cannot be measured reliably, this biological assets shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological assets becomes reliably measurable, the Company and its subsidiaries shall measure it at its fair value less costs to sell.

The agricultural produce is included in inventories.

4.6 Investments in subsidiaries

Investments in subsidiaries which accounted for in the separate financial statements are stated at cost less allowance for loss on impairment (if any).

4.7 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.

Financial Statement

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 - 40 years
Buildings	-	10 - 40 years
Building improvement	-	10 years
Machinery and equipment	-	5 - 40 years
Tools and factory equipment	-	5 - 30 years
Motor vehicles	-	5 years
Furniture, fixtures and office equipment	-	5 - 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.

4.8 Bearer plants

Bearer plants are palm and coconut trees which consists of costs and expenses which are directly related to oil palm seeding, replantation cost and plantation activities, and were incurred before the production period. Bearer plant is stated at cost less accumulated amortisation and allowance for diminution in value (if any).

Amortisation is calculated by reference to cost over the following estimated useful lives:

Palm trees - 20 years, using a systematic basis that takes into account the age of the palm trees.

Coconut trees - 20 years, using straight-line basis

The amortisation is included in determining income.

No amortisation is provided on bearer plant not ready for harvest.

4.9 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).

Financial Statement

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 assets 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 computer	-	5 and 10 years
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4.10 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.

4.11 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.

4.12 Long-term leases

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.

4.13 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.

Financial Statement

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.

4.14 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.

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Financial Statement

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

4.16 Provisions

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

4.17 Equity-settled share-based payment transactions

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

4.18 Income tax

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

Current tax

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

Deferred tax

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

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

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

Financial Statement

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.

4.19 Derivatives

Forward exchange contracts

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

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.

4.20 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.

Financial Statement

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.

Biological assets

The Company and its subsidiaries measured their biological assets at their fair value less costs to sell. Such fair values were calculated using the as described in accounting policy. The valuation involves certain assumptions and estimates as described in Note 10.

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, 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.

Financial Statement

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

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

Bearer plants and amortisation

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

In addition, the management is required to review bearer plants 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.

Deferred tax assets

Deferred tax assets are recognised for temporary differences between tax base and accounting base of assets and liabilities at the end of reporting date to the extent that it is probable that taxable profit will be available against which deferred tax assets 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. However, actual post-retirement costs may ultimately differ from these estimates.

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.

Financial Statement

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
CPI Trading Co., Ltd.	Subsidiary
CPI Glow Co., Ltd.	Subsidiary
CPI Energy Co., Ltd.	Subsidiary (Liquidated on 13 December 2018)
CPI Green Co., Ltd.	Subsidiary (Held by CPI Glow Co., Ltd.)
All Bloom Coconut Co., Ltd.	Subsidiary (Held by CPI Agrotech Co., Ltd.) (Liquidated on 12 December 2018)

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
	2018	2017	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Sales	208	252	Market price
Rental income	2	2	Monthly fees of Baht 0.03 - 0.13 million
Interest income	9	12	2.70% - 4.75% per annum and rate charged on call borrowings from a bank plus 0.5% per annum
Dividend income	212	-	As declared
Purchase of raw materials	1,285	1,139	Market price
Sales of equipment	3	-	Market price

Financial Statement

The balances of the accounts as at 31 December 2018 and 2017 between the Company and these related parties are as follows:

		(Unit: Thousand Baht)	
		Separate financial statements	
		2018	2017
Account receivable - related party (Note 8)			
Subsidiary (eliminated from consolidated financial statements)		14,174	-
Other receivables - related parties (Note 8)			
Subsidiaries (eliminated from consolidated financial statements)		9,690	9,123
Accrued dividend income - related party (Note 8)			
Subsidiary (eliminated from consolidated financial statements)		61,120	-
Short-term loans to related parties			
Subsidiaries (eliminated from consolidated financial statements)		294,000	237,600
Interest receivables - related parties (Note 8)			
Subsidiaries (eliminated from consolidated financial statements)		2,429	21
Account payable - related party (Note 18)			
Subsidiary (eliminated from consolidated financial statements)		25,996	-
Other payable - related party (Note 18)			
Subsidiary (eliminated from consolidated financial statements)		3,643	18,076

Loans to related parties

As at 31 December 2018 and 2017, the balance of loans between the Company and the related parties and the movement of such loans are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loan to	Relationship	Balance as at	During the year		Balance as at
		1 January 2018	Increase	Decrease	31 December 2018
CPI Agrotech Co., Ltd.	Subsidiary	28,000	34,000	(32,000)	30,000
CPP Co., Ltd.	Subsidiary	209,600	104,000	(49,600)	264,000
Total		237,600	138,000	(81,600)	294,000

Financial Statement

The above loans are unsecured and due at call. Interest is charged at rates of 2.70% - 4.75% per annum and interest rate charged on call borrowings from a bank plus 0.5% per annum.

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management recognised in profit or loss as below.

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	22,470	24,505	19,462	20,765
Post-employment and termination benefits	897	1,146	537	1,017
Share-based payment	50	1,014	50	1,003
Total	23,417	26,665	20,049	22,785

Guarantee obligations with related party

The Company had outstanding guarantee obligations with its subsidiary, as described in Note 31.4 a) to the financial statements.

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	20,847	368	11,860	254
Bank deposits	108,248	95,951	85,722	62,443
Total	129,095	96,319	97,582	62,697

As at 31 December 2018, bank deposits in saving accounts carried interest at rates of 0.10% - 0.38% per annum (2017: between 0.10% - 0.38% per annum).

