



MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

KITCHEN OF THE WORLD



Sustainable Products, Sustainable Brand, Sustainable Company

MESSAGE TO SHAREHOLDERS

In the midst of changes including the population increase, world economic transition to emerging market countries, climate change and restrictions of resources, urban society growth, changes in population structure as well as technological advancement, the Company needed to adapt itself and to be prepared at all times. The Company created **innovation** in accordance with trends of economic, social and environmental change, developed **personnel** to have the vision of change leader, applied advanced production **technologies**, and integrated **alliances** throughout the value chains, in order to move forwards together in a sustainable manner.

In 2015, the growth target has still **encountered challenges** resulting from uncertainty of the world economy, slow-down of the Thai economy, and management of the Company's aquaculture businesses from the impact of shrimp early mortality syndrome (EMS) in the regions; however, the Company still operated its business in accordance with its strategic directions with **an emphasis on creation of balance between sustainable growth, aiming for excellence, and establishment of secure foundation**, in order to propel the organization towards sustainability.

Regarding the sustainable growth, the Company has emphasized the value creation from its existing assets and expansion of investment in countries with potential expansion of economics and long-term consumption, including business combination and acquisition.



In 2015, the Company has acquired C.P. Cambodia Co., Ltd., which is an operator of integrated agro-industrial business, with the value of 2,850 million Baht; and has also acquired an integrated poultry business in Russia with the approximate value of 23,766 million Baht, which was regarded as combination of strengths and enhancement of more secure businesses. Regarding the operating results in 2015, the Company had its revenue from sales of 421,355 million Baht and had its net income of 11,059 million Baht, increased by 5% from 2014. The Board of Directors had passed its resolution to propose to the 2016 Annual General Meeting of Shareholders (AGM) for consideration and approval of 2015 dividend payment at 0.75 Baht per share, divided into interim dividend already paid to shareholders at 0.30 Baht per share and the second dividend payment at 0.45 Baht per share.

With its aim for excellence, the Company has given an extreme importance to the food quality and safety as well as the creation of innovation and improvement of efficiency. In 2015, the Company has established “CPF Standard” to create the unified standard system on the food quality and safety throughout the Company’s domestic and overseas value chains. Moreover, the Company promoted its employees’ participation in creating and sending innovation projects to contest for “CPF CEO Award” organized on a yearly basis. For this year, there were over 4,200 innovation projects.

Regarding the establishment of secure foundation, the Company is committed to personnel development together with corporate social responsibility. In 2015, other than the establishment of CPF Training Center for development of its personnel to have leadership and professionalism, the Company has cooperated with CP Group to establish C.P. Leadership Institute. With its awareness of “sustainability management in value chains” as an important mission and urgent agenda of 2015, the Company has upgraded the standard of sustainable management of the supply chain of fish meal, such as announcement of stricter requirements of purchasing of fish meal, reduction of use of fish meal in aquaculture feed formula, and campaigns for reviving of abundance to the Gulf of Thailand and the Andaman Sea,

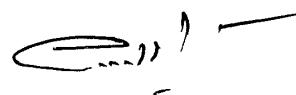
in order to eliminate problems of illegal, unreported and unregulated fishing (IUU Fishing), including problems of human trafficking. Moreover, the Company has initiated a traceability system of the supply chains of corn and promoted the sustainability in the supply chains of animal feed raw material, seasonings, and packages which were directly related to the food quality and safety.

Driven by strategic directions towards sustainability under the philosophy of “Three Benefits” - aiming to benefit the Country, the People, and the Company, CPF, as a result, has been selected as a member of Dow Jones Sustainability Indices (indices for evaluation of business operation sustainability) in the category of DJSI Emerging Markets of 2015. The Company was ranked within top 5 from 31 companies in the group of FAO food products. In addition, the Company was accepted as a party to the United Nations Global Compact (UNGC); and the Company has become the world’s first corporation of which chicken products were awarded with Product Sustainability Certificate under ProSustain Standard.

On behalf of the Board of Directors, executives and employees, we would like to thank shareholders and all related stakeholders for your confidence and continuous support for the Company. As Thailand’s first leader of agro-industrial and integrated food businesses, the Company promises to operate its businesses on the principle of good corporate governance, with awareness of balance of society and the environment, in order to become a sustainable organization, standing side by side with the country and with the Thai people as “Kitchen of the World” going forward.



Mr. Dhanin Chearavanont
Chairman of
the Board of Directors



Mr. Adirek Sripratak
President and CEO

OPERATIONS IN BRIEF

CPF operates integrated agro-industrial and food business including livestock and aquaculture: swine, broilers, layers, duck, shrimp and fish. The businesses are categorized into 4 main areas.

CPF's food production process involves advanced technology, safe and chemical-free production, high standards of hygiene while being environmentally friendly. The processes are systematically traceable throughout the supply chain to build trust in every bite for you and your loved ones.

1

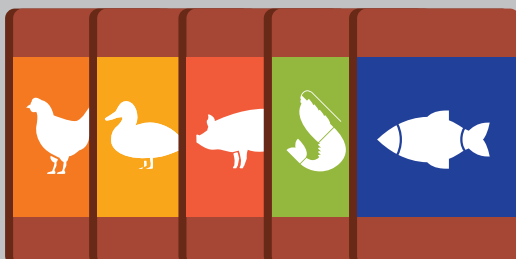
FEED



Feed
Manufacturing



Animal Feed

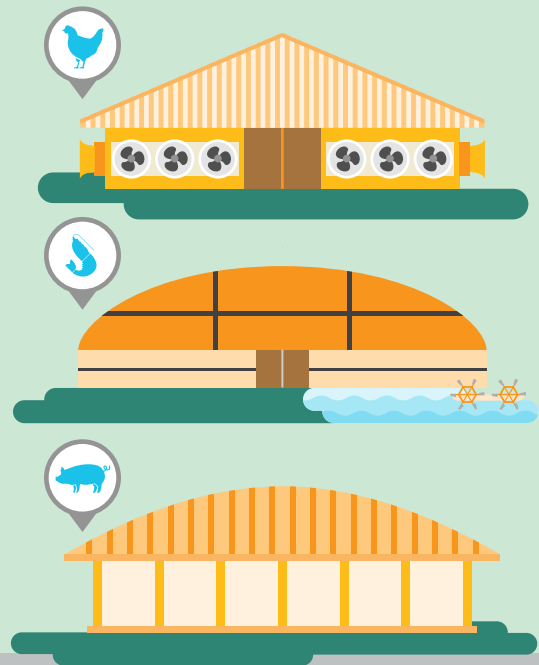


2

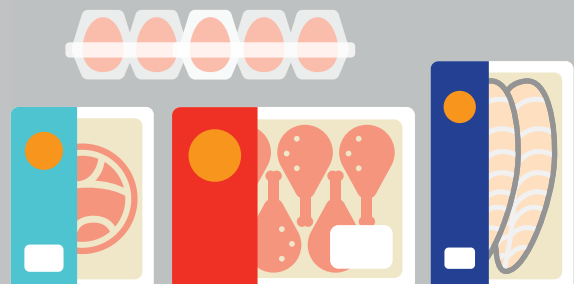
FARM



Breeding
& Animal Farming



Fresh & Uncooked Meat



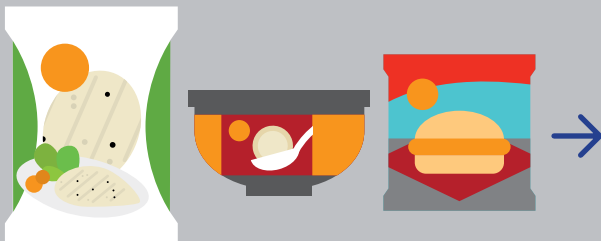
3

FOOD

↓ Production of Processed & Ready-to-eat Food



↓ Cooked & Ready-to-eat Meal



4

RETAIL & FOOD OUTLETS

↓ Distribution Channels
(Food Retail Outlets,
Restaurant & Food Courts)



CPF...KITCHEN OF THE WORLD

CPF leverages its expertise in agro-industrial and food and expands businesses in the countries with growth opportunities to strengthen food security for the benefits of the Country, the People, and the Company.

OPERATIONS AND INVESTMENT
IN 14 COUNTRIES, EXPORT TO MORE THAN
30 COUNTRIES ACROSS 5 CONTINENTS,
CATERED TO OVER 3 BILLION
CITIZENS OF THE WORLD

UK



- Food Processing Plant
- Food Kiosks

Belgium



- Food Processing Plant

Turkey



- Chicken Integrated Business

India



- Chicken Integrated Business
- Aquaculture Feed

Tanzania



- Livestock Feed
- Chicken Farming

● Thailand Operations ● International Operations

Russia



- Livestock Feed
- Swine Farming
- Chicken Integrated Business

China



- Livestock and Aquaculture Feed
- Aquaculture Farming
- Food Processing Plant

Laos



- Livestock Integrated Business

Taiwan



- Livestock Integrated Business

Thailand



- Livestock and Aquaculture Integrated Businesses



Malaysia



- Livestock and Aquaculture Integrated Businesses

Cambodia



- Livestock Integrated Business

Philippines



- Livestock and Aquaculture Feed and Farming

Vietnam



- Livestock and Aquaculture Integrated Businesses

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Definition : "The Company" mentioned in Part 1-3 refers to Charoen Pokphand Foods Plc. ("CPF") and its subsidiaries (companies which CPF has direct and indirect control)

Investors may see more information of the Company in Annual Registration Statements (Form 56-1)
on www.sec.or.th or www.cpfworldwide.com



Charoen Pokphand Foods Public Company Limited

Part 1

Business Operation



1. Business Overview

1.1 Vision, Goal and Business Strategies

The Company has its vision to become “Kitchen of the World” with the mission to operate integrated agro-industrial and food businesses, by providing products and services that are of high quality, nutritious, tasty, safe and traceable. The Company is also dedicated to operate the business with strict adherence to corporate social responsibility and environment conservation as a mean of achieving sustainable growth leading to the appropriate return to shareholders.

The Company’s business strategy focuses on building a secure business fundamental to ensure sustainable growth with personnel management and development as well as good corporate governance. Three main strategic pillars have been prescribed including 1) sustainable growth; 2) aiming for excellence; and 3) building of a secure foundation.

The Company believes in the long-term growth and development of the global agro-industry and food, aiming to apply its expertise in integrated and modern agro-business to invest internationally, particularly in countries with potential growth of consumption; meanwhile, the Company plans to enhance its ready-to-eat and value-added foods under “CP” brand and other brands of the Company and expand the distribution channels and expand bases.

1.2 History and Key Milestones

History

CPF was registered as a limited company on January 17, 1978 under the name “Charoen Pokphand Feedmill Company Limited”, with initial registered capital of Baht 5 million, engaging in livestock feed and livestock farming business in Thailand. Then, in December 1987, CPF was listed on the Stock Exchange of Thailand with stock code “CPF”. The Company has expanded its business to integrated shrimp farming business in 1988 and converted to a public company limited in January 1994.

In 1998, CPF acquired the agro-industry and meat processing companies from Charoen Pokphand Group to be under CPF umbrella; whereas, the business acquisitions were completed in early 1999. CPF then renamed as “Charoen Pokphand Foods Public Company Limited” and announced the vision to become “Kitchen of the World” for its integrated agro-industry business operation to produce meat products and quality food products to consumers around the world. After that the Company has continuously expanded its businesses and investment internationally. In 2005, the Company has started to use  brand for its basic processed meat products and entered into ready-to-eat food business under the said brand for distribution in Thailand and for export as well as expanded the product distribution channels to retail and food outlets.

As of December 31, 2015, CPF had paid-up capital of Baht 7,742,941,932, all in ordinary shares, and its market capitalization was Baht 141,696 million.

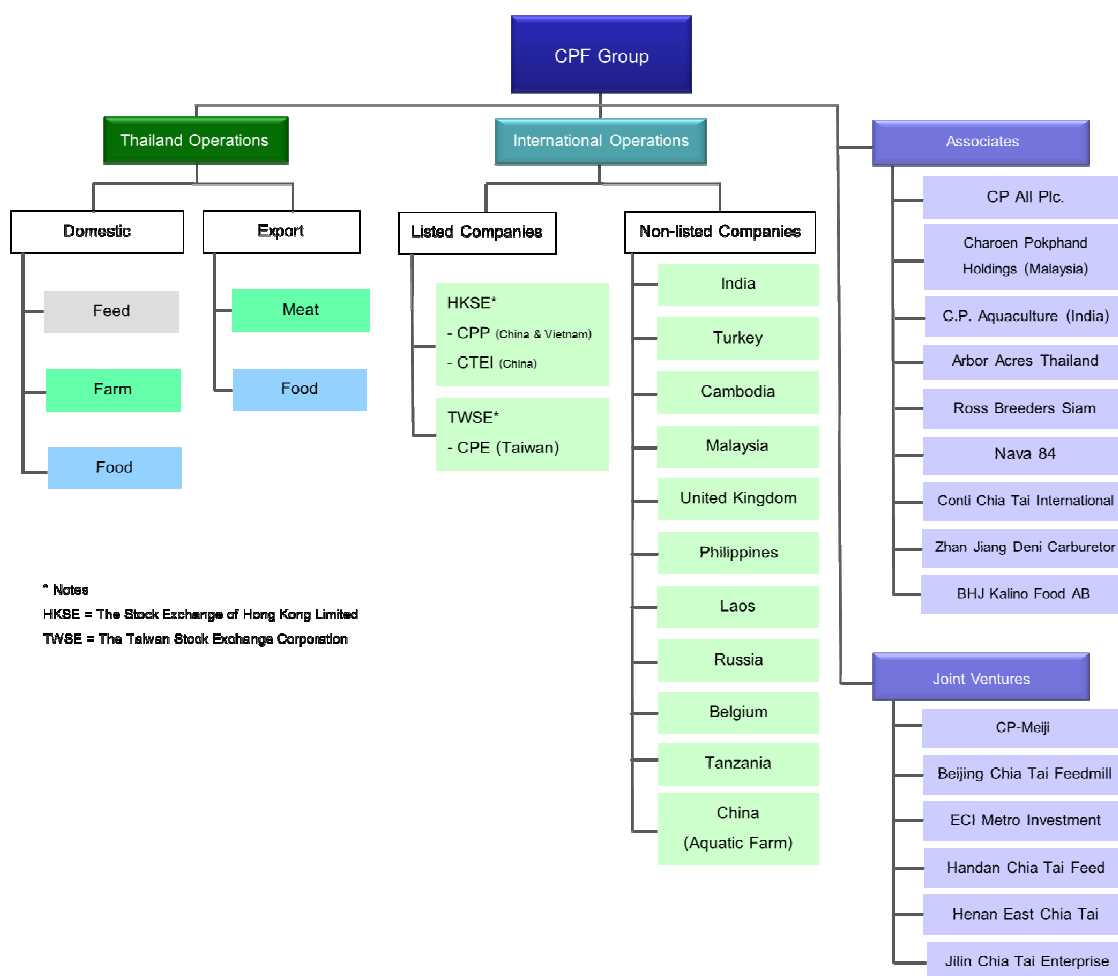
Key milestones in 2015

In April 2015, CPF Investment Limited (“CPFI”), a wholly-owned subsidiary of CPF, acquired 75.0% of C.P. Cambodia Company Limited (“CPC”)’s total issued and paid-up share capital. After the transaction, CPC, previously an associate of CPF (CPF indirectly held 25.0%), became a subsidiary of CPF (CPF indirectly held 100.0%).

In May 2015, CPF Europe S.A. and CP Foods (UK) Limited, indirect subsidiaries of CPF with 99.99% and 57.52% stake respectively, aggregately acquired 80.0% of CP Chozen Limited (“CP Chozen”)’s total issued and paid-up share capital. CP Chozen invests in the company engaging in food kiosk business in United Kingdom and the company holding the lease of properties for operating food kiosk business. After the transaction, CP Chozen became a subsidiary of CPF (CPF indirectly held 71.50%).

In November 2015, CPF Netherlands B.V. ("CPF Netherlands")¹, 99.99% subsidiary of CPF, acquired 100.0% investment in Stesha LLC. who held 80.0% stake in CJSC Poultry Production Severnaya and CJSC Poultry Parent Stock Production Woyskovitsy (together, the "Targets"). The Targets involve in integrated poultry business in Russia including production of feed, breeding, hatching, farming and poultry processing. After the transaction, Stesha LLC. and the Targets became subsidiaries of CPF with indirect shareholding of 99.99% and 79.99%, respectively. In addition, CPF Netherlands will also acquire the remaining 20.0% of the shares in each of the Targets from the seller (the "Second Acquisition") and will then own 100.0% of the shares in each of the Targets. The Second Acquisition is expected to be completed in August 2018, subject to the occurrence of certain events pursuant to the Share Purchase Agreement.

1.3 Overview of Business Operation and Shareholding Structure of the Group as of December 31, 2015

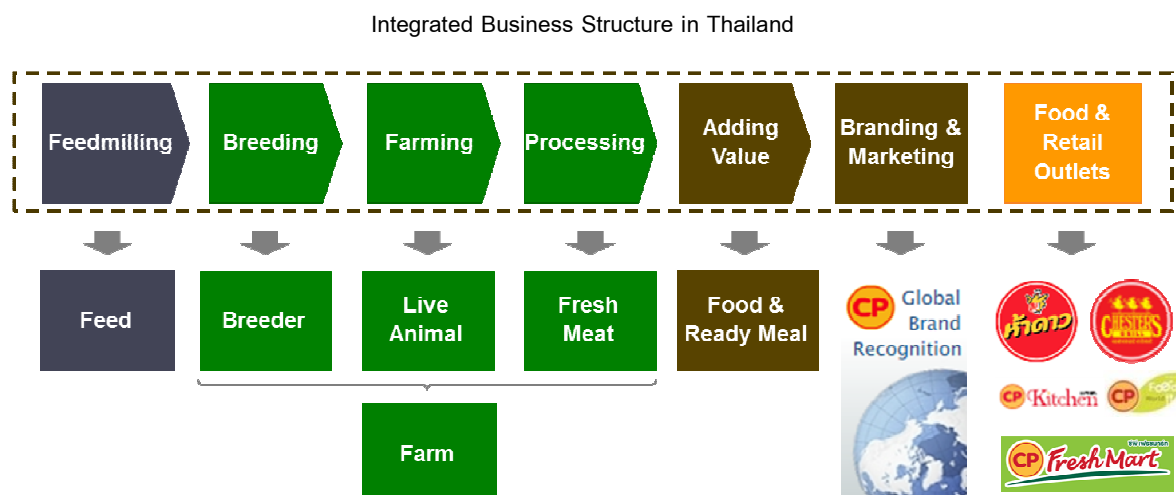


The scope of business operations can be divided into 2 main parts : (1) Thailand operations and (2) International operations, as briefly elaborated as follows:

1) Thailand operations involve agro-industrial and food business operations for domestic distribution and export. The products include meat, processed meat and ready-to-eat food which will be distributed and exported across 5 continents.

The Company's Thailand operations cover livestock and aquaculture include swine, broilers, layers, ducks, shrimps and fish. Its integrated production process starts from production of animal feed, animal breeding, animal farming, processing of meat, production of semi-cooked or cooked meat products and ready-to-eat products with retail and food outlets as the Company's distribution channels.

¹ New subsidiary established in Netherlands on July 21, 2015



2) International operations involve agro-industrial and food business operated by its subsidiaries in 13 countries i.e. China, Vietnam, India, Taiwan, Turkey, Cambodia, Malaysia, United Kingdom, the Philippines, Laos, Russia, Belgium and Tanzania.

The Company has expanded its production bases internationally with intention to leverage its expertise in domestic integrated and modern agro-industrial technology in countries with high potential in development of farming standards and commercial farming efficiency in order to promote the production of meats and foods that met the international food safety standards.

The Company's businesses can be divided into 3 product categories i.e. 1) feed business including production and distribution of animal feed, 2) farm business including animal breeding, animal farming and basic meat processing and 3) food business covering production and distribution of semi-cooked and cooked meats and ready-to-eat products under CP brand and customers' brands.

**Investment of CPF Group****Subsidiaries**

As of December 31, 2015, there were 230 companies¹ which CPF has direct and indirect control with detail as follows:

Subsidiaries with Thailand operations and businesses related to operations in Thailand**Livestock Business**

Direct Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
1. Bangkok Produce Merchandising Plc. Bangkok, Thailand Tel. 66-2-625-8000	Animal feed raw materials distribution	Baht 600,000,000	99.44
2. Chester's Food Co., Ltd. Bangkok, Thailand Tel. 66-2-641-1333	Restaurant	Baht 80,000,000	99.99
3. CPF (Thailand) Plc. Bangkok, Thailand Tel. 66-2-625-8000	Agro-industrial and integrated food	Baht 7,008,250,000	99.98
4. C.P. Merchandising Co., Ltd. Bangkok, Thailand Tel. 66-2-625-8000	Investment and international trading	Baht 9,000,000,000	99.99

Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
5. CPF Trading Co., Ltd. Bangkok, Thailand Tel. 66-2-694-4466	Wholesale and retail food products	Baht 800,000,000	99.97
6. CPF Denmark A/S Denmark Tel. 45-7526-1330	Importer and distributor of processed meat and ready meals	EUR 500,000	52.00
7. CPF Europe S.A. Belgium Tel. 32-2357-5380	Importer and distributor of processed meat and ready meals	EUR 28,000,000	99.99
7.1 CP Chosen Ltd. United Kingdom	Investment	GPB 700,000	71.50
7.1.1 Chosen Holdings Ltd. United Kingdom Tel. 44-1905-732100	Restaurant	GBP 30	71.50
7.1.2 Chosen Noodle Trading Ltd. United Kingdom Tel. 44-1905-732100	Property lease-out	GBP 10	71.50
7.2 Tops Foods NV Belgium Tel. 32-1428-5560	Production and distributor of ready meals	EUR 3,940,000	84.08
8. CPF Food Trading Co., Ltd. China Tel. 86-21-5835-8683	Importer and distributor of processed meat and ready meals	USD 4,000,000	100.00

¹ Excluding the companies which are in the process of liquidation and/or wound up its operations i.e. CPF Premium Foods Co., Ltd., Seafoods Enterprise Co., Ltd., C.P. Aquaculture (Hainan) Co., Ltd., Shanghai C.P. Industrial Trading Co., Ltd., Weinan Chia Tai Co., Ltd. and Chareon Pokphand (USA), Inc.



Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
9. CPF Tokyo Co., Ltd. Japan Tel. 813-5401-2231	Importer and distributor of processed meat and ready meals	JPY 200,000,000	99.99
10. CP Foods (UK) Ltd. United Kingdom Tel. 44-1299-253131	Importer and distributor of processed meat and ready meals	GBP 271,200	57.52
10.1-10.60 are subsidiaries of CP Foods (UK) Ltd. ² United Kingdom	Importer and distributor of processed meat and ready meals	GBP 1	57.52

Aquaculture Business

Indirect Subsidiary	Type of Business	Registered Capital	Ownership Interest (%)
11. C.P. Food Products, Inc. USA Tel. 1-410-505-5017	Importer and distributor of seafood products	USD 5,000,000	100.00

Other Businesses

Direct Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
12. CPF Training Center Co., Ltd. Bangkok, Thailand Tel. 66-2-625-8000	Training center service provider	Baht 20,000,000	99.99
13. CPF IT Center Co., Ltd. Bangkok, Thailand Tel. 66-2-625-8000	Information technology service provider	Baht 250,000,000	99.99
14. CPF Food Research and Development Center Co., Ltd. Bangkok, Thailand	Food research and development	Baht 500,000,000	99.99

² 60 subsidiaries of CP Foods (UK) Ltd. were as follows:

- | | | | | |
|----------------------------|-----------------------------|----------------------------|-----------------------------|-------------------------------|
| 1. Fusion Abbey Park Ltd. | 2. Fusion Alfrick Ltd. | 3. Fusion Bracewell Ltd. | 4. Fusion Bransford Ltd. | 5. Fusion Broadway Ltd. |
| 6. Fusion Brothwood Ltd. | 7. Fusion Calis Ltd. | 8. Fusion Carnoustie Ltd. | 9. Fusion Charlton Ltd. | 10. Fusion Crowle Ltd. |
| 11. Fusion Dalaman Ltd. | 12. Fusion Defford Ltd. | 13. Fusion Dormington Ltd. | 14. Fusion Driscoll Ltd. | 15. Fusion Dumbleton Ltd. |
| 16. Fusion Eastoe Ltd. | 17. Fusion Elmbridge Ltd. | 18. Fusion Everton Ltd. | 19. Fusion Exning Ltd. | 20. Fusion Fethiye Ltd. |
| 21. Fusion Gatley Ltd. | 22. Fusion Gocek Ltd. | 23. Fusion Gray Ltd. | 24. Fusion Harper Ltd. | 25. Fusion Hartford Ltd. |
| 26. Fusion Hawstead Ltd. | 27. Fusion Head Street Ltd. | 28. Fusion Heath Ltd. | 29. Fusion Irvine Ltd. | 30. Fusion Kaitaia Ltd. |
| 31. Fusion Kroma Ltd. | 32. Fusion Krone Ltd. | 33. Fusion Lineker Ltd. | 34. Fusion Littleworth Ltd. | 35. Fusion Madeley Ltd. |
| 36. Fusion McMahon Ltd. | 37. Fusion Mountfield Ltd. | 38. Fusion Moyes Ltd. | 39. Fusion Newlands Ltd. | 40. Fusion Niamh Ltd. |
| 41. Fusion Pershore Ltd. | 42. Fusion Priest Lane Ltd. | 43. Fusion Ratcliffe Ltd. | 44. Fusion Reid Ltd. | 45. Fusion Richardson Ltd. |
| 46. Fusion Samui Ltd. | 47. Fusion Sharp Ltd. | 48. Fusion Sheedy Ltd. | 49. Fusion Soham Ltd. | 50. Fusion Southall Ltd. |
| 51. Fusion Stevens Ltd. | 52. Fusion Thetford Ltd. | 53. Fusion Turgay Ltd. | 54. Fusion Uzumlu Ltd. | 55. Fusion Van Den Hauwe Ltd. |
| 56. Fusion Wadborough Ltd. | 57. Fusion Wellington Ltd. | 58. Fusion Whistler Ltd. | 59. Fusion Wright Ltd. | 60. Fusion Yamac Ltd. |



International Operations

Direct Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
15. Charoen Pokphand Foods Kenya Co., Ltd. Kenya	Animal feedmill and livestock farming	Ksh 400,000,000	99.99
16. CPF Investment Ltd. British Virgin Islands	Investment	USD 1,400,000,000	100.00
16.1 Bright Excel Investments Ltd. British Virgin Islands	Investment	USD 50,000	100.00
16.2 Charoen Pokphand (Taiwan) Investment Ltd. Bermuda	Investment	USD 12,000	100.00
16.3 Coinaton Investments Ltd. British Virgin Islands	Investment	USD 50,000	100.00
16.3.1 Chun Ta Investment Co., Ltd. Taiwan	Investment	NTD 50,000,000	100.00
16.4 CPVN Ltd. British Virgin Islands	Investment	USD 1,000,000	100.00
16.5 Forward Pass Ltd. British Virgin Islands	Investment	USD 50,000	100.00
16.5.1 Ta Chung Investment Co., Ltd. Taiwan	Investment	NTD 100,000,000	100.00
16.6 New Splendid Holdings Ltd. British Virgin Islands	Investment	USD 50,000	100.00
17. CPF Netherlands B.V. Netherlands	Investment	USD 350,000,000	99.99
17.1 Stesha LLC. Russia	Investment	RB 11,922,108,924	99.99
17.1.1 CJSC Poultry Parent Stock Production Woyskovitsy Russia	Livestock farming and breeding	RB 196,500,735	79.99
17.1.2 CJSC Poultry Production Severnaya Russia	Animal feedmill, livestock farming and food processing plant	RB 1,129,937,718	79.99
18. C.P. Aquaculture (Beihai) Co., Ltd. China Tel. 86-779-208-4362	Aquatic feed production and distribution and aquaculture farming	USD 17,500,000	100.00
19. C.P. Aquaculture (Dongfang) Co., Ltd. China Tel. 86-898-3696-3979	Shrimp hatchery business	RMB 148,000,000	100.00
20. C.P. Foods Holdings Ltd. British Virgin Islands	Investment	USD 1,000,000	100.00
21. C.P. Foods International Ltd. British Virgin Islands	Investment	USD 1,000,000	100.00



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
22. Charoen Pokphand Foods Philippines Corp. Philippines Tel. 63-45-963-6510	Animal feed production and distribution and shrimp hatchery business	PHP 4,000,000,000	99.99
22.1 A.P.P. Enterprise, Inc. Philippines Tel. 63-45-963-6510	Property lease-out	PHP 5,000	39.60
23. Charoen Pokphand Foods (Overseas) LLC. Russia Tel. 7-496-634-1963	Animal feedmill and livestock farming	RB 4,200,446,418.5	99.99
23.1 CPF Agro LLC. Russia Tel. 7-496-634-1963	Livestock farming	RB 1,153,061,000	99.99
23.2 CPF Foods LLC. Russia Tel. 7-496-634-1963	Livestock farming	RB 480,010,000	99.99
23.3 CPF Serebryanie Prudy LLC. Russia Tel. 7-496-634-1963	Livestock farming	RB 10,000	99.99
23.4 CPF Trading LLC. Russia Tel. 7-496-634-1963	Importer and distributor of meat products	RB 10,000	60.00
23.5 CPF Zaraysk LLC. Russia Tel. 7-496-634-1963	Livestock farming	RB 10,000	99.99
24. Chia Tai Enterprises International Ltd. Bermuda	Investment	USD 78,738,922	50.43
24.1 C.P. Enterprises Ltd. Hong Kong	Investment	HKD 28,000,000	50.43
24.2 Chia Tai Huazhong Biochemistry Ltd. Hong Kong	Investment	HKD 10,000	50.43
24.3 Chia Tai Pucheng Biochemistry Ltd. Hong Kong	Investment	USD 100,000	50.43
24.4 ECI Machinery Co., Ltd. British Virgin Islands	Investment	USD 50,000	50.43
24.5 Golden Industrial Investment Ltd. Hong Kong	Investment	HKD 10,000	50.43
24.6 Pucheng Chia Tai Biochemistry Ltd. China Tel. 86-108-508-9000	Production and sale of chlortetracycline	RMB 100,000,000	35.17
24.7 Zhumadian Huazheng Property Co., Ltd. China Tel. 86-396-212-7539	Real estate property	RMB 10,000,000	35.17
24.8 Zhumadian Huazhong Chia Tai Co., Ltd. China Tel. 86-396-262-3002	Production and sale of chlortetracycline	RMB 72,000,000	35.17



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
25. C.P. Standart Gida Sanayi ve Ticaret A.S. Turkey Tel. 212-274-8536	Agro-industrial and integrated food	TL 350,000,000	100.00
26. C.P. Pokphand Co., Ltd. Bermuda	Investment	USD 600,000,000	50.43
26.1 C.P. Aquaculture (Yangjiang) Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 10,000,000	50.43
26.2 C.P. Food Enterprises (Ningbo) Co., Ltd. China Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	RMB 122,950,000	50.43
26.3 C.P. Food (Nantong) Co., Ltd. China Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 10,730,000	50.43
26.4 C.P. Food (Xiangyang) Co., Ltd. China Tel. 86-108-508-9000	Manufacture and sale of value added processes food	RMB 380,000,000	50.43
26.5 C.P. Food (Xuzhou) Co., Ltd. China Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	RMB 342,680,000	50.43
26.6 C.P. Food (Zhanjiang) Co., Ltd. China Tel. 86-108-508-9000	Manufacture and sale of value added processes food	RMB 78,500,000	50.43
26.7 C.P. Standard Resources Ltd. Hong Kong	Investment	HKD 5,000,000	50.43
26.8 C.P. Vietnam Corp. Vietnam Tel. 84-61-383-6251-9	Animal feed production and distribution and farming and food processing plant	VND 1,741,792,000,000	64.89
26.9 C.T. Progressive (H.K.) Ltd. Bermuda	Investment	HKD 1,000,000	50.43
26.10 Changsha Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 134,000,000	50.43
26.11 Charoen Pokphand (China) Investment Ltd. British Virgin Islands	Investment	USD 56,000,000	50.43
26.12 Chengdu Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 6,300,000	35.30
26.13 Chia Tai (Beijing) Investment Management Co., Ltd. China Tel. 86-108-508-9000	Providing of management and management advisory service	RMB 100,000,000	50.43



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
26.14 Chia Tai (China) Investment Co., Ltd. China Tel. 86-108-508-9000	Investment and trading	USD 196,695,333	50.43
26.15 Chia Tai Feed (Hengshui) Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 25,000,000	50.43
26.16 Chia Tai Feed (Qianjiang) Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 32,000,000	50.43
26.17 Chia Tai Feed (Yushu) Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 36,000,000	50.43
26.18 Chia Tai Feed (Zhanjiang) Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 31,110,000	50.43
26.19 Chia Tai Food Enterprise (Qingdao) Co., Ltd. China Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 85,700,000	50.43
26.20 Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd. China Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	USD 117,460,000	50.43
26.21 Chia Tai Yongji Enterprise Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 7,062,018	50.43
26.22 Chia Tai Yueyang Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 9,550,000	50.43
26.23 Chongqing Chia Tai Company Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 5,920,000	30.26
26.24 Chongqing Shuangqiao Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 4,520,000	35.30
26.25 Chuzhou Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 7,648,500	50.43
26.26 CP China Investment Ltd. Cayman Islands	Investment	USD 129,750,000	50.43
26.27 CP Food Investment Ltd. Hong Kong	Investment	HKD 1	50.43
26.28 Dali Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 37,000,000	50.43



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
26.29 Fuzhou Da Fu Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 9,139,297	50.43
26.30 Gansu Chia Tai Agriculture Financing Guarantee Co., Ltd. China Tel. 93-1575-0941	Providing financial guarantee services	RMB 100,000,000	50.43
26.31 Ganzhou Chia Tai Industrial Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 18,000,000	40.34
26.32 Guang An Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 24,500,000	30.26
26.33 Guangdong Chia Tai Biotechnology Co., Ltd. China Tel. 86-108-508-9000	Production and sale of probiotics	RMB 10,500,000	50.43
26.34 Guang Han Chia Tai Feed Tech Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 818,250.95	45.89
26.35 Guangxi Chia Tai Financing Guarantee Co., Ltd. China Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	50.43
26.36 Guilin Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 3,720,000	42.86
26.37 Guiyang Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 33,000,000	50.43
26.38 Hangzhou Advance Feed Tech Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 6,700,000	50.43
26.39 Hannick Ltd. Hong Kong Tel. 852-252-01601	Property investment	HKD 1,000	50.43
26.40 Hebei Chia Tai Agriculture Financing Guarantee Co., Ltd. China Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	50.43
26.41 Hefei Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 125,000,000	50.43