Financial Statement

8. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade receivable - related party				
Aged on the basis of due dates				
Not yet due	-	-	14,174	-
Total trade receivable - related party	-	-	14,174	-
Trade receivable - unrelated party				
Aged on the basis of due dates				
Not yet due	283,651	336,922	256,271	312,438
Past due				
Up to 1 month	59,840	141,332	59,423	138,192
1 - 3 months	6,944	5,378	6,444	3,611
3 - 6 months	1,379	142	1,379	142
6 - 12 months	410	870	160	870
Over 12 months	3,256	3,256	3,256	3,194
Total	355,480	487,900	326,933	458,447
Less: Allowance for doubtful debts	(2,813)	(2,897)	(2,813)	(2,861)
Total trade receivables - unrelated parties, net	352,667	485,003	334,120	455,586
Total trade receivables, net	352,667	485,003	338,294	455,586
Other receivables				
Other receivables - related parties	-	-	9,690	9,123
Accrued dividend income - related party	-	-	61,120	-
Interest receivables - related parties	-	-	2,429	21
Other receivables - unrelated parties	2,662	870	2,533	858
Total	2,662	870	75,772	10,002
Less: Allowance for doubtful debts	(681)	(681)	(681)	(681)
Total other receivables - net	1,981	189	75,091	9,321
Total trade and other receivables - net	354,648	485,192	413,385	464,907

Financial Statement

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	215,098	207,123	(58)	(575)	215,040	206,548
Raw materials	330,622	351,722	-	(1,445)	330,622	350,277
Work in process	25,281	364	-	-	25,281	364
Spare parts and factory supplies	18,849	39,751	-	-	18,849	39,751
Total	589,850	598,960	(58)	(2,020)	589,792	596,940

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	2018	2017	2018	2017	2018	2017
Finished goods	215,098	207,123	(58)	(575)	215,039	206,548
Raw materials	329,866	351,918	-	(1,445)	329,866	350,473
Work in process	96	171	-	-	96	171
Spare parts and factory supplies	31,719	32,745	-	-	31,720	32,745
Total	576,779	591,957	(58)	(2,020)	576,721	589,937

Movements in the allowance for diminution in value of inventories account during the years 2018 and 2017, which were presented as cost of sales, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance as at beginning of the year	2,020	-	2,020	-
Add: Allowance for diminution in value of inventories during the year (reversal)	(1,962)	2,020	(1,962)	2,020
Balance as at ending of the year	58	2,020	58	2,020

Financial Statement

10. Biological assets

Movements of the biological assets account for the year ended 31 December 2018 and 2017 is summarised below.

	Consolidated financial statements			(Unit: Thousand Baht) - Separate financial statements
	Palm fruit on trees	Palm seeds and palm sprouts	Total	Palm fruit on trees
Balance as at 1 January 2017	27,338	28,738	56,076	27,338
Gains arising from changes in fair value less costs to sell	167,720	46,202	213,922	167,720
Decrease due to sell	-	(43,907)	(43,907)	-
Decrease due to harvest	(167,895)	-	(167,895)	(167,895)
Balance as at 31 December 2017	27,163	31,033	58,196	27,163
Gains arising from changes in fair value less costs to sell	159,139	24,734	183,873	159,139
Decrease due to sell	-	(28,505)	(28,505)	-
Decrease due to harvest	(159,238)	-	(159,238)	(159,238)
Balance as at 31 December 2018	27,064	27,262	54,326	27,064

Significant assumptions for the calculation of fair value at the valuation date were as follows:

Palm fruit on trees

Prices of palm fruit at the point of harvest are estimated based on selling prices of palm fruit at the front of the Company's factory from which the Company purchased in the past less estimated estate cost, harvesting cost and transportation cost from estate.

Weight of palm fruit on tree are based on random count data and estimated with references to the average weight for each age when harvest the palm fruit from historical information, including consideration on loss from planting.

Palm seeds, palm sprouts

Prices of palm seeds, and palm sprouts are estimated based on selling price less estimated selling expense such as transportation cost selling price

Quantity of palm seeds and palm sprouts included consideration on loss from planting based on historical information

Financial Statement

The result of sensitivity analysis for significant assumptions that affect the fair value of biological assets as at 31 December 2018 and 2017 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements			
	2018		2017	
	Increase by	Decrease by	Increase by	Decrease by
	10 percent	10 percent	10 percent	10 percent
Price of palm fruit at the point of harvest	3	(3)	3	(3)
Weight of palm fruit	3	(3)	3	(3)
Price of palm seeds and palm sprouts	5	(1)	6	(1)
Quantity of palm seeds and palm sprouts	5	(1)	6	(1)

(Unit: Million Baht)

	Separate financial statements			
	2018		2017	
	Increase by	Decrease by	Increase by	Decrease by
	10 percent	10 percent	10 percent	10 percent
Price of palm fruit at the point of harvest	3	(3)	3	(3)
Weight of palm fruit	3	(3)	3	(3)

11. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Amounts placed for trading of palm oil future contracts	5,207	1,414	5,207	1,414
Others	20,721	21,739	7,489	9,741
Total other current assets	25,928	23,153	12,696	11,155

Financial Statement

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

Company's name	Called-up capital		Shareholding percentage		Cost		Dividend received	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
CPI Agrotech Co., Ltd.	15,000	15,000	100	100	15,000	15,000	-	-
CPP Co., Ltd.	191,000	185,000	100	100	191,000	185,000	212,010	-
CPI Trading Co., Ltd.	50	50	100	100	50	50	-	-
CPI Glow Co., Ltd.	13,000	13,000	100	100	13,000	13,000	-	-
CPI Energy Co., Ltd.	-	12	-	100	-	12	-	-
Total					219,050	213,062	212,010	-

On 25 April 2018, the Annual General Meeting of shareholders of CPP Co., Ltd. passed a resolution approving the increase in its registered share capital from Baht 185 million to Baht 191 million, by issuing new ordinary shares of 600,000 shares, with a par value of Baht 10 each. The subsidiary registered the increase in share capital with the Ministry of Commerce on 3 May 2018.