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
26.42 Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd. China Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	50.43
26.43 Huai Hua Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 3,900,000	50.43
26.44 Huludao Chia Tai Husbandry Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 28,100,000	50.43
26.45 Inner Mongolia Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 8,190,700	45.48
26.46 Jiangsu Chia Tai Agro-Industrial Financing Guarantee Co., Ltd. China Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	50.43
26.47 Jiangsu Huai Yin Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 3,621,000	44.38
26.48 Jiangxi Chia Tai Agriculture Financing Guarantee Co., Ltd. China Tel. 86-108-508-9000	Providing financial guarantee services	RMB 100,000,000	50.43
26.49 Jilin Chia Tai Food Co., Ltd. China Tel. 86-108-508-9000	Food processing plant, production and distribution of processed meat and ready meal	RMB 240,000,000	50.43
26.50 Jinan Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 1,718,000	32.78
26.51 Jiujiang Chia Tai Feedstuff Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 34,000,000	30.26
26.52 Kaifeng Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 10,000,000	50.43
26.53 Kunming Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 6,405,300	46.59
26.54 Lanzhou Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 8,779,000	45.70



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
26.55 Liuzhou Advance Feed Tech Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 6,700,000	50.43
26.56 Mianyang Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 4,000,000	40.34
26.57 Modern State Investments Ltd. British Virgin Islands	Investment	USD 120,000,000	50.43
26.58 Nanchang Chiatai Livestock Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 5,120,229	50.43
26.59 Nanning Chia Tai Animal Husbandry Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 6,774,500	46.21
26.60 Nantong Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 110,060,025	30.26
26.61 Nantong Chia Tai Tech Feed Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 3,000,000	30.26
26.62 Nanyang Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 50,000,000	45.89
26.63 Neijiang Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 3,900,000	35.30
26.64 Ningbo Chia Tai Agriculture Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 7,415,300	35.30
26.65 Pingdingshan Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 2,761,321	35.30
26.66 Qingdao Chia Tai Agricultural Development Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 8,800,000	50.43
26.67 Shaanxi Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 6,729,100	48.41
26.68 Shanxi Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 11,673,200	30.21



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
26.69 Shenyang Advance Feed Tech Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 24,900,000	50.43
26.70 Shenyang Chia Tai Livestock Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 5,600,000	50.43
26.71 Shijiazhuang Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 22,000,000	50.43
26.72 Shuangliu Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 4,000,000	35.30
26.73 Tai Zhou Chia Tai Feed Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 8,451,051	48.41
26.74 Tianjin Chia Tai Agro-Industrial Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 65,540,000	50.43
26.75 Tianjin Chia Tai Feed Tech Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 23,812,500	50.43
26.76 Urumqi Chia Tai Animal Husbandry Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 34,250,000	47.11
26.77 Wuhan Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	USD 3,750,000	50.43
26.78 Wuhan Chia Tai Aquaculture Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 62,000,000	50.43
26.79 Wuxuan Chia Tai Animal Husbandry Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 34,640,000	42.86
26.80 Xiamen Chia Tai Agriculture Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 30,400,000	30.26
26.81 Xiangyang Chia Tai Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 97,900,000	50.43
26.82 Xuzhou Chia Tai Feed Co., Ltd. China Tel. 86-108-508-9000	Production and sale of animal feed	RMB 16,000,000	32.78



Direct and Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
26.83 Yi Chang Chia Tai Co., Ltd. China Tel 86-108-508-9000	Production and sale of animal feed	USD 18,090,000	50.43
26.84 Yinchuan Chia Tai Co., Ltd. China Tel 86-108-508-9000	Production and sale of animal feed	RMB 6,000,000	42.86
26.85 Yongan Chia Tai Co., Ltd. China Tel 86-108-508-9000	Production and sale of animal feed	RMB 27,000,000	50.43
26.86 Zhangjiakou Chia Tai Co., Ltd. China Tel 86-108-508-9000	Production and sale of animal feed	RMB 60,000,000	30.26
26.87 Zhoukou Chia Tai Co., Ltd. China Tel 86-108-508-9000	Production and sale of animal feed	RMB 50,000,000	50.43
26.88 Zhumadian Chia Tai Co., Ltd. China Tel 86-108-508-9000	Production and sale of animal feed	RMB 28,060,000	30.76
27. CPF Tanzania Ltd. Tanzania	Animal feedmill and livestock farming	Tzs11,500,000,000	99.99

Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
28. C.P. Cambodia Co., Ltd. Cambodia Tel. 24-397-339	Production, sale of animal feed, livestock farming and food processing plant	USD 67,402,000	100.00
28.1 Cambodia Property and Trading Co., Ltd. Cambodia Tel. 24-397-339	Property lease-out	KHR 20,000,000	49.00
29. C.P. Laos Co., Ltd. Laos Tel. 856-21-453508-10	Animal feedmill and livestock farming	USD 15,000,000	99.99
30. Charoen Pokphand Foods Canada Inc. Canada Tel. 905-604-4993	Import and export food products	CAD 1,000,000	70.00
31. Charoen Pokphand Foods (Malaysia) Sdn. Bhd. Malaysia	Investment in aquaculture integration business and swine business	RM 200,000,000	99.99
31.1 Asia Aquaculture (M) Sdn. Bhd. Malaysia Tel. 603-4027-1800	Shrimp farming and processing plant	RM 150,000,000	99.99



Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
31.2 Makin Jernih Sdn. Bhd. Malaysia	Investment	RM 50,000,000	99.99
31.2.1 AA Meat Shop Sdn. Bhd. Malaysia Tel. 603-6091-7340	Livestock processing retailer	RM 5,000,000	99.99
31.2.2 Chau Yang Farming Sdn. Bhd. Malaysia Tel. 603-6091-7340	Livestock farming	RM 25,000,000	99.99
31.2.3 Tip Top Meat Sdn. Bhd. Malaysia Tel. 603-6091-7340	Livestock processing plant	RM 25,000,000	99.99
31.3 Star Feedmills (M) Sdn. Bhd. Malaysia Tel. 603-4027-1800	Aquatic feed production and distribution	RM 100,000,000	99.99
32. CPF (INDIA) Private Ltd. India Tel. 91-44-265-68406	Animal feedmill and livestock farming	RS 2,792,500,000	99.99
33. Charoen Pokphand Enterprise (Taiwan) Co., Ltd. Taiwan Tel. 886-2-250-77071	Chicken integration and livestock farming	NTD 3,579,000,000	32.68
33.1 Arbor Acres (Taiwan) Co., Ltd. Taiwan Tel. 886-2-250-77071	Livestock farming	NTD 32,000,000	16.34
33.2 Charoen Pokphand (Taiwan) Co., Ltd. Taiwan Tel. 886-2-250-77071	Importer and distributor of feedstuff additives and animal vaccines	NTD 32,000,000	29.41
33.3 Chia Tai Lianyungang Co., Ltd. Hong Kong	Investment	HKD 1,000,000	32.68
33.4 Lianyungang Chia Tai Agro-Industry Development Co., Ltd. China Tel. 86-182-051-31077	Production and sale of animal feed	USD 5,400,000	22.88
33.5 Plenty Type Ltd. Cayman Islands	Investment	USD 14,261,488	32.68
34. Russia Baltic Pork Invest ASA Norway	Investment	NOK 357,913,200	75.82
34.1 Farm Construction LLC. Russia Tel. 8-831-211-3011	Swine farm construction	RB 100,000	75.82
34.2 Finagro ASP Denmark Tel. 45-7658-5005	Financial service	DK 550,000	75.82
34.3 Kornevo LLC. Russia Tel. 8-401-230-7700	Retail food processing products	RB 3,010,000	75.82



Indirect Subsidiaries	Type of Business	Registered Capital	Ownership Interest (%)
34.4 Management Company RBPI Group LLC. Russia Tel. 8-401-230-7700	Property lease-out	RB 10,000	75.82
34.5 NNPP LLC. Russia Tel. 8-831-211-3011	Livestock farming	RB 483,040,562.83	75.82
34.6 Pravdinsk Pig Production CJSC Russia Tel. 8-401-230-7700	Livestock farming	RB 160,000,000	75.82
34.7 Pravdinsk Pig Production-2 LLC. Russia Tel. 8-401-230-7700	Livestock farming	RB 10,000,000	75.82

Associates

As of December 31, 2015, CPF had 9 associates as follows:

Associates	Type of Business	Registered Capital	Ownership Interest (%)
1. CP All Plc. ³ Bangkok, Thailand Tel. 66-2-677-9000	Convenience store business in Thailand, under "7-Eleven" trademark	Baht 8,986,296,048	34.50
2. Nava 84 Co., Ltd. ⁴ Bangkok, Thailand	Investment in economic crop plantation companies in Thailand	Baht 1,500,000,000	25.00
3. Ross Breeders Siam Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	Baht 70,000,000	49.99
4. Arbor Acres Thailand Co., Ltd. Bangkok, Thailand Tel. 66-2-988-0700	Chicken breeding and distribution	Baht 4,000,000	49.98
5. BHJ Kalino Food AB Sweden Tel. 46-4620-5260	Trading of chilled and frozen meat and food	SEK 1,000,000	15.08
6. C.P. Aquaculture (India) Private Ltd. ⁵ India Tel. 9144-2491-7790	Aquatic feedmill and shrimp hatchery in India	Rs 250,000,000	31.70
7. Charoen Pokphand Holdings (Malaysia) Sdn. Bhd. ⁶ Malaysia	Investment in livestock feedmill and livestock farming companies in Malaysia	RM 50,000,000	49.75
8. Conti Chia Tai International Ltd. Hong Kong Tel. 852-282-36171	Production and sale of animal feed	HKD 3,122,000	25.21
9. Zhan Jiang Deni Carburetor Co., Ltd. China Tel. 86-759-315-0934	Motorcycle carburetor and auto parts production and distribution	USD 21,250,000	14.12

³ CPG and its related person held 9.21% stake

⁴ CPG held 25.00% stake

⁵ CPG and its related person held 43.30% stake and related person of Chearavanont family held 25.00% stake

⁶ Related person of CPG held 49.00% stake



There was one associate which CPF held interest less than Charoen Pokphand Group Co., Ltd. (“CPG”) and its related person namely C.P. Aquaculture (India) Pte. Ltd. (“CPA India”). Upon its establishment, CPF held 19.20% stake in CPA India. Then in 2003, existing shareholders of CPA India sold their 12.50% stake in CPA India to CPF. As a result, CPA India became associate of CPF. In case that the Company enters into related transactions with the said associate, the transactions which are in ordinary course of business or supporting an ordinary course of business shall be conducted on arm’s length basis and in accordance with the principle approved by the Board of Directors. However, the transactions which are not the ordinary course of business or supporting an ordinary course of business must be considered and approved by the Board of Directors prior to the transaction engagement, upon the review by the Audit Committee to ensure the highest benefit of the Company and no conflict of interest. In this case, the Audit Committee may employ the independent appraiser or financial advisor to assess the value of such related transaction for comparative purpose. During 2015, there were no transactions with the said associate which are not the ordinary course of business.

Joint Ventures

As of December 31, 2015, CPF had 6 joint ventures as follows:

Joint Ventures	Type of Business	Registered Capital	Ownership Interest (%)
1. CP-Meiji Co., Ltd. Bangkok, Thailand Tel. 66-2-664-5309	Manufacturing and distribution of milk products and healthy dairy products	Baht 500,000,000	59.99
2. Beijing Chia Tai Feedmill Co., Ltd. China Tel. 86-106-941-2811	Production and sale of animal feed	USD 5,000,000	25.21
3. ECI Metro Investment Co., Ltd. British Virgin Islands Tel. 852-252-01601	Investment and trade of machinery and spare parts	USD 12,000,000	25.21
4. Handan Chia Tai Feed Co., Ltd. China Tel. 86-310-638-6570	Production and sale of animal feed	RMB 11,200,000	25.21
5. Henan East Chia Tai Co., Ltd. China Tel. 86-379-678-51191	Production and sale of animal feed	USD 5,400,000	25.21
6. Jilin Chia Tai Enterprise Co., Ltd. China Tel. 86-431-829-90255	Production and sale of animal feed	USD 8,284,000	25.21

Company which CPF holds stake more than 10.00% but less than 20.00%⁷

As of December 31, 2015, there was 1 company which CPF held stake more than 10.00% but less than 20.00% with detail as follows:

Company	Type of Business	Registered Capital	Ownership Interest (%)
1. Kinghill Limited ⁸ Cayman Islands	Investment in company that manage shopping center, “Super Brand Mall” in China	USD 680,000,000	13.96

⁷ Excluding the company that already fully recorded the asset impairment

⁸ Related person of CPG held 64.86% stake

**Companies which CPF holds 10.00% stake or less**

As of December 31, 2015, there were 4 companies which CPF held 10.00% stake or less with detail as follows:

Companies	Type of Business	Registered Capital	Ownership Interest (%)
1. Chia Tai (Jilin) Co., Ltd. ⁹ Hong Kong	Investment in livestock feedmill and livestock farming companies in China	USD 1,800,000	10.00
2. CPPC Plc. ¹⁰ Bangkok, Thailand Tel. 66-2-625-8090	Production and sale of plastic	Baht 1,950,000,000	6.58
3. C.P. Land Plc. ¹¹ Bangkok, Thailand Tel. 66-2-625-7000	Property development	Baht 3,630,310,000	6.49
4. True Corporation Plc. ¹² Bangkok, Thailand Tel. 66-2-643-1111	Telecommunication	Baht 98,431,712,600	2.21

⁹ Related person of CPG held 90.00% stake

¹⁰ CPG and its related person held 37.80% stake and Chearavanont family and its related person held 37.91% stake

¹¹ CPG and its related person held 47.51% stake and Chearavanont family held 18.89% stake

¹² CPG and its related person held 39.36% stake



2. Nature of Business Operations

Revenue Structure of CPF and Subsidiaries

Revenue structure of CPF and Subsidiaries as per consolidated financial statement as of December 31, 2013, 2014, and 2015 are as follows:

	2013		2014		2015	
	Baht Million	%	Baht Million	%	Baht Million	%
1. Thailand Operations						
Feed ⁽¹⁾	51,243	13	51,850	12	50,287	11
Farm ⁽²⁾	69,922	17	79,212	18	74,686	17
Food ⁽³⁾	43,177	11	44,212	10	42,074	10
<i>Total Revenues from Thailand Operations</i>	<i>164,342</i>	<i>41</i>	<i>175,274</i>	<i>40</i>	<i>167,047</i>	<i>38</i>
2. International Operations						
Feed ⁽⁴⁾	164,348	41	173,448	40	167,008	39
Farm ⁽⁵⁾	55,583	14	70,036	16	79,158	18
Food ⁽⁶⁾	4,978	1	7,281	2	8,142	2
<i>Total Revenues from International Operations</i>	<i>224,909</i>	<i>56</i>	<i>250,765</i>	<i>58</i>	<i>254,308</i>	<i>59</i>
Total Revenue from Sale of Goods	389,251	97	426,039	98	421,355	97
Other Income	10,326	3	7,463	2	12,838	3
Total Income	399,577	100	433,502	100	434,193	100

Remarks ⁽¹⁾ Operated by CPF, BKP, CPM, CPFT, CPFTH, CPFP and CP LAOS

⁽²⁾ Operated by CPF, CPM, CPFT, CHESTER, CPFTH, CPF PRODUCTS, CPFP, CPFFT, CPF EU, CPF UK, CPF TK, CPF DM, AA, CPF OVERSEAS and CPF Canada

⁽³⁾ Operated by CPF, CPM, CPFT, CHESTER, CPFTH, CPF PRODUCTS, CPFP, CPE, CPFFT, CPF EU, CPF UK, CPF TK, CPF DM, CP LAOS, CPF Canada and CPF OVERSEAS

⁽⁴⁾ Operated by CPB, CPH, SFM, AA, CPFP, CPE, CPF OVERSEAS, CP LAOS, CP INDIA, CPFTZ, CPS, CPP, Woyskovitsy, Severnaya, CTEI and CPC (since May 11, 2015)

⁽⁵⁾ Operated by CPF PRODUCTS, CPB, CPH, CPD, CPFP, CPE, CPFA, AA, MJSB, CPF UK, CPF TK, CPF DM, CPF OVERSEAS, CP LAOS, CP INDIA, CPS, CPF TZ, CPP, RBPI, CP CHOZEN, Woyskovitsy, Severnaya, and CPC (since May 11, 2015)

⁽⁶⁾ Operated by CPF PRODUCTS, CPB, CPD, CPE, AA, MJSB, CPF UK, CPF TK, CPF DM, CP LAOS, CP INDIA, CPS, CPP, CPFP, CP CHOZEN, RBPI, TOP FOODS, Woyskovitsy, Severnaya and CPC (since May 11, 2015)

2.1 Nature of Products

The Company's operations cover livestock and aquaculture include swine, broilers, layers, ducks, shrimps and fish. The scope of business operations can be divided into 2 main parts : (1) Thailand operations involving operations for domestic distribution and export and (2) International operations by its subsidiaries in 13 countries i.e. China, Vietnam, India, Taiwan, Turkey, Cambodia, Malaysia, United Kingdom, the Philippines, Laos, Russia, Belgium and Tanzania.

2.1.1 Thailand Operations

In 2015, the revenue from Thailand operations accounted for 40% of its total sales revenue. The Company has divided its businesses into 3 main categories i.e. 1) feed business, 2) farm business and 3) food business.

1. Feed Business

Products, Markets and Customers

The Company is a leader in feed production and distribution in Thailand with its main products including swine feed, chicken feed, duck feed, shrimp feed and fish feed, in form of concentrated feed and completed feed in either powder or pellet. The feed is formulated according to nutrition requirement by different types and age groups of animals. The Company manufactures and sales livestock feed products under brand "CP", "Hi-Gro", "Hogtonal", "Hyprovite", "Anvipro", "Star Feed", "Novo", "Safe Feed", "Erawan", "C.F.", "Hilac", and aquatic animal feed under brand "CP", "Star Feed", "Hi-Grade", Blanca",



“Stargate”, “Safe Fish” and “Safe Fo”. In 2015, the Company’s revenue from feed business of Thailand operations represented 12% of total sales revenue.

The Company has its manufacturing plants situated in all regions of Thailand. The Company distributes feeds to large-scale farmers directly and to small farmers through dealers situated nationwide. The feed prices shall be determined by the cost of production at each period of time which shall be in conformity with raw material market prices and approved by the Department of Internal Trade, Ministry of Commerce.

The Company has implemented the main marketing strategies by providing customers with full services, starting from offering quality feed and breeding stock, providing technical advice on animal farming and modern farm management techniques by the Company’s experts through seminars, establishment of learning centers, regular dissemination of information on animal farming according to international standards via printed material and social media, in order to promote sustainable growth of the animal husbandry industry in Thailand.

Raw Materials and Production Process

The Company has set up its central purchasing unit in Thailand responsible for the procurement of raw materials used in feed production and for data gathering and analysis of quantity and prices of raw materials trend in Thailand and foreign countries. Main raw materials for feed production are agricultural crops such as corn, soybean meal, wheat flour, broken rice and fish meal, etc. In 2015, total raw material costs for animal feed production of Thailand operations accounted for 17% of total cost of good sold. Regarding the raw material purchasing, the Company gives importance to all relevant matters, such as sources and quality of raw materials, compliance with the Company’s policy on human rights, social and environment impact as well as competitive costs in the industry. It is also the Company’s policy to give preference to purchase raw materials from domestic sources, particularly around areas where feed manufacturing plants are located in order to support local farmers and to reduce distances and energy consumption in raw material transportation. If the quantity of locally-purchased raw material is not sufficient due to inadequate quantity or inferior quality, raw materials will be imported. In 2015, Thailand operations imported raw material costs accounted for 47% of the total raw material costs for animal feed production.

The Company has focused on social and environmental factors involved in its supply chains; whereas, the Company has procured raw materials which can be traced back to their sources whether they are obtained from lawful, environmental-friendly and sustainable sources. Ban Bueng Aquatic Animal Feed Plant in Chonburi province is the world’s first manufacturing plant accredited with standard by the International Fishmeal and Fish Oil Organization’s Responsible Supply Chain of Custody or IFFO RS CoC, which has proven the Company’s commitment and responsibilities for its purchasing and use of fishmeal from sustainable sources. Moreover, the Company has also been awarded with the Best Aquaculture Practices (BAP) by the Global Aquaculture Alliance (GAA), which is the internationally recognized standard on good fishing practices.

Regarding the production process, the Company places importance on innovation and technologies to improve quality and efficiency of production in order to obtain high-quality and safe feed products with competitive cost. Each feedmill plants are equipped with laboratories and testing equipment to check the quality of raw materials before fed into the production process whereas all production process has been controlled with automated system to ensure that the quality of feeds is consistent and meet the required standard. As a result of the Company’s effort, its high-quality feed products provide good feed conversion ratio (FCR) which helps reduce the cost to farmers.

(2) Farm Business

Products, Markets and Customers


The Company is a major animal farming operator in Thailand with swine, broilers, layers, ducks, shrimps and fish as the main products. The Company’s animal breeding and husbandry farms are situated in several provinces throughout Thailand. In 2015, the Company’s revenue from farm business under Thailand operations represented 18% of total sales revenue. Products under the farm business can be divided into 2 main categories as follows:

(a) *Animal Breeds*

The Company emphasizes on high quality and healthy breeds suitable for farming conditions in each country and meet consumers' preference. Besides having its own breeders, the Company has imported certain breeds of animals for its farms or for sales to distributors or local farmers. The Company has continuously researched and developed its breed, for examples, CP-Kurobuta breed which is tender and savory pork, or strong CP shrimp fry.

Regarding the marketing policy, the Company places importance on its after-sale services, with branch offices situated nationwide as centers for dissemination of animal farming techniques and farm management to farmers.

(b) *Live Animals, Products from Live Animals, and Basic Processed Meat*

Key products in this business are categorized into 2 groups. The first group is live animal and products from live animal, such as fattening swine, broiler, duck, chicken egg and duck egg, which are sold domestically. The second group is basic processed meat, such as fattening swine, broiler and duck from farms to processing plants for cutting and trimming into pieces as per consumers' demand before packaging and freezing or chilling for distribution under  brand to retailers, wholesalers and food services. Selling prices are subject to demands and quantity of outputs available in Thailand and in the world market or subject to the agreed prices in case of OEM products. The Company main marketing strategy is to create consumers' awareness of the product's quality and safety throughout the supply chain.

Raw Materials and Production Processes

Main raw materials for farm business include feeds and breeding stock. The table below describes key raw material for animal breeding and farming and the source of such raw material.

Key Raw Material	Source
- Broiler Grand Parent Stock	Imported from America, Europe and Australia
- Layer Grand Parent Stock	Imported from Europe
- Broiler Parent Stock	From Company's own farms and associates' farms in Thailand
- Layer Parent Stock	Imported from Europe
- Pure breed Swine	Imported from America and Europe
- Shrimp	From Company's own farms
- Veterinary products	Purchased from local suppliers
- Feed	Company's own feedmills

The Company selects and tests the breeds according to the principle of natural genetics and has placed great emphasis on farm management technology for development of proper animal farms to meet the market demands and suitable for farming environment in order to improve the production quality and efficiency as well as the establishment of operation process with international standards and the information system for quality management and traceability of the whole system, thus, for monitor and improvement of operational efficiency of the entire value chain. The Company has also employed the Best Practice on Biosecurity, which is the practice on effective prevention of diseases. In livestock farms, Evaporative Cooling System has been used to provide the fully enclosed animal houses with suitable living conditions. Automatic feeding and watering has been provided with lighting appropriate for each type of animals. The Company's animal houses are free of transmission or spreading of diseases from animals and insects and controlled by computerized system throughout the period of animal husbandry.

The Company has continuously developed technologies used in animal husbandry and has employed the Good Manufacturing Practice (GMP) of the Ministry of Agriculture and Cooperatives, international standards, environmental management standards, animal welfare standard that animal welfare and well-being shall be taken into account together with modern animal husbandry which is free of use of the growth hormones forbidden by laws. The Company's animal husbandry is not overpopulated while wounded or sick animals shall be cured by veterinarians of the farms who shall check the health condition of animals during the animal husbandry and animals shall be transported by specific transport vehicles. Moreover, the Company is accredited with the Red Tractor Assurance (RTA) from the United Kingdom for its management of animal

welfare, covering its poultry farming operations for processed food manufacturing since 2003 and continuously accredited every year until 2015. Such standard is regarded as the strictest standard of production in the poultry farming industry nowadays.

In addition to animal farming, the Company also promotes animal farming to farmers, including fattening swine and broilers. The Company shall select farmers who have their own farming areas and equipment. The selected farmers shall be provided with the Company's support in terms of animal breeds, feed, veterinary supplies and technical knowledge on animal farming.


Regarding the aquaculture farming, the Company has emphasized the probiotic farming to avoid the use of drugs and chemicals and has also employed the shrimp culture techniques in a closed system using the circulating water for reduction of water use, prevention of animal epidemics and environmental friendliness. Moreover, the Company has employed the Best Aquaculture Practice (BAP) to the nursery, shrimp farms and processing plants, together with its business operation with social and environmental responsibility and care for food safety and traceability of products.


Thailand's shrimp industry has encountered the challenges in prevention of Early Mortality Syndrome (EMS) since late 2012; whereas, in 2015, the situation has been developed in a positive direction. The Company has continuously developed breeds of healthy and disease-resistant shrimp fry and shrimp farm management technologies that can reduce EMS impact. The Company has also emphasized on the dissemination of good techniques of shrimp farming; and has also continuously organized academic training to farmers in order to promote farmers' confidence and has its role on recovery of Thailand's shrimp industry competitiveness in the world trade arena.

(3) Food Business

Products, Markets and Customers

The Company has added the value of basic processed products from animal farms by processing them into cooked food products and ready-to-eat food products, then, chilling or freezing and distributing the products under customers' brands, the Company's brand and under brand . The Company has conducted researches and surveys regarding consumers' preferences and behavioral changes who tended to focus on convenience and health care in all age groups such as housewife, working people, teenagers, etc. The Company has distributed products through various distribution channels, including traditional trade, modern trade such as convenience stores, supermarkets and food service businesses such as fast food outlets, etc. Moreover, the Company has its own retail and food outlets, other wholesalers and retailers. Regarding export to foreign markets, the Company has its branch offices and dealers in 18 countries and has distributed products through importers in foreign countries. At present, the Company has exported its products worldwide; whereas, major importing countries include European Union, United Kingdom, Japan, USA and other Asian countries. In 2015, the revenue of food businesses from Thailand operations equal to 10% of the total sales revenue.

The Company has food research and development expertise team that has committed to the creation of food products to response to consumers' preferences and changing lifestyles. The Company has given the importance to the production of quality food products in terms of nutrients, tastes and safety. Cooked food products locally distributed and exported are, for example, Chicken Frank Sausages, Scheweineurst Sausages, which are premium sausage under Bucher Brand, Kurobuta pork steak, shrimp wontons, cooked shrimps, Karage chicken, seaweed chicken rolls, teriyaki chicken, rice with chicken green curry, noodles with stewed duck, roasted duck, meat balls and Carbonara spaghetti, etc. The Company has produced food products under brand , Kitchen Joy, Five Stars, BK, BKP and for distribution under brands of customers. In 2015, the Company has launched innovative food products to meet the changing lifestyles of consumers such as ready-to-eat tender chicken breast, onsen egg, Japanese style steamed eggs cup, omega egg tofu with vegetable, chick fingers and ready-to-eat healthy foods under CP Balance brand such as baked rice with cereal and chicken, hot and sour soup with pangasius dory fish with brown rice, spice whole wheat spaghetti and savory boiled brown rice, etc.

The Company has implemented its main marketing strategy by promoting consumers aware of brand  and using innovation in developing and producing food products with nutritional value, good tastes, quality and safety throughout the

production chains and creating convenience for consumers and promoting customers' accessibility to its products in all occasions by means of sale channel management.

Raw Materials and Production Processes

The majority of main raw materials for food business is mainly from the Company' farms, which have been primarily processed and value-added as cooked and semi-cooked products and ready-to-eat products as per customers' preferences. The Company's processing plants are spread in several provinces in Thailand such as Bangkok, Samut Sakorn, Saraburi, Nakhon Nayok, Nakhon Ratchasima, Chachoengsao, Rayong and Songkhla, etc.

Due to high awareness of the quality and safety of foods, the Company has committed to the production process improvement in accordance with the international standards by adoption of the international standard management systems such as quality management system (ISO9001), Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Point (HACCP) System. Moreover, the Company has also adopted several standard systems that have met demands of specific groups of customers in its management such as Global Standard for Food Safety: BRC (The British Retail Consortium), Halal and Best Aquaculture Practices (BAP) Standards, etc.

The Company has employed international standards on Occupational Safety and Health Administration Management System (OSHAS18001) and CPF Safety Health Environment and Energy Standard (CPF SHE&EN Standard) in its production processes for good health and safety of employees. Moreover, the Company has also employed the international standards on environmental management (ISO14001) as its environmental management in accordance with the laws.

CPF's Product Sustainability

With its commitment to creating the sustainable product for consumers around the world, CPF has initiated the CPF's Product Sustainability Project since 2011 with product design and development, by taking consumers' safety as the first priority and effective use of resources, starting from the utilization of raw materials for animal feed production, animal farming, food production, transport of goods, channels of distribution and hand-over of products to consumers, for sustainable development of products throughout their life cycle as per the international standards, with an aim of creating product sustainable to the society, environment and economy.

CPF has been accredited under ProSustain Standard by DNV-GL (the world's leading organization for accreditation of product sustainability) as the world's first sustainable chicken product, covering 3 levels of ProSustain Standard, i.e., Level 1: Corporate Sustainability Management; Level 2: Product Sustainability Management; and Level 3: Product Sustainability Performance.

In 2015, CPF had its product sustainability covering over 700 items including raw chicken for the local market and cooked chicken for the European market.

Regarding the creation of product sustainability, the Company has implemented eco-efficiency analysis throughout the product life cycle, which is the efficiency analysis on the cost of production together with the environmental impacts; and these methods have been accredited by world-class accreditation organizations such as the US National Sanitation Foundation (NSF); and the analytical results have been verified by TUV Rheinland. With the use of the eco-efficiency analysis method, the Company has found hot spots to be used for better and continuous development of products.

As the Company has become the world's first chicken manufacturer and the first food manufacturer in the Asia-Pacific Region accredited under the standards, it reflected the potentials in design, development and control of production throughout the supply chains in accordance with the sustainable management guidelines, with 4 dimensions of perspectives including food quality and safety, economy, environment and society, by using the principle of product life cycle assessment under the international standards of ISO14040, ISO14044 and ISO 14045 to strive towards the goal of leadership in sustainable production, which is a crucial part of green economic business operation.

Greenhouse Gas Management

Climate Change has become a complex issue, affecting not only the environment but also the entire world in terms of poverty, economic development and growth of the world's population. The Company has provided the carbon footprints of products since 2008 so far, which enabled the Company to keep up with business changes resulting from climate changes. In 2015, the Company's outstanding work performances and awards through cooperation with Thailand Greenhouse Gas Management Organization (Public Organization) are as follows:


- Registration of carbon footprint labels for 146 products;
- The first corporation in Thailand that received carbon footprint reduction labels or global warming reduction labels for fresh chicken products and shrimp wonton products whereas, the production process of fresh chicken products of the Company could reduce the greenhouse gas emission by 50% lower than the average in the chicken industry of Thailand; and the production process of shrimp wonton production could reduce the greenhouse gas emission by 23%;
- Participation in Thailand Voluntary Emission Reduction Program (T-VER) by means of biodiesel production from the used vegetable oil which shall be used as alternative fuels within the chicken processing factories in Saraburi and Nakhon Ratchasima provinces; whereas, The carbon credit obtained from this program was equal to 560 tons of carbon dioxide or equivalent; and the use of used vegetable oil in the biodiesel production for transport of goods not only helped mitigate the problem of global warming but also helped people in the society maintain good health by means of cutting the cycle of used vegetable oil for consumption and being a model in development of greenhouse gas reduction in the public sector.

CPF's whole chain electronic traceability

For modern, rapid, accurate and transparent traceability, CPF has developed the electronic traceability system which can trace sources of raw materials automatically in the whole supply chains including the production of animal feeds, animal husbandry, production and distribution of goods; whereas, the pilot project of fresh chicken production has been launched since 2014 to ensure sustainable safe food products.

In 2016, the Company planned to increase the number of sustainable product in Thailand and in foreign countries and to increase the number of products with global warming reduction labels; and has given the importance on the water shortage by water footprints, and has continuously expanded the electronic traceability project covering other product groups until completion within 2017 in order to create confidence to consumers and the society.

Retail and Food Outlets

To provide consumers with more convenient choices of access to its products, the Company has invested to expand its distribution channel for Company's products. The main type of products includes ready-to-serve meals, ready-to-eat chilled and frozen products under  brand, and meat products either cutlets or cooked, chilled or frozen. These sales channels can be categorized into 5 following types:

- (a) Five Star Business operates as a franchise business. There are six types of Five Star kiosks, namely roasted-chicken kiosk, fried-chicken kiosk, Hainan chicken rice kiosk, noodle soup with shrimp wonton kiosk, ready-meal kiosk, and sausage kiosk. The Company also expand its Five Star Business into Vietnam, India, Laos and Cambodia.
- (b) Chester's is a fast-food restaurant business operated by Company and franchisees.
- (c) CP Kitchen is a fast-serve restaurant business operated under the concept of "Fresh, Full, and Fair".
- (d) CP Freshmart engages in the retail business, selling fresh food, cooked food and ready-to-eat products under the CP and CP Fresh Mart brands. CP Fresh Mart, a center of fresh, clean, safe and high-quality foods, operating under 2 models: as a retail store, and as community refrigerator. In late 2015, CP Freshmart launched new store concept called Modern Home Meal Solution which responds to the new generation of consumers who prefer to cook easy meal by providing a wide array of ingredients, fruits, vegetable, ready-to-cook and ready-to-eat products.

- (e) CP Food World is a food court with a variety of food outlets owned by the Company and food outlets from outside. CP Food World has become a leading player in the food court business and a center of quality food outlets emphasizing on tasty of foods and professional services, attention to consumers' demands and accessibility to all age and gender groups of customers.

In addition to the strong points of food quality, CP Food World is also a food court with standard of cleanliness of equipment, including sanitation of service-providing employees and with all aspects of quality under modern atmospheres to become one of the food court for young generations. In addition, CP Food World has also expanded its businesses in full-scale catering service channels, divided into 2 channels, as follows:

- Catering services such as meal boxes and snack boxes as well as integrated catering services.
- Food services for patients: CP Food World has the nutrition department under the supervision of professional chefs who shall supervise all menus of foods with good quality, safety, good tastes and all working processes in accordance with international standards such as JCI and HACCP to strive towards the goal of becoming professional service teams in hospitals.