On 21 September 2018, the Extraordinary General Meeting of shareholders of CPI Energy Co., Ltd. approved the dissolution. This company registered its dissolution with the Ministry of Commerce on 24 September 2018, and then liquidated on 13 December 2018.

On 21 September 2018, the Extraordinary General Meeting of shareholders of All Bloom Coconut Co., Ltd. (a subsidiary which 100% held by CPI Agrotech Co., Ltd.) approved the dissolution. This company registered its dissolution with the Ministry of Commerce on 24 September 2018, and then liquidated on 12 December 2018.

13. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements									
Revaluation basis	Cost basis								
	Land	Land improvement	Buildings and building improvement	Machinery and equipment	Tools and factory equipment	Motor vehicles	Furniture, fixtures and office equipment	Assets under installation and under construction	Total
Cost / Revalued amount									
1 January 2017	705,574	272,444	465,666	1,873,737	56,822	161,858	102,456	999,403	4,637,960
Additions	-	4,012	-	12,901	1,078	5,226	5,604	195,003	223,824
Disposals	-	(815)	(524)	(13,978)	(878)	(1,505)	(2,883)	-	(20,583)
Transferred in (out)	-	114,460	228,952	806,873	5,424	97	6,885	(1,162,691)	-
31 December 2017	705,574	390,101	694,094	2,679,533	62,446	165,676	112,062	31,715	4,841,201
Additions	-	385	-	25,502	1,994	21,046	9,117	62,805	120,849
Disposals	-	-	-	(1,111)	(197)	(15,399)	(110)	-	(16,817)
Transferred in (out)	-	5,395	2,319	13,957	2,131	10,061	39	(33,902)	-
Transferred to intangible assets	-	-	-	-	-	-	-	(403)	(403)
Revaluations	202,658	-	-	-	-	-	-	-	202,658
31 December 2018	908,232	395,881	696,413	2,717,881	66,374	181,384	121,108	60,215	5,147,488
Accumulated depreciation									
1 January 2017	-	121,941	278,068	1,305,666	35,057	120,327	80,569	-	1,941,628
Depreciation charged for the year	-	14,436	23,294	132,020	5,577	15,017	6,308	-	196,652
Depreciation on disposals	-	(815)	(484)	(13,338)	(818)	(1,424)	(2,764)	-	(19,643)
31 December 2017	-	135,562	300,878	1,424,348	39,816	133,920	84,113	-	2,118,637
Depreciation charged for the year	-	15,456	24,158	130,817	5,287	14,175	7,053	-	196,946
Depreciation on disposals	-	-	-	(1,106)	(188)	(15,399)	(81)	-	(16,774)
31 December 2018	-	151,018	325,036	1,554,059	44,915	132,696	91,085	-	2,298,809
Net book value									
31 December 2017	705,574	254,539	393,216	1,255,185	22,630	31,756	27,949	31,715	2,722,564
31 December 2018	908,232	244,863	371,377	1,163,822	21,459	48,688	30,023	60,215	2,848,679
Depreciation for the year									
2017 (Baht 177 million included in manufacturing cost, and the remaining balance in administrative expenses)									196,652
2018 (Baht 184 million included in manufacturing cost, and the remaining balance in administrative expenses)									196,946

Financial Statement

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis	Cost basis							Total
		Land	Land improvement	Buildings and building improvement	Machinery and equipment	Tools and factory equipment	Motor vehicles	Furniture, fixtures and office equipment	
Cost / Revalued amount									
1 January 2017	702,381	271,523	441,524	1,840,437	47,766	136,930	95,136	10,686	3,546,383
Additions	-	-	-	11,371	1,006	4,581	4,874	35,089	56,921
Disposals	-	(815)	(524)	(13,978)	(863)	(1,255)	(2,827)	-	(20,262)
Transferred in (out)	-	-	1,481	5,597	550	-	419	(8,047)	-
31 December 2017	702,381	270,708	442,481	1,843,427	48,459	140,256	97,602	37,728	3,583,042
Additions	-	-	-	24,550	1,276	18,993	8,829	42,656	96,304
Disposals	-	-	-	(1,111)	(197)	(15,399)	(110)	-	(16,817)
Transferred in (out)	-	5,395	1,906	12,485	1,926	10,061	39	(31,812)	-
Transferred to intangible assets	-	-	-	-	-	-	-	(403)	(403)
Revaluations	202,658	-	-	-	-	-	-	-	202,658
31 December 2018	905,039	276,103	444,387	1,879,351	51,464	153,911	106,360	48,169	3,864,784
Accumulated depreciation									
1 January 2017	-	121,666	274,185	1,294,381	33,186	110,081	76,805	-	1,910,304
Depreciation charged for the year	-	12,544	18,269	110,695	3,887	11,347	4,587	-	161,329
Depreciation on disposals	-	(815)	(484)	(13,338)	(803)	(1,255)	(2,709)	-	(19,404)
31 December 2017	-	133,395	291,970	1,391,738	36,270	120,173	78,683	-	2,052,229
Depreciation charged for the year	-	12,371	16,383	100,496	3,588	10,412	5,544	-	149,249
Depreciation on disposals	-	-	-	(1,106)	(189)	(15,399)	(81)	-	(16,775)
31 December 2018	-	145,766	308,808	1,491,128	39,669	115,186	84,146	-	2,184,703
Net book value									
31 December 2017	702,381	137,313	150,511	451,689	12,189	20,083	18,919	37,728	1,530,813
31 December 2018	905,039	130,337	135,579	388,223	11,795	38,725	22,214	48,169	1,680,081
Depreciation for the year									
2017 (Baht 145 million included in manufacturing cost, and the remaining balance in administrative expenses)									161,329
2018 (Baht 141 million included in manufacturing cost, and the remaining balance in administrative expenses)									149,249

Financial Statement

In 2018, the Company arranged for an independent professional valuer to appraise the value of land. The basis of the revaluation used was the market approach. The revaluation value of the land is higher than the prior revaluation by Baht 203 million. The Company recognised the increase in shareholders' equity as "Other components of shareholders' equity".

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land				
Original cost	101,517	101,517	99,967	99,967
Surplus from revaluation	806,715	604,057	805,072	602,414
Revalued amount	908,232	705,574	905,039	702,381
Stated at cost				
Net book value	101,517	101,517	99,967	99,967

During in 2017, borrowing costs of a subsidiary capitalised as part of the assets amounted to Baht 11 million.

As at 31 December 2018, 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 1,245 million (2017: Baht 1,133 million).

14. Bearer Plants

	(Unit: Thousand Baht)			
	Consolidated financial statements			Total
	Palm trees ready for harvest	Palm trees not ready for harvest	Coconut trees not ready for harvest	
Cost				
1 January 2017	176,628	224,479	-	401,107
Additions	-	25,990	313	26,303
Transfer in (out)	134,577	(134,577)	-	-
31 December 2017	311,205	115,892	313	427,410
Additions	-	23,144	98	23,242
31 December 2018	311,205	139,036	411	450,652

Financial Statement

(Unit: Thousand Baht)

	Consolidated financial statements			
	Palm trees ready for harvest	Palm trees not ready for harvest	Coconut trees not ready for harvest	Total
Accumulated amortisation				
1 January 2017	25,264	-	-	25,264
Amortisation charged for the year	10,306	-	-	10,306
31 December 2017	35,570	-	-	35,570
Amortisation charged for the year	11,723	-	-	11,723
31 December 2018	47,293	-	-	47,293
Net book value				
31 December 2017	275,635	115,892	313	391,840
31 December 2018	263,912	139,036	411	403,359
Amortisation for the year (included in manufacturing cost)				
2017				10,306
2018				11,723

(Unit: Thousand Baht)

	Separate financial statements		
	Palm trees ready for harvest	Palm trees not ready for harvest	Total
Cost			
1 January 2017	171,966	224,479	396,445
Additions	-	25,990	25,990
Transfer in (out)	134,577	(134,577)	-
31 December 2017	306,543	115,892	422,435
Additions	-	23,144	23,144
31 December 2018	306,543	139,036	445,579

Financial Statement

	(Unit: Thousand Baht)		
	Separate financial statements		
	Palm trees ready for harvest	Palm trees not ready for harvest	Total
Accumulated amortisation			
1 January 2017	24,664	-	24,664
Amortisation charged for the year	10,017	-	10,017
31 December 2017	34,681	-	34,681
Amortisation charged for the year	11,381	-	11,381
31 December 2018	46,062	-	46,062
Net book value			
31 December 2017	271,862	115,892	387,754
31 December 2018	260,481	139,036	399,517
Amortisation for the year (included in manufacturing cost)			
2017			10,017
2018			11,381

As at 31 December 2018, palm trees costing a total net book value of Baht 6 million (2017: Baht 7 million) were located on land over which the Company had only occupancy rights.

15. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2018 and 2017 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost	23,459	22,847	22,896	22,287
Less: Accumulated amortisation	(18,386)	(16,866)	(18,205)	(16,757)
Net book value	5,073	5,981	4,691	5,530

Financial Statement

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	5,981	6,165	5,530	5,907
Acquisition of computer software	215	1,246	214	993
Transferred from assets under installation	403	-	403	-
Disposal - net book value at disposal date	(3)	-	(3)	-
Amortisation for the year	(1,523)	(1,430)	(1,453)	(1,370)
Net book value at end of year	<u>5,073</u>	<u>5,981</u>	<u>4,691</u>	<u>5,530</u>

Amortisation was included in administrative expenses in profit or loss.

16. Advances for purchasing 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 2018 and 2017, the Company has made full payment of the purchase price. At the present, the Company is considering alternatives for utilization, so the transfer of right has yet to be made.

17. Short-term loans from banks

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Short-term loans from banks	2.20 - 2.78 (2017: LIBOR+1.02 and 2.20 - 2.45)	1,448,000	1,253,000	1,340,000	1,200,000
Total		<u>1,448,000</u>	<u>1,253,000</u>	<u>1,340,000</u>	<u>1,200,000</u>

As at 31 December 2017, the Company had short-term loans from banks which dominated in USD amounted to USD 3.6 million. In order to manage currency risk and interest rate risk, the Company entered into Cross Currency and Interest Rate Swap Agreement as described in Note 33.1 to the financial statements.