2.1.2 International Operations

As of December 31, 2015, CPF has operated its businesses through subsidiaries in various countries as follows:

1. **China** - Livestock and Aquaculture Business

- 1.1) Livestock business operated by C.P. Pokphand Co., Ltd. ("CPP"), a company listed on the Stock Exchange of Hong Kong under stock code "00043" (For more details, please visit: www.cpp.hk). CPP's business involves in the production and distribution of animal feed with swine and chicken feed as the main products. CPP also operates the production and distribution of processed foods, processed meat and ready-to-eat products for domestic distribution.
- 1.2) Aquaculture business operated by (1) C.P. Pokphand Co., Ltd. and (2) C.P. Aquaculture (Beihai) Co., Ltd., engaging in the production and distribution of aquatic feed with shrimp feed, fish feed and probiotic products as the main products; and (3) C.P. Aquaculture (Dongfang) Co., Ltd., involving in aquaculture farming with main products including shrimp fry, fish fry and aquaculture farm equipment.

2. **Vietnam** - Integrated livestock and aquaculture business operated by C.P. Vietnam Corporation with details as follows

- 2.1) Integrated livestock business consisting of (1) production and distribution of animal feeds with main products including swine and chicken feed; (2) farm business including basic meat processing business with swine, broiler and layer as the main products; (3) food business for domestic distribution; and (4) restaurant business i.e. Five Stars business, which is a franchise food kiosk business.
- 2.2) Integrated aquaculture business consisting of (1) production and distribution of animal feeds with main products including shrimp and fish feed; (2) farm business including basic meat processing business with shrimp and fish as the main products; and (3) food business for domestic distribution and export to European and Asia.

3. **India** - Livestock and aquaculture business operated by CPF (INDIA) Private Limited as follows:

- 3.1) Livestock business consisting of (1) production and distribution of animal feeds with chicken feed as the main product; (2) broiler farming; (3) food business for domestic distribution; and (4) restaurant business i.e. Five Stars business, which is a franchise food kiosk business.
- 3.2) Aquaculture business engaging in production and distribution of animal feed with shrimp feed as the main product.

4. **Taiwan** - Integrated livestock business operated by Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ("CPE"), a company listed on the Stock Exchange of Taiwan under stock code "1215" (For more details, please visit: www.cptwn.com.tw). CPE operates the production and distribution of animal feeds with main products including

swine feed, broiler feed, layer feed and duck feed. CPE also engages in the animal farming including basic meat processing with broiler and swine as the main products; and the food business for domestic distribution.

5. **Turkey** - Agro-industrial and integrated food business operated by C.P. Standart Gida Sanayi ve Ticaret A.S. ("CPS"). CPS business consists of (1) production and distribution of animal feeds with main products including cow and chicken feed; (2) livestock farming including basic meat processing with broiler and layer as the main products; (3) food business for domestic distribution and export to Middle East countries; and (4) retail business - CP Shop operates retail business selling CP and consumer products.
6. **Cambodia** - Livestock business operated by C.P. Cambodia Co., Ltd., consisting of (1) production and distribution of animal feeds with swine and poultry feed as the main products; (2) animal farming with main products including day-old-chick, piglets, broiler, native broiler, swine and eggs; and (3) food business with main products including ready-to-eat products and Five Stars fried chicken.
7. **Malaysia** - Livestock and aquaculture business
 - 7.1) Livestock business operated by 1) Chau Yang Farming Sdn. Bhd., engaging in swine breeding and fattening swine farms; 2) Tip Top Meat Sdn. Bhd., engaging in swine slaughterhouses; and 3) AA Meat Shop Sdn. Bhd., engaging in retail shop selling processed pork products.
 - 7.2) Aquaculture business operated by 1) Star Feedmills (M) Sdn. Bhd., engaging in production and sale of animal feed with shrimp and fish feed as the main products; and 2) Asia Aquaculture (M) Sdn. Bhd., engaging in shrimp farming and processing for domestic distribution and export.
8. **United Kingdom** - International trade and production of chilled food products operated by CP Foods (UK) Limited. CP Foods (UK) Limited mainly involves in the import of ready-to-eat food and frozen food products for distribution in the European Union and import of food products for further processing from frozen to chilled products for distribution in the European Union under the brand "CP", Authentic Asia and Taste Inc. In 2015, CP Foods (UK) Limited also invested in the company operating food kiosk business in the United Kingdom under "Chozen Noodle".
9. **The Philippines** - Livestock and Aquaculture Business operated by Charoen Pokphand Foods Philippines Corporation with details as follows:
 - 9.1) Livestock business consisting of (1) production and sale of animal feed with chicken and swine feed as the main products; and (2) animal farming with main types of animals including swine and broiler.
 - 9.2) Aquaculture business consisting of (1) production and sale of animal feed with shrimp and fish feed as the main products; and (2) animal farming with shrimp and fish as the main products.
10. **Laos** - Integrated livestock business operated by C.P. Laos Co., Ltd. Its business involves in production and sale of animal feed with chicken and swine feeds as the main products; animal farming, including basic meat processing, with swine, broiler and layer as the main products; and food business for domestic distribution as well as restaurant business i.e. Five Stars business, which is a franchise food kiosk business.
11. **Russia** - Livestock business operated by 1) Charoen Pokphand Foods (Overseas), LLC. which engages in the production and sale of animal feed with swine and cow feed as the major products and swine farming; 2) CPF AGRO LLC. which engages in the swine farming; and 3) Russia Baltic Pork Invest ASA ("RBPI") engages in swine farming through its subsidiaries. Furthermore, in 2015, CPF Netherlands B.V. acquired the integrated poultry business in Russia, starting from production of animal feeds, animal breeding, hatching, animal farming and basic meat processing.
12. **Belgium** - Ready-to-eat food business operated by Tops Foods NV. Tops Foods NV. engages in production and distribution of chilled and ambient ready-to-eat food using microwave system production technology for distribution in the European Union.

13. **Tanzania** - Livestock business operated by CPF Tanzania Limited. CPF Tanzania Limited engages in the manufacturing and distribution of livestock feed with chicken feed as its main product. It also operates broiler and layer breeder farming as well as production and distribution of day-old-broilers and day-old-layers.

Proportion of Thailand and International Operations during 2013-2015 are as follows

Unit : %	2013	2014	2015
1. Thailand Operations			
Feed	13	12	12
Farm	18	19	18
Food	11	10	10
<i>Total revenues from Thailand operations</i>	<i>42</i>	<i>41</i>	<i>40</i>
2. International Operations			
Feed	42	41	39
Farm	15	16	19
Food	1	2	2
<i>Total revenues from international operations</i>	<i>58</i>	<i>59</i>	<i>60</i>
Total Revenues from Sale of Goods	100	100	100

2.2 Industry Overview and Outlook

2015 Agricultural Economic Condition of Main Products in 2015 and Outlook in 2016

Broiler chicken

In 2015, the quantity of broiler chicken production around the world was 87.94 million tons, increased by 1.6% from those in 2014; whereas, USA was the largest producer, with the quantity of production of 17.97 million tons, followed by Brazil (13.08 million tons), China (13.03 million tons) and the European Union (10.6 million tons).

The quantity of broiler chicken production in Thailand was 2.2 million tons, increased by 9% from those in 2014, divided into domestic consumption of 1.6 million tons or equal to 71.1% and export of 0.6 million tons or equal to 28.9%. Chicken meat production in Thailand has met the standards with the safe production system acceptable to foreign markets; as a result, the quantity of production has been expanded to meet the increasing demands and volume of export.

Regarding the quantity of production in 2016, the United States Department of Agriculture (USDA) estimated that the quantity of broiler chicken production around the world would increase to 89.3 million tons or expanded by 1.6% when compared to those in 2015 due to the accelerating increase of the quantity of production by China and continuing increase of production by Brazil resulting from low cost of production in order to meet the increasing quantity of export; moreover, India has increased the quantity of production rapidly to meet the expansion of domestic consumption resulting from the increasing demands of the Middle Class.

In 2016, the Thai Broiler Processing Exporters Association estimated that the quantity of broiler chicken production in Thailand would remain stable due to the considerable increase of the quantity of production in 2015, which was predicted at 2.2 million tons; and that the quantity of broiler chicken export of Thailand would be 0.65 million tons due to the saturated export market of restrictions on import quotas.

Swine

In 2015, the quantity of swine production around the world was 111.5 million tons, increased by 1% when compared to those in 2014 due to the increasing quantity of production in Brazil and Russia resulting from the decreasing cost of foods and recovery from the outbreak of Porcine Epidemic Diarrhea (PED) in USA; however, the quantity of production in China has slightly decreased; meanwhile, Korea and Japan has still been affected by such disease in the swine production.

In Thailand, according to the data of the Swine Raisers Association of Thailand, it was specified that the quantity of swine production in 2015 was 16.5 million pigs, increased by 3.1% when compared to those in 2014 due to good prices of swine; whereas, the domestic markets were considered as main markets with the proportion of 96% of the total quantity of swine production.

In 2016, the United States Department of Agriculture (USDA) predicted that the quantity of swine production around the world would slightly increase to 112 million tons or increased by 0.4% when compared to those in 2015 due to Brazil's plan to increase the quantity of swine production for export to Russia by approximately 2%; meanwhile, Russia has increased the quantity of swine production by 6%; and in USA, it was predicted that the quantity of swine production would increase by 1%; meanwhile, in China, the quantity of swine production was still equivalent to those in the previous year; and in the European Union, it was predicted that the quantity of swine production would slightly decrease.

The Swine Raisers Association of Thailand predicted that, in 2016, Thailand would have the total quantity of swine production of 17 million pigs, increased by 3% from those in 2015 due to the trends of good prices of live swine; whereas, the domestic markets would still be main markets with the proportion of approximately 96% of the total quantity of swine production in Thailand.

Shrimps

In 2015, the quantity of shrimp production in Thailand was approximately 250,000 tons, increased by 9% when compared to those in the previous year due to effective solutions to the Early Mortality Syndrome with good management and stronger and more rapid-growing breeds of shrimps.

Meanwhile, the quantity of shrimp production around the world was 2.1 million tons, decreased by 6% when compared to those in 2014 due to the decreasing production of major shrimp producing countries such as China (decreased by 13%) due to the outbreak problem; meanwhile, in Vietnam, the quantity of shrimp production decreased by approximately 30% due to diseases from new species of microsporidia caused by Enterocytozoon Hepatopenaei (EHP) and Early Mortality Syndrome as well as lower prices of shrimps causing farmers unmotivated for shrimp culture. In India, the quantity of shrimp production decreased by approximately 10% due to more severe damage caused by White Spot Disease, White Feces Disease as well as early development of Running Mortality Syndrome and diseases from microsporidia. However, in Indonesia, the quantity of shrimp production increased by approximately 10% due to considerably good prices of shrimps and no problem of trade embargo, including effective control of White Feces Disease and White Muscle Disease.

In 2016, Thai Shrimp Association predicted that the quantity of shrimp production around the world would continuously decrease from those in 2015 because major shrimp producing countries still encountered situations of shrimp diseases continuously; meanwhile, in Thailand, it was predicted that the quantity of shrimp production in 2016 tended to increase by 20% to approximately 300,000 tons due to unfolding situations as well as effective control of outbreak of Early Mortality Syndrome; as a result, shrimp raisers gained more confidence in shrimp culture.

Sources:

Thai Broiler Processing Exporters Association (TBPEA)

United States Department of Agriculture (USDA)

Thai Shrimp Association

Swine Raisers Association of Thailand

2.3 Environmental Impacts

Impacts of the Company's production process on the environment can be divided as follows:

(1) Animal Feed and Meat Processing Plants

The production of animal feed may cause dusts and smells emitted from the production processes and may cause troubles to nearby residents; therefore, with its awareness of this situation, the Company has installed dust collectors and deodorizers to prevent dusts and smells emitted from the production processes from dispersion out of the production site;

whereas, all animal feed manufacturing plants have used the ozone system to effectively eliminate smells from vapour stacks of animal feed drying machines and to reduce the consumption of electric energy since 2013; therefore, no such problem was found in the Company's animal feed manufacturing plants.

Regarding water used in the production processes of meat processing plants, if immediately released to the public water sources, it may cause water pollution. Therefore, the Company has constructed wastewater treatment ponds for treatment of water before releasing to public water sources; and the water quality will be tested before the water will be released outside of meat processing factories.

Regarding the Company's factories in Thailand, including livestock and aquatic animal plants under the Ministerial Regulations No.2 (1992) issued in accordance with the Factory Act B.E.2535 by the Department of Industrial Works, Ministry of Industry, requiring that such factories must control the release of wastes, pollution or any materials which may cause environmental impacts such as wastes, filth, wastewater, air pollution and noise pollution as per the criteria and methods for each type of factories throughout the period of business operation of such factories; whereas, during the past 3 years, the Company's factories in Thailand has supervised and controlled the environmental impacts in accordance with the laws.

The Company has its strict quality control standard for all production processes in factories and has given the ultimate importance to the improvement of production processes to be in accordance with the generally accepted international quality control standards such as ISO, HACCP (Hazard Analysis and Critical Control Point) and GMP (Good Manufacturing Practices) and the environmental management standard (ISO14001); moreover, the Company has applied the CPF Safety Health and Environment Management System (CPF SHE&En Standard), starting from the determination of policies and evaluation of environmental impacts, provision of standard plan for reduction and control and monitoring of the results of environmental operations; and the Company has particularly given the importance to the strict compliance with the environmental laws by all units.

Activities and projects for environmental quality development regularly carried out by the Company such as:

- (1) Improvement of the wastewater treatment system of meat processing factories by changing the anaerobic ponds from an open type to a closed type and using methane obtained from wastewater fermentation as alternative fuel for furnace oil to help reduce global warming and to increase the efficiency of sewage treatment in 8 factories, including livestock and aquatic animal processing factories;
- (2) Change of fuels for heating of boilers in animal feed and meat processing plants by using low-pollution fuels such as rice husk, corn cob, firewood, LPG/NGV gas, which are proper to the available sources of raw materials; provided that, in case, any factory has no such source of low-pollution fuels, equipment shall be installed to reduce pollution emitted from combustion of furnace oil such as micro-emulsion system, which can effectively reduce the quantity of TSP (Total Suspended Particulate);
- (3) Improvement of the wastewater treatment system and reuse of treated water; whereas, plants shall prescribe their goals of reduction of water use and reuse of treated water in order to reduce the quantity of pollution emitted from plants.

(2) *Animal Farms*

Animal farms may cause smells from animal droppings; therefore, majority of the Company's animal farms are located in the provinces and outside community areas and far from highly-populated areas of animal farm, using the evaporative cooling system in the animal farm; moreover, rice husk has been used as sub-base of animal houses which shall be beneficial to the growth of animals and shall also be helpful for elimination of smells and shall be convenient for cleanup of animal droppings to be used as manure for effective agricultural soil conditioning. Moreover, the Company has grown golden teaks in empty spaces between animal houses and other buildings in farms for optimal use of areas and for contribution to conservation of resources and the environment. Regarding swine farms, the Company aims to develop renewable energy by using swine feces for production of biogas to be used as fuel for electricity generation and for prevention of smells and environmental pollution and for energy saving of the country. Moreover, the Company has envisaged advantages of this biogas production system and has therefore promoted farmers in the project and partner farms of the Company to use this system widely; and since 2013, the Company has improved its swine farms as green farms, all of which have been accredited



with ISO14001 for aquatic animal husbandry. The Company has used a closed system technology and has recycled water for use and for saving of water resources and prevention of water contamination.

In addition to all measures and activities as above-mentioned, the Company has regularly improved the quality of environment better than the legal requirements by applying CPF Safety Health and Environment Management System (CPF SHE&En Standard) and also prescribing standard of monitoring the amendment of laws, local requirements and other requirements to ensure that all activities, services and products of the Company shall be consistently in accordance with the laws and to reduce the environmental impacts as much as possible; whereas, CPF SHE&En Standard has prescribed the main mechanism for management, as follows:

- (1) SHE&En Committee shall be established in all plants or workplaces;
- (2) All workplaces must have SHE&En officers though some units are not required by laws to provide environmental personnel;
- (3) Environmental impact assessment must be provided before carrying out significant activities or new projects; or top management must be reported before making any changes;
- (4) All workplaces must provide short-term and long-term plans for prevention and reduction of environmental impacts;
- (5) Legal amendments and actions in compliance with the laws must be monitored on a monthly basis and must be reviewed by the Management at least once a year;
- (6) SHE&En Committee's meetings must be convened on a monthly basis for monitoring of problems occurred and solutions to those problems; and for review by the Management once a year.

With CPF SHE&En Standard, all workplaces shall be obliged to comply with all significant issues as above-mentioned of the work standard; as a result, the Company is confident that its environmental management shall be in accordance with the laws at all time without any disputes or legal actions on environmental issues against the Company and that all systems must be evaluated and certified by third-party organizations on a yearly basis. Moreover, the Company has developed CPF SHE&En Standard inspectors to be responsible for the inspection and assessment of all systems; provided that the Company has complied with CPF SHE&En Standard systems covering all units in businesses of animal feeds, animal farms and foods in Thailand in 2014; and in 2015-2016, the Company planned to extend its operations to other segments of trade, logistics and offices.

Moreover, the Company has regularly organized environmental personnel training courses under CPF SHE&En Standard systems such as environmental management system, waste management, wastewater treatment system control and energy management, etc.; whereas, in 2015, the Company organized 31 training sessions covering over 1,200 employees.

3. Risk Factors

In the previous year, Thailand encountered some considerably severe problems, including the issues of warnings by the European Union or its refusal to import fishery goods from Thailand due to Thailand's non-conformity with Illegal, Unreported and Unregulated (IUU) Fishing Regulations of the European Union; moreover, the United States also ranked Thailand in Tier-3 or the lowest level in the rankings of Report on Situations of Trafficking in Persons for 2 consecutive years, which affected Thailand's international trade; and the economic slowdown in trading partner countries such as China and Japan also affected Thailand's economic condition.

In addition to such issues, there was issues of Trans-Pacific Strategic Economic Partnership Agreement that Thailand had to consider advantages and disadvantages of joining the partnership, which may affect Thailand's international trade and investment. According to the above-mentioned factors which may affect the achievement of its objectives and goals, the Company has therefore followed up the situations and risk factors closely and continuously and has also evaluated potential impacts on the Company in the short term and in the long term to be used as guidelines for risk management.

The Company has continuously managed its risks both at organizational and business units levels; has promulgated its risk management policy at an organizational level so that executives and all employees shall be informed of details of the policy, including their roles, duties and responsibilities relating to risk management; and the Company has also appointed a risk management subcommittee to directly report to the Management Committee.

The Risk Management Sub-committee consisting of executives' representatives from business units of animal feeds, farm, food production and sale, including representatives from support functions shall be responsible for consideration of risk factors of the Company as well as provision of guidelines for risk management and assignment of duties relating to risk management to all related units as the risk owners.

Regarding the risk management at a business units level, executives and employees of each business unit shall be obliged to identify risks, to evaluate and determine the management measures and to report the results thereof to the risk management unit; whereas, the risk coordination officers of each business group shall act as coordination medium.

Provided that, at present, the risk management is based on primary and secondary data as well as tools and consideration of correlation of risk factors; as a result, the Company has realized the correlation of risks and used it for determination of guidelines for risk management. Main risk factors to be considered by the company (in case, there is improper management, it will affect the achievement of vision, mission, objectives and goals of the Company) can be summarized, as follows:

3.1 Strategic Risks

3.1.1 Changes in Consumer Behavior

General characteristics of products included "ideal for health", "clean", "safe", "environmental friendly", "having proper packing sizes", "conveniently consumable", "having sustainable procurement processes" and "legally acquired". However, trends of health and environment care have recently been developed, not only in terms of procurement and production but also in giving importance to innovation relating to the acquisition of foods that consumers made their decisions to purchase, including issues of changes in population age structure. In summary, these characteristics would definitely affect the consumption behaviors.

Risk Management

Continuous study to follow-up the trends of behavioral change and satisfaction of domestic and overseas consumers shall be regarded as management that enabled the Company to be aware of consumers' demands and to use data in its analysis, planning and determining of marketing strategies, which can be seen from the development of goods in CP Balance with the aims of creating alternative products by taking account of 5 significant factors including low quantity of sugar, saturated fat and total fat and enough quantity of fibers and protein. In addition to the development of new product

groups, CP has also diversified its products to meet consumers' demands and has continuously cooperated with its business partners in operations in accordance with guidelines for procurement of raw materials and sustainable development of packages.

Moreover, the Company has also designed and developed "CPF Product Sustainability Project" in consideration of resource efficiency, covering the production of animal feeds, farm, food processing, transport of products to consumers, as well as waste disposal, thus, to create product sustainability by taking account of value in 4 dimensions including food quality and safety, environment, society and economy. The Company has implemented the Project in certain groups of products and was accredited with standard by a world-class accreditation agency; therefore, the Company has magnified the operating outcomes to other products; and has also participated in "Corporate Carbon Footprint Label Certification Project" (global warming reduction labels) and "Greenhouse Gas Reduction Activity Project" with government agencies in order to adjust patterns of production for sustainability and to reduce environmental impacts which will lead to sustainable growth.

3.1.2 Climate Changes

Natural changes have kept on occurring more severely and extensively due to uncontrollable and unavoidable external factors which may affect the Company's business operations as from the upstream businesses involving the quantity, quality and prices of raw materials of animal feeds which were key factors to success in business operation of animal feed production. Changes of temperatures may affect the quality and efficiency of livestock, aquaculture, and farming plans. These factors would eventually affect the business of human food production.

Risk Management

The Company had its especially experienced teams to supervise the purchasing of raw materials of animal feeds who shall be obliged to follow up information, to collect data and to analyze statistical data relating to weather condition of sources of cultivation of raw materials used in the production of animal feeds, season changes and harvesting period, which helped the forecast of global agricultural products in terms of quantity, prices and quality as well as the harvesting period; and the purchasing teams have used such data in the purchasing planning with the Sales Department and the Production Department in different countries where the Company had its production bases; as a result, the Company had its plans of demand for raw materials in each country; and purchasing plans for main raw materials shall be collected for purchasing in a large quantity which shall lead to the economies of scale; moreover, farm/factory locations shall be surveyed by taking account of suitability of weather condition and past occurrences of natural disasters prior to selection of workplaces; moreover, the Company has developed processes and technologies of farm and breeds to resist environmental changes for high efficiency of farming as well as high quality of meats.

At an organizational level, in case, any unusual event has occurred, each business shall provide emergency response plan (ERP) to handle unpremeditated events; but in case, situations have become more severe, the Company shall have the Crisis Management Committee to be ready for coordination and management of events continuously from the emergency response plan (ERP); and the Company shall also have its teams to closely follow up the related information through coordination with internal and external units in order to analyze situations and to solve problems promptly. Moreover, the Company shall communicate with employees and stakeholders relating to such situations.

3.1.3 Overseas Investment and Operations

The increase of the world population has still created opportunities for business operation. Therefore, the Company has used the growth strategy as its main strategy of business expansion, with an emphasis on expansion of agro-industrial and integrated food businesses through direct investment to countries with potential growth and profitability, business acquisition or joint venture in potential businesses or any related or extended businesses for the Company, including expansion of international trade, import and export. These situations have been used as guidelines for creation of sustainability to organizations in terms of security and operating results, and diversification of risks from investment. However, the data used by the Company for decision-making of investment may not be in accordance with the forecast which shall affect the operating performances of each country in which the Company made its decision to invest, possibly resulting from

external factors such as political and trade policies, laws, taxes, economic condition, employment, languages and local cultures, currency exchange rates, interest rates, natural disasters, terrorism, etc., or internal factors such as market information of each country. In 2015, income from overseas operation was 60% of total sales (for more details of foreign investments of the Company, please refer to Clause 1 “General Data” in Notes to Financial Statements for the year ended December 31, 2015).

Risk Management

The Company had its vision and goals of business operation as well as clear short-term and long-term strategic directions. The Company had to study data at national and industrial levels in order to consider opportunities, obstacles and competitiveness in different areas before making its decisions to invest in different countries and to select patterns of investment; and had to study the feasibility of investment to be proposed for consideration and approval; whereas, the Company shall assign its internal unit to study the data before making decisions to invest; and may employ consulting companies to help consider in some issues; provided that the goals, strategies and operational guidelines in foreign countries must be in conformity with the Company’s vision and goals and must be suitable to the environment of such countries; and during the decision-making to invest, the Company shall appoint executives and teams for operations in such countries. When the actual operation has started, the Company shall have another team stationed in Thailand to follow up and take care of investment and the operating performances and shall convene meetings in Thailand at least in every 6 months for executives who are stationed in foreign countries in order to consider the operating performances and to jointly adjust the strategies so that the operating performances in each country shall achieve the prescribed goals. Moreover, the Company also has a supporting department to give assistances on laws and trading regulations of each country in which the Company has invested and to follow up, collect and communicate relating to changes to executives in each country in order to be informed about changes and to make action plans as may be suitable to the situations.

3.2 Operational Risks

3.2.1 Product Quality and Safety

Due to consumers’ demand for quality and safe products, the Company, in the capacity of a leading manufacturer and distributor of foods, must produce its quality products to have met the standards and to have physical, biological and chemical safety in order to meet consumers’ demands; therefore, the Company has taken care of all production processes as from the research and development of products, selection of raw materials, production, warehouse, transport, distribution of products, coordination with business partners to give knowledge on storage of products and to give knowledge to consumers relating to the consumption; however, since there were a lot of operational activities and involving personnel within and outside the Company which may cause management deficiency and may affect the quality and safety in consumption of products.

Risk Management

“Leadership in food quality and safety” is a business strategy advocated by the Company to be existing in “CP” Brand; therefore, the Company has continuously developed its employees in order to develop products and packages and to create innovations for development of its production processes to meet international standards and to have the traceability system for raw materials used and to provide the quality assurance system throughout its supply chains at the first line of defense and the second line of defense to assure consumers of the quality and safety in consumption of the Company’s foods. However, the process of transporting products to consumers, there were business partners which were distribution channels and intermediaries in selling of products to consumers; and the Company has envisaged the importance of such partners and has continuously coordinated with them in the handling of products and has also given knowledge to consumers relating to the consumption by communication through media and on food packages so that consumers shall have knowledge and understanding on products, storage methods, reheating of products to maintain nutritional value and consumption safety.

Provided that the Company has considered that the above-mentioned actions may not be enough to manage the quality and safety problems; therefore, the Company has determined additional defensive operational guidelines to assure

business partners and consumers that in case, any unpredictable event has occurred, the Company shall have its corrective guidelines and complaint management process through different channels such as CPF Consumer Center, Sales Department, the Company's website, etc.; moreover, the Company had the crisis team to manage impromptu problems; and in case, it was found that the contamination in products exceeded the prescribed standard, the Company is ready to recall products immediately in order to prevent potential problems from consumption; and the Company shall apply the problems detected to the improvement of its working processes and shall give knowledge to operators in order to prevent reoccurrence of problems.

3.2.2 Disease Outbreaks

According to the results of study by various departments, it is definitely confirmed that *Vibrio Parahemolyticus* Bacteria is a key cause of Early Mortality Syndrome (EMS) and having significantly affected the operating performance of the Company so far and resulting in significant decrease of the quantity of shrimp. Regarding livestock diseases, they are still diseases having occurred in the past but having no significant impacts; however, the Company may have additional risks from reemerging epidemics or other unmanageable bacteria found in Thailand and in foreign countries, which shall have direct impacts on the efficiency of farming and may bring about panic and may reduce the confidence in consumption of meats.

Risk Management

The Company has given the importance to foods, animal breeds and animal house management, which was regarded as a key factor affecting the efficiency of farming; whereas, the Company has continuously provided the study, researches and development as well as experiments and tests so that animals shall have disease resistance; and during the period when EMS disease has been detected, the Company has also developed a new breed of shrimps as disease-free and strong white shrimps which are ideal for commercial breeding. Moreover, the Company has also participated with government departments in sustainable development of shrimp farming; and has created confidence to shrimp farmers by supporting Phetchaburi Coastal Fisheries Research and Development Center, Department of Fisheries. The Center has conducted a trial of shrimp pond management under "Phetchaburi Model", using seaweeds and microbes for treatment of diseases; whereby, the Company has supported quality and disease-free post larva that have met the standard of hatchery management; and the Company has clearly determined the standard of working processes which shall be strictly adhered to. Moreover, the Company has regularly provided its employees development to obtain knowledge and understanding on diseases and outbreaks and has continuously promoted the creation of innovation of shrimp farming and has conducted trials to ensure that it will help improve the efficiency of farming; then, the Company has applied such innovation to the Company's farms and customers' farms. Moreover, the Company has continuously conducted the surveillance, follow-up, data analysis and communication of information on diseases and outbreaks, including emerging and re-emerging diseases in Thailand and in abroad to the related parties; and has also applied the early warning system to communicate with its network farms to be informed of diseases and to provide protection thereof. However, in case, the situation of outbreaks is severe; or in case, there is panic among consumer groups, the Company shall assign the Crisis Management Committee to manage the situation.

3.2.3 Efficiency of Supply Chain Management

The Company's business competitiveness depend on the efficiency of supply chain management, including the availability of quality products with proper cost of production to meet customers' demands rapidly and in time, and the ability to operate its businesses with awareness of sustainability and responsibility to the society, communities and the nation; provided that the Company's success shall depend on conformity of operation in all activities under various processes of each business units such as forecast of gross sales, planning of production, purchasing, production, warehousing and delivery of products to customers and consumers, including transfer of raw materials into the production processes of next businesses; therefore, in case, the operation of any activity has not achieved the prescribed goal, the business continuity shall also be affected.

Risk Management

The Company has given the importance to all working processes throughout the supply chains as from the purchasing and procurement of quality raw materials from sustainable sources of production that have met the standard prescribed by the Company and at reasonable prices; therefore, the Company has promulgated several policies of purchasing and procurement such as policy of purchasing of fish meal, policy of sustainable procurement and operational guidelines for partners; and has prescribed the criteria for selection of business partners to enhance the business standard of both partners and Company in conformity and in accordance with demands of customers and consumers. The Company has convened meetings with manufacturers to keep them informed of details of its policies and to provide primary assessment of risks. Moreover, the Company has cooperated with its business partners to determine guidelines for improvement and sustainable development as business partners. The Company has also initiated different projects such as project of self-dependent farmers, sustainable corn growing for sustainable development of corn grower and animal farming farmers' potentials, project of cooperation for corn growing after harvesting of rice crops, etc. Regarding the production and sale, the Company has jointly provided the planning of sale by analyzing the economy, industry and consumption in order to use data in the planning of production and forecast. Regarding different areas of operation, the Company had to develop its employees to have knowledge and abilities and to promote creation of innovation or to apply innovation to be used in the organization and to develop the working processes continuously and to apply technologies to help the performance of work, including self-developed and duly-copyrighted technologies so that the Company shall be able to comply with the same correctly in accordance with the laws and to achieve the goals in management of its supply chains and for sustainable business operation and responsibility to stakeholders.

3.2.4 Volatility of Commodity Prices

- Volatility of prices of raw materials used in the production of animal feeds

Topographic conditions and severe climate changes in the past periods of time have affected the suitability of the cultivation areas, numbers of areas and harvesting period; as a result, the quantity and quality of agricultural products shall have significant volatility. Meanwhile, the world population has increased and life span of population has been prolonged; as a result, more upstream raw materials are required in the production of animal feeds for farming which are not correlated to the quantity of agricultural products available in the markets, which may affect the cost of production of products of the Company.

Table of Average Prices of Raw Materials Used in Domestic Production of Animal Feeds for 2013-2015:

Unit: (Baht/Kilogram)

Types of Raw Materials	Average Price		
	2013	2014	2015
Corn	9.6	9.3	9.6
Soybean meal	19.3	20.9	18.1
Fish meal	29.3	32.8	36.7

Risk Management

Determination of strategies for purchasing the raw materials of animal feeds is regarded as the key to create its competitiveness because the Company has its business operation of supply chains. In case, the Company is able to manage its costs as from the upstream businesses, it will benefit to downstream business groups; therefore, the Company has established and developed a department which shall be obliged to provide continuous purchase and procurement of raw materials of animal feeds and to collect, analyze, forecast the trends of commodities in terms of prices, quantity and quality; whereas, the primary data has been collected by means of survey of domestic and overseas sources of actual cultivation; and the secondary data has been collected from reliable sources of data for use in making purchasing plans with internal departments.

Regarding the quantity and quality of commodities with variability, the Company has developed farmers continuously through implementation of different projects to improve the production efficiency and to establish good relationship with reliable farmers and to select farmers to be developed as sustainable business partners of the Company.

In addition to the management of external factors which may affect the Company, the Company has developed additional processes to reduce or change the use of some types of raw materials with trends of risks for use and has added or created new raw materials for substitution, which shall be beneficial to the ecological system and the management of costs of the Company; meanwhile, products produced are still of equivalent quality and standard to the original standard of products.

- Volatility of Prices of Live Animals and Processed Meat

The majority proportion of the Company's sale of products was the sale of live animals, meats and eggs; whereas, the volatility of prices shall depend on demand and supply of the market in each period of time, with various factors affecting the market demand including disease outbreaks, quantity of animal farm in the industry, quantity of import and export, forecast of trends of the market, etc.; provided that, it was forecast that the market demand for some types of products would decrease due to problems of disease outbreaks; meanwhile, the purchasing demand has increased continuously from consumption and numbers of the world population. Therefore, the Company may lose its opportunities to generate incomes; in case, the Company was unable to produce enough products to meet consumers' demands during appropriate periods of time and at reasonable price.

Risk Management

Though the Company has prescribed its goals and attempted to extend the proportion of sale of value-added products or processed products through creation of the Company's brand so that the Company's income from sale shall not depend on the market demand and supply; however, the Company shall still continuously maintain of its bases of income from sale of live animals, meats and eggs.

Regarding the increase of income from sale of processed products, the Company has developed food products by launching new products and improving tastes and packaging sizes of food products in conformity of consumers' lifestyles and demands and by selling them through distribution channels of the Company and of its business partners.

Regarding the sale of live animals, meats and eggs, which were commodities, the Company has prescribed the roles, duties and responsibilities for a committee particularly appointed or for related business units in order to follow up and analyze the industry and to evaluate trends of factors with potential influences on prices and quantity of products to be released to the markets in advance and to adjust the production plans or to make plans for relocation of goods to the desired areas.