Financial Statement

18. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade payable - related party	-	-	25,996	-
Trade payables - unrelated parties	107,951	34,031	104,513	32,355
Accrued expenses	34,037	36,929	25,164	28,325
Other payable - related party	-	-	3,643	18,076
Other payables - unrelated parties	87,985	80,470	29,427	17,185
Total trade and other payables	229,973	151,430	188,743	95,941

19. Long-term loans

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
Credit line	Interest rate (% per annum)	Repayment condition	2018	2017	2018	2017
1) Credit line of Baht 204 million of the Company	MLR - 3	Grace period until the earlier of 18 months, the first installment starts from June 2015, then quarterly installments of not less than Baht 9.55 million. The repayment period is within March 2021.	89,620	127,820	89,620	127,820
2) Credit line of Baht 250 million of the Company	THBFIX + 2.32	Monthly installments of Baht 4.2 million for 60 months, the last installment is remaining principal and accrued interest. The repayment period is from January 2016 to December 2020	98,800	149,200	98,800	149,200
3) Credit line of Baht 250 million of the Company	THBFIX + 2.2	Quarterly installments of Baht 12.5 million for 20 installments, the last installment is remaining principal and accrued interest. The repayment period is from October 2017 to July 2022	187,500	237,500	187,500	237,500
4) Credit line of Baht 800 million of the subsidiary	AMLR - 2.90	Grace period until the earlier of 18 months, then semi - annually installments of Baht 67 million for 11 installments and Baht 63 million for the final installment. The repayment period is within August 2022.	532,000	666,000	-	-
Total			907,920	1,180,520	375,920	514,520
Less: Current portion			(282,150)	(282,150)	(148,150)	(148,150)
Long-term loans, net of current portion			625,770	898,370	227,770	366,370

Financial Statement

Movement in the long-terms loans account during the year 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	1,180,520	514,520
Less: Repayments	(272,600)	(138,600)
Balance as at 31 December 2018	907,920	375,920

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.

In the years 2018 and 2017, the Company and its subsidiary failed to comply with the condition to maintain the financial ratio in the loan agreements. However, the Company and its subsidiary have been relieved to a fault condition of the financial ratio from the banks within 2018 and 2017. Thus, reclassification of long-term loans as at 31 December 2018 and 2017 are based on the normal payment terms specified in the loan agreements.

As at 31 December 2018 and 2017, the Company and its 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 long-term loans from banks, the Company and its subsidiary entered into interest rate swap agreements with three commercial banks to swap interest rates as described in Note 33.1.

Financial Statement

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 and its subsidiaries, was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	50,418	45,878	46,757	43,516
Included in profit or loss:				
Current service cost	4,246	2,893	3,469	2,401
Interest cost	1,365	1,598	1,262	1,519
Transferred to a subsidiary	-	-	-	(635)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	1,349	-	809
Financial assumptions changes	-	4,075	-	3,957
Experience adjustments	-	(3,744)	-	(3,179)
Benefits paid during the year	(13,137)	(1,631)	(13,137)	(1,631)
Provision for long-term employee benefits at end of year	42,892	50,418	38,351	46,757

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	2018	2017	2018	2017
Current service cost	4,246	2,893	3,469	2,401
Interest cost	1,365	1,598	1,262	1,520
Total expenses recognised in profit or loss	5,611	4,491	4,731	3,921
Line items in profit or loss under which such expenses are included				
Cost of sales	1,906	1,787	1,631	1,597
Selling and administrative expenses	3,705	2,704	3,100	2,324

The Company and its subsidiaries expect to pay Baht 8 million of long-term employee benefits during the next year (separate financial statements: Baht 8 million) (2017: Baht 9 million (separate financial statements: Baht 9 million)).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 13 years to 19 years (separate financial statements: 13 years) (2017: 13 years to 17 years (separate financial statements: 13 years)).

Financial Statement

Key actuarial assumptions used for the valuation are as follows:

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Discount rate	2.7 - 3.0	2.7 - 3.0	2.7 - 3.0	2.7
Future salary increase rate	3.5	3.5	3.5	3.5
Employee turnover rate (depending on age)	0.0 - 30.0	0.0 - 30.0	0.0 - 30.0	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 2018 and 2017 are summarised below:

	(Unit: Million Baht)			
	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1.86)	2.01	(1.59)	1.71
Salary increase rate	2.22	(2.11)	1.90	(1.82)

	Consolidated financial statements		Separate financial statements	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Employee turnover rate	(1.58)	1.75	(1.45)	1.61

	(Unit: Million Baht)			
	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(1.88)	2.03	(1.65)	1.77
Salary increase rate	2.00	(1.13)	1.74	(0.89)

	Consolidated financial statements		Separate financial statements	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Employee turnover rate	(1.39)	1.54	(1.28)	1.42

Financial Statement

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 11.7 million (the Company only: Baht 10.7 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

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

Financial Statement

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 2018, the Company recorded expenses of Baht 0.2 million (2017: Baht 1.4 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 at 31 December 2018, unexercised warrants totaling 28 million units were expired (2017: the Company had 28,000,000 unexercised ESOP #1 warrants which included 6,042,900 unallocated warrants).

22. 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.

23. Other components of shareholders' equity

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.

The movement of revaluation surplus on assets in 2018 is summarised below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at beginning of year	483,245	481,931
Revaluation during the year (Note 13)	202,658	202,658
Income tax effect (Note 25)	(40,531)	(40,531)
Balance as at end of year	645,372	644,058

Financial Statement

24. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	360,190	320,793	307,864	274,032
Depreciation and amortisation	210,193	208,389	162,084	172,716
Raw materials and consumables used	4,545,575	5,102,068	3,457,947	4,159,364
Changes in finished goods	(7,975)	(36,116)	(7,975)	(36,116)
Fuel and energy	73,867	84,139	52,971	58,654

25. Income tax

25.1 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	
	2018	2017	2018	2017
Deferred tax assets				
Provision for long-term employee benefits	7,612	9,293	7,670	9,351
Allowance for diminution in value of inventories	12	404	12	404
Unused tax losses	30,723	30,723	30,723	30,723
Total	38,347	40,420	38,405	40,478
Deferred tax liabilities				
Biological assets	7,625	8,579	5,413	5,433
Finance lease agreements	-	55	-	55
Revaluation surplus on land	161,343	120,812	161,014	120,483
Total	168,968	129,446	166,427	125,971
Deferred tax liabilities - net	130,621	89,026	128,022	85,493

Financial Statement

25.2 Income tax expenses

Income tax expenses for the years ended 31 December 2018 and 2017 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Corporate income tax charge for the year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	1,064	(19,936)	1,998	(20,096)
Income tax expenses (revenues) reported in the statements of comprehensive income	1,064	(19,936)	1,998	(20,096)

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2018	2017	2018	2017
Accounting losses before tax	(138,354)	(3,740)	(60,979)	(102,227)
Applicable tax rate	20%	20%	20%	20%
Accounting losses before tax multiplied by income tax rate	(27,671)	(748)	(12,195)	(20,445)
Effects of:				
Promotional privileges (Note 26)	(27,638)	(21,660)	-	(1,023)
Non-deductible expenses	1,359	1,550	1,259	1,536
Additional expense deductions allowed	(365)	(2,126)	(42,746)	(2,118)
Others	(698)	(522)	316	46
Unused tax losses which may not utilise	56,077	2,526	55,364	2,000
Income tax expenses (revenue) reported in the statements of comprehensive income	1,064	(19,936)	1,998	(20,096)

Financial Statement

As at 31 December 2018, the Company and its subsidiaries had deductible temporary differences and unused tax losses totaling Baht 307 million (2017: Baht 38 million) (separate financial statement: Baht 287 million (2017: Baht 12 million)). No deferred tax assets have been recognised on these amounts as the Company and its subsidiaries believe that there is an uncertainty that deductible temporary differences will be utilised and future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The above unused tax losses will expire by the year 2023.

25.3 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 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax relating to income tax effect of:				
Actuarial losses arising from defined benefit plan of employees	-	336	-	317
Changes in revaluation surplus on assets	(40,531)	-	(40,531)	-
	<u>(40,531)</u>	<u>336</u>	<u>(40,531)</u>	<u>317</u>

26. 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	CPI Agrotech Co., Ltd.	CPP Co., Ltd.	CPP Co., Ltd.
1. Certificate No.	1025(2)/2548	1702(1)/2556	2644(1)/2556	2390(5)/2554	2548(2)/2557	59-1178-1-00-1-0
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	Production of electricity from biomass
3. The significant privileges are						
3.1 Exemption from corporate income tax on net profit from promoted operations and exemption from income tax on dividends paid from the net profit of the operations throughout the period in which the corporate income tax is exempted.	8 years (Expired)	8 years	8 years	8 years	8 years	8 years

Financial Statement

Details	The Company	The Company	The Company	CPI Agrotech Co., Ltd.	CPP Co., Ltd.	CPP Co., Ltd.
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	Not granted
3.3 Exemption from import duty on machinery as approved by the board.	Granted	Granted	Granted	Granted	Granted	Granted
4. Date of approval	20 October 2004	19 February 2013	14 October 2013	20 September 2011	2 July 2013	13 July 2017
5. Date of first earning operating income	3 November 2005	Not start operations	29 September 2014	1 August 2013	2 March 2017	27 April 2017

The Company's and its subsidiaries' operating revenues for the years ended 31 December 2018 and 2017, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales						
Domestic sales	221,317	183,653	3,542,901	4,212,273	3,764,218	4,395,926
Export sales	-	-	348,120	559,891	348,120	559,891
Total	221,317	183,653	3,891,021	4,772,164	4,112,338	4,955,817

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2018	2017	2018	2017	2018	2017
Sales						
Domestic sales	22,614	30,313	3,744,894	4,460,678	3,767,508	4,490,991
Export sales	-	-	348,120	559,891	348,120	559,891
Total	22,614	30,313	4,093,014	5,020,569	4,115,628	5,050,882

Financial Statement

27. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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 profit (loss) per share:

Consolidated financial statements					
		Weighted average		Profit (loss) per share	
Profit (loss) for the year		number of ordinary shares			
2018	2017	2018	2017	2018	2017
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company					
(139,418)	16,196	632,753	632,753	(0.220)	0.026
Separate financial statements					
		Weighted average		Loss per share	
Loss for the year		number of ordinary shares			
2018	2017	2018	2017	2018	2017
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic loss per share					
Loss attributable to equity holders of the Company					
(62,977)	(82,131)	632,753	632,753	(0.100)	(0.130)

There is no disclosure of diluted earnings per share for the year 2017 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.

Financial Statement

28. 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, palm sprouts and coconut sprouts segment, which produces and distributes palm seeds, palm sprouts and coconut sprouts.
- The electricity segment.