3.2.5 Efficiency to Recruit and Retain Knowledgeable and Capable Personnel

Though the Company has applied technologies to so many processes, "human" is still required for controlling and propelling its businesses to be carried on effectively; and since the Company has its supply chain businesses in Thailand and in abroad and has continuously expanded its investment in countries with potentials, therefore, it is essential to have personnel with specialty, special expertise, insights and knowledge in country in which such personnel is working in order to propel businesses for successes. In addition, the recruitment and selection of talents and successors is also important because those talents and successors shall be key personnel in thinking and making strategic business plans and shall be leaders in the operations; therefore, in case, the Company has improper processes of recruitment and retention of personnel, it will affect the profitability of the organization.

Due to its expansion of operation to foreign countries, the Company has sent experts to act as executives and has employed local personnel as employess; therefore, it must take time to integrate all knowledge as well as attitudes and operational guidelines of all parties which may affect the investment returns given.

Risk Management

In the Company's perspectives, "personnel" is valuable resource and having dynamics; therefore, personnel management is challenging; and the Company has committed to the development of all processes of human resources management to obtain talents with attitudes in conformity with its corporate culture, starting from the promulgation of human management policy in several working processes as framework of the human resources department.

The Company has its recruitment unit that has made plan of personnel recruitment through various channels; whereas, qualifications of applicants shall be preliminarily screened from paper-based skill and knowledge tests and interviews with committees in each business unit requiring the recruitment of new employees before entering the selection process. When job applicants made their decisions to work with the organization, the Company shall analyze employees' capacity compared to the Company's standard to be determined as individual personal development plan; provided that the Company has its training centers at an organizational level and at a business unit level for personnel development with special expertise; and the Company has sent its employees for training and study with external department in Thailand and in abroad. Regarding the retention of employees, the Company has considered the adjustment of remunerations depending on the annual work performances as well as promotion of knowledgeable and capable employees with opportunities of job advancements and more challenging job assignments, including transfer of personnel to different workplaces in Thailand and in abroad in order to give them opportunities to express their abilities to be promoted as the top management; and local employees shall also be developed as executive in such countries to build up morale for local people and to act as role models for local people to develop themselves for their own job advancements; moreover, the Company has implanted its corporate culture by means of communication, public relations, organization of activities, action as role models so that employees within the organization shall be able to recognize the basic corporate values and equal treatment to all employees and to accept differences and varieties as the "diversity and inclusion" policy for the purpose of organizational development towards the goal of "kitchen of the world".

The Company also has the personnel management system a particular group of talents and successors in order to attract them to work with the organization and to jointly develop the organization.

3.3 Financial Risks/Financial Reporting

3.3.1 Foreign Exchange Volatility

The Company has invested in Thailand and in abroad and has imported raw materials and exported products for distribution in countries around the globe; therefore, the foreign exchange volatility shall unavoidably affect its incomes and expenditures, including accounting transactions and real transactions directly and indirectly; whereas, the majority of its income were generated from the transport of products for distribution in abroad, receipt of foreign investment returns or receipt of loan repayments; meanwhile, the majority of its expenditures were generated from the purchase of raw materials for production, import of materials, machinery and some equipment; and the expenditures for overseas investment shall be generated during certain periods of time only, depending on strategies and outside environment. In 2015, CPF and its subsidiaries in Thailand had the export value amounted to Baht 26,456 million or equal to 6% of its total sales; and had the raw materials import value amounted to Baht 28,281 million or equal to 8% of total cost of goods sold.

The Company's accounting transactions shall be involved with the provision of consolidated financial statements to be presented to the compliance department; and currencies must be converted back to Thai Baht for provision of financial reports; therefore, major foreign exchange volatility, including the implementation of economic, finance and fiscal policies of the country, shall definitely affect the operating performances and financial position of the Company.

Risk Management

The Company had its policy relating to foreign exchange risk management, including the policy of using major world currencies in business transactions, which mitigated the Company's risks from its reference to any particular currency; and the Company also had its policy of non-profit making from foreign exchange because the Company has envisaged that it may causes other risks more increasingly; moreover, the Company also planned to spend foreign currencies in conformity with its

revenues of the same currencies, which was the management of risks from foreign exchange rates by creating natural hedge, continuously used by the Company. However, sometimes, the Company may be unable to create the balance as planned; and has therefore used financial instruments (derivatives) such as forward contracts, etc., to mitigate impacts from foreign exchange, operated by the Company's assigned employees who have knowledge and understanding strictly under the Company's policies, rules and regulations. Such operation enabled the Company to recognize its exact incomes and expenses in local currencies and to fix the sale prices and to manage its expenses more effectively.

3.3.2 Interest Rate Volatility

Bank loans or issuing of financial instruments were sources of fundraising of the Company; whereas, the Company had to consider patterns of repayment of interest to be suitable to current and predicted external environment in money markets and capital markets; and the decision-making for patterns of repayment of interest shall definitely affect the financial costs. In case, the Company made its decision to borrow money with fixed interest rates, the Company would recognize the exact interest expense; but there were risks in case, interest rates in the markets were lower than the agreed rates; but in case, the Company selected to repay its debts with floating interest rates, it may have risks from changes in interest rates which may be increased. As of December 31, 2015, the Company had its loans with the floating interest rates amounted to Baht 48,951 million or equal to 19% of the total amount of loans; provided that, in case, the interest rates were increased by 1%, as a result, the Company would have to bear more interest burdens amounted to Baht 490 million.

Risk Management

The Company's decision-making for selection of sources of capital shall depend on various factors such as rates of returns expected by shareholders, current and predicted interest rates in the markets, debt-to-equity ratio of the Company as per the consolidated financial statements in comparison with the Company's requirements notified to investors, etc. In case, the Company made its decision to borrow money, there would be processes of consideration and selection of patterns of repayment of interest of such loans; whereas, the Company had its working groups to study, collect and analyze the data on interest rates; and sometimes, the Company may employ a specialized consulting company to jointly make plans, to give opinions, to recommend guidelines and to jointly operate the same with the Company. However, the majority of loans of the Company had the fixed interest rates because the Company wanted to recognize the exact amount of loan expenses throughout the term of loan contracts; but in case, loans of the Company had the floating interest rates and higher loan limits, the Company would use derivatives as financial instruments for risk management so that the financial costs shall be proper to the market condition at that time.

3.4 Legal and Trading Regulatory Risks

The Company had its commitments and duties to operate its businesses correctly in accordance with the laws, rules, regulations in Thailand and in countries in which the Company has invested or export products for distribution therein and from supply chain operation from upstream to downstream businesses; as a result, the Company must comply with a lot of matters of laws relating to its business operation; and its operating expenses may be higher than usual because each country had different rules and regulations. Moreover, international trade barrier also unavoidably affected the Company's competitiveness; and the number of tariff barriers and non-tariff barriers had increased.

Risk Management

The Company has divided its responsibilities for compliance with the laws, rules and regulations into 3 levels called "Three Lines of Defense" in conformity with the principle of good governance. In the first line of defense, each unit must comply with the laws, rules and regulations in the process of drafting, promulgation, change, or cancellation as scope of their duties and responsibilities for work; and specific units had been established such as trading regulation unit, tax unit, legal affairs unit, general administration unit, etc.; whereas, these units had specialized experts who would coordinate with external units and internal units in order to practically transmit data from trainers to operators; meanwhile, in the second line of defense, the responsible persons shall follow up the operation of units to ensure that they are in accordance with the prescribed rules and regulations such as quality control and assurance unit, compliance unit, etc., and in the third line of defense, the internal audit unit shall have its independence to audit the compliance with related laws, rules and regulations.

3.5 Corporate Image and Reputational Risks

The Company has given the importance to business operations with its business partners in several dimensions in terms of quality of raw materials, prices, legal compliance, etc. However, such operations needed to be magnified to business partners at all levels, including sources of raw material so that the entire supply chains shall be operating correctly in accordance with the laws, equal treatment to stakeholders and consideration of the principle of human rights.

Moreover, the Company may lose its reputations and may have negative image from dissemination of incorrect data through communication channels such as social media and print media; whereas, the majority of data detected were the data previously disseminated; and the Company had clarified the matter of fact through media. According to the said issues, it may eventually destroy the Company's brand, reputation, image and operating performances.

Risk Management

Corporate image and reputation are significant part that affect consumers' decision-making to purchase products and joint decision-making of business operation between trading partners and business partners; therefore, the Company has given the importance to "corporate image and reputational risks similar to other aspects of risks. Whereas, the Company has emphasized its business operations correctly in accordance with the laws, ethical principle, code of ethics and respect of rights and liberty of all stakeholders, with responsibilities for the society, communities and the nation, including compliance with the principle of good corporate governance as well as communication of the Company's data to all employees for their regular acknowledgment so that employees shall have the correct and timely matter of fact to answer inquiries of people around them.

Regarding issues of industrial risks such as problems of Thailand's fishery industry, despite its compliance with the laws, the Company, in the capacity of a member of industry, has envisaged that the participation in such problem solving shall enhance the standard of Thailand's fishery industry shall make Thailand's fishery sustainable. Therefore, the Company has joined a cooperation group particularly established such as establishment of task forces for joint operations of manufacturing companies in the industry, representatives from government department in the public sector, non-profit organizations and leading retailers for problem-solving of Thailand's fishery industry. Moreover, the Company also explored and researched for alternative raw materials and had its clear and adjustable plans.

In addition to the operations as above-mentioned, the important things for Company were to communicate and to give data to third parties for good understanding and to reiterate all stakeholders for acknowledgment of the Company's guidelines for business operation through correct and proper channels of communication.

3.6 Risks from CPF Major Shareholder Holding Over 25% of the Total Issued Shares

As of August 28, 2015, CPG and its subsidiaries held 43.42% of total issued shares of CPF. Therefore, certain matters required by laws or regulations to be passed by at least three-fourth of the total votes of shareholders who attend the meeting and have the rights to vote may not be passed if CPG and its subsidiaries abstain their votes or vote against.

Risk Management

The Company and Board of Directors have realized the importance of equitably treatment to all shareholders with utmost benefits to the Company and shareholders. Therefore, any matters or transactions required shareholders' approval shall be thoroughly considered by executives before the Company Secretary, assigned by Chairman of the Board, includes such matter as the agenda for the Board meeting to consider and provide opinion to be further proposed to shareholders' meeting. The shareholders' meeting notice shall also includes relevant and appropriate opinion provided by the Board. Therefore, the Company believes that major shareholder will cast its votes in the same direction of that of the Board in each agenda. Additionally, In case of related party transactions requiring shareholders' approval, shareholders who have a conflict of interest according to the relevant regulations of the regulatory bodies shall have no rights to vote.



Regarding the investment in the Company's stocks and/or the Company's stakeholders, all investors and stakeholders should consider potential risk factors of the Company, which may affect the operating performances and/or financial position of the Company; as a result, the Company's operating could not achieve its prescribed goals.

Moreover, in addition to risk factors mentioned herein, there might be other risks which may affect the Company's business operations but the Company has not been aware of those risks or might be risks that are currently considered by the Company as "not existing".

**4. General Information****4.1 Company Information**

Company name : Chareon Pokphand Foods Plc. ("CPF")
 Business : Agro-industrial and Food in Thailand and Overseas
 Head office : 313 C.P. Tower, Silom road, Silom, Bangrak, Bangkok 10500 Thailand
 Registration number : 0107537000246
 Telephone number : 66-2-625-8000 (Operator)
 : 66-2-625-8352 and 8354 (Company Secretary Office)
 : 66-2-625-8351, 8353, 8355 and 8356 (Investor Relation Office)
 Facsimile number : 0-2638-2139
 Website : <http://www.cpfworldwide.com>
 E-mail : csoffice@cpf.co.th

4.2 Companies which CPF holds more than 10%

Details are shown in Investment of CPF Group under 1. Business Overview

4.3 References**(1) Share Registrar**

Thailand Securities Depository Co., Ltd.
 93 Ratchadaphisek road,
 Dindaeng, Bangkok 10400 Thailand
 Telephone number 66-2-009-9999
 Facsimile number 66-2-009-9991

(2) Bond Registrar and Bondholders' Representative***CPF debentures No. 2/2010 Series 2 due 2017***

Bond registrar Agent and Securities Service Department, TMB Bank Plc.,
 3000 Head Office Building, 5A floor, Phahonyothin road
 Chompol, Chatuchak, Bangkok 10900 Thailand
 Telephone number 66-2-299-1321 Facsimile number 66-2-242-3270

Bondholders' representative Agent and Securities Service Department, Bank of Ayudhya Plc.
 1222 Rama 3 road, Bangpongpan,
 Yannawa, Bangkok 10120 Thailand
 Telephone number 66-2-296-4782 Facsimile number 66-2-683-1298

CPF debentures No. 1/2011 Series 1 due 2018, Series 2 due 2021, Series 3 due 2041 with debentureholders' early redemption right and No.2/2011 due 2041 with debentureholders' early redemption right

Bond registrar and Securities Service Department, Bangkok Bank Plc.
 Bondholders' representative 333 Silom road, Silom, Bangrak, Bangkok 10500 Thailand
 Telephone number 66-2-230-1447-8 Facsimile number 66-2-626-4545-6

CPF debentures No. 1/2012 due 2016 and No. 1/2013 due 2018

Bond registrar Registrar 1, Markets Operations Division,
 Siam commercial Bank Plc., Chidlom Office, Building 2, 3rd floor
 1060 Phetburi road, Ratchatawee, Bangkok 10400 Thailand
 Telephone number 66-2-256-2323-6 Facsimile number 66-2-256-2406

***CPF debentures No. 2/2012 Series 1 due 2019, Series 2 due 2022 and Series 3 due 2032***

Bond registrar and Agent and Securities Service Department, TMB Bank Plc.,
Bondholders' representative 3000 Head Office Building, 5A floor, Phahonyothin road
Chompol, Chatuchak, Bangkok 10900 Thailand
Telephone number 66-2-299-1321 Facsimile number 66-2-242-3270

CPF debentures No. 2/2013 Series 1 due 2017, Series 2 due 2019, Series 3 due 2021, No. 2/2015 Series 1 due 2023, Series 2 due 2025 and Series 3 due 2027

Bond registrar Agent and Securities Service Department, TMB Bank Plc.,
3000 Head Office Building, 5A floor, Phahonyothin road
Chompol, Chatuchak, Bangkok 10900 Thailand
Telephone number 66-2-299-1321 Facsimile number 66-2-242-3270

CPF debentures No. 1/2015 Series 1 due 2020 and Series 2 due 2023

Bond registrar and Agent and Securities Service Department, Bank of Ayudhya Plc.
Bondholders' representative 1222 Rama 3 road, Bangpongpan,
Yannawa, Bangkok 10120 Thailand
Telephone number 66-2-296-4782 Facsimile number 66-2-683-1298

(3) American Depositary Receipts Registrar

The Bank of New York Mellon Corporation, BNY Mellon Shareowner Services
PO Box 358516, Pittsburgh, PA 15252-8516, USA
Telephone number: 1-201-680-6825
Website: www.bnymellon.com/shareowner
E-mail: shrrelations@bnymellon.com

(4) Auditor for the Year 2015

1. Mrs. Munchupa Singsuksawat C.P.A. (Thailand) No. 6112
2. Mr. Charoen Phosamritlert C.P.A. (Thailand) No. 4068
3. Mr. Veerachai Ratanajaratkul C.P.A. (Thailand) No. 4323

KPMG Phoomchai Audit Ltd.

Empire Tower, 50th-51st floor
1 South Sathorn road, Sathorn, Bangkok 10120 Thailand
Telephone number 0-2677-2000
Facsimile number 0-2677-2222

4.4 Other Information

- None -



Charoen Pokphand Foods Public Company Limited

Part 2

Management and Corporate Governance

**5. Securities and Shareholders Information****5.1 Registered and Paid-up Capital as of December 31, 2015**

Baht 7,742,941,932 comprising of 7,742,941,932 shares at par value of Baht 1 per share.

5.2 Shareholders

5.2.1 Top ten major shareholders, number of shares and holding percentage as of the share register book closure date on August 28, 2015.

Names	Number of Shares	% Shareholding
1. CPG Group ⁽¹⁾ comprises:	3,716,789,095	48.00%
1.1 CPG ⁽²⁾	1,935,815,835	25.00%
1.2 Charoen Pokphand Holding Co., Ltd. ⁽³⁾	889,225,460	11.48%
1.3 Orient Success International Ltd. ⁽⁴⁾	205,000,000	2.65%
1.4 Worth Access Trading Ltd. ⁽⁴⁾	187,372,200	2.42%
1.5 Creative Light Investments Ltd. ⁽⁴⁾	144,555,000	1.87%
1.6 CPF (Thailand) Plc. ⁽⁵⁾	207,935,600	2.68%
1.7 Bangkok Produce Merchandising Plc. ⁽⁶⁾	82,885,000	1.07%
1.8 Plenty Type Ltd. ⁽⁷⁾	64,000,000	0.83%
2. Thai NVDR Co., Ltd. ⁽⁸⁾	448,970,326	5.80%
3. Social Security Office (2 cases) ⁽⁹⁾	181,345,800	2.34%
4. STATE STREET BANK EUROPE LIMITED ⁽¹⁰⁾	131,513,650	1.70%
5. Ms. Walaiporn Jiraphummin	114,700,000	1.48%
6. STATE STREET BANK AND TRUST COMPANY ⁽¹⁰⁾	113,360,850	1.46%
7. CHASE NOMINEES LTD. ⁽¹⁰⁾	104,079,809	1.34%
8. Mr. Prinya Tieanworn	98,000,000	1.27%
9. UBS AG LONDON BRANCH ⁽¹⁰⁾	95,481,683	1.23%
10. THE BANK OF NEW YORK (NOMINEES) LTD. ⁽¹¹⁾	92,669,698	1.20%

CPG Group does not have any shareholding in no. 2-4, 6-7 and 9-10

Remarks

⁽¹⁾ CPG Group is a reporting group to be in compliance with Section 246 and Section 247 of the Securities and Exchange Act of 2535 (as amended)

⁽²⁾ Engaging in investment business as well as importing and distribution of chemical products and providing technical services. As of June 8, 2015, Chearavanont family is a major shareholder of CPG. Top ten major shareholders of CPG and % shareholding of such persons are as follows: Mr. Sumet Jiaravanon 12.96%, Mr. Dhanin Chearavanont 12.96%, Mr. Jaran Chiaravanont 12.76%, Mr. Montri Jiaravanont 12.63%, Mr. Kiat Chiaravanont 5.76%, Bangkok Telecom Holding Co., Ltd. 4.47%, Mr. Phongthep Chiaravanont 4.26% and Mr. Prathip Chiravanond, Mrs. Phatanee Lekrisompong, Mr. Manu Chiaravanond and Mr. Manas Chiaravanond 4.22% each.

⁽³⁾ CPG's direct subsidiary, engaging in investment business

⁽⁴⁾ CPG's indirect subsidiary, engaging in investment business

⁽⁵⁾ CPF's direct subsidiary, engaging in agro-industrial and integrated food business

⁽⁶⁾ CPF's direct subsidiary, engaging in animal feed raw material distribution

⁽⁷⁾ CPF's indirect subsidiary, engaging in investment business

⁽⁸⁾ A Thai company, contact information: 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klong Toey, Bangkok 10110, Thailand

⁽⁹⁾ A Thai government department, contact information: Siam Commercial Bank Plc., Markets Operations Division, 1060 Building 2, 3rd Floor, Phetburi Road, Makkasan, Ratchatawee, Bangkok 10400, Thailand

⁽¹⁰⁾ A foreign company, contact information: Standard Chartered Bank (Thai) Plc., Securities Services, Zone B, Sathorn Nakorn Tower, 14th Floor, North Sathorn Road, Silom, Bangkok 10500, Thailand

⁽¹¹⁾ A foreign company, contact information: 968 HSBC Building, 5th Floor, Rama 4 Road, Bangrak, Bangkok 10500, Thailand

**Foreign Holding Limit**

CPF shares are free to transfer unless otherwise such transfer cause the alien being shareholder of CPF more than 40% of the total number of shares sold.

Aliens may acquire shares of CPF exceeding the proportion as specified in the first paragraph of CPF Articles of Association by subscribing the newly issued shares offered by CPF or exercising the conversion right or purchase option of newly issued shares if such alien holds the convertible debenture and/or warrant and/or other securities which provide the said right to the holder of securities issued and offered by CPF (including dividend shares or shares issued for shareholders who acquire such share(s) by subscribing the share or exercising the right under the preceding paragraph), provided that the said acquisition shall, when including the proportion of alien in the first paragraph, not cause the proportion of shares held by Aliens exceeding 49% of the total issued and sold shares at such time. Such limitation shall apply to aliens who acquire the new share by subscribing the new shares issued and offered by CPF from increasingly of the share capital or by exercising the conversion or purchase option of the security holder mentioned in this paragraph (including dividend shares or shares issued for shareholders who acquire such share(s) by subscribing the share or exercising the right under this paragraph) to any alien in every stage of transfer until such shares are transferred to any person who is not an alien.

As of August 28, 2015, there were 24.75% of CPF issued shares held by foreign investors.

5.2.2 Shareholders' agreement between CPF and its major shareholder with effect to securities offering and issuance or management power of CPF

-None-

5.3 Other SecuritiesDebentures

As of December 31, 2015, there were 18 CPF outstanding debentures, totaling principal of Baht 77,000 million as follows:

(1) Debentures of Charoen Pokphand Foods Plc. #2/2010 Series 2 due 2017

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 7 years from the issuing date
Issue size	: Baht 5,000,000,000
Issuing amount	: 5,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: November 3, 2010
Maturity date	: November 3, 2017
Interest	: 3.0% p.a. for Year 1 st -3 rd , 4.0% p.a. for Year 4 th -5 th and 5.0% p.a. for Year 6 th -7 th
Interest payment date	: Semi-annually on every May 3 and November 3 of each year during the term of the debenture. The first interest payment date was May 3, 2011.
Outstanding amount	: Baht 5,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Bank Plc.
Debentureholders' representative	: Bank of Ayudhya Plc.
Secondary market	: Thai Bond Market Association

(2) Debentures of Charoen Pokphand Foods Plc. #1/2011 Series 1 due 2018

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 7 years from the issuing date



Issue size	: Baht 3,000,000,000
Issuing amount	: 3,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 19, 2011
Maturity date	: August 19, 2018
Interest	: 4.65% p.a.
Interest payment date	: Semi-annually on every February 19 and August 19 of each year during the term of the debenture. The first interest payment date was February 19, 2012.
Outstanding amount	: Baht 3,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Bangkok Bank Plc.
Debentureholders' representative	: Bangkok Bank Plc.
Secondary market	: Thai Bond Market Association

(3) Debentures of Charoen Pokphand Foods Plc. #1/2011 Series 2 due 2021

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 10 years from the issuing date
Issue size	: Baht 3,000,000,000
Issuing amount	: 3,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 19, 2011
Maturity date	: August 19, 2021
Interest	: 4.87% p.a.
Interest payment date	: Semi-annually on every February 19 and August 19 of each year during the term of the debenture. The first interest payment date was February 19, 2012.
Outstanding amount	: Baht 3,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Bangkok Bank Plc.
Debentureholders' representative	: Bangkok Bank Plc.
Secondary market	: Thai Bond Market Association

(4) Debentures of Charoen Pokphand Foods Plc. #1/2011 Series 3 due 2041 with debentureholders' early redemption right

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate and debentureholders have early redemption right at the end of Year 15 th
Tenor	: 30 years from the issuing date
Issue size	: Baht 4,000,000,000
Issuing amount	: 4,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 19, 2011
Maturity date	: August 19, 2041
Interest	: 5.42% p.a.



Interest payment date	: Semi-annually on every February 19 and August 19 of each year during the term of the debenture. The first interest payment date was February 19, 2012.
Outstanding amount	: Baht 4,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Bangkok Bank Plc.
Debentureholders' representative	: Bangkok Bank Plc.
Secondary market	: Thai Bond Market Association
(5) Debentures of Charoen Pokphand Foods Plc. #2/2011 due 2041 with debentureholders' early redemption right	
Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate and debentureholders have early redemption right at the end of Year 15 th
Tenor	: 30 years from the issuing date
Issue size	: Baht 6,000,000,000
Issuing amount	: 6,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: December 21, 2011
Maturity date	: December 21, 2041
Interest	: 5.42% p.a.
Interest payment date	: Semi-annually on every June 21 and December 21 of each year during the term of the debenture. The first interest payment date was June 21, 2012.
Outstanding amount	: Baht 6,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Bangkok Bank Plc.
Debentureholders' representative	: Bangkok Bank Plc.
Secondary market	: Thai Bond Market Association
(6) Debentures of Charoen Pokphand Foods Plc. #1/2012 due 2016	
Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 4 years from the issuing date
Issue size	: Baht 6,060,000,000
Issuing amount	: 6,060,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: March 15, 2012
Maturity date	: March 15, 2016
Interest	: 4.17% p.a.
Interest payment date	: Semi-annually on every March 15 and September 15 of each year during the term of the debenture. The first interest payment date was September 15, 2012.
Outstanding amount	: Baht 6,060,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Siam Commercial Bank Plc.
Secondary market	: Thai Bond Market Association



(7) Debentures of Charoen Pokphand Foods Plc. #2/2012 Series 1 due 2019

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 7 years from the issuing date
Issue size	: Baht 6,000,000,000
Issuing amount	: 6,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 3, 2012
Maturity date	: August 3, 2019
Interest	: 4.35% p.a. for Year 1 st -4 th and 5.0% p.a. for Year 5 th -7 th
Interest payment date	: Semi-annually on every February 3 and August 3 of each year during the term of the debenture. The first interest payment date was February 3, 2013.
Outstanding amount	: Baht 6,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Bank Plc.
Debentureholders' representative	: TMB Bank Plc. ^{/1}
Secondary market	: Thai Bond Market Association

(8) Debentures of Charoen Pokphand Foods Plc. #2/2012 Series 2 due 2022

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 10 years from the issuing date
Issue size	: Baht 4,000,000,000
Issuing amount	: 4,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 3, 2012
Maturity date	: August 3, 2022
Interest	: 4.40% p.a. for Year 1 st -4 th , 5.0% p.a. for Year 5 th -9 th and 6.0% p.a. for Year 10 th
Interest payment date	: Semi-annually on every February 3 and August 3 of each year during the term of the debenture. The first interest payment date was February 3, 2013.
Outstanding amount	: Baht 4,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Bank Plc.
Debentureholders' representative	: TMB Bank Plc. ^{/1}
Secondary market	: Thai Bond Market Association

(9) Debentures of Charoen Pokphand Foods Plc. #2/2012 Series 3 due 2032

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 20 years from the issuing date
Issue size	: Baht 5,000,000,000

^{/1} From January 1, 2016, Bank of Ayudhya Plc. will be the new debentureholders' representative instead of TMB Bank Plc.



Issuing amount	: 5,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 3, 2012
Maturity date	: August 3, 2032
Interest	: 5.30% p.a.
Interest payment date	: Semi-annually on every February 3 and August 3 of each year during the term of the debenture. The first interest payment date was February 3, 2013.
Outstanding amount	: Baht 5,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Bank Plc.
Debentureholders' representative	: TMB Bank Plc. ^{/1}
Secondary market	: Thai Bond Market Association

(10) Debentures of Charoen Pokphand Foods Plc. #1/2013 due 2018

Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 5 years from the issuing date
Issue size	: Baht 6,000,000,000
Issuing amount	: 6,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: May 9, 2013
Maturity date	: May 9, 2018
Interest	: 3.93% p.a.
Interest payment date	: Semi-annually on every May 9 and November 9 of each year during the term of the debenture. The first interest payment date was November 9, 2013.
Outstanding amount	: Baht 6,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Siam Commercial Bank Plc.
Secondary market	: Thai Bond Market Association

(11) Debentures of Charoen Pokphand Foods Plc. #2/2013 Series 1 due 2017

Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 4 years from the issuing date
Issue size	: Baht 2,000,000,000
Issuing amount	: 2,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 2, 2013
Maturity date	: August 2, 2017
Interest	: 4.04% p.a.

^{/1} From January 1, 2016, Bank of Ayudhya Plc. will be the new debentureholders' representative instead of TMB Bank Plc.



Interest payment date	: Semi-annually on every February 2 and August 2 of each year during the term of the debenture. The first interest payment date was February 2, 2014.
Outstanding amount	: Baht 2,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Bank Plc.
Secondary market	: Thai Bond Market Association

(12) Debentures of Charoen Pokphand Foods Plc. #2/2013 Series 2 due 2019

Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 6 years from the issuing date
Issue size	: Baht 2,500,000,000
Issuing amount	: 2,500,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 2, 2013
Maturity date	: August 2, 2019
Interest	: 4.54% p.a.
Interest payment date	: Semi-annually on every February 2 and August 2 of each year during the term of the debenture. The first interest payment date was February 2, 2014.
Outstanding amount	: Baht 2,500,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Bank Plc.
Secondary market	: Thai Bond Market Association

(13) Debentures of Charoen Pokphand Foods Plc. #2/2013 Series 3 due 2021

Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 8 years from the issuing date
Issue size	: Baht 5,500,000,000
Issuing amount	: 5,500,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: August 2, 2013
Maturity date	: August 2, 2021
Interest	: 4.90% p.a.
Interest payment date	: Semi-annually on every February 2 and August 2 of each year during the term of the debenture. The first interest payment date was February 2, 2014.
Outstanding amount	: Baht 5,500,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Bank Plc.
Secondary market	: Thai Bond Market Association

(14) Debentures of Charoen Pokphand Foods Plc. #1/2015 Series 1 due 2020

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 5 years from the issuing date
Issue size	: Baht 6,500,000,000
Issuing amount	: 6,500,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: May 13, 2015
Maturity date	: May 13, 2020
Interest	: 3.21% p.a.
Interest payment date	: Semi-annually on every May 13 and November 13 of each year during the term of the debenture. The first interest payment date was November 13, 2015.
Outstanding amount	: Baht 6,500,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Bank of Ayudhya Plc.
Debentureholders' representative	: Bank of Ayudhya Plc.
Secondary market	: Thai Bond Market Association

(15) Deybentures of Charoen Pokphand Foods Plc. #1/2015 Series 2 due 2023

Type of debenture	: Unsubordinated and unsecured debentures with debentureholders' representative in the name-registered debenture certificate
Tenor	: 8 years from the issuing date
Issue size	: Baht 5,500,000,000
Issuing amount	: 5,500,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: May 13, 2015
Maturity date	: May 13, 2023
Interest	: 3.98% p.a.
Interest payment date	: Semi-annually on every May 13 and November 13 of each year during the term of the debenture. The first interest payment date was November 13, 2015.
Outstanding amount	: Baht 5,500,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: Bank of Ayudhya Plc.
Debentureholders' representative	: Bank of Ayudhya Plc.
Secondary market	: Thai Bond Market Association

(16) Debentures of Charoen Pokphand Foods Plc. #2/2015 Series 1 due 2023

Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 8 years from the issuing date
Issue size	: Baht 1,940,000,000
Issuing amount	: 1,940,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000



Issuing date	: July 29, 2015
Maturity date	: July 29, 2023
Interest	: 3.97% p.a.
Interest payment date	: Semi-annually on every January 29 and July 29 of each year during the term of the debenture. The first interest payment date was January 29, 2016.
Outstanding amount	: Baht 1,940,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Plc.
Secondary market	: Thai Bond Market Association

(17) Debentures of Charoen Pokphand Foods Plc. #2/2015 Series 2 due 2025

Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 10 years from the issuing date
Issue size	: Baht 3,000,000,000
Issuing amount	: 3,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: July 29, 2015
Maturity date	: July 29, 2025
Interest	: 4.28% p.a.
Interest payment date	: Semi-annually on every January 29 and July 29 of each year during the term of the debenture. The first interest payment date was January 29, 2016.
Outstanding amount	: Baht 3,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Plc.
Secondary market	: Thai Bond Market Association

(18) Debentures of Charoen Pokphand Foods Plc. #2/2015 Series 3 due 2027

Type of debenture	: Unsubordinated and unsecured debentures without debentureholders' representative in the name-registered debenture certificate
Tenor	: 12 years from the issuing date
Issue size	: Baht 2,000,000,000
Issuing amount	: 2,000,000 units
Face value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issuing date	: July 29, 2015
Maturity date	: July 29, 2027
Interest	: 4.51% p.a.
Interest payment date	: Semi-annually on every January 29 and July 29 of each year during the term of the debenture. The first interest payment date was January 29, 2016.
Outstanding amount	: Baht 2,000,000,000
Latest credit rating	: "A+" by TRIS Rating Co., Ltd.
Registrar	: TMB Plc.
Secondary market	: Thai Bond Market Association

Bills of Exchange

As of December 31, 2015, CPF had outstanding bills of exchange totaling Baht 18,810 million.

5.4 Dividend Policy

CPF has a policy to pay dividends to shareholders twice a year. The total dividend paid each year will be approximately 50% of net income, after the deduction of income taxes and the legal reserve (based on separate financial statements). The annual and interim dividend payments may be subject to change, depending on such variables as the Company's operations results, its financial position, future projects and prevailing economic conditions at the time.

Additionally, CPF has a duty to comply with the terms and conditions of its debentures, which prohibit CPF from paying cash dividends to shareholders in the event of CPF being unable to service interest payments on, or any other amounts owing to, the debenture holders.

For subsidiaries that are listed in foreign stock exchanges, the dividend payment will be depend upon the Board of Directors' meeting or Shareholders' meeting resolution (as the case may be). For subsidiaries that are non-listed companies, the dividend payment will depend upon such issues as their future investment plans, their financial structure and liquidity. In the fiscal year ended December 31, 2015, CPF's dividend income from subsidiaries totaled Baht 13,413 million, of which Baht 218 million was from subsidiary that are listed in foreign stock exchanges and Baht 13,195 million was from subsidiary that are non-listed company.

6. Management^{/1}

6.1 The Company's management structure as of February 1, 2016



^{/1} The "Company" mentioned in item 6.1 – 6.4 in Part 2 means Charoen Pokphand Foods Plc. or CPF

6.1.1 Board of Directors

As of February 1, 2016, CPF's Board of Directors consisted of the following 15 directors:

Name	Surname	Position
1. Mr. Dhanin	Chearavanont	Chairman ⁽¹⁾
2. Mr. Prasert	Poongkumarn	Vice Chairman
3. Mr. Min	Tianworn	Vice Chairman
4. Mr. Chingchai	Lohawatanakul	Vice Chairman ⁽¹⁾
5. Mr. Arsa	Sarasin	Vice Chairman ⁽²⁾
6. Mr. Adirek	Sripatak	Vice Chairman ⁽¹⁾
7. Emeritus Professor Supapun	Ruttanaporn	Director ⁽²⁾
8. Dr. Chaiyawat	Wibulswasdi	Director ⁽²⁾
9. Professor Dr. Pongsak	Angkasith	Director ⁽²⁾
10. Mr. Rungson	Sriworasat ⁽³⁾	Director ⁽²⁾
11. Mr. Phongthep	Chiaravanont	Director ⁽¹⁾
12. Dr. Veeravat	Kanchanadul	Director ⁽¹⁾
13. Mr. Pong	Visedpaitoon	Director ⁽¹⁾
14. Mr. Sunthorn	Arunanondchai	Director ⁽¹⁾
15. Mrs. Arunee	Watcharananan	Director ⁽¹⁾

Remarks ⁽¹⁾ Authorized directors whereby any two of the authorized directors shall sign on behalf of the Company with the Company's seal affixed

⁽²⁾ Independent director

⁽³⁾ Appointed to be director, effective from February 1, 2016

Ms. Patchara Chartbunchachai is the Company Secretary.

Composition of the Board of Directors

The Company's Board of Directors must consist of at least five directors and at least half of the directors must be resident in Thailand.

As of February 1, 2016, the Company's Board of Directors comprised five independent directors (equal to 1/3 of the total number of directors), five executive directors and five non-executive directors. The Board of Directors appoints the Chairman and Vice Chairman. The Chairman conducts Board of Directors' meetings, except in cases where the Chairman may lack sufficient independence, or where there is an agenda with which the Chairman has a conflict of interest. In such cases, an independent director shall preside as the Chairman of the meeting.

Roles and Responsibilities of the Board of Directors

The Board of Directors have been entrusted by shareholders to manage the Company's business honestly and fairly, as indicated in the Objects of the Company and in compliance with the Articles of Association of the Company, as well as all resolutions made at shareholders' meetings and according to relevant regulations. The Board of Directors may assign one or several directors, or any other person, to perform any act on its behalf provided that a clear indication of roles and responsibilities is given to the assigned person.

The Board of Directors has the duty to supervise the management to operate the business in accordance with the objectives, strategies and the operational plan approved by the Board of Directors, in the best interests of the Company and all stakeholders. The Board of Directors will assign the authority, duties and responsibilities relating to daily managerial tasks to the President. These authorities and duties must be clearly separated from the authorities and duties of the Chairman of the Board of Directors. The Board of Directors may appoint various committees to supervise specific areas of operation, and engage external experts or advisors to provide opinions or advice on matters relating to the Company's business operations, as necessary and appropriate, at the Company's expense.

In addition, the Board of Directors appoints the Company Secretary to counsel and assist the Board of Directors to ensure its compliance with legal rules and regulations, as well as corporate governance. The Company Secretary is also required to coordinate and take appropriate care of the Company's shareholders on an equal basis.

The Roles and Responsibilities of Chairman of the Board of Directors

- (1) To consider the meeting agenda of the Board of Directors;
- (2) To take the chair at the Board of Directors meeting and allocate sufficient time for the management to present matters, and the directors to thoroughly discuss, as well as encourage the exercise of prudential discretion;
- (3) To give the casting vote in the case of the votes of the Board are tied; and
- (4) Perform the duty specified by law as the duty to be performed by the Chairman.

The Roles and Responsibilities of the Board of Directors

- (1) To perform its duties in accordance with the laws, the Company's objectives and Articles of Association, as well as resolutions of shareholders meetings, with due accountability, care and integrity;
- (2) To determine the major policies for business operations, as well as the policies relating to finance, mobilization of funds, funds management and management of the Company's risks, and to supervise the management for the implementation of these policies in an efficient and effective manner;
- (3) To consider and approve the Company's vision and mission, and cause a review thereof every year;
- (4) To consider and approve the Company's objectives, strategies and business plans as well as conduct a review thereof every year, and to monitor the results of the implementation of those prescribed plans;
- (5) To consider and approve matters other than those which are within the authority delegated to the President, or matters which must be approved by the Board of Directors or a shareholders meeting as prescribed by the law or the relevant rules or procedures of the Company;
- (6) To set up an internal control system covering the areas of business operations, financial reporting and compliance with the laws and the Company's rules, policies and procedures. In this regard, the Internal Audit Office has the duty to audit the compliance with this internal control system, and make a report to the Audit Committee. The Board of Directors will evaluate the risk management system and assess the adequacy and appropriateness of the internal control system on a yearly basis, and will review the significant systems at least once a year. The Board of Directors will also provide its opinions thereon in the annual report;
- (7) To assess the compliance with the corporate governance policy and conduct a review thereof at least once a year;
- (8) To appoint the President, to supervise and ensure that the President performs his duties in accordance with the Company's corporate governance policy and the scope of authority delegated by the Board of Directors, and to conduct an annual evaluation of the President's performance in order to support the determination of his remuneration;
- (9) To appoint directors or executives to serve as directors of the subsidiaries in order to oversee their operations in accordance with their investment objectives;
- (10) To appoint the Company Secretary who is to be responsible for all matters as required by the law;
- (11) To appoint the Audit Committee, the Executive Committee and other committees, such as the Remuneration and Nominating Committee, in order to assist the Board of Directors in supervising the business with a view to achieving the prescribed objectives. The majority of the committee members shall be independent directors. The chairmen of the committees must be independent directors; and
- (12) To set up a plan for director and management development, as well as a succession plan.

6.1.2 Audit Committee

CPF's Audit Committee has been appointed by the Board of Directors. The current Audit Committee term is for a period of three years which expires on December 23, 2017. As of February 1, 2016, the members of the Audit Committee are the following five independent directors:

Name	Surname	Position
1. Mr. Arsa	Sarasin	Chairman of the Audit Committee
2. Emeritus Professor Supapun	Ruttanaporn	Member of the Audit Committee
3. Dr. Chaiyawat	Wibulswasdi	Member of the Audit Committee
4. Professor Dr. Pongsak	Angkasith	Member of the Audit Committee
5. Mr. Rungson	Sriworasat ⁽¹⁾	Member of the Audit Committee

⁽¹⁾ Appointed to be member of the Audit Committee, effective from February 1, 2016

Mr. Chalermchon Koonthonwan, Head of Internal Audit Department, serves as Ex Officio Secretary of the Audit Committee.

Emeritus Professor Supapun Ruttanaporn, Dr Chaiyawat Wibulswasdi and Mr. Rungson Sriworasat, three members of the Audit Committee, have excellent knowledge, understanding and experience in matters of accounting and finance, as well as changing financial regulations which require changes in the nature of the financial report. The Audit Committee can seek advice from an independent specialist if necessary.

The terms of service of the committee members is for a period of three years, as this ensures a greater degree of continuity in the work undertaken by the Audit Committee. Moreover, any retiring member of the committee can be re-appointed for another term of membership. If any committee member wishes to resign before the expiration of his/her period of service, s/he is required to provide one month's notice of such resignation in writing. New committee members who replace resigning committee members assume the remaining period of service of the member who resigns.

The Audit Committee has to conduct meetings at least four times in any one-year period. At each Audit Committee meeting, the Audit Committee is empowered to invite the President, Chief Operating Officer, Chief Financial Officer, executives, auditor and Head of the Internal Audit Office to attend, for clarification purposes. The Audit Committee also meets the Company's External Auditor at least once a year and without management in attendance.

Roles and Responsibilities of the Audit Committee

The Board of Directors has revised the roles and responsibilities of the Audit Committee in order to comply with the Notification of the Stock Exchange of Thailand Re: Qualification and Scopes of Duties of the Audit Committee 2008 dated June 9, 2008, 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, internal audit system and risk management system to ensure that they are suitable and efficient;
- (3) To review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand and the laws relating to the Company's businesses;
- (4) To determine the independence of the Internal Audit Office, as well as to approve the appointment, transfer and dismissal of the Head of Internal Audit Office;
- (5) To consider, select and nominate independent persons to serve as the Company's external auditors, to dismiss the Company's external auditors, to propose their remuneration and to attend the meeting with the external auditors without the management at least once a year
- (6) To review related-party transactions and any transactions that may involve a potential conflict of interest so as to ensure that they are in compliance with the law and the regulations of the Stock Exchange of Thailand, and are reasonable and in the best interests of the Company;
- (7) To prepare a report of the Audit Committee which is signed by the Chairman of the Audit Committee and published in the Company's annual report. This report must contain at least the following information:
 - (7.1) a commentary on the accuracy, completeness and creditability of the Company's financial report;
 - (7.2) a commentary on the adequacy of the Company's internal control system;
 - (7.3) a commentary on compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand or the laws relating to the Company's business;

- (7.4) a commentary on the suitability of the external auditors;
 - (7.5) a commentary on transactions that may involve potential conflicts of interest;
 - (7.6) the number of audit committee meetings and the number times of attendance at such meetings by each audit committee member;
 - (7.7) a commentary or overview of the Audit Committee on the performance of its duties in accordance with the audit committee charter; and
 - (7.8) the details of any transactions which, in the Audit Committee's opinion, should be known to shareholders and general investors, provided that this must be within the scope of duties and responsibilities assigned by the Board of Directors.
- (8) To perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

In performing its duties within the scope specified above, the Audit Committee shall be directly responsible to the Board of Directors. Nonetheless, the Board of Directors shall remain responsible to third parties for the acts of the Company.

6.1.3 Remuneration and Nominating Committee

CPF's Remuneration and Nominating Committee was appointed by the Board of Directors. The current Remuneration and Nominating Committee term is for a period of three years, which will expire on March 30, 2018. Its main duties are to select qualified individuals with the relevant knowledge, ability and experience to assume positions on the Board of Directors and to establish a remuneration framework to be submitted to the Board of Directors for consideration.

As of February 1, 2016, the Remuneration and Nominating Committee comprises three members: two members are independent directors, and the remaining is a non-executive director, as follows:

Name	Surname	Position
1. Mr. Arsa	Sarasin	Chairman of the Remuneration and Nominating Committee
2. Mr. Prasert	Poongkumarn	Member of the Remuneration and Nominating Committee
3. Professor Dr. Pongsak	Angkasith	Member of the Remuneration and Nominating Committee

⁽¹⁾ Appointed to be member of the Remuneration and Nominating Committee, effective from January 27, 2016

The Board of Directors appoints the Chairman of the Remuneration and Nominating Committee, where the Remuneration and Nominating Committee term is for a period of three years, so as to ensure a degree of continuity in its work. The period of service can be changed subject to approval from the Board of Directors. Furthermore, a retiring committee member may be re-appointed for another term, if this is approved by the Board of Directors. If any committee member wishes to resign before the expiration of his/her term of service, he/she should provide one month's written notice.

Roles and Responsibilities of the Remuneration and Nominating Committee

- (1) To establish the rules and process for nominating individuals qualified to be the Company's directors and member of the Audit Committee;
- (2) If there is a vacancy on the Board of Directors or the Audit Committee, to propose an individual qualified to fill such vacancy to the Board of Directors for its consideration;
- (3) To review the structure, size, and composition of the Board of Directors, and suggest any appropriate changes;
- (4) To conduct an annual evaluation of the performance of the Board of Directors, and to report such evaluation to the Board of Directors;
- (5) To establish and review the policy and guidelines relating to directors' remuneration which is suitable for their responsibilities, and commensurate with the prevailing level of the industry and the benefits expected from them whereby the Company's operating results and the directors' duties and responsibilities are taken into account. Such policy and guidelines must also be in accordance with the policy established by the Board of Directors Any proposed change in the remuneration, from that which has been approved by a shareholders

meeting, must be submitted to the Board of Directors for its consideration and then to a shareholders meeting for its approval; and

- (6) To perform any other tasks relating to its duties and responsibilities, as requested by the Board of Directors.

To efficiently perform and accomplish its duties and responsibilities as assigned by the Board of Directors, the Remuneration and Nominating Committee shall meet at least twice a year to consider, discuss any matters and take any action according to its duties and responsibilities. The Remuneration and Nominating Committee may invite other parties such as independent advisor to attend the meetings as appropriate.

If the Board of Directors appoints any person to be an advisor to the Remuneration and Nominating Committee, his or her independence or lack of conflicts of interest must be disclosed in the annual report.

6.1.4 Corporate Governance Committee

The current CPF's Corporate Governance Committee term is for a period of three years, which will expire on January 15, 2019. As of February 1, 2016, the Corporate Governance Committee comprises three members: two members are independent directors, and the remaining is a non-executive director, as follows:

Name	Surname	Position
1. Mr. Arsa	Sarasin	Chairman of the Corporate Governance Committee
2. Dr. Veeravat	Kanchanadul	Vice Chairman of the Corporate Governance Committee
3. Dr. Chaibawat	Wibulswasdi	Member of the Corporate Governance Committee

The Company Secretary serves as Ex Officio Secretary of the Corporate Governance Committee.

Roles and Responsibilities of the Corporate Governance Committee

- (1) To establish and propose the corporate governance scope and policy to the Board of Directors for its approval;
- (2) To propose the guidelines and give advice on corporate governance to the Board of Directors;
- (3) To review, jointly with the directors and the management, the compliance with corporate governance policy;
- (4) To regularly review the corporate governance guidelines by comparing them with international practices, and to propose revisions thereof to the Board of Directors for the purpose of enhancing efficiency and effectiveness;
- (5) To report the results of assessment of the compliance with corporate governance policy to the Board of Directors at least once a year.

6.1.5 The Corporate Social Responsibility and Sustainable Development Committee

The current CPF's Corporate Social Responsibility and Sustainable Development Committee term is for a period of three years, which will expire on November 15, 2018. As of February 1, 2016, the Corporate Social Responsibility and Sustainable Development Committee comprises three members: two members are independent directors, and the remaining is an executive director, as follows:

Name	Surname	Position
1. Dr. Chaibawat	Wibulswasdi	Chairman of the Corporate Social Responsibility and Sustainable Development Committee
2. Mr. Adirek	Sripatak	Member of the Corporate Social Responsibility and Sustainable Development Committee
3. Professor Dr. Pongsak	Angkasith	Member of the Corporate Social Responsibility and Sustainable Development Committee

Mr. Wuthichai Sithipreedanant is the Secretary of the Corporate Social Responsibility and Sustainable Development Committee.

Roles and Responsibilities of the Corporate Social Responsibility and Sustainable Development Committee

- (1) To establish and propose the social responsibility and sustainable development policy and direction to the Board of Directors for its approval;
- (2) To support social responsibility and sustainable development activities by participating in a meeting in order to provide the guidelines and monitor the tasks in accordance with the prescribed timeframe;
- (3) To consider and assess the results of implementation of the social responsibility and sustainable development, to give advice for the development, and to make a report to the Board of Directors at least once a year;
- (4) To approve the report on social responsibility and sustainable development for public disclosure; and
- (5) To appoint a social responsibility and sustainable development sub-committee as considered appropriate.

Directors' Attendance at the Meetings in 2015

Name	Surname	Number of Attendances				
		Board of Directors	Audit Committee	Remuneration and Nominating Committee	Corporate Governance Committee	Corporate Social Responsibility and Sustainable Development Committee
1. Mr. Dhanin	Chearavanont	9/10				
2. Mr. Prasert	Poongkumarn	10/10		1/1		
3. Mr. Min	Tieanworn	10/10				
4. Mr. Chingchai	Lohawatanakul	9/10				
5. Mr. Arsa	Sarasin	10/10	9/9	1/1	2/2	
6. Mr. Adirek	Sripatak	10/10				2/2
7. Professor Dr. Athasit	Vejjajiva ⁽¹⁾	10/10	9/9	1/1		
8. Emeritus Professor Supapun	Ruttanaporn	9/10	9/9			
9. Dr. Chaiyawat	Wibulswasdi	8/10	8/9		2/2	2/2
10. Professor Dr. Pongsak	Angkasith	8/10	7/9			2/2
11. Mr. Phongthep	Chiaravanont	8/10				
12. Dr. Veeravat	Kanchanadul	9/10			2/2	
13. Mr. Pong	Visedpaitoon	10/10				
14. Mr. Sunthorn	Arunanondchai	10/10				
15. Mrs. Arunee	Watcharananan	10/10				

Remark ⁽¹⁾ Retired from the director position, effective from December 31, 2015.

Orientation of a New Director

When taking up a directorship position, the director will receive all relevant information about the Company and its business, along with its Articles of Association which relates to the roles and responsibilities of the Board. Furthermore, the new director will be given guidance regarding their responsibilities in accordance with the law and the regulations pertaining to being the director of a listed company.

If a newly appointed director has not attended any director programs, the Company shall arrange for the individual to attend the program of the Thai Institute of Directors Association to familiarize said individual with the following:

- (1) The Role of Director and its Legal Responsibilities
- (2) The Directors' Guidelines in relation to its role according to the regulations and guidelines of the Stock Exchange of Thailand, the Securities and Exchange Commission and Corporate Governance Policy.

6.1.6 Executive Committee

The Board of Directors appoints the Executive Committee by considering individuals with the qualifications, knowledge, competency and experience related to the Company's business. This is to assist the Board of Directors with the efficient and effective management of its operations according to Company policy and the objectives as laid down by the Board of Directors.

As of February 1, 2016, the members of CPF's Executive Committee are as follows:

Name	Surname	Position
1. Mr. Chingchai	Lohawatanakul	Chairman of the Executive Committee
2. Mr. Adirek	Sripatak	Executive Director
3. Mr. Pong	Visedpaitoon	Executive Director
4. Mr. Phongthep	Chiaravanont	Executive Director
5. Mrs. Arunee	Watcharananan	Executive Director
6. Mr. Voravit	Janthanakul	Executive Director
7. Mr. Teerasak	Urunanon	Executive Director
8. Mr. Vitit	Pootanasap	Executive Director
9. Ms. Patchara	Chartbunchachai	Executive Director
10. Mr. Paisan	Chirakitcharearn	Executive Director

The Board of Directors appoints the Chairman of the Executive Committee, the Chief Executive Officer and Chief Operating Officer, as well as the Chief Financial Officer. Should the Chairman of the Executive Committee be unable to attend an Executive Committee meeting, he will nominate the President or Chief Operating Officer to act as Chairman of the meeting in his absence. At meetings, the Executive Committee can invite other people, such as management representatives and/or external advisors, to attend the meeting as necessary.

Primary Responsibilities of the Executive Committee:

- (1) To scrutinize the goals, business strategies, budgets and investment projects of each business before they are submitted to the Board of Directors for approval, and to review the approved budgets and investment projects to be in line with changing situations, if any;
- (2) To monitor the results of implementation and progress of the investment projects of each business, to report any problems and obstacles encountered, and to propose possible solutions to the Board of Directors;
- (3) To monitor the administration and risk management of each business;
- (4) To review the risk management system or evaluate its efficiency at least once a year;
- (5) To monitor the results of human resource development, the promotion and rotation of management in each business according to the Company's succession plan, manpower plan, remuneration criteria and performance assessment criteria for the management, provided that the remuneration in the forms of salary, bonus and long-term incentives of the President and executives must be in line with their respective performance evaluation results whereby shareholders' interests and the Company's sustainability are also taken into account;
- (6) To consider alternative sources of funding for various investment projects when necessary, for approval by the Board of Directors; and
- (7) To monitor the use of funds, funds management and financial condition of each business.

6.2 Executives

As of February 1, 2016, CPF's management comprises the following:

- | | | | |
|-----|--------------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Mr. Adirek | Sripratak ⁽¹⁾ | President and Chief Executive Officer (CEO) |
| 2. | Mr. Pong | Visedpaitoon ⁽¹⁾ | Chief Operating Officer - Aquaculture Business |
| 3. | Mr. Teerasak | Urunanon ⁽¹⁾ | Chief Operating Officer - Livestock Feed Business |
| 4. | Mr. Virachai | Ratanabanchuen ⁽¹⁾ | Chief Operating Officer - Chicken Business |
| 5. | Mr. Pisit | Ohmpornnuwat ⁽¹⁾ | Chief Operating Officer - Duck Business |
| 6. | Mr. Sompop | Mongkolpitaksuk ⁽¹⁾ | Chief Operating Officer - Egg Business |
| 7. | Mr. Somkuan | Choowatanapakorn ⁽¹⁾ | Chief Operating Officer - Pork Business |
| 8. | Mr. Sukhawat | Dansersmsuk ⁽¹⁾ | Chief Operating Officer - Food Business
Executive Vice President - Domestic Trading Unit and Food Research and Development Unit |
| 9. | Mr. Sathit | Sangkanarubordee ⁽¹⁾ | Chief Operating Officer - Five Star and Restaurant Business |
| 10. | Mr. Paisan | Chirakitcharern ⁽¹⁾ | Chief Financial Officer |
| 11. | Mr. Vitit | Pootanasap | Executive Vice President - Aquatic Feed Unit |
| 12. | DVM Sujint | Thammasart | Executive Vice President - Aquatic Farming Unit and Aquatic Breeding and Farming Research and Development Unit |
| 13. | Mr. Rewat | Hathaisattayapong | Executive Vice President - Livestock Feed Business
(Northeastern, Central and Eastern Region and Cattle Feed) |
| 14. | Mr. Virote | Kumpeera | Executive Vice President - Livestock Feed Business (Northern, Western and Southern Region) |
| 15. | Mr. Prajit | Udnoon | Executive Vice President - Poultry Breeding and Farming Research and Development Unit |
| 16. | Mr. Prasit | Boondoungprasert | Executive Vice President - Chicken Integration Business (Bangkok, Minburi and Eastern Region) and Overseas Trading Unit |
| 17. | Mr. Siripong | Aroonratana | Executive Vice President - Chicken Integration Business (Northeastern Region) |
| 18. | Mr. Songsak | Futrakul | Executive Vice President - Pork Business (Northern, Central, and Southern Region) |
| 19. | Mr. Prapoj | Choakpichitchai | Executive Vice President - Pork Business (Bangkok Metropolitan Region) |
| 20. | Mr. Narerk | Mangkeo | Executive Vice President - Agri-Food Business |
| 21. | Mr. Viboon | Supakaraongkul | Executive Vice President - Aquatic Food Domestic Trading Unit |
| 22. | Mr. Somchai | Triamchaipisut | Executive Vice President - Aquatic Food International Trading Unit |
| 23. | Dr. Sommai | Tachasirinugune | Executive Vice President - Food Quality Assurance Unit |
| 24. | Mr. Voravit | Janthanakul | Executive Vice President - General Administration Unit |
| 25. | Mr. Praderm | Chotsuparach | Executive Vice President - Information Technology and Application Unit |
| 26. | Mr. Vittavat | Tantivess | Executive Vice President - Marketing Unit |
| 27. | Mr. Anurat | Suthamnirun | Executive Vice President - Food Processing Technology and Engineering Unit |
| 28. | Mr. Sumeth | Vongbunyong | Executive Vice President - Human Resource Unit |

⁽¹⁾ Management in accordance with the Notification of the Securities and Exchange Commission No. Kor Chor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities

Roles and Responsibilities of the President

The President, who holds the highest management position in the Company, is appointed by the Board of Directors to manage the operations of the Company, so as to achieve the Company's objectives and goals agreed by the Board of Directors. He is responsible for proper governance of the Company with fairness, to achieve maximum benefits for all stakeholders as well as to oversee the disclosure of the Company's general and financial information according to best

practices. In addition, the President has authority for carrying out any duties according to the Company's normal operation. However, the President does not have authority in the following matters, which outline *'the limitations of the President's authority'*:

- (1) To enter into transactions involving a potential conflict of interest which have not been approved by the Board of Directors and the Notification of the Capital Market Supervisory Board, which requires such transactions to be approved by either the Board of Directors or the Company's shareholders
- (2) To sell, or write-off any assets from the accounting book must be approved by the Board of Directors or the Company's shareholders, in accordance with the financial principles of the Company.
- (3) To enter into any transaction with any person to provide or accept financial assistance, such as lending money, guaranteeing, providing assets as collateral, and other similar acts, with the exception of:
 - 3.1 Short-term loans between the Company and subsidiaries in which the Company directly or indirectly holds at least 90% of the shares.
 - 3.2 Short-term loans between subsidiaries in which there is no party connected with the Company who holds in excess of 10% of the shares in the subsidiaries.
- (4) To approve the annual budget or any additional investment budget during the year, where the value of the project is more than Baht 100 million.
- (5) To acquire or dispose of investments (held as equity or debt instruments) in any company that infringes the Company's financial principles must be approved by the Board of Directors or the Company's shareholders.
- (6) Any matters that are required by law, or relevant regulations, to be approved by the Board of Directors, or at a shareholders' meeting.

6.3 Company Secretary

The Board of Directors Meeting, convened on August 27, 2008, passed a resolution to appoint Ms. Patchara Chartbunchachai to be the Company Secretary due to her experience as well as knowledge and understanding of the Company's businesses. She also possess adequate knowledge concerning accounting, finance, legal matters and regulations related to securities laws including other relevant laws to perform her role efficiently. The Company Secretary is responsible for preparing and maintaining the profile of directors, notice for and minutes of the meetings, the Company's Annual Reports, notice and minutes of shareholders meetings as well as maintaining the directors' and executives' report on conflict of interest, and performing other duties as required by the Capital Market Supervisory Board.

6.4 Remuneration of Directors and Executives

As assigned by the Board, the Remuneration and Nominating Committee shall determine directors' remuneration annually and propose to the Board of Directors. Upon due consideration, the Board will propose such remuneration to shareholders' meeting for approval. In addition, the Board of Directors requires the Executive Committee to determine the remuneration of the Company's Executives in accordance with their responsibilities and performance, taken into account the benefits of shareholders as well as the Company's sustainability.

6.4.1 Remuneration of the Board of Directors for the Year 2015

Monetary remuneration Monetary remuneration in 2015 of the Board of Directors amounted to a total of Baht 57.04 million, which included (1) monthly remuneration (2) special remuneration in accordance with the resolution of the Annual General Shareholders' Meeting.

In addition, some directors also received remuneration as director of subsidiaries which amounted to Baht 1.4 million. Remuneration of the Audit Committee for 2015 was Baht 15 million. Details of these are given in the following table:

Unit : Bar

Name	Surname	CPF		Subsidiaries	
		Director	Audit Committee	Director	
1.	Mr. Dhanin	Chearavanont	6,167,530	-	-
2.	Mr. Prasert	Poongkumarn	4,624,770	-	64,680
3.	Mr. Min	Tieanworn	4,624,770	-	-
4.	Mr. Chingchai	Lohawatanakul	4,624,770	-	-
5.	Mr. Arsa	Sarasin	4,624,770	5,400,000	-
6.	Mr. Adirek	Sripatak	4,624,770	-	770,000
7.	Professor Dr. Athasit	Vejjajiva ⁽¹⁾	3,083,180	2,400,000	-
8.	Emeritus Professor Supapun	Ruttanaporn	3,083,180	2,400,000	-
9.	Dr. Chaiyawat	Wibulswasdi	3,083,180	2,400,000	-
10.	Professor Dr. Pongsak	Angkasith	3,083,180	2,400,000	-
11.	Mr. Phongthep	Chiaravanont	3,083,180	-	-
12.	Dr. Veeravat	Kanchanadul	3,083,180	-	-
13.	Mr. Pong	Visedpaitoon	3,083,180	-	-
14.	Mr. Sunthorn	Arunanondchai	3,083,180	-	-
15.	Mrs. Arunee	Watcharananan	3,083,180	-	590,000

Remark ⁽¹⁾ Retired from the director position, effective from December 31, 2015.

Other remuneration - None -

6.4.2 Remuneration of the Executives for the Year 2015

Monetary remuneration Monetary remuneration in 2015 for 6 executives amounted to a total of Baht 142 million, which included monthly salary and other benefits.

Other remuneration - None -

6.5 Evaluation of the Board of Directors' performance

CPF directors have to evaluate their performance annually, both whole board and individual evaluation. The evaluation results will be useful for improving the board performance. The results of performance assessment for the year 2015 are summarized as follows:

6.5.1 Evaluation of the performance of the Board as a whole

The Remuneration and Nominating Committee is responsible for the evaluation of the performance of the whole board and report to the Board of Directors.

The assessment covers six major areas, i.e. (1) structure of the Board (2) roles and responsibilities of the Board (3) Board meetings (4) duties of director (5) relationship with management and (6) self-development of directors and executive development. The evaluation results can be concluded that structure and characteristics of the Board are appropriate for the nature of the Company's business and enable the Board to perform its duty effectively. Meanwhile, the number of meetings and agendas are set appropriately and enable directors to allocate their time to attend every meeting and to perform their duties effectively and efficiently. Directors are able to discuss issues without restraint in board meetings and without conflicts among directors and management. In addition, the Board has also regularly undertaken self-development to enhance their knowledge in various topics that are beneficial to the business operations of the Company.

6.5.2 Evaluation of the performance of individual director

Individual director has to assess his/her performance covering two major areas, i.e. (1) director' knowledge and understanding, and (2) the performance of duties as a director. The assessment concluded that overall, all directors have knowledge and understanding of the roles and responsibilities as director. Directors have adequate knowledge and factors that will affect the Company's business to perform their duties prudently and appropriately.

In addition to the above evaluation of the Board's performance, member of each sub-committee also evaluate their own performance and report the results to the Board of Directors annually.

6.6 Personnel

As of December 31, 2015, CPF had a total of 11,855 employees and workers who received remuneration in 2015 totaling Baht 6,250 million in form of salary, wages and other benefits. Number of employees and workers can be grouped according to the main business units as follows:

Major functions	Number of employees and workers
1. Operation units	11,212
2. Central units	643
Total	11,855

As of December 31, 2015, CPF and its subsidiaries had a total of 110,594 employees and workers.

Human Resources Management

The Company has realized that "employees" are important resources in driving businesses to the goals and leading organizations towards sustainability. Therefore, the Company has developed the human resources management work on the basis of fair treatment to personnel and respect of human rights by enhancing opportunities of job promotion and working team environment as well as promoting skills and learnings throughout the period of work for happiness and balance of working life and personal life of employees under the vision "People Excel-Business Exceeds".

From "Vision" to "Human Resources Management"

With the vision "People Excel-Business Exceeds", the Company has given the importance to management processes of human resources at all levels including attraction, development, motivation and retention so that employees at all levels and fields of careers will have excellent knowledge, abilities and expertise, which will be significant factors and driving forces for world-class competitiveness and sustainable growth and success of the business.

Moreover, the Company has provided its succession plan to support the job expansion and replacement in case of vacancies together with the talent management, in order to provide opportunities for employees to express their potentials and to step up to leader positions in the future, and to develop local personnel in terms of professional skills (through the learning center) and the leadership for executives and employees in each country in which the Company has operated its businesses, in order to support local personnel to step up to executive positions and to obtain knowledge and abilities of business management under the world-class standards.

Human Resources Supervision and Assurance

The Company has realized the importance of human resources operation and has therefore established HR Assurance Unit to ensure that the Company's human resources management processes are in accordance with the laws, corporate policies, including standards and customers' requirements; and to ensure that the human resources management processes shall be developed continuously in order to step up to world-class standards and to support the business growth.

Laws	To ensure that the human resources management process are in accordance with the laws.
Standards adhered by the Company	To ensure that the human resources management process are in accordance with the United Nations Universal Declaration of Human Rights (UNDHR) and Regulations of International Labour Organization (ILO), including standards adhered by the Company.
Corporate Human Resources Policy	To ensure that the human resources management process are in conformity with the Corporate HR Policy.
Customers' Requirements	To ensure that the human resources management process are in accordance with Customers' Code of Conduct.

On August 1, 2014, the Company announced its appointment of the Committee for Support and Promotion of Corporate Social Responsibility and Thai Labour Standard System (TLS8001-2010); whereas, such committee shall have its roles and duties to determine policies and action plans and to support and promote the application of Thai Labour Standard System (TLS8001-2010) so that the Company shall have its good labour management system equivalent to the international labour standards. On October 19, 2015, Korat Chicken Processing plant was accredited under the highest Thai Labour Standard (TLS8001-2010) of the Department of Labour Protection and Welfare, Ministry of Labour, which was CPF's labour management guidelines to create equality, fair treatment and non-discrimination and in accordance with international standards and principles of human rights and to continuously and perfectly develop and upgrade Thai labour standards of other workplaces.

Moreover, on August 31, 2015, CPF received a certificate from the Ministry of Labour as the workplace having employed legal foreign workers and having given protection to foreign workers under a good standard and having taken part in prevention and action against human trafficking.

CPF Corporate Compliance

The Company has given the importance to standards, rules and regulations which are significant to its business operation and has therefore established CPF Corporate Compliance Unit with its duties to supervise rules and regulations relating to business operation of CPF.

Establishment of Strong Corporate Culture

The Company has aimed to establish a participatory corporate culture on the basis of honesty, integrity and ethics and to create common interests through its implantation of "CPF Way" values such as innovation projects to promote and support employees at all levels with opportunities, presentation of ideas or development of outstanding work performances and job advancement together with the Company through innovativeness.

Employees' Code of Conduct has been promoted by means of dissemination through various communication channels of the Company such as CPF HR Web Portal, orientation of new employees; and the Company has developed the E-learning system as a channel of dissemination to new employees throughout the organization, which helps follow up new employees to receive information correctly and completely and making it easy for storage and immediate reporting through online registration. Moreover, with its commitment to business operation in a fair, honest and transparent manner and with responsibilities to the society and all groups of stakeholders under the Good Governance Policy, Employees' Code of Conducts and Universal Principles to create confidence to all groups of stakeholders and to support sustainable growth of the Company.

In 2013, the Company signed the Declaration of Intention of the Private Sector Collection Action Coalition against Corruption in cooperation with government, private sectors, and regulatory bodies to establish standards of transparent business operation. Then, in November 2014, the Board of Directors approved the anti-corruption policy which has become a framework for the Company's business operations. Additionally, the Human Resources department is responsible for regular communicating and encouraging the use of the anti-corruption policy, including policies and regulations prescribed thereunder, to directors, executives and employees. The Company's executives and employees should follow the following guidelines:

1. Directors, executives and employees of all levels are required to adhere to the anti-corruption policy and Code of Conduct for the benefit of the Company, individual employees, families, friends and acquaintances, both directly and indirectly.
2. Directors, executives and employees of all levels must not be indifferent or ignore when they are aware of Company-related corruption cases. They must inform their superiors or responsible persons, and cooperate in the fact-finding process. In case of doubt, they should discuss with their superiors or persons in charge of governance through designated channels.
3. The Company must protect employees who provide information on Company-related corruption cases though it may jeopardize the Company's business opportunities.

4. A corrupt person violates the corporate governance - an act liable to disciplinary punishment and possibly legal punishment.
5. The Company emphasizes the requirement to communicate with and create understanding among business suppliers and stakeholders concerning the anti-corruption policy and disclosure of information on the Company's anti-corruption policy.
6. The Company internally communicates its anti-corruption policy through different channels including orientations for directors and employees, and intranet to ensure understanding and adherence to the policy.