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

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

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

The following tables present revenue and profit (loss) information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2018 and 2017, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2018					
	Palm oil products segment	Palm seeds, palm sprouts and coconut sprouts segment	The electricity segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	3,909	35	168	4,112	-	4,112
Inter-segment revenue	208	-	-	208	(208)	-
Interest income	9	-	-	9	(9)	-
Interest expenses	44	1	34	79	(9)	70
Depreciation and amortisation	145	3	63	211	(1)	210
Income tax (revenue) expenses	2	(1)	-	1	-	1
Segment profit (loss)	(199)	(4)	69	(134)	(5)	(139)

Financial Statement

(Unit: Million Baht)

For the year ended 31 December 2017

	Palm oil products segment	Palm seeds, palm sprouts and coconut sprouts segment	The electricity segment	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	4,770	46	140	4,956	-	4,956
Inter-segment revenue	252	-	-	252	(252)	-
Interest income	12	-	-	12	(12)	-
Interest expenses	74	1	3	78	(7)	71
Depreciation and amortisation	157	4	47	208	-	208
Income tax revenue	(20)	-	-	(20)	-	(20)
Segment profit (loss)	(44)	5	68	29	(13)	16

Geographic information

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

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

(Unit: Thousand Baht)

Consolidated financial statements

	2018	2017
Revenue from external customers		
Thailand	3,764,218	4,395,926
Singapore	302,950	525,735
Other countries	45,170	34,156
Total	4,112,338	4,955,817

Major customers

For the year 2018, the Company had revenue from one major customer in amount of Baht 421 million (2017: two major customers in amount of Baht 920 million), arising from sales by the palm oil products segment.

Financial Statement

29. 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 2018 by the Company and its subsidiaries amounting to approximately Baht 6 million (2017: Baht 6 million), to the provident fund (the Company only: Baht 5 million (2017: Baht 5 million)) were recognised as expenses.

30. Dividend payment

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 27 April 2017	18,982	0.03
Final dividends for 2018	Annual General Meeting of the shareholders on 26 April 2018	25,310	0.04

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2018, the Company and its subsidiaries had capital commitments of approximately Baht 5 million (2017: Baht 4 million) (the Company only: Baht 1 million (2017: Baht 4 million)), relating to the acquisitions of machinery and equipment.

31.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land and service agreements.

Financial Statement

Future minimum lease payments required under operating lease agreements and service agreements were as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payable within:				
1 year	4	5	2	2
2 to 5 years	4	4	3	4
More than 5 years	6	7	6	7

31.3 Electricity sale/purchase commitment

The Company and its subsidiary entered into the following agreements to sell electricity at a specified quantities and prices as defined in the agreements.

Company's name	Date of agreement	Period	Commencement date	Contracted capacity (MW)
Chumporn Palm Oil Industry Plc.	24 December 2013	5 years and Renewable for every 5 years	29 September 2014	3
CPP Co., Ltd.	10 October 2017	15 years 4 months	27 April 2017	4

31.4 Bank guarantees

- As at 31 December 2018 and 2017, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 1,026 million and USD 27 million.
- As at 31 December 2018 and 2017, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries 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 financial statements		Separate financial statements	
	2018	2017	2018	2017
Letters of guarantee for electricity usage	7	7	3	3
Letter of guarantee for power purchase agreement (PPA)	1	1	1	1
Total	8	8	4	4

Financial Statement

31.5 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 2018, the Company has sale value of Baht 110 million which the goods will be delivered during January 2019 - March 2019 (2017: Baht 157 million which the goods would be delivered during January 2018 - March 2018).

31.6 Commitment in respect of uncalled investments

The Company and its subsidiaries are committed to pay the uncalled portions of their investments as follows:

	31 December 2018	31 December 2017
CPI Glow Co., Ltd.	37.00	37.00
CPI Green Co., Ltd.	37.50	37.50
CPI Energy Co., Ltd.	-	0.04
All bloom coconut Co., Ltd.	-	3.75

32. Fair value hierarchy

As at 31 December 2018, 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				
Biological assets	-	-	54	54
Land	-	908	-	908
Liabilities for which fair value are disclosed				
Derivatives				
Forward exchange contracts	-	0.1	-	0.1
Interest rate swap	-	6	-	6

(Unit: Million Baht)				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	-	27	27
Land	-	905	-	905
Liabilities for which fair value are disclosed				
Derivatives				
Forward exchange contracts	-	0.1	-	0.1
Interest rate swap	-	2	-	2

Financial Statement

As at 31 December 2017, 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				
Biological assets	-	-	58	58
Land	-	706	-	706
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	13	-	13
Cross currency and interest swap agreements	-	3	-	3

(Unit: Million Baht)

Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Biological assets	-	-	27	27
Land	-	702	-	702
Liabilities for which fair value are disclosed				
Derivatives				
Interest rate swap	-	5	-	5
Cross currency and interest swap agreements	-	3	-	3

33. Financial instruments

33.1 Financial risk management

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

Financial Statement

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 2018 and 2017, significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
2018							
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	-	-	-	108	21	129	Note 7
Trade and other receivables	-	-	-	-	355	355	-
Amounts placed for trading of palm oil forward contracts	-	-	-	-	5	5	-
Financial liabilities							
Short-term loans from banks	1,448	-	-	-	-	1,448	Note 17
Trade and other payables	-	-	-	-	230	230	-
Long-term loans	-	-	-	908	-	908	Note 19

(Unit: Million Baht)