Talent Recruitment

The Company is proactive in recruiting talents, starting from organizing student training programs, job recruitments in universities, and building relationship with talented pre-graduates. The Company also recruits high-level and experienced executives through various activities, e.g. the "CPF Ambassador" and "Getting to Know" programs. Talented candidates are recruited domestically and overseas to develop CPF as an "Employer of Choice" organization.

Respect of Human Rights

Fully aware of respect on human rights, the Company issued policies on human rights, employment and labor management in 2014 as management guidelines based on international human rights standards. This is to promote individual's participation and respect to differences, safety and well-being in workplace, fair compensation, and appropriate career advancement. The ultimate goal is to build the so-called "CPF Home of Happiness".

- Promote work culture with an emphasis on participation and respect to differences

The Company advocates an integration of employees' ideas, skills and diverse experiences to drive the business, create innovations and achieve excellence. Diversity and inclusion management was implemented for the benefits of the business and employees:

- Leaders must be ready to listen to different ideas.
- Encourage employees to creatively reveal their ideas.
- Create an atmosphere of mutual respect, coherence despite diversity, non-discrimination and equal opportunity for appropriate compliment of employees. In 2015, CPF has promulgated its policy of non-discrimination and non-harassment in order to prevent and protect employees at all levels from different patterns of discrimination, harassment and threats.

- Create safety and well-being in workplace

The Company emphasizes safe and hygienic workplace with a zero-accident goal through participation by employees of all levels and training. The Company also creates a happy workplace through various activities aimed at promoting a healthy work-life balance for employees.

Employees Motivation

- Fairness in compensation

The Company offers compensation and benefit packages that are competitive with leading players in the industry, based on its business performance and employees' performances. The Company conducts reviews of its total compensation package annually to ensure that it is competitive in the labor market.

- Performance management

The Company has given the importance to its performance management by means of target setting with key performance indicator (KPI), including behaviours in conformity with the corporate values of "CPF Way", to be properly used as indicators of work performances of employees at all levels so that the Company shall be able to consider and give rewards to personnel who had good performances of work and conducted themselves in conformity with the corporate values and ethics and to offer remunerations to them with significant differences when compared to those who had poorer performances of work. The performance management shall be used

as rewards and motivation for employees to keep such good level of performances of work and as motivation and role models for other employees to improve their performances of work.

Development of Leadership and Professionalism

The Company is aware of the need to develop employees' skills and knowledge to continually strengthen their efficiency and leadership, and to support business growth. The CPF Training Center (CPFTC), which was awarded ISO 29990:2010, also provides pre-retirement training to employees to prepare them for their post-retirement life. The Company was the first in Thailand to be accredited by the United Registrar of Systems Ltd. (URS) under the United Kingdom Accreditation Service (UKAS) in May 2014 for the initiatives. Earlier, the Company has been awarded ISO 9001:2008 for learning development, training service and learning through electronic media since March 1, 2012, which confirmed its commitment to develop the training process to meet the international standards effectively, continuously and sustainably and can be verified and traced effectively; whereas, the Company has developed its personnel on the basis of competency framework in terms of classroom training and non-classroom training such as project implementation, job rotation, new job assignments, coaching, consultation, and development through learning such as learning through lecture rooms, e-learning, etc., in response to strategies, values, roles, duties and responsibilities of employees in order to obtain the talents who have their potentials and abilities to sustainably achieve their personal goals of work and the organization's goals in each area of the development process, as per the examples, as follows:

- Development of leadership skills to support business growth

According to the corporate strategies of "Creating Innovation and Improving Efficiency" that have emphasized the personnel development through the creation of effective people by developing 7 basic habits to employees at all level throughout the organization through "Theory of Inventive Problem Solving (TRIZ) Program", "21-Day Idea-Sharing Program" and "Lean Six Sigma Program" to increase the productivity of performance of work and to emphasize the corporate values of "CPF Way".

Moreover, the Company has prescribed standard programs as per levels for enhancement of leadership skills and management abilities, jointly designed with PacRim, the world-class personnel development consultant, and using development tools from Franklin Covey, VitalSmarts, etc., and leadership development programs of C.P. Leadership Institute.

- Continual development of work skills and knowledge

The Company has given the importance to the development of work-related abilities to create expertise in works through the Learning Center of each business that has emphasized the creation of work-related skills and knowledge by means of dissemination of knowledge from experts within the organization for design of learning process appropriate to each subject, including learning by doing, learning in classrooms and learning through self-service systems in the knowledge management which contains over 35,000 subjects of data, books and documents, including the establishment of internal network of resource persons for dissemination of knowledge as well as evaluation for development of up-to-date programs.

- Promotion and creation of employee engagement

The Company's success of becoming a world-class organization is partly due to employee engagement and personnel management since the first day of employment through the on-boarding process for management of new employees and their adaptation to co-workers, friendly working environment, including corporate culture as well as continuous personnel development through the above-mentioned process until their retirement period as a reward for their work and support of happy life after their retirement.

7. Corporate Governance

7.1 Corporate Governance Policy

The directors and management are confident that good corporate governance is a significant factor in promoting our sustainable economic growth and preserving society and the environment. Therefore, the implementation of the principles and guidelines established in this Restated Corporate Governance Policy is one of the missions of the Company's and its subsidiaries' boards of directors, executives, and employees. The Human Resources Unit has the duty and responsibility to communicate this Corporate Governance Policy and other policies and regulations established hereunder to the directors, executives, and employees on a regular basis, and to promote the implementation of this Policy and such other policies and regulations throughout the organization. An evaluation of the implementation of this Policy and such other policies and regulations, and report on the results thereof to the Board of Directors, shall be made at least once a year and disclosed in the annual report. In the year 2015, the Company established the Corporate Compliance Unit to ensure that the Company's operations are in compliance with relevant laws and regulations. The Corporate Compliance Unit is also responsible for setting up and developing compliance standards as well as the promotion of employee's awareness about the non-compliance risk.

This Corporate Governance Policy has been amended three times. The amendments were approved by the Board of Directors on December 17, 2008, November 8, 2013 and March 15, 2016, respectively. The Policy has been revised to be consistent with certain changes in the capital market community in order to improve our organization's governance in line with international standards. The Company's Corporate Governance Policy consists of five chapters: (1) Rights of Shareholders (2) Equitable Treatment of Shareholders (3) Roles towards Stakeholders (4) Disclosure of Information and Transparency and (5) Responsibilities of the Board of Directors with details as follows.

7.1.1 Rights of Shareholders

The Board of Directors recognizes the rights of shareholders as provided by laws, and support the exercise of their rights in a manner not inconsistent with the provisions of the laws. The Board of Directors will not do anything which violates or deprives shareholders of their rights. To promote the exercise of rights by shareholders, the Board of Directors has established guidelines as set forth below.

General Practices

1. The Company shall ensure that all shareholders have the fundamental rights as prescribed by the laws, such as the equal right to profit sharing, the right to receive adequate news and information of the Company in a timely manner, etc., and shall facilitate and encourage shareholders, especially the institutional group, to attend and exercise their voting rights at shareholders meetings.
2. The Company shall ensure that the total number of shares held by directors does not exceed twenty-five percent (25%) of the total number of shares issued and sold by the Company.
3. The Company shall promote the maintenance of ordinary shareholding by minority shareholders at a proportion in excess of forty percent (40%) of the total number of shares issued and sold by the Company.
4. The Company shall not obstruct or cause obstacle to communication opportunities among shareholders.
5. When a shareholders agreement is to be executed by any shareholders, the Company shall endeavor to ensure that such shareholders agreement will not materially affect the Company or other shareholders.
6. The Company shall refrain from doing anything to limit shareholders' opportunities to study information publicly disclosed by the Company.

Procedures before the Date of Shareholders Meeting

7. The Company shall ensure that a notice of meeting, in Thai and English, is sent to shareholders at least 14 days prior to the meeting date, and posted on the Company's website at least 30 days prior to the meeting date. A notice of meeting shall consist of the following information:

- 7.1 the date, time and place of the meeting, an agenda which clearly describes the respective agenda items, the rules and procedures relating to attendance of the meeting and voting under each agenda item, as well as adequate information, rationales, and opinions of the Board of Directors for the proposed agenda items so as to enable shareholders to exercise their independent decision making and protect their interests and the Company's overall interests;
 - 7.2 the profiles of persons nominated to be directors, e.g. their ages, educational background, work experience and number of companies in which they hold directorship position, the rules and method of nomination, the types of directors who are nominated for re-election, their attendance of meetings during the previous years and the date of their first appointments as directors, etc. for the shareholders' information and consideration under the agenda item relating to the election of directors;
 - 7.3 the names of auditors nominated for appointment, their companies, experience, expertise, independence, and fee for the shareholders' information and consideration under the agenda item relating to the appointment of auditors; and
 - 7.4 the dividend payment policy and the proposed amount and rate of dividend payment, including other supplementary details for the shareholders' information and consideration under the agenda item relating to dividend payment.
8. The Company shall provide shareholders with an opportunity to raise questions relating to the agenda items to the Board of Directors prior to the meeting date.

Procedures on the Date of Shareholders Meeting

9. A shareholders meeting shall be held in a locality with convenient transportation to facilitate attendance of the meeting by shareholders.
10. Sufficient personnel and technologies must be provided to examine the documents of shareholders and fully facilitate their attendance and voting, as well as to support vote counting and the announcement of the results, so that the meeting can be conducted expeditiously and so the voting results are accurate.
11. All directors and management are encouraged to attend shareholders meetings to answer shareholders' questions.
12. The Company shall arrange persons to verify vote counting in the shareholders meeting, and disclose them in the minutes of the shareholders meeting.
13. Before the commencement of a shareholders meeting, the chairman of the meeting or a person assigned by them shall explain the rules for the meeting and the voting procedures and method.
14. During a meeting, the chairman or a person assigned by them shall inform the meeting of the details and rationale supporting its decision on the proposed matters, and the votes required for the respective agenda items.
15. For each agenda item which requires a resolution of the meeting, the voting shall be made by ballot, unless shareholders have voted in advance through their forms of proxy.
16. Voting for election of directors shall be conducted on a person-by-person basis, under the agenda item relating to election of directors.
17. Shareholders shall be given opportunities to raise questions, express their opinions and make recommendations in an independent and appropriate manner, based on the meeting agenda.

Procedures after the Date of Shareholders Meeting

18. Resolutions and voting results of a shareholders meeting shall be disclosed on the day following the meeting date, via a newsletter which is publicized through the information disclosure system of the Stock Exchange of Thailand and on the Company's website.

19. Minutes of the shareholders meeting shall be prepared and publicly published on the Company's website within 14 days of the meeting date. Resolutions of the meeting, including the numbers of affirmative, negative and abstaining votes for the respective agenda items, shall be clearly recorded in the minutes.

For the 2015 Annual General Meeting of Shareholders, the Company has publicized relevant documents and information on its website since March 20, 2015. Such documents and information were the same as those sent to shareholders by mail on April 1, 2015, along with a notice of meeting. The notice of meeting consisted of information relating to the meeting agenda, the rationales for and opinions of the Board of Directors on the proposed matters, the date, time and place of the meeting, and the rules and supporting documents for registration of attendance. Shareholders were given an opportunity to send questions to the Company on matters relating to the agenda in advance at csoffice@cpf.co.th or facsimile number 0-2638-2139, for the Board of Directors to consider and provide full clarification on to the shareholders' meeting.

The 2015 Annual General Meeting of Shareholders was held on April 22, 2015, in the Conference Room, 3rd Floor, Convention Hall, Panyapiwat Institute of Management, 85/1 Moo 2, Chaengwattana Road, Bang Talad, Pakkred, Nonthaburi, in order to facilitate the attendance of shareholders. The Company also provided snacks and refreshments for shareholders in the registration area prior to the commencement of the meeting. In order to minimize the time for the registration process, the Company used a bar-code system and arranged adequate personnel to check the documentation of each attending shareholder.

Before the 2015 Annual General Meeting of Shareholders began, the Company clarified the rules for conducting the meeting and the voting procedures and methods for the meeting. There were 33 directors and senior executives in attendance, including the Vice Chairman, the President, the committee members, the Chief Operating Officer and the Chief Financial Officer.

As the Chairman of the Board of Directors could not attend the meeting, the Vice Chairman shall preside over the Meeting, according to the Articles of Associations of the Company. Therefore, Mr. Adirek Sripratak, the Vice Chairman, was the Chairman of the Meeting. Shareholders were given opportunities to express their views and raise questions on matters under the relevant agenda items, and to elect directors individually to replace the retiring directors under the agenda item relating to election of directors. For each agenda item, shareholders were asked to vote by ballot in case they wished to vote against the proposed matter or abstain from voting. During the meeting, the conductor of the meeting provided information and rationales supporting the decision on each proposed matter and informed the meeting of the votes required for each agenda item. Legal advisors were also present to monitor the meeting to ensure that it was conducted in accordance with the law and the Company's Articles of Association, and to witness the vote counting.

The minutes of the meeting were duly prepared, consisting of two main sections. Section one consisted of general information, such as the names of the directors and executives attending the meeting, the number of shareholders in attendance at the commencement of the meeting and the total number of their votes, the voting and voting counting rules, etc. Section two consisted of information relating to matters proposed to the shareholders according to the meeting agenda included in the notice of meeting, the summaries of significant details presented by the Board of Directors, questions raised by shareholders and explanations given by the management on the significant and pertaining matters (if any) under the respective agenda items, and the voting results categorized into affirmative, negative and abstaining votes.

The Company submitted the minutes of the 2015 Annual General Meeting of Shareholders to the Stock Exchange of Thailand on May 6, 2015 (14 days from the meeting date), and simultaneously posted them on the Company's website.

7.1.2 Equitable Treatment of Shareholders

To ensure that all shareholders are treated equally and fairly based on their fundamental rights, the Company must have measures to prevent misuse of insider information for the interests of oneself or other persons, or disclosure of information to persons associated with directors or executives to the detriment of shareholders as a whole. The shareholders meeting process must also support equal treatment of all shareholders.

Use of Insider Information

1. The Company has a policy on the use of insider information. One of the main purposes of this policy is to prevent misuse of insider information for undue benefits, with an aim to ensure transparency. This policy prevents misuse of the Company's undisclosed insider information by its directors, executives, and employees, and also applies to the sale and purchase of securities issued by the Company. Under this policy, the Company's directors and executives and all employees of the Company Secretary's Office and Investor Relations Office must prepare and submit a report on the holding, sale and purchase of securities issued by the Company to the Company Secretary's Office for forwarding to the Office of the Securities and Exchange Commission, as applicable, within the period of time prescribed by the relevant law and regulations whenever there is a change. The Company Secretary's Office must also report changes in the securities holdings of the directors and executives to a Board meeting on a quarterly basis.

Protection of the Rights of Minority Shareholders

2. Minority shareholders are given the opportunity to propose matters to be included in the agenda before the meeting date, and to nominate qualified individuals for election as directors. The rules, channels, and timing for submitting these matters are posted on the Company's website for shareholders' information.
3. The Company provides a proxy form on which shareholders can dictate the direction of their voting through proxies in the event that shareholders are unable to attend the meeting in person. At least one independent director will be nominated in a notice of meeting as an alternative proxy for shareholders.
4. A notice of meeting will specify the documents or evidence, including instructions and process for appointing a proxy, in order to ensure correct preparation by shareholders and to avoid problems in the attendance of meeting by proxies. The rules, procedures, and conditions for the appointment of proxies will be prescribed according to the legal requirements. The Company will not intentionally include any other requirement to make it complicated for shareholders to appoint proxies.
5. The Company shall ensure that no shareholder who is an executive can add any agenda items without advance notice, through the same process applicable to general shareholders.
6. Shareholders are equally entitled to one vote for each share held by them.
7. A policy regarding transactions which may cause conflicts of interest shall be established to provide explicit guidelines and prescribe a careful, reasonable, and independent consideration process for the execution of such transactions within the scope of the code of ethics and for the interests of the Company and shareholders as a whole.
8. The Company shall explicitly disclose shareholders information on related party transactions, which include the names and relationships of the related persons, pricing policies, and transaction values, as well as the Board's opinions relating to such transactions.
9. In case of related party transactions requiring shareholders' approval, the decision shall be made by shareholders who have right to vote only, excluding shareholders who have a conflict of interest according to the relevant regulations of the regulatory bodies.

In the 2015 and 2016 Annual General Meeting of Shareholders, shareholders had the opportunity to propose matters to be included in the meeting agenda and to nominate qualified individuals for election as directors more than three months before the end of each fiscal year i.e. from September 29, 2014 and September 29, 2015, respectively. The Board of Directors also communicated the rules, channels, and timing for submitting the matters through the Company's website.

A proxy form with which shareholders can make comments regarding their votes, as prescribed by the Ministry of Commerce, was sent to shareholders and made downloadable on the Company's website. Audit committee members were nominated as alternative proxies for shareholders who were unable to attend the meeting in person. Shareholders were able to submit the proxy form and relevant documents through the Company Secretary's Office.

7.1.3 Roles toward Stakeholders

In operating its businesses, the Company has several groups of stakeholders, namely shareholders, employees, customers, business partners, trade competitors, creditors, community, and society. All groups of stakeholders must be fairly served by the Company according to their statutory rights and agreements with the Company. Should there be any damage, the Company will provide proper indemnification to all parties concerned.

1. The Company shall have measures to indemnify stakeholders who sustain damage as a result of the Company's acting in violation of their statutory rights.
2. The Company shall ensure that indications of, or lodgment of complaints relating to, any violation of law or the Company's ethics may be made through the Company's independent directors and audit committee members. The Company shall also have measures to protect employees or persons who report any violation of law. The complainant can contact independent directors and Audit Committee by providing the information in the Inquiries Form posted on the Company's website at www.cpfworldwide.com or submit the written information to

Address: 1,1/1 Soi Yen Chit 2, Intersection 1, Sapsamut Building 2, 4th floor, Yen Chit Road, Thung Wat Don, Sathon, Bangkok 10500

E-mail: iaoffice@cpf.co.th

3. After receiving any indications, the Company shall ensure that appropriate action is taken. Matters with material impact must be investigated and reported to the Board of Directors.
4. The Company shall provide channels through which stakeholders may lodge complaints relating to infringement of their rights. Contact details of the delegated persons are clearly designated.
5. The Company shall establish a policy on non-violation of human rights.
6. The Company shall establish a policy on non-infringement of intellectual property or copyright.
7. The Company shall establish a policy on anti-corruption and anti-bribery, and ensure that its risk assessment process covers this area of risk.

In order to ensure that all groups of stakeholders are fairly treated according to their rights and agreements with the Company, the Board of Directors has established guidelines as set forth below.

Roles toward Shareholders

The Board of Directors acts as a representative of the shareholders in monitoring and supervising the management to manage the businesses for maximum returns and the best satisfaction of shareholders, taking into account the value and sustainable growth of the Company. Therefore, the Board of Directors has established the following guidelines:

- to organize an efficient nomination process in order to recruit qualified individuals to be appointed as directors, and to assign the Remuneration and Nominating Committee to be responsible for this process; and
- to disclose the Company's financial information and other matters in an adequate, transparent and reliable manner, and to set up an Investor Relations Office to act as a channel of communication between shareholders and the Company and as a source of information concerning the Company's businesses.

Roles toward Employees

All employees are valuable resources and major factors for the success in businesses. Therefore, the Board of Directors has established the following guidelines:

- to establish a human resource management policy which covers personnel management, fair, equal, polite, and respectful treatment of employees, provision of career opportunities for employees at all levels, and creation of morale. In this regard, a channel of communication between the CEO and employees has been provided via the Company's internet system, through which the CEO can communicate the Company's policies, visions and goals to employees, and through which employees' comments, suggestions and grievances can be brought directly to the attention of the CEO for timely investigation. The names of those employees will be kept confidential;

- to establish an occupational safety and health policy;
- to establish a personal development policy in order to improve and develop employees' skills and performance to support the Company's growth;
- to establish a policy on employees' remuneration and welfare, based on the fundamental principles that such remuneration and welfare must be reasonable and comparable to those of the domestic peers in the same industry and based on employees' individual performance, and that they must reflect the short-term and long-term operating results of the Company.
- to establish a code of ethics for employees, which includes prohibition from paying or receiving bribes or any forms of incentive to induce the commission of any act in violation of law or the Company's regulations or to induce undue compromise in any business dealing, as well as a code of conduct for executives and employees which embodies the Company's values, ethics, and accountability towards stakeholders, with an aim to establish standards in the performance of duties by the executives and employees on the basis of integrity and honesty; and
- to respect the employees' right to privacy, and to keep employees' personal data confidential, as well as to designate persons who are specifically authorized to access such information as necessary and appropriate.

Roles toward Customers

The customers' greatest satisfaction and confidence in the Company are of utmost importance. Therefore, the Board of Directors has established guidelines regarding the fair and accountable treatment of customers as follows:

- to set up a system to monitor and control the processes of production and product supply in order to offer quality merchandise to customers, and to regularly upgrade and modernize the production and quality control technologies;
- to set up a system to control and ensure compliance with the agreements made with customers in a strict, honest, attentive, and regular manner;
- to set up a system to control the maintenance of customers' confidential information as if it were the Company's confidential information; and
- to set up a "call center" to receive comments and complaints regarding the Company's merchandise, and to ensure that the designated unit will promptly conduct an investigation and take remedial action upon receiving such complaints.

Roles toward Business Partners

Business partners are important. Therefore, the Board of Directors has established guidelines regarding the fair and equitable treatment of all business partners as follows:

- to set up procurement regulations and select suppliers, contractual parties, or consultants on the basis of the Company's best interest, whereby the selection process must be transparent, unbiased and auditable, and employees must be prohibited from taking any benefits from the candidates; and
- to set up a system to monitor and prevent disclosure or unlawful exploitation of any confidential information of business partners in the operation of businesses.

Roles toward Trade Competitors

Business competition must be on the basis of compliance with rules and ethics. Therefore, the Board of Directors has established the guidelines regarding fair and accountable treatment of trade competitors as follows:

- to set up a system to monitor and prevent unlawful acquisition or exploitation of trade secrets of trade competitors;
- not to intentionally injure the reputation of any trade competitor by making an adverse accusation; and
- not to take advantage of trade competitors by any dishonest means.

Roles toward Creditors

The Board of Directors has established guidelines regarding fair and accountable treatment of creditors as follows:

- to set up a system to monitor and control strict compliance with the Company's obligations towards its creditors in order to safeguard the Company's reputation; and
- to clearly and fairly prescribe commercial terms and conditions, such as the provision of guarantee and the action to be taken in the case of default of payment.

Roles toward Community and Society

The Board of Directors has established the guidelines regarding fair and accountable treatment of community and society as follows:

- to commit to being an organization that is accountable to the local, national, and global society, and to create activities that benefit the development of the community and society;
- to demonstrate a clear intention to take all steps to preserve the environment with emphasis on the prevention and reduction of pollution that destroys environment, and to provide knowledge and training on the environment to employees;
- to give importance to political activities and political participation, and to recognize the political rights and freedoms of employees in their private capacity, provided that employees may not exercise political rights or provide political support in the name of the Company;
- to support and participate in community development activities;
- to establish a policy on the preservation of the environment and society; and
- to establish a policy on the promotion of efficient utilization of natural resources.

7.1.4 Disclosure of Information and Transparency

The Company's important information, be it financial or non-financial, must be fully disclosed in a transparent, timely and equitable manner through easily accessible channels, and must be credible, non-misleading, and sufficient for investors' decisions. The disclosure of such information must not be in violation of the regulations regarding the disclosure of information as prescribed by the regulatory authorities. Important information also includes reports on the performance of duties by the Board of Directors and committees, reports on the corporate governance policy, and reports on compliance with various policies. In order to ensure that the Company's important information is fully disclosed in a transparent and timely manner, the Board of Directors has established the following guidelines:

Disclosure of Information

1. The Company shall disclose its corporate governance policy, code of business conduct, and other policies, such as risk management policy, environmental and social protection policy, etc., as well as the reports on compliance with such policies through various channels, such as its annual reports, website, etc.;
2. The Company shall fully disclose its financial reports and general information to shareholders and general investors in a timely and transparent manner. Such disclosure must not be in violation of the regulations regarding disclosure of information as prescribed by the regulatory authorities. A report on the Board of Directors' responsibility for the financial report and auditor's report must also be included in an annual report;
3. The Company shall disclose in its annual report the roles and duties of the Board of Directors and committees, the numbers of the Board meetings and committee meetings, the attendance record of each director and committee member during the previous year, the opinions given by the directors and committee members in their performance of duties, as well as the attendance of professional training and development programs by the directors on a regular basis;
4. The Company shall disclose in its annual report the policy on remuneration of directors and executives which should reflect their individual duties and responsibilities, including the forms or types of such remuneration. The remuneration so disclosed shall include the remuneration which each director receives in his or her capacity as a director of one of the Company's subsidiaries;

5. The Company shall also include in its annual report all shareholdings by its directors and executives, either directly, i.e. shareholdings by themselves, or indirectly, e.g. shareholdings by their spouses;
6. The directors and executives have the duty to report their interests according to the rules and method prescribed by the Board of Directors;

Communication of the Company's Information Via Other Channels

7. The Company shall disclose up-to-date information in both Thai and English versions through its website, in addition to the disclosure of information according to the prescribed rules and via the channels of the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand; and
8. The Company has set up an Investor Relations Office to disseminate its financial and general information to shareholders, security analysts, and investors, and to serve as a channel of communication for shareholders and interested investors. The Investor Relations Office has the duty to meet with investors and securities analysts on a regular basis to present the Company's performance.

7.1.5 Responsibilities of the Board of Directors

The Board of Directors has an important role in supervising the Company's businesses. To ensure efficiency, the Board's structure, as well as its authorities, duties and responsibilities must be appropriate and clearly defined. Individuals who are to be appointed the Company's directors must be honest in their duties, have vision, ability and experience and be able devote their time to fully perform their duties for the Company. These individuals must also be independent in their decision making for the best interests of the Company and shareholders as a whole. Furthermore, in order to enhance the efficiency of the Board of Directors, there must be committees in charge of providing assistance in areas of supervision, studying and screening of works as necessary.

In order to ensure that the Board's structure is suitable for the Company's business operations and to clearly define the framework, authorities, duties and responsibilities of the Board with a view to enhancing its efficiency, the Board of Directors has established the guidelines as set forth below.

Structure of the Board of Directors

1. Composition of the Board of Directors

- 1.1 The Board of Directors must consist of at least five directors. At least one-third of the total number of directors, but not less than three directors, must be independent directors. The Chairman of the Board of Directors must not be a chairman or member of any committee, and must not be the same person as the President.
- 1.2 The Board of Directors must consist of directors who possess different qualifications in terms of skills, experiences, special expertise that benefits the Company, and gender. The composition of the Board of Directors and the years of directorship of each director will be disclosed in an annual report and the Company's website.
- 1.3 The Board of Directors must include at least one female independent director.

2. Qualifications of Directors

2.1 Directors

- 2.1.1 All directors must possess the qualifications, and have no prohibited characteristics, as prescribed by the law on public limited companies, law on securities and exchange and notifications of the regulatory authorities. The independent directors must also possess the qualifications as prescribed by the Capital Market Supervisory Board.
- 2.1.2 All directors must have experience in related fields of business and industry for the overall interests of the Company as well as an understanding of business obstacles, and must be able to perform duties in an efficient manner, to create competitive advantage in the industry and to provide insight into the handling of important risks.
- 2.1.3 Without exception, no director may hold directorship positions in more than five listed companies.

- 2.1.4 A director may not have been an employee or partner of an external auditing firm engaged by the Company during the past two years.
- 2.1.5 A director who serves as an executive director may not hold a directorship position in more than two other listed companies.
- 2.1.6 If any director holds a directorship or management position in another company, he or she shall report the details thereof to the Company. This matter shall be one of his or her interests that must be reported according to clause 6 of chapter 4.

2.2 Additional qualifications for independent directors

- 2.2.1 The qualifications of independent directors shall at least be in accordance with the criteria prescribed by the regulatory authorities as prescribed below. The Company may add required qualifications as appropriate.
 - a. Holds not more than 1% of the total outstanding voting shares of the Company, a parent company, a subsidiary, an associate, a major shareholder, or a controlling person of the Company, including shares held by a person related to the independent director.
 - b. Is neither a director that has a management authority nor an employee, staff, advisor on regular retainer, or a controlling person of the Company, a parent company, a subsidiary, an associate, a subsidiary of the same tier, a major shareholder, or of the Company's controlling person both in the present and at least two years prior to taking the independent directorship.
 - c. No relationship by blood or legal registration, in a nature that makes the independent director be a parent, spouse, brothers and sisters, children nor spouse of children of a management, a major shareholders, a controlling person or a person who will be nominated as a management or a controlling person of the Company or a subsidiary.
 - d. Is not involved in the following relationships with the Company, a parent company, a subsidiary, an associate, a major shareholder or a controlling person of the Company in a nature which may obstruct his independent judgment, both in the present and at least two years prior to taking the independent directorship.
 - The business relationship including from normal course of business transactions, rent or lease out the property, transactions related to assets or services nor provide or receive financial support by borrowing, lending, surety, or other similar manner, which incur debt to the Company or contract party equivalent to 3% of the net tangible assets of the Company or amounting to Baht 20 million up, whichever is lower. This threshold is applicable to all indebtedness incurred within one year prior to the date of having such business relationship. For consideration the business relationship, it is included the relationship as a significant shareholder or a controlling person of firms the Company having such businesses with.
 - be an auditor or a significant shareholder, a controlling person or a partner of the audit firm of such auditor.
 - be a professional service provider such as legal or financial advisor, whose service fee exceed Baht 2 million per year, or a major shareholder, a controlling person or a partner of such firm.
 - e. Is not appointed as a representative of the Company's directors, major shareholders or shareholders who are related to the major shareholders of the Company.
 - f. Does not engage in the similar business and significantly competing with the business of the Company or subsidiary, or not being a significant partner in partnership or not being a director that has a management authority nor an employee, staff, advisor on regular retainer or holding shares exceed 1 percent of the total voting shares of other company which engage in the similar business and significantly competing with the business of the Company.

g. No other impediments or impairments to express independent opinions concerning the operations of the Company.

2.2.2 Independent directors must be independent of the Company's management and majority shareholders.

2.2.3 An independent director may hold directorship positions in no more than five listed companies.

Nomination of Directors

3. The rules and process for nominating new directors must be disclosed in the annual report.
4. In nominating directors, the Company must prescribe the qualifications of directors to be nominated according to its business strategies. The Company may engage a professional search firm or use a third-party institution's director pool to recruit appropriate persons.

Term of Directorship

5. At every annual general meeting of shareholders, one-third of the directors, being those who have held the longest term in office, shall retire. If the number of directors is not a multiple of three, the number nearest to one-third shall retire from office. A retiring director may be nominated to the meeting for re-election.
6. If there is a vacancy on the Board of Directors for any reason other than a retirement by rotation, the Board of Directors shall elect a person who has the qualifications and possesses no prohibited characteristics under the law as a substitute director, unless the remaining term of office of the vacating director is less than two months. The newly-appointed director shall hold office only for the remaining term of office of the director whom he or she replaces. Such appointment must be approved by a vote of not less than three-fourths of the number of subsisting directors.
7. Each independent director may hold the position of independent director for no more than a maximum of nine consecutive years from the date of the 2014 Annual General Meeting of Shareholders, unless he or she is re-elected by a shareholders meeting to hold such position in excess of nine consecutive years based on the reasons and necessities as proposed by the Company

Roles, Duties and Responsibilities of the Board of Directors and the Committees

Details as shown in Duties and Responsibilities of the Board of Directors in Clause 6.1.1-6.1.6 under 6. Management in Part 2.

Board of Directors Meetings

8. Meetings of the Board of Directors shall be held more than six times a year. The meeting dates shall be scheduled annually in advance, but may be rescheduled if necessary. Each director will be notified of the meeting schedule, and has the duty to attend every board meeting. If any director is unable to attend a meeting, he or she shall give notice of the reason therefor to the Company Secretary prior to such meeting. The Company Secretary shall subsequently notify such director of the meeting results.
9. The President, together with the Chief Financial Officer and the Company Secretary, shall review issues to be included in the meeting agenda of the Board of Directors before such agenda is submitted to the Chairman of the Board of Directors for approval. Each director is freely entitled to propose any matters beneficial to the Company for inclusion in the meeting agenda.
10. The Company Secretary has the duties to give advice on laws and regulations which the Board of Directors must be aware of, to handle activities of the Board of Directors, to coordinate the implementation of the Board of Directors' resolutions, to prepare meeting documents with full and complete significant details, and to deliver these documents to the directors at least seven days before the meeting date for their thorough and complete consideration.
11. At each meeting, the executives who are directly responsible for the proposed agenda items shall be invited to present such agenda items to the meeting, so that the directors will have an opportunity to know them to support the Board's consideration of a succession plan. All directors are given an opportunity to discuss and

exchange their views, and make independent decisions. The meeting may request additional information from the President, the Company Secretary or other executives, or seek advice from independent consultants as appropriate.

12. If any director has a vested interest in any agenda item, he or she shall immediately disclose the details thereof to the Board of Directors and shall not participate in the decision making for such agenda item. This shall also be recorded in the minutes of meeting of the Board of Directors.
13. The non-executive directors may hold meetings to discuss matters relating to the Company's overall management as necessary, without any management personnel in such meeting. The reports on the meeting results shall be submitted to the board meetings for information.
14. The Chairman of the Board of Directors should allocate sufficient time for the management to present matters, and the directors to thoroughly discuss the same, and should encourage the exercise of prudential discretion. Every director should pay attention to all issues presented to the meeting, including corporate governance issues.

Evaluation of the Board of Directors' Performance

15. The Remuneration and Nominating Committee shall evaluate the Board of Directors' performance annually and report the results to the Board of Directors.
16. The Board of Directors shall conduct a self-assessment at least once a year. The Chairman of the Board of Directors will be responsible therefor. Such self-assessment process and criteria shall be disclosed in the annual report.
17. There shall be an evaluation of individual directors' performance. The process and criteria for such evaluation shall be disclosed in the annual report.
18. An evaluation of the performance of each sub-committee shall be conducted, and a report on the results thereof shall be made to the Board of Directors at least once a year.
19. The Board of Directors may engage an external consultant to help establish the guidelines and recommend the issues in evaluating the performance of the Board of Directors.

Remuneration of Directors and Executives

20. Remuneration of directors shall be in accordance with the rules prescribed by the Remuneration and Nominating Committee.
21. Remuneration of the executives shall be in accordance with the rules prescribed by the Executive Committee.

Development of Directors and Executives

22. The development of directors and executives shall be in accordance with the director and executive development plan and succession plan in in Clause 6.1.1 under 6. Management in Part 2. The President must report the implementation of these plans to the Executive Committee every year.
23. Training and knowledge on the Company's corporate governance shall be regularly provided to the directors and executives. Such training and knowledge enhancement may be conducted internally or by third-party institution.
24. Upon assuming a directorship position for the first time, the director shall receive all the important information relating to the Company, including its Articles of Association which prescribe the roles, duties and responsibilities of the Board of Directors, as well as information relating to the laws, regulations and conditions pertaining to the assumption of directorship position in a listed company, and other information relating to the Company's business operations.

Holding of Position by Executives

25. If the President or an executive holds a directorship position in another company other than as assigned by the Company, he or she shall report the details thereof to the Company as prescribed by the law. The President or an executive may not serve as a president of another company, except as assigned by the Company.

26. An executive must not have been an employee or partner of an external auditing firm engaged by the Company during the past two years.

7.2 Nomination and Appointment of Directors and Senior Executives

7.2.1 Nomination of directors and independent directors

Every board member of the Company currently has residence status in Thailand. They are experienced and understand the various obstacles that can arise in the course of the Company's business operations. They undertake their roles effectively and can create competitive advantage for the Company as well as provide beneficial insights into the Company's business operations as well as on matters such as risk management. Furthermore, every board member is fully qualified, which means that they all possess the qualifications that are stipulated by law, i.e. as laid down in the Public Company Limited Act and Securities Act. Every Independent Director is qualified in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 4/2552 Re: Application for and Approval of Offer for Sales of Newly Issued Shares (No. 2) as specified in Responsibilities of the Board of Directors in Clause 7.1.5 under 7. Corporate Governance in Part 2.

Remuneration and Nominating Committee is responsible for nominating individuals qualified to be the Company's directors and propose for an appointment to the Board of Directors to fill the vacancy for reasons other than retirement by rotation or propose to the Shareholders' Meeting for further consideration. Shareholders of the Company also have the opportunity to nominate qualified individuals for election as directors in advance according to the rules prescribed by the Company.

Shareholders have the Right to Vote for the Appointment of Directors According to the Following Criteria:

1. The number of votes each shareholder has is commensurate with the size of their shareholding - i.e. one vote per share.
2. Each shareholder must exercise all the votes that he or she has when appointing one individual or several individuals to be director(s), but shall not split his/her votes among different individuals or groups.
3. Those individuals receiving the highest number of votes shall be elected to serve as directors depending on the number of vacancies available at the time. In the event of more than one person receiving the same number of votes for the last vacant position, the chairman of the meeting shall have a second and casting vote.
4. At shareholder's meetings, any director can be dismissed from the Board of Directors before his/her term is up, if there is a resolution of no less than three-quarters of the number of shareholders in attendance and who have the right to vote. Moreover, the shareholders who vote must collectively hold no less than half the total number of shares owned by the voting shareholders present at the meeting.

In assuming the position of Director and/or Independent Director, each director will receive all important information about the Company, along with the Articles of Association of the Company related to the roles and responsibilities of the Board of Directors, as well as advice concerning the laws, rules, regulations and conditions relating to being a Director of a listed company on the Stock Exchange of Thailand. The person will also receive an orientation of the Company's business.

7.2.2 Nomination of Senior Executive

The Board of Directors assigns the Executive Committee to be responsible for selecting qualified individuals with the knowledge, competence and related experience to hold senior executive positions.

7.3 Administration of Subsidiaries and Associates

CPF has a policy to appoint the representatives to be the authorized director of each subsidiary in order to effectively and efficiently manage the operations according to the Company's policy. In case the company with shares held by CPF arrange its shareholders' meeting, CPF's Boards of Directors will carefully consider the agenda of such shareholders' meeting and make the vote, including appoint proxy to attend the meeting.

**7.4 Protection of the Use of Insider Information**

Procedure to protect the use of insider information as shown in the Equitable Treatment of Shareholders in Clause 7.1.2 Equitable Treatment of Shareholders under 7. Corporate Governance in Part 2.

7.5 Auditor's Remuneration

CPF's auditors in the year 2015, considered and proposed by the Audit Committee which then approved by the Annual General Shareholders' Meeting No.1/2015, were Mrs. Munchupa Singsuksawat C.P.A. (Thailand) Registration No. 6112, Mr. Charoen Phosamritlert C.P.A. (Thailand) Registration No. 4068 and Mr. Veerachai Ratanajaratkul C.P.A. (Thailand) Registration No. 4323, of KPMG Phoomchai Audit Limited.

The remunerations that CPF paid to KPMG Phoomchai Audit Limited⁽¹⁾ in 2015, were as follows:

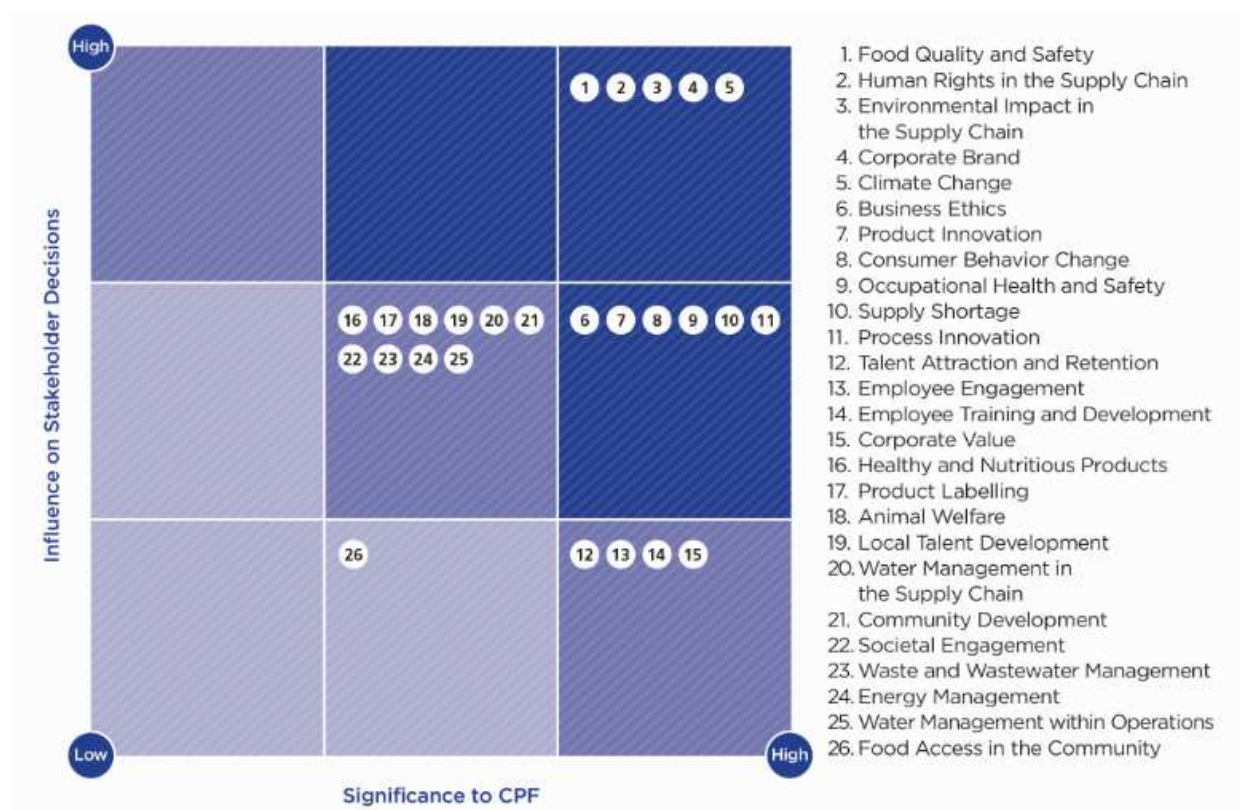
	Baht
1. The audit fees on company's accounts	3,290,000
2. Other audit fees on special projects	270,000

⁽¹⁾ The above fees excluded out-of-pocket expenses to be reimbursed by the Auditor.

8. CSR towards Sustainability

The Company has prescribed its corporate social responsibility (CSR) as one of its main strategies for sustainable business operation; whereas, policies and directions of CSR strategy have been implemented under 3 main pillars “Food Security, Self-Sufficient Society and Balance of Nature” on the basis of good governance and fair supervision of personnel development and respect of human rights in order to obtain suitable returns to shareholders, good health of consumers, security and happiness of employees, business partners and communities and to conserve natural resources and the environment which is the cost of social and economic development at present and in the future.

However, for efficient and effective management of sustainability, the Company has reviewed and assessed issues of corporate social responsibility towards sustainability covering significant opportunities and risks in dimensions of economy, society and environment on a yearly basis by using 4 main principles of “Global Reporting Initiatives (GRI)” including “Sustainability Context”, “Materiality”, “Completeness” and “Stakeholder Inclusiveness”; whereas, in 2015, the Company has summarized its evaluation of issues prioritized by its stakeholders and related issues which may have impacts on successes of the Company’s business operation, as follows:



According to the integration of points of view and expectation of stakeholders and the Company as above-mentioned, it helped enhance the confidence in operation as per strategic directions of corporate social responsibility towards sustainability under 3 main pillars “Food Security, Self-Sufficient Society and Balance of Nature”, which are scope of operation of corporate social responsibility towards long-term sustainability of the Company which shall be implemented together with its continuous review and improvement of management guidelines in order to achieve the Company’s goals and to meet stakeholders’ expectation as well as challenges at present and in the future.

Food Security

Food security is a significant agenda to which all organizations around the globe have paid attentions and determined as the world and regional food strategy. In this regard, the Company, as agro-industrial and integrated food business leader, has given extreme importance to its participation in creating food security continuously by aiming at “enhancing

food quality and safety throughout the processes” together with “improving food access” for health and safety of consumers as well as relief of hunger and malnutrition in the society.

- Enhancing food quality and safety throughout the value chains

The Company has given highest importance to the food quality and safety throughout the processes including selection of raw materials, research and development, animal feed manufacturing, animal husbandry, food production, packaging and delivery to consumers.

In 2015, the Company has initiated “CPF Food Standard Project” to standardize systems on food quality and safety throughout its value chains locally and overseas and to create a variety of alternatives and health food menus by means of new product development (NPD), totally 119 items, including health products, totally 15 items.

- Improving food access

The Company has envisaged the importance of promotion of adequate food access of communities, particularly among children and youth groups in response to challenges on malnutrition of the Country as well as promotion of proper age group development.

In 2015, the Company has cooperated with the Rural Lives Development Foundation sponsored by Charoen Pokphand Group and all employees as well as network parties to implement “Raising Layer for Student’s Lunch Project” to extend opportunities of continuous access to protein sources for the youth in remote areas by having additionally accessed 50 schools in 6 regions and initiated “CPF Growing Happiness, Growing Futures Project” Commemorating Princess Maha Chakri Sirindhorn’s 60th Birthday Anniversary for extension of commitment to jointly create good nutrition of students in surrounding areas of factories and farms of the Company under its 5-Year Development Plan 2015-2019 in cooperation with 67 schools in surrounding areas of factories and farms of the Company. From the Company’s commitment to continuously improving food access among the youth, it was found that over 580 schools nationwide have participated in the Project which helped promote food access and adequate nutrition of over 147,000 students.

Self-Sufficient Society

The business sector’s awareness of roles and participation in dealing with social and environmental issues is an extremely crucial supporting factor to sustainable growth. In this regard, the Company has continuously aimed to mitigate negative impacts and to enhance positive impacts on the society with the goal of “promoting win-win partnership” as well as “supporting quality of life in communities” through the integration of the Company’s capacity with participation of business partners and communities and synergy with network parties for development of “business partners and communities” for the better and preparedness for challenges at present and in the future.

- Promoting win-win partnership

The Company believes that creation of growth, driving for excellence and creation of secure foundation under the vision of “kitchen of the world” needs to be systematically based on corporate social responsibility and the environmental awareness as well as processes of business operation of the Company and its business partners; therefore, the Company has operated its businesses with an emphasis on “promoting and supporting” and “brainstorming and doing together” to link potentials and competitiveness as well as participation in social and environmental maintenance between the Company and its business partners.

In 2015, “Management of Sustainability in the Supply Chains” has been a significant mission and urgent agenda; whereby, the Company has delivered the Sustainable Sourcing Policy and Supplier Guiding Principle to its main suppliers in groups of animal feed raw materials, seasonings and packages, which are significant groups to food safety and quality. As of December 31, 2015, 99% of suppliers have signed for acknowledgment of the policy and have also promoted self-assessment on sustainability of suppliers.

At the same time, the Company has continued the sustainable management of the supply chains of fish meal in order to eradicate problems of illegal, unreported, unregulated fishing, including problem of human trafficking; and has taken actions in various dimensions such as announcement of stricter requirements on the purchase of fish meal, reduction of

use of fish meal in aquatic animal feed formula, development of supply chains through guidelines for inspection, work plans or international standards as well as advocating the reviving of abundance to the Gulf of Thailand and Andaman Sea, etc.

Moreover, in order to show its commitments to the sustainable supply of “corns”, the Company has developed the mass balance traceability system which can specify farmers and the whole cultivation areas; and has concurrently carried on the “Self-Sufficient Farmers, Sustainable Corn Project” to give knowledge to farmers relating to the production of corns as per the Agricultural Commodity Standards, which helps increase the crops per rai and reduce the unit costs for farmers and also helps mitigate the health problems and reduce the environmental impacts. In this year, there were over 3,400 farmers participating in the Project, covering the cultivation areas of over 38,500 rai.

- Supporting Quality of life in communities

With its awareness that businesses may not be growing in weak social condition; and creation of strong business foundation must be implemented concurrently with the creation of foundation of good quality of lives of the society; therefore the Company has given its importance to the promotion of good livelihood and economic growth of communities around workplaces and in rural areas under the strategy of “4 Elements to Sustainability: Competency + Creation + Collaboration + (Connection).

In 2015, the Company has implemented over 370 projects/activities in cooperation with communities around workplaces, covering the promotion of occupations, incomes, education, customs and cultures, sports and public health, including public service activities; and has also cooperated with the Rural Lives Development Foundation to promote and develop farmers in over 5,000 families to have secure occupations and adequate incomes; whereas, in this year, the Company creates economic value of over Baht 870 million from occupational promotion projects throughout the year.

Balance of Nature

Promotion of the environmental quality and keeping the balance of the ecosystem is a joint mission of all sectors in order to maintain food security and quality of lives of people in the society. In this regard, the Company, as agro-industrial and integrated food business leader, has tried to carry out business operation activities by taking account of environmental impacts and to promote natural resource conservation activities continuously by aiming at “reducing environmental footprints” as well as “conservation of biodiversity” for existence of natural resources and the environment.

- Reducing Environmental Footprints

The Company has realized that the environmental challenge, particularly the climate change, may affect the business continuity; and has therefore improved, changed, developed and extended its operations in terms of process and products in order to mitigate the environmental impacts caused by business operation activities.

In 2015, the Company has reviewed and improved CPF Safety, Health, Environment and Energy Standard (CPF SHE&En MS) by applying international guidelines in addition to the conformity with ISO14001 Standard and OHSAS18001 Standard; and has set the environmental targets for clarity in its performance appraisal, in addition to the continuous implementation of energy-saving and efficiency-increased projects, recycling of water through the treatment system, and addition of value of waste generated from the production process. Moreover, the Company has emphasized the design of packages by taking account of environmental impacts caused by the use of resources in the production of packages until the transformation of packages into wastes. In this year, the Company could reduce the use of plastic and paper in its production of packages by over 200 tons or totally 1,900 tons since the year 2007.

- Conservation of biodiversity

As the business operation by taking account of environmental impacts and biodiversity plays a crucial role in maintaining the ecosystem in a balanced and sustainable manner; therefore, the Company has given its importance on the site of workplace that must not be located in the natural resource and environmental conservation areas as prescribed by rules, regulations, standards and the Ministerial Regulations; and has regularly evaluated potential

impacts from its business operations, thus, for security of the ecosystem and resource base of the Country which is the cost of sustainable economic and social development.

In 2015, the Company has implemented “Rak-Nives Project” (Ecosystem Conservation Project) continuously from 2014 for conservation and recovery of green areas within and around its workplaces; whereas, 54 factories and farms participating in the Project received LESS Award (Low Emission Support Scheme) from Thailand Greenhouse Gas Management Organization; at the same time, the Company has extended its commitment in conservation and recovery of mangrove forests under the “Grow-Share-Protect mangrove forestation Project” in 5 strategic areas of the Country, i.e., Chumphon, Rayong, Samut Sakorn, Songkhla and Phang-nga provinces; whereas, in this year, the Company has increased new mangrove forest planting areas by 43 rai to a total of 154 rai or equal to 40% of the total target areas of 390 rai; and has participated in conservation of mangrove forests, totally 2,025 rai or equal to 91% of the total target areas. According to the survey of areas in Samut Sakorn Province, it was found that the survival rate of the total trees planted was 65%; meanwhile, in Chumphon areas, the survival rate of the total trees planted was 85%.

Remark: Results of the Company's CSR to Sustainable activities for 2015 are exhibited in the 2015 Sustainable Report



9. Internal Control and Risk Management

At the Board of Directors' meeting No.2/2016 held on February 29, 2016, including 5 Audit Committee members presented, reviewed the Company's internal control system. Following the reviewed by the Audit Committee and the Internal Audit Office, it can be concluded that the existing internal control system is appropriate and sufficient to ensure compliance of the Company's operations with the required target, objectives, legal requirements and relevant regulations effectively, so as to protect Company's assets from being misused. It provides a reasonable assurance that financial statements are reliable and correctly prepared. The internal auditors reviewed of the various operations of the Company to ensure compliance with the Company's internal control system. Any major non-compliance found was reported to the Executive Board and the Audit Committee for review and correction. However, in 2015 the Internal Audit Office found no major non-compliance that would affect the operation of the Company. Additionally, according to the assessment of the financial statements performed by external auditor which considers internal control relevant to the Company's preparation and presentation of the financial statements, the auditor did not report any material non-compliance activities.

10. Related Transactions

During 2015, the Company entered into transactions with related persons, which the Audit Committee considered reasonable as summarized below:

10.1 Related transactions which are ordinary course of business or supporting transactions according to the principle of the process of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E. (No.4) 2008 approved by the Board in 2008.

10.1.1 Accounts Receivable

As of December 31, 2015, the Company had accounts receivable, arising from transactions with associates, joint ventures and related companies amounting to Baht 7,338 million, or 28% of total accounts receivable. (2014: Baht 6,193 million)

10.1.2 Accounts Payable

As of December 31, 2015, the Company had accounts payable, arising from transactions with associates, joint ventures and related companies, amounting to Baht 3,537 million, or 13% of total accounts payable. (2014: Baht 5,181 million)

10.1.3 Sales

In 2015, the Company sold products to associates, joint ventures and related companies which were based on the ordinary course of business price list. The value of these transactions for the year ended December 31, 2015 was Baht 34,350 million, or 8% of total sales. (2014: Baht 30,831 million)

10.1.4 Purchase of Raw Materials

In 2015, the Company purchased raw materials from associates, joint ventures and related companies which were also based on the ordinary course of business price list. The value of these transactions for the year ended December 31, 2015 was THB 59,595 million, or 16% of total cost of goods sold. (2014: Baht 51,065 million)

10.1.5 Other Income

In 2015, the Company received other income in forms of dividends, interest, training and seminar fees, system service fees, rental and service fees, and others from associates, joint ventures and related companies amounted to Baht 374 million, or 0.1% of total revenues. (2014: Baht 494 million)

10.1.6 Rental and Services Fees

The Company has lease agreements covering office premises (including related facilities service agreements), land, farms, and vehicles with certain related companies, for periods of 1 to 10 years expiring during year 2016 to 2024. The rental and services fees obligation of the Company, as of December 31, 2015, amounted to Baht 2,839 million. (2014: Baht 2,665 million).

The Company rented assets from associates, joint ventures and related companies according to the rates set by their owners. For the year ended December 31, 2015, the value of these transactions was Baht 1,582 million, or 3% of total selling and administrative expenses. (2014: THB 1,192 million)

10.1.7 Technical Service Fees

The Company has technical service agreements with the major shareholder, Charoen Pokphand Group Co., Ltd. ("CPG"). Under the terms of these agreements, CPG agrees to research and develop the raw material ingredients for the production of animal feeds for the Company and its subsidiaries. In this regard, CPF and its subsidiaries are committed to pay the technical service fee which is calculated from the feed production quantity dependent upon the types of feed, as stipulated in the agreements, to CPG. The minimum service fee ranges from Baht 0.1 million to Baht 1.3 million per month.

In addition, certain foreign subsidiaries have agreements to obtain the technical service assistance from CPG. The foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms and conditions that are stipulated in the agreements.

In 2015, the Company paid CPG for technical services according to the agreements amounting to Baht 1,624 million, or 0.4% of total cost of goods sold. (2014: Baht 1,526 million)

10.1.8 Insurance Premium

The Company paid the insurance premiums to Allianz C.P. Insurance Plc. ("AZCP") which is a related company. The insurance premium rates were paid according to the standards set by the insurers. In 2015, the Company paid insurance premiums to AZCP amounted to Baht 243 million, or 0.5% of total selling and administration expenses. (2014: Baht 262 million)



10.1.9 Other Expenses

In 2015, the Company paid application system service fee, sales promotional fee, transportation fee and other fees, to related companies amounted to Baht 1,238 million. (2014: Baht 1,223 million)

10.1.10 Others

The Company has hire-of-work agreements to construct buildings, structures and other agreements, including equipment and other purchase with certain related companies. In 2015, the payments in respect of these agreements amounted to a total of Baht 1,948 million. (2014: Baht 2,456 million)

A subsidiary has a trademark agreement with a related company, Star Marketing Co., Ltd. ("STAR"), for the right to use STAR trademark. In this regard, the subsidiary is committed to pay the trademark license fee to STAR, which is calculated from the sale value under the trademark at the rates as stipulated in the agreement. The fees for 2015 amounted to Baht 34 million. (2014: THB 36 million)

The Company entered into agreements with the major shareholder, CPG, for the right to use  and  trademark. In this regard, the Company is committed to pay the trademark license fees to CPG at the rates of 0.2% and 0.4% of the sale value of each product as stipulated in the agreements. The fees for 2015 amounted to a total of Baht 85 million. (2014: Baht 87 million)

10.2 Related transactions which are not in the ordinary course of business or supporting transactions

Details of the related transactions not in the ordinary course of business or supporting transactions related to the ordinary course of business which were in accordance with the conditions specified in the notification of the Capital Market Supervisory Board No. Torchor. 21/2551 Re: Transactions of Related Parties can be summarized as follows:

10.2.1 The first quarter of 2015

The Board of Directors' Meeting convened on July 16, 2014 approved CPF (Thailand) Plc. ("CPFTH") to sell its land located at Na Jomtien sub-district, Sattahip district, Chonburi province to CPMQ and Greenland Co., Ltd. ("CPMQ&G") or its subsidiaries at the total consideration of Baht 1,200 million. The Board of Directors including independent directors/the Audit Committee and those directors without a conflict of interest considered and were of the view that this transaction was reasonable and beneficial to the Company as the Company has no plan to further utilize the said land. The proceeds from the sale of land will be reserved for the operating activities of CPFTH. In addition, the Board of Directors' Meeting of CPF opined that the basis used to determine total consideration of this transaction which based on the value appraised by the independent appraiser was appropriate. The transaction was completed during the first quarter of 2015.

10.2.2 The second quarter of 2015

CPF Investment Limited ("CPFI")¹ acquired the investment in C.P. Cambodia Company Limited ("CPC") from Orient Success International Limited ("OSIL") at the total consideration of Baht 2,850 million. After the transaction, shareholding stake in CPC of CPFI increased from 25% to 100% of CPC's total issued shares. Hence, CPC and its subsidiary became indirect subsidiaries of CPF. The independent financial advisor pointed that this transaction was reasonable and beneficial to the Company and shareholders as CPC is engaging in animal feedmill, livestock farming and food processing plant for domestic sale in Cambodia. Therefore, the acquisition of CPC has been complied with the Company's policy and strategic plan to invest in high potential companies with good growth. Moreover, in the next 5 years, CPC plans to expand its

¹ A wholly-owned subsidiary of CPF

capacity in all core businesses to increase its revenue and profit as well as expand the food supply to cover over the Southern Mekong Subregion which will contribute to a sustainable business of the Company. Furthermore, the agreed price determined by using the Discounted Cash Flow Approach and Market Comparable Approach were appropriate and lower than the fair price range calculated by the independent financial advisor. This transaction was approved by the Annual General Shareholders' Meeting No. 1/2015 convened on April 22, 2015 and was completed during the second quarter of 2015.

10.2.3 The fourth quarter of 2015

The Board of Directors' Meeting convened on November 11, 2015 approved CPF (Thailand) Plc. ("CPFTH") to sell its unutilized land located at Kumpran sub-district, Wang Muang district, Saraburi province ("Transaction No. 1") to Charoen Pokphand Produce Co., Ltd. ("CP Produce") at the total consideration of Baht 5 million and unutilized land located at Nong Hiang sub-district, Phanat Nikhom district, Chonburi province ("Transaction No. 2") and Nong Pan Chan sub-district, Suan Phueng district, Ratchaburi province ("Transaction No. 3") at the total consideration of Baht 62 million and Baht 56 million, respectively. The Board of Directors including independent directors/the Audit Committee and those directors without a conflict of interest considered and were of the view that this transaction was reasonable and beneficial to the Company as the Company has no plan to further utilize the said land. The proceeds from the sale of land will be reserved for the operating activities of CPFTH. In addition, the basis used to determine total consideration i.e. the value appraised by the independent appraiser for Transaction No.1 and the price which the purchaser offered to all other landowners to purchase land located nearby for Transaction No.2 and No.3 were appropriate. The transactions were completed during the fourth quarter of 2015.

Reasonableness of the Related Transactions

The related transactions entered by the Company and its subsidiaries with directors, executives or related person were ordinary course of business or supporting an ordinary course of business conducted on arm's length basis and the Board of Directors of CPF had approved the principle of the process of those transactions subjected to section 89/12(1) of Securities and Exchange Act B.E. (No.4) 2008.

Measures to Govern Related Transactions

To enter into the related transactions, the Company strictly adhere to relevant laws and regulations, including the rules stipulated by the Capital market Supervisory Board, to achieve highest benefit of the Company. In this regard, the Company establishes the guidance to engage into the related transactions. The transactions which are ordinary course of business or supporting an ordinary course of business must be in compliance with the principle approved by the Board of Directors. The transactions which are not the ordinary course of business or supporting an ordinary course of business must be considered and approved by the Board of Directors prior to the transaction engagement, upon the review by the Audit Committee to ensure the highest benefit of the Company and no conflict of interest. In this case, the Audit Committee may employ the independent appraiser or financial advisor to assess the value of such related transaction for comparative purpose.



Charoen Pokphand Foods Public Company Limited

Part 3

Financial Status and Performance

**11. Key Financial Information****Financial Statements**Highlights of the Consolidated Financial Statements and Key Financial Ratios*(A) Consolidated Statements of financial position of CPF and its subsidiaries as of December 31, 2013, 2014 and 2015*

	As of December 31,					
	2013		2014		2015	
	Baht million	%	Baht million	%	Baht million	%
Cash and cash equivalent	19,457	5	33,552	8	36,461	7
Current investments	3,143	1	5,769	1	7,773	1
Accounts receivable - trade and others	24,241	7	24,953	6	26,156	5
Inventories	48,469	13	49,036	12	52,112	11
Current biological assets	22,425	6	24,378	6	27,757	6
Other current assets	6,509	2	8,566	2	9,734	2
Total current assets	124,244	34	146,254	35	159,993	32
Long-term investments	49,598	14	62,012	15	75,303	15
Investment properties	1,930	1	1,169	-	1,379	-
Property, plant and equipment	110,931	30	124,461	30	149,599	30
Non-current biological assets	5,180	1	5,595	1	7,221	2
Goodwill	59,293	16	60,699	15	81,298	17
Other non-current assets	13,827	4	16,575	4	19,470	4
Total non-current assets	240,759	66	270,510	65	334,270	68
Total assets	365,003	100	416,764	100	494,263	100
Overdrafts and short-term borrowings						
from financial institutions	61,861	17	63,686	15	88,019	18
Bills of exchange	3,478	1	1,989	1	18,731	4
Accounts payable – trade and others	21,888	6	25,632	6	28,022	6
Current portion of long-term debts	11,517	3	13,433	3	30,724	6
Other current liabilities	16,257	5	18,545	5	20,795	4
Total current liabilities	115,001	32	123,285	30	186,291	38
Long-term debts	109,176	30	116,425	28	120,299	24
Other non-current liabilities	11,253	3	13,088	3	13,948	3
Total non-current liabilities	120,429	33	129,513	31	134,247	27
Total liabilities	235,430	65	252,798	61	320,538	65
Total equity	129,573	35	163,966	39	173,725	35



(B) Consolidated statements of income of CPF and its subsidiaries for the years ended December 31, 2013, 2014 and 2015

	2013		2014		2015	
	Baht million	%	Baht million	%	Baht million	%
Revenue from sale of goods	389,251	97	426,039	98	421,355	97
Gains on changes in fair value of investment in associates	-	-	-	-	236	-
Gains on sale of investments	8,219	2	4,662	1	7,129	2
Others	2,107	1	2,801	1	5,473	1
Total income	399,577	100	433,502	100	434,193	100
Cost of sale of goods	350,394	88	368,760	85	363,287	84
Gains on changes in fair value of biological assets	(524)	-	(338)	-	(404)	-
Selling and administrative expenses	36,963	9	42,811	10	46,889	11
Finance costs	7,937	2	8,903	2	9,614	2
Others	219	-	356	-	-	-
Total expenses	394,989	99	420,492	97	419,386	96
Share of profits of associates and joint venture	4,947	1	4,869	1	5,221	1
Profit before income tax	9,535	2	17,879	4	20,028	5
Income tax expense	133	-	3,650	1	3,654	1
Profit for the year	9,402	2	14,229	3	16,374	4
Non-controlling interests	(2,337)	-	(3,667)	(1)	(5,315)	1
Profit for the year attributable to equity holders of the Compar	7,065	2	10,562	2	11,059	3

(C) Consolidated Statements of comprehensive income for the years ended December 31, 2013, 2014 and 2015

(Unit : Baht million)	2013	2014	2015
Profit for the year	9,402	14,229	16,374
Other comprehensive income (loss) for the year, net of income tax income	5,293	(1,258)	(2,988)
Total comprehensive income for the year	14,695	12,971	13,386
Non-controlling interests	(3,596)	(4,102)	(8,805)
Total comprehensive income for the year attributable to equity holders of the Company	11,099	8,869	4,581

(D) Consolidated statements of cash flows for the years ended December 31, 2013, 2014 and 2015

(Unit : Baht million)	2013	2014	2015
Net cash provided by operating activities	9,452	23,208	20,862
Net cash used in investing activities	(24,222)	(33,163)	(51,868)
Net cash provided by financing activities	17,792	23,510	30,755
Net increase (decrease) in cash and cash equivalent	3,022	13,555	(251)
Cash and cash equivalents at the beginning of the year	12,250	17,180	31,924
Effect of exchange rate changes on the balances held in foreign currencies	1,908	1,189	715
Cash and cash equivalents at end of year	17,180	31,924	32,388



(E) Key financial ratios of the consolidated financial statements of CPF and its subsidiaries

	2013	2014	2015
Liquidity ratios			
Current ratio ¹ (times)	1.08	1.19	0.86
Quick ratio ² (times)	0.41	0.52	0.38
Cash flow liquidity ratio ³ (times)	0.09	0.19	0.13
Accounts receivable turnover ⁴ (times)	16.00	16.92	16.08
Collection period ⁵ (days)	23	21	23
Inventory turnover ratio ⁶ (times)	28.86	27.55	25.93
Inventory turnover ⁷ (days)	12	13	14
Accounts payable turnover ⁸ (times)	16.49	15.52	13.54
Payable period ⁹ (days)	22	23	27
Cash Cycle ¹⁰ (days)	13	11	10
Profitability ratios			
Gross profit margin ¹¹ (%)	9.98	13.44	13.78
Operating profit margin ¹² (%)	4.49	6.29	7.03
Net profit margin ¹³ (%)	1.74	2.41	2.52
Return on Equity ¹⁴ (%)	5.64	7.20	6.55
Operating Efficiency ratios			
Return on fixed assets ¹⁵ (%)	14.53	16.59	15.39
Asset turnover ¹⁶ (times)	1.20	1.12	0.97
Leverage ratios			
Debt to equity ¹⁷ (times)	1.82	1.54	1.85
Interest coverage ¹⁸ (times)	1.25	2.88	2.42
Debt service coverage ¹⁹ (times)	0.14	0.32	0.20
Dividend payout ²⁰ (%)	56.32	64.99	51.51

¹ Current ratio = Total current assets / Total current liabilities² Quick ratio = (Cash and cash equivalents + Short term investment + Accounts receivable - trade and others) / Total current liabilities³ Cash flow liquidity ratio = Net cash provided by operating activities / Average current liabilities⁴ Accounts receivable turnover = Net sales / Average accounts receivable - trade and others⁵ Collection period = Average accounts receivable / Total revenues*360⁶ Inventory turnover ratio = Cost of sale of goods / Average finished goods⁷ Inventory turnover = 360 / Inventory turnover ratio⁸ Accounts payable turnover = Cost of sale of goods / Average accounts payable⁹ Payable period = 360 / Accounts payable turnover¹⁰ Cash Cycle = Average collection period + Inventory turnover - Payable period¹¹ Gross profit margin = Gross profit / Net sales¹² Operating profit margin = Profit before finance costs and income tax expense / Net sales¹³ Net profit margin = Net profit / Total revenues¹⁴ Return on Equity = Net profit / Average shareholders' equity¹⁵ Return on fixed assets = (Net profit + Depreciation) / Average fixed assets¹⁶ Asset turnover = Total revenues / Average total assets¹⁷ Debt to equity = Total liabilities / Total shareholders' equity¹⁸ Interest coverage = Net cash provided by operating activities / Interest expenses¹⁹ Debt service coverage = Net cash provided by operating activities / (Debt payment + Investment expenses + Purchase of assets + Dividend paid)²⁰ Dividend payout = Dividend paid / Net profit of the Company's separate financial statements

12. Management Discussion and Analysis

In 2015, there were significant events affecting the preparation and presentation of the consolidated financial statements for the year ended December 31, 2015, i.e. the acquisition of investments in companies, as follows:

Transaction No.1: Acquisition of investments in C.P. Cambodia Co., Ltd. ("CPC") by 75% of the total issued and paid-up share capital (CPF previously held 25%); as a result, the Company held 100% of shares in CPC which engaging in animal feedmill, livestock farming and food processing plant for domestic sale in Cambodia. CPC also held 49% stake in a subsidiary, namely, Cambodia Property and Trading Company Limited whose business is property lease-out. ("Transaction No.1"); and

Transaction No.2: Acquisition of investments in Stesha LLC. ("Stesha") by 100% of the total issued and paid-up shares; whereas, Stesha held 80% of total shares of CJSC Poultry Parent Stock Production Woyskovitsy ("Woyskovitsy") and CJSC Poultry Production Severnaya ("Severnaya"). Woyskovitsy and Severnaya operated integrated poultry businesses in Russia starting from production of animal feed, breeding, hatching, farming and basic processing of poultry. ("Transaction No.2").