Separate financial statements							
2018							
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	-	-	-	86	12	98	Note 7
Trade and other receivables	-	-	-	-	413	413	-
Short-term loans to related parties	294	-	-	-	-	294	Note 6
Amounts placed for trading of palm oil forward contracts	-	-	-	-	5	5	-
Financial liabilities							
Short-term loans from banks	1,340	-	-	-	-	1,340	Note 17
Trade and other payables	-	-	-	-	189	189	-
Long-term loans	-	-	-	376	-	376	Note 19

Financial Statement

(Unit: Million Baht)

Consolidated financial statements							
2017							
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	-	-	-	96	-	96	Note 7
Trade and other receivables	-	-	-	-	485	485	-
Amounts placed for trading of palm oil forward contracts	-	-	-	-	1	1	-
Financial liabilities							
Short-term loans from banks	1,133	-	-	120	-	1,253	Note 17
Trade and other payables	-	-	-	-	151	151	-
Long-term loans	-	-	-	1,181	-	1,181	Note 19

(Unit: Million Baht)

Separate financial statements							
2017							
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	-	-	-	63	-	63	Note 7
Trade and other receivables	-	-	-	-	465	465	-
Short-term loans to related parties	238	-	-	-	-	238	Note 6
Amounts placed for trading of palm oil forward contracts	-	-	-	-	1	1	-
Financial liabilities							
Short-term loans from banks	1,080	-	-	120	-	1,200	Note 17
Trade and other payables	-	-	-	-	96	96	-
Long-term loans	-	-	-	515	-	515	Note 19

Interest rate swap agreements

The Company and its subsidiaries entered into interest rate swap agreements in order to manage the interest rate risks associated with their long-term loans from banks. The details of the interest rate swap agreements outstanding as at 31 December 2018 and 2017 are summarised below.

Financial Statement

Consolidated financial statements as at 31 December 2018 and 2017				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 204 million	Floating rate MLR minus 3%	Fixed rate as stipulated in swap agreement.	September 2020
2	Baht 250 million	Floating rate 1-month THBFIX plus 2.32%	Fixed rate as stipulated in swap agreement.	December 2020
3	Baht 250 million	Floating rate 6-month THBFIX plus 2.2%	Fixed rate as stipulated in swap agreement.	July 2022
4	Baht 800 million	Floating rate AMLR minus 2.9%	Fixed rate as stipulated in swap agreement.	August 2022

Separate financial statements as at 31 December 2018 and 2017				
	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Termination date
1	Baht 204 million	Floating rate MLR minus 3%	Fixed rate as stipulated in swap agreement.	September 2020
2	Baht 250 million	Floating rate 1-month THBFIX plus 2.32%	Fixed rate as stipulated in swap agreement.	December 2020
3	Baht 250 million	Floating rate 6-month THBFIX plus 2.2%	Fixed rate as stipulated in swap agreement.	July 2022

Cross Currency and Interest Rate Swap

Cross Currency and Interest Rate Swap agreements of the Company outstanding as at 31 December 2017 were as follows:

Consolidated and separate financial statements				
Currency and Interest Revenue Rate Swap agreement		Currency and Interest Expense Rate Swap agreement		Termination date
Principal amount	Interest rate	Principal amount	Interest rate	
USD 1.5 million	Floating rate 1-month LIBOR plus 1.02%	Baht 50.0 million	Fixed rate as stipulated in swap agreement.	12 February 2018
USD 2.1 million	Floating rate 1-month LIBOR plus 1.02%	Baht 70.0 million	Fixed rate as stipulated in swap agreement.	22 February 2018

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.

Financial Statement

As at 31 December 2018 and 2017, the Company's balances of financial assets denominated in foreign currencies are summarised below.

Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	328	538	19	12	32.4498	32.5146

Forward exchange contracts of the Company outstanding as at 31 December 2018 and 2017 summarised below.

Consolidated and separate financial statements as at 31 December 2018			
Foreign currency	Sold amount	Contractual exchange rate - sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	325	32.86	20 February 2019

Consolidated and separate financial statements as at 31 December 2017			
Foreign currency	Sold amount	Contractual exchange rate - sold	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US Dollar	687	32.36 - 33.28	1 February 2018 - 28 June 2018

33.2 Fair value of financial instruments

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

The estimated fair values of the derivatives as at 31 December 2018 and 2017 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Fair value	Fair value	Fair value	Fair value
	Gain (loss)	Gain (loss)	Gain (loss)	Gain (loss)
Derivatives				
Forward exchange contracts	(0.1)	-	(0.1)	-
Interest rate swap contracts	(6.1)	(13.3)	(2.0)	(5.4)
Cross currency and interest rate swap agreements	-	(3.0)	-	(3.0)

Financial Statement

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

- a) 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.
- b) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- c) For derivatives, their fair value has been determined by using a discounted future cash flows 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.

34. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Group's debt-to-equity ratio was 1.57:1 (2017: 1.55:1) and the Company's was 1.17:1 (2017: 1.15:1).

35. Event after the reporting period

On 14 February 2019, the meeting of the Board of Directors of CPI Trading Co., Ltd. (A subsidiary) passed a resolution to propose to the Annual General Meeting of the subsidiary's shareholders for approval an increase in the registered share capital from Baht 50,000 (5,000 ordinary shares with a par value of Baht 10 per share) to new registered share capital of Baht 5,050,000 (505,000 ordinary shares with a par value of Baht 10 per share) by issuing new 500,000 ordinary shares with a par value of Baht 10 per share.

36. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 21 February 2019.

บริษัท ชุมพรอุตสาหกรรมน้ำมันปาล์ม จำกัด (มหาชน)

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