Upon the Transaction No.1 and No.2 above, all 5 companies became the Company's subsidiaries. In the preparation of consolidated financial statements for the year ended December 31, 2015, financial statements of all 5 subsidiaries were included; and the Company complied with the Financial Reporting Standards No.3 (Revised 2014) Business Combinations. The Company disclosed the recognition of such transactions in the Notes to Financial Statements for the year ended December 31, 2015, Clause 4 "Business Combination by Means of Acquisition of Shares".

Resulting from the acquisition of shares in such companies, the Company recognized amounts of assets acquired and liabilities assumed at the acquisition date according to its fair value as follows:

Unit : Baht million

	Transaction No.1	Transaction No.2	Total
Cash and cash equivalents	65	1,372	1,437
Accounts receivables - trade and others	276	19	295
Inventories	1,098	1,918	3,016
Current biological assets	1,055	711	1,766
Other current assets	105	194	299
Property, plant and equipment	2,260	7,005	9,265
Non-current biological assets	573	-	573
Other intangible assets	56	302	358
Other non-current assets	25	6	31
Overdraft and short-term loans from financial institutions	(1,550)	(1,625)	(3,175)
Trade and other payables	(512)	(262)	(774)
Long-term loans due within 1 year	-	(162)	(162)
Other current liabilities	(80)	(177)	(257)
Long-term loans	-	(1,108)	(1,108)
Deferred tax liabilities	(125)	-	(125)
Net assets	3,246	8,193	11,439
Non-controlling interests	(126)	(4,878)	(5,004)
The Company's previously held equity interest	(1,019)	-	(1,019)
Goodwill	749	15,657	16,406
Consideration transferred	2,850	18,972	21,822

The Consolidated statement of income for the year ended December 31, 2015 includes operating results of CPC as per Transaction No.1 and those of “Woyskovitsy” and “Severnaya” as per Transaction No.2 since May 11, 2015 and November 24, 2015, respectively. Significant details are as follows:

Unit : Baht million

	Transaction No.1	Transaction No.2	Total
Revenue from sale of goods	6,236	817	7,053
Profit for the period attributable to equity holders of the Company	27	57	84

The following financial analysis is based on the Company's consolidated financial statements ending December 31, 2015 includes the financial statements of CPF and its subsidiaries (The “Company”) as disclosed in No. 1 General Information of the notes to the financial statements.

1. Operating Performance

(1) *Overview of Previous Operating performance*

In 2015, the Company's income from sale was amounted to Baht 421,355 million (2014: Baht 426,039 million), decreased by 1% from those of the previous year due to 5% decrease in the sales of Thailand Operations; meanwhile, the sales of International Operations increased by 1%.

The Company's 2015 net profit was amounted to Baht 11,059 million or equal to Baht 1.50 per share (2014: Baht 10,562 million or equal to Baht 1.43 per share), increased by 5% from those of the previous year primarily due to the recovery of aquaculture business in Thailand after having encountered the EMS disease and the improvement of swine business performance in Vietnam.

(2) *Operating Performance of Each Business Line*

	2013		2014		2015	
	Baht million	%	Baht million	%	Baht million	%
1. Thailand Operations						
Feed	51,243	13	51,850	12	50,287	12
Farm	69,922	18	79,212	19	74,686	18
Food	43,177	11	44,212	10	42,074	10
<i>Total Sales – Thailand Operations</i>	164,342	42	175,274	41	167,047	40
2. International Operations						
Feed	164,348	42	173,448	41	167,008	40
Farm	55,583	15	70,036	16	79,158	18
Food	4,978	1	7,281	2	8,142	2
<i>Total Sales – International Operations</i>	224,909	58	250,765	59	254,308	60
Total Sales Revenue	389,251	100	426,039	100	421,355	100

Operating Performance by Geography

(1) *Thailand Operations*

In 2015, total sales revenue generated from Thailand Operations was amounted to Baht 167,047 million (2014: Baht 175,274 million), decreased by 5% from those of the previous year, as per the following details:

a. Domestic Sale

In 2015, domestic sales was amounted to Baht 140,591 million (2014: Baht 148,288 million), decreased by 5% mostly resulting from the decrease in selling price of products from livestock farms which decreased from those of the previous year.

b. Export

In 2015, revenue from export was amounted to Baht 26,456 million (2014: Baht 26,986 million), decreased by 2% from those of the previous year mainly due to the decrease in both selling price and sale volume of food from aquaculture business.

(2) *International Operations*

In 2015, sales revenue from international operations was amounted to Baht 254,308 million (2014: Baht 250,765 million), increased by 1% from those of the previous year primarily resulting from the sales of its new subsidiary ("CPC") after business combination since the second quarter of 2015.

2. Changes in Other Comprehensive Incomes

Changes in other components of shareholders' equity after tax presented in the Statements of Comprehensive Income of 2015 decreased by Baht 2,988 million, resulting from changes in the fair value of the available-for-sale investments which decreased by Baht 4,535 million, the increase of currency translation differences by Baht 1,663 million and the decrease of other items by Baht 116 million.

3. Financial status

(1) *Assets*

As of December 31, 2015, the Company's total assets were amounted to Baht 494,263 million, consisting of current assets of Baht 159,993 million, property, plant and equipment of Baht 149,599 million, along with goodwill, long-term investments and other assets of Baht 184,671 million.

The Company's assets increased by 19% from those of the previous year mostly from the acquisition of investments in Transaction No.1 and Transaction No.2 as mentioned earlier, including the increase of property, plant and equipment as well as long-term investments.

(2) *Liquidity*

As of December 31, 2015, the Company's liquidity ratio as per the Consolidated Financial Statements was equal to 0.86 times, decreased from 1.19 times of the previous year due to the increase in bridging loans reserved for business operation prior to receiving long-term loans along with the reclassification of the exchangeable bonds ("EB") as current portion of long-term debts because EB holders exercised their put options. Meanwhile, the cash cycle was equal to 10 days, improved by 1 day when compared to those of the previous year. The Company's long-term loans due within 2016 were amounted to Baht 30,719 million; long-term loans due within 2017 were amounted to Baht 27,330 million; long-term loans due within 2018 were amounted to Baht 23,375 million; and long-term loans due within 2019-2041 were amounted to Baht 69,589 million.

Regarding the inventory management, as of December 31, 2015, the Company's inventories was amounted to Baht 52,112 million, increased by 6% from those of the previous year; whereby the inventory turnover ratio in 2015 was equal to 25.93 times, decreased from 27.55 times in 2014, mostly resulting from the inventories of new subsidiaries and raw material reserved for new feedmill facilities of the Company.

(3) *Sources and Uses of Capital*

In 2015, the Company's sources of capital were obtained from its operation of Baht 20,862 million and financing activities of Baht 30,755 million (divided into net borrowing totaling Baht 49,105 million and outflow in payment of interest, dividends and others totaling Baht 18,350 million) and spending in the investment activities amounted to Baht 51,868 million.

As of December 31, 2015, the Company's interest bearing debts were amounted to Baht 170,357 million and debentures amounted to Baht 87,794 million. According to the specified Terms and Conditions of debenture issuers and holders, the issuer shall maintain the net debt to equity ratio of not exceeding 2:1 and 1.15:1, calculated based on the

consolidated financial statements and separate financial statements for the accounting period ended June 30 and December 31 of each accounting period which reviewed or audited by the Auditor (as the case may be), respectively.

Details of the outstanding debenture tranches as of December 31, 2015 are as follows:

a. Debentures issued by CPF

Debentures	Amount (THB mn.)	Issued Date	Maturity Date	Tenor (Years)	Coupon Rate per Annum
1. CPF Debenture #2/2010 Series 2	5,000	Nov. 3, 2010	Nov. 3, 2017	7	Year 1-3 = 3.00% Year 4-5 = 4.00% Year 6-7 = 5.00%
2. CPF Debenture #1/2011 Series 1	3,000	Aug. 19, 2011	Aug. 19, 2018	7	4.65%
3. CPF Debenture #1/2011 Series 2	3,000	Aug. 19, 2011	Aug. 19, 2011	10	4.87%
4. CPF Debenture #1/2011 Series 3*	4,000	Aug. 19, 2011	Aug. 19, 2041	30	5.42%
5. CPF Debenture #2/2011*	6,000	Dec. 21, 2011	Dec. 21, 2041	30	5.42%
6. CPF Debenture #1/2012	6,060	Mar. 15, 2012	Mar. 15, 2016	4	4.17%
7. CPF Debenture #2/2012 Series 1	6,000	Aug. 3, 2012	Aug. 3, 2019	7	Year 1-4 = 4.35% Year 5-7 = 5.00%
8. CPF Debenture #2/2012 Series 2	4,000	Aug. 3, 2012	Aug. 3, 2022	10	Year 1-4 = 4.40% Year 5-9 = 5.00% Year 10 = 6.00%
9. CPF Debenture #2/2012 Series 3*	5,000	Aug. 3, 2012	Aug. 3, 2032	20	5.30%
10. CPF Debenture #1/2013	6,000	May 9, 2013	May 9, 2018	5	3.93%
11. CPF Debenture #2/2013 Series 1	2,000	Aug. 2, 2013	Aug. 2, 2017	4	4.04%
12. CPF Debenture #2/2013 Series 2	2,500	Aug. 2, 2013	Aug. 2, 2019	6	4.54%
13. CPF Debenture #2/2013 Series 3	5,500	Aug. 2, 2013	Aug. 2, 2021	8	4.90%
14. CPF Debenture #1/2015 Series 1	6,500	May 13, 2015	May 13, 2020	5	3.21%
15. CPF Debenture #1/2015 Series 2	5,500	May 13, 2015	May 13, 2023	8	3.98%
11. CPF Debenture #2/2015 Series 1	1,940	July 29, 2015	July 29, 2023	8	3.97%
12. CPF Debenture #2/2015 Series 2	3,000	July 29, 2015	July 29, 2025	10	4.28%
13. CPF Debenture #2/2015 Series 3	2,000	July 29, 2015	July 29, 2027	12	4.51%

* Debenture with holders' early redemption right at the end of year 15

b. Exchangeable Bonds issued by CPF's subsidiary

In January 2014, C.P. Foods Holdings Limited (CPFH), a 100% holding subsidiary of CPF also issued exchangeable bonds (EBs) totaling USD 290 million due in 2019 with a per annum coupon of 0.5%. Under the terms and conditions of the EBs, the EB holders have the options to exchange the EBs into CP All Co., Ltd. ("CPALL") shares or redeem by receiving cash. As of December 31, 2015 the carrying amount of the EBs was USD 300 million or equivalent to Baht 10,794 million.

As of December 31, 2015, the Company's net debt to equity ratio as calculated based on the specified Terms and Condition of debenture issuers and holders for the outstanding debentures are as follows:

(Unit : times)	Net debt to equity ratio	
	Consolidated financial statement	Separate financial statement
Debentures issued before CPF debenture #1/2013 ²¹	1.59	1.12
CPF Debenture No.1/2013 ²¹	1.59	N/A
CPF Debenture No.2/2016 and debentures issued thereafter ²²	1.22	N/A

As of December 31, 2015, the Company's total liabilities were amounted to Baht 320,538 million, increased by 27% from those of the previous year due to the increase in interest bearing liabilities of Baht 62,222 million and the increase in non-interest bearing liabilities of Baht 5,518 million. Total liabilities consisted of non-interest bearing and interest-bearing liabilities amounted to Baht 62,387 million and Baht 258,151 million, respectively. The interest-bearing liabilities consisted of short-term liabilities amounted to Baht 137,852 million and long-term liabilities amounted to Baht 120,299 million.

As of December 31, 2015, the shareholders' equity was amounted to Baht 173,725 million, increased by 6% from those of the previous year, mostly resulting from the increase of non-controlling interest arising from the acquisition of shares in Transaction No.1 and Transaction No.2 as mentioned earlier and the impact from currency translation of goodwill.

(4) *Commitments and Contingent Liabilities*

As of December 31, 2015, the Company had commitments and contingent Liabilities with capital commitments, commitments under operating lease agreements, letters of credit and guarantees as the major commitments which were disclosed in No. 5 and No. 40 of the notes to the financial statements

(5) *Capital Expenditure Plan for 2015-2019*

The Company's estimated capital expenditure for both Thailand and international operations for the year 2016 totaled approximately Baht 33,000 million. However, the investment budget is subject to certain situation changes.

(6) *Dividend Payment*

In accordance with the Company's dividend policy, the sum for dividend payments for each year's operating results will be approximately 50% of net profit after tax and legal reserve requirements (based on the separate financial statements of the Company). On February 29, 2016, the Company's Board of Directors passed a resolution to approve a dividend payment to shareholders of Baht 0.75 per share in total. The Company paid the first dividend payment to shareholders, as an interim dividend of Baht 0.30 per share on September 10, 2015. Therefore, the second dividend payment will be Baht 0.45 per share. The Board of Directors will propose such dividend payment to the Annual General Shareholders' Meeting No. 1/2016, to be held on April 22, 2016 for further approval.

(7) *Factors Bearing Impact on the Company's Future Performance*

Although having systematic approaches to manage risks that bear impact on the Company's operations to be within an acceptable level as detailed in 3. Risk Factors under Part 1 Business Operation, there is still the possibility that the stipulated risk management procedures may not be sufficiently effective. As a result, the Company may not be able to achieve its expected operating results from uncontrollable factors as in the case of the new outbreak or macroeconomic problem of certain countries.

²¹ Net debt = Total liabilities - Cash and cash equivalents + Guarantee to any persons or juristic persons excluded (1) guaranteed by CPF to its subsidiaries and guaranteed by CPF's subsidiaries to CPF and (2) deferred tax liabilities

²² Net debt = Total interest-bearing liabilities excluded liabilities under financial lease agreements - Cash and cash equivalents and current investments



Charoen Pokphand Foods Public Company Limited

Attachment 1

Details of Directors, Executives and Company Secretary

Attachment 1 Item 1.1 detail about director ,executives¹ and company secretary as of February 1, 2016

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding		Family relations with other	Working Experience for the past 5 years		
				Direct	Indirect ²				
Mr. Dhanin Chearavanont Chairman	76	Dec. 28, 1993 ³	The National Defence College of Thailand Commercial School, Hong Kong Shantou Secondary School, China Enrollment in Director Accreditation Program on 4 May 2005 Thai Institute of Directors Association	-	-	Cousin of Mr. Phongthep Chiaravanont	<u>GPF Group</u> Chairman Chairman Chairman <u>Other Listed Companies</u> Chairman Chairman <u>Other Juristic Person</u> Chairman Honorary Chairman Director Director Director	Charoen Pokphand Foods Plc. C.P. Pokphand Co., Ltd. Chia Tai (China) Investment Co., Ltd. CP All Plc. True Corporation Plc. Charoen Pokphand Group Co., Ltd. True Move Co., Ltd. Bangkok Inter Teletech Plc. C.P. Land Plc. C.P. Intertrade Co., Ltd.	Agro-industrial and food Investment Investment and trading Convenience store business Telecommunication Investment, import and sale of chemical products, and technical assistance service Telecommunication Investment Property development International trading
Mr. Prasert Poongkumarn Vice Chairman and Member of the Remuneration and Nominating Committee	79	Dec. 28, 1993 ³	Honorary Doctorate in Agriculture Chiang Mai University Honorary Doctorate in Business Administration Mae Fah Luang University Honorary Doctorate in Social Development Prince of Songkla University Honorary Doctorate in Agriculture Jiejiang University, Chengchou province, China Honorary Professor in Agriculture Jiejiang University, Chengchou province, China Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Association	0.0016%	0.0157%	Brother-in-law of Mr. Phongthep Chiaravanont	<u>GPF Group</u> Vice Chairman and member of the Remuneration and Nominating Committee Chairman Chairman Chairman Director <u>Other Juristic Person</u> Vice Chairman Chairman Director Director Director	Charoen Pokphand Foods Plc. C.P. Vietnam Corporation CPF Food Trading Co., Ltd. Charoen Pokphand Enterprise (Taiwan) Co., Ltd CPF (India) Private Ltd. Charoen Pokphand Group Co., Ltd. CPPC Plc. C.P. Land Plc. C.P. Intertrade Co., Ltd. CP-Meiji Co., Ltd.	Agro-industrial and food Animal feed production and distribution and farming and food processing plan Importer and distributor of processed meat and ready meals Chicken integration and livestock farming Animal feedmill and livestock farming Investment, import and sale of chemical products, and technical assistance service Production and sale of plastic Property development International trading Manufacturing and distribution of milk products and healthy dairy products
Mr. Min Tienworn Vice Chairman	80	Dec. 28, 1993 ³	Honorary Professor in Economics Jiejiang University, Chengchou province, China Honorary Doctorate in Sociology and Anthropology Ramkhamhaeng University Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Association	-	-	-	<u>GPF Group</u> Vice Chairman Director <u>Other Juristic Person</u> Vice Chairman Director Director	Charoen Pokphand Foods Plc. CPF Investment Ltd. Charoen Pokphand Group Co., Ltd. C.P. Land Plc. C.P. Intertrade Co., Ltd.	Agro-industrial and food Investment Investment, import and sale of chemical products, and technical assistance service Real Estate Development International trading
Mr. Chingchai Lohawatanaku Vice Chairman and Chairman of the Executive Committee	77	Dec. 28, 1993 ³	Master Degree in Science Arizona State University, USA Enrollment in Director Certification Program No. 5/2001 Thai Institute of Directors Association	0.3125%	-	-	<u>GPF Group</u> Vice Chairman and Chairman of the Executive Committee Chairman Director Director Director Director Director Vice Chairman Director	Charoen Pokphand Foods Plc. C.P. Aquaculture (Beihai) Co., Ltd. CPF Investment Ltd. C.P. Aquaculture (Dongfang) Co., Ltd C.P. Aquaculture (Hainan) Co., Ltd Chia Tai (China) Investment Co., Ltd. Charoen Pokphand Group Co., Ltd. C.P. Intertrade Co., Ltd.	Agro-industrial and food Aquatic feed production and distribution and aquaculture farming Investment Shrimp hatchery business Aquaculture farming Investment and trading Investment, import and sale of chemical products, and technical assistance service International trading
Mr. Ansa Sarasin Vice Chairman ⁵ Chairman of the Audit Committee Chairman of the Remuneration and Nominating Committee and Chairman of the Corporate Governance Committee	79	Feb. 15, 1999	Bachelor Degree in Business Administration Boston University, USA Enrollment in Directors Accreditation Program No. 5/2003 Thai Institute of Directors Association Enrollment in Audit Committee Program No.19/2007 Thai Institute of Directors Association Enrollment in Finance for Non-Finance Director Program No.39/2008 Thai Institute of Directors Association Enrollment in Role of the Chairman No. 32/2013 Thai Institute of Directors Association	-	-	-	<u>GPF Group</u> Vice Chairman, Chairman of the Audit Committee Chairman of the Remuneration and Nominating Committee and Chairman of the Corporate Governance Committee <u>Other Listed Companies</u> Chairman Chairman Chairman Director Director <u>Other Juristic Person</u> Chairman Chairman Chairman Chairman Vice Chairman Director Royal Secretariat (2000-2012)	Charoen Pokphand Foods Plc. Padang Industry Plc. Siam Makro Plc. Dusit Thani Plc. Siam Cement Plc. Thai Asia Pacific Brewery Co., Ltd. Amata City Co., Ltd. Mitsubishi Elevator Asia Co., Ltd. Maesod Palang-ngam Sa-ad Co., Ltd. Thai Tapioca Development Institute Foundation Thainamthip Co., Ltd. Office of H.M. Principal Private Secretary	Agro-industrial and food Mining Wholesaler Hotel Manufacturer and Sale of Cement Manufacture and Sale of Beer Industrial Estate Development and Related Business Manufacture of Elevator and Escalator Manufacture Ethanol from Sugarcane Foundation Manufacture and Sale of Beverages

¹ Executives according to the announcement of SEC nc Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities

² Information as of December 31, 2015

³ Shareholding of Individuals according to section258 of The Securities and Exchange Act of1992

⁴ The date which Extraordinary General Shareholders' Meeting passed a resolution confirming the conversion of the Company to be public company limitedExchange Act of1992

⁵ Independent Director

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding		Family relations with other	Working Experience for the past 5 years	
				Direct	Indirect ¹			
Adirek Sirpratak Vice Chairman Member of the Corporate Social Responsibility and Sustainable Development Committee Executive Director President Chief Executive Officer (CEO)	69	Jul. 14, 1998	Honorary Doctorate in Business Administration (Management), Rajamangala University of Technology Suvarnabhumi Honorary Doctorate in Philosophy Faculty of Food Technology, Mae Fah Luang University Honorary Doctorate in Philosophy Faculty of Food Science, Kasetsart University Honorary Doctorate in Science, Maejo University Honorary Doctorate in Economics Chiang Mai University Honorary Doctorate in Science, Food Science and Technolog Rajamangala University of Technology Isar Enrolment in Director Certification Program No. 5/2001 Thai Institute of Directors Association Enrolment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Association	0.0497%	-	Elder Brother of Mrs. Annee Watcharananan	<u>CPF Group</u> Vice Chairman, member of the Corporate Social Responsibility and Sustainable Development Committee Executive Director, President and Chief Executive Officer (CEO), Chairman Vice Chairman, member of the Remuneration Committee and Nomination Commitee Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director 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Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director 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¹ Executives according to the announcement of SEC no. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities.

² Information as of December 31, 2015.

³ Shareholding of Individuals according to section 258 of The Securities and Exchange Act of 1992

⁴ The date which Extraordinary General Shareholders' Meeting passed a resolution confirming the conversion of the Company to be public company limited Exchange Act (1992)

⁵ Independent Director

Attachment 1 Item 1.1 detail about director, executives¹ and company secretary as of February 1, 2016

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding		Family relations with other	Working Experience for the past 5 years		
				Direct	Indirect ³				
Professor Dr. Pongsak Angkasith Director ² a member of the Audit Committee and a member of the Corporate Social Responsibility and Sustainable Committee	67	Aug. 1, 2013	Ph.D. in Agricultural Education and Extension Oklahoma State University, USA Master Degree in Agricultural Education and Extension Oklahoma State University, USA Bachelor Degree in Agriculture, Chiang Mai University Enrollment in Rural Extension course, International Agriculture Centre Wageningen, the Netherlands Enrollment in International Project Administration and Management course Management for Development Foundation, Ede, the Netherlands Enrollment in Director Certification Program in Year 2006 Thai Institute of Directors Associator	0.0006%	-	-	<u>OPF Group</u> Director, a member of the Audit Committee and a member of the Corporate Social Responsibility and Sustainable Committee <u>Other Juristic Person</u> Advisor for Agriculture and Integrated Agricultural Extension Executive Director and Head of Research and Extension of Coffee Chancellor President President Chancellor (2004-2012)	Charoen Pokphand Foods Plc. Boon Rawd Brewery Co., Ltd. Royal Project Foundation Rangsit University Northern Thai Arabica Coffee Association Agricultural Support Association Chiang Mai University	Agro-industrial and food Manufacturer and sale of beverage Foundation Academic institution Association Association Academic institution
Mr. Rungson Sriworasat Director ² a member of the Audit Committee	60	Feb. 1, 2016	Master Degree in Business Administration Prince of Songkla University Bachelor Degree in Accountancy Ramkhamhaeng university Bachelor Degree in Law Sukhothai Thammathirat University Senior Executive Program 1, No. 42 Office of the Civil Service Commission, National Defense College, 2003 Senior Executive on Criminal Justice Administration (BoYorSor.10) Institute of Administrative Justice Politics and Governance in Democratic Systems for Executives(PorPorRor. No.13) King Prajadhipok's Institute Training program for Inspector of the Ministry Senior Executive on Criminal Justice Administration No. 2 (BoYorSor.2) Senior Executive No. 10 Capital Market Academy Enrollment in Director Certification Program No. 81/2006 Thai Institute of Directors Associator Enrollment in Audit Committee Program No. 26/2009 Thai Institute of Directors Associator Enrollment in Successful Formulation & Execution the Strategy (SFE) No. 2/2008 Thai Institute of Directors Associator	-	-	-	<u>OPF Group</u> Director and a member of the Audit Committee <u>Other Listed Companies</u> Chairman Director <u>Other Juristic Person</u> Permanent Secretary (2013-2015) Deputy Permanent Secretary - Chief of Income Group (2011-2013) Comptroller General (2010-2012) Chairman (2013-2015) Chairman (2013-2015) Chairman (2013-2015) Director (2013-2015) Director (2013-2015) Director (2013-2015)	Charoen Pokphand Foods Plc. TMB Bank Plc. Berli Jucker Plc. Ministry of Finance Ministry of Finance The Comptroller General's Department Office of Insurance Commission Government Pension Fund Committee Student Loan Fund Committee PTT Plc. Thai Airways International Plc. Security and Exchange Commission	Agro-industrial and food Commercial bank Manufacture and sale of packaging, consumer goods and retail business Ministry Ministry Energy Airline
Mr. Phongthep Chiaravanont Director and Executive Director	65	Dec. 28, 1993 ³	Master Degree in Avian Sciences University of California at Davis, USA Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors	0.0142%	0.0115%	Cousin of Mr. Dhanin Chearavanont and Brother-in-law of Mr. Prasert Poongkumarn	<u>OPF Group</u> Director and Executive Director <u>Other Juristic Person</u> Vice Chairman Chairman and Chief Executive Officer Director	Charoen Pokphand Foods Plc. Charoen Pokphand Group Co., Ltd. Perfect Companion Group Co., Ltd. CP-Melji Co., Ltd.	Agro-industrial and food Investment, import and sale of chemical products, and technical assistance service Manufacturer and sale of pet food Manufacturing and distribution of milk products and healthy dairy products
Dr. Veeravat Kanchanadu Director and Vice Chairman of the Corporate Governance Committee	77	Dec. 28, 1993 ³	Doctorate in Business Administration University of Illinois, USA Master Degree in Business Administration University of Hawaii, USA Master in Public Administration Thammasat University Bachelor Degree in Faculty of Commerce and Accountancy Thammasat University Enrollment in Role of the Chairman Program 7/2002 Thai Institute of Directors Associator Enrollment in Director Certification Program No.99/2008 Thai Institute of Directors Associator	0.1443%	-	-	<u>OPF Group</u> Director and Vice Chairman of the Corporate Governance Committee Director <u>Other Juristic Person</u> Advisor to the president Honorary Director Director Director Director Director Honorary Director (1998-2012)	Charoen Pokphand Foods Plc. CPF Investment Ltd. Thai Listed Companies Association Thammasat University Council Joint Doctorate Program in Business Administration College of Graduate Study in Management Program Khon Kaen University C.P. Land Plc. National Institute of Development Administration	Agro-industrial and food Association Academic institution Academic institution Academic institution Property development Academic institution
Mr. Pong Visedpatoom Director Executive Director and Chief Operating Officer - Aquatic Business	70	Dec. 28, 1993 ³	Honorary Doctorate in Fisheries Maejo University Enrollment in Director Accreditation Program on 4 May 2005 Thai Institute of Directors Associator	-	-	-	<u>OPF Group</u> Director, Executive Director and Chief Operating Officer - Aquatic Business Director Director Director Director Director	Charoen Pokphand Foods Plc. Asia Aqua (M) Sdn. Bhd. Charoen Pokphand Foods (Malaysia) Sdn. Bhd. Charoen Pokphand Foods Philippines Corporation Star Feedmills (M) Sdn. Bhd.	Agro-industrial and food Shrimp farming and processing plant Investment in aquaculture integration business and swine business Animal feed production and distribution and shrimp hatchery business Aquatic feed production and distribution

¹ Executives according to the announcement of SEC n: Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities² Information as of December 31, 2015³ Shareholding of Individuals according to section 258 of The Securities and Exchange Act of 1992⁴ The date which Extraordinary General Shareholders' Meeting passed a resolution confirming the conversion of the Company to be public company limited by exchange Act of 1992⁵ Independent Director

Attachment 1 Item 1.1 detail about director ,executives¹ and company secretary as of February 1, 2016

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding		Family relations with other	Working Experience for the past 5 years		
				Direct	Indirect ³				
Mr. Sunthorn Anunonondcha Director	73	Mar. 29, 2000	Master Degree in Business Administration University of Arkansas, USA Honorary Doctorate in Business Administration Khon Kaen University Enrollment in Director Certification Program No.98/2008 Thai Institute of Directors Associator Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Associator Enrollment in Certificate of Leadership Program No.6 The Capital Market Academy	0.1943%	-	-	<u>CPF Group</u> Director Director <u>Other Listed Companies</u> Director and Chairman of the Audit Committee <u>Other Juristic Person</u> Director and President Chairman Director Director	Charoen Pokphand Foods Plc. C.P. Enterprises Ltd. Bangkok Life Assurance Plc. C.P. Land Plc. Ek-Chai Distribution System Co., Ltd. Bangkok Inter Teletech Plc. True Move Co., Ltd.	Agro-industrial and food Investment Life Insurance Property development Wholesaler Investment Telecommunication
Mrs. Arunee Watcharananar Director and Executive Director	67	Mar. 29, 2000	Bachelor degree in Economics, Thammasat University Enrollment in Director Accreditation Program on 4 May 2005 Thai Institute of Directors Associator	0.1047%	-	Younger sister of Mr. Adirek Sripatak	<u>CPF Group</u> Director and Executive Director Director Director Director Executive Director <u>Other Juristic Person</u> Deputy Group CFO	Charoen Pokphand Foods Plc. CPF (Thailand) Plc. C.P. Merchandising Co. Ltd. CPF Investment Ltd. C.P. Pokphand Co., Ltd. Charoen Pokphand Group Co., LTC	Agro-industrial and food Agro-industrial and food Investment and international trading Investment Investment Investment, import and sale of chemical products, and technical assistance service
Mr. Teerasak Urunanon Executive Director and Chief Operating Officer – Livestock Feed Business	66	-	Honorary Master Degree in Business Administration Rajananarindra Rajabhat University Honorary Master's degree in Management Rajananarindra Rajabhat University Professional Diploma Thonburi Commercial College Enrollment in Director Accreditation Program on May4, 2005 Institute of Directors Association	0.0018%	-	-	<u>CPF Group</u> Executive Director and Chief Operating Officer - Livestock Feed Business Director Director <u>Other Juristic Person</u> Vice President Advisory Board Member Vice President Director	Charoen Pokphand Foods Plc. CPF (Thailand) Plc. C.P. Standard Gida Sarayai ve Ticaret A.S. Thai Broiler Processing Exporters Associations Sukhothai Thammathirat Open University Thai Feed Mill Association Board of University Affair Promotion	Agro-industrial and food Agro-industrial and food Agro-industrial and food Association Academic Institution Association
Mr. Virachai Ratanabanchuer Chief Operating Officer - Chicken Business	66	-	Honorary Doctorate in Animal Husbandry Business Management Maejo University Bachelor degree in Business Administration Thammasat University Enrollment in Director Accreditation Program on May4, 2005 Institute of Directors Association Enrollment in Director Certification Program No. 194/2014 Thai Institute of Directors Associator	0.0036%	-	-	<u>CPF Group</u> Chief Operating Officer - Chicken Business Director Director Director	Charoen Pokphand Foods Plc. CPF (Thailand) Plc. CPF Trading Co., Ltd. C.P. Laos Co., Ltd.	Agro-industrial and food Agro-industrial and food Wholesale and retail food products Animal feedmill and livestock farming
Mr. Pisit Ohmpomnuwat Chief Operating Officer - Duck Business	61	-	Professional Diploma Assumption Commercial College	-	0.00003%	-	<u>CPF Group</u> Chief Operating Officer - Duck Business Director Director Director Director Director Director Director Director	Charoen Pokphand Foods Plc. C.P. Merchandising Co. Ltd. C.P. Food Products, Inc. CP Foods (UK) Ltd. And subsidiaries CPF Denmark A/S CPF Europe S.A. CPF Food Trading Co., Ltd. CPF Tokyo Co., Ltd. CP Chozen Ltd. And subsidiaries	Agro-industrial and food Investment and international trading Importer and distributor of seafood products Importer and distributor of processed meat and ready meals Importer and distributor of processed meat and ready meals Importer and distributor of processed meat and ready meals Importer and distributor of processed meat and ready meals Importer and distributor of processed meat and ready meals Food research and development
Mr. Sompop Mongkolpitakuk Chief Operating Officer - Egg Business	63	-	Bachelor Degree in Agriculture Chiang Mai University	0.0013%	0.0000%	-	<u>CPF Group</u> Chief Operating Officer - Egg Business	Charoen Pokphand Foods Plc.	Agro-industrial and food
Mr. Somkuan Choowatanapakorn Chief Operating Officer - Pork Business	67	-	Master Degree in Animal Production Kasetsart University Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Associator	-	-	-	<u>CPF Group</u> Chief Operating Officer - Pork Business	Charoen Pokphand Foods Plc.	Agro-industrial and food
Mr. Sukhawat Dansemsuk Chief Operating Officer - Food Business	65	-	Bachelor Degree in Economics Thammasat University Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Associator	0.0081%	-	-	<u>CPF Group</u> Chief Operating Officer - Food Business Director Director	Charoen Pokphand Foods Plc. CP Chozen Ltd. And subsidiaries CPF Food Research and Development Center Co., Ltd.	Agro-industrial and food Restaurant and property lease-out Food research and development
Mr. Sathit Sangkanarbordee Chief Operating Officer - Five Star and Restaurant Business	60	-	Bachelor Degree in Agricultural Economics Kasetsart University	0.0024%	-	-	<u>CPF Group</u> Chief Operating Officer - Five Star and Restaurant Business Director Director Director	Charoen Pokphand Foods Plc. Chester Foods Co., Ltd. CP Chozen Ltd. And subsidiaries	Agro-industrial and food Restaurant Restaurant and property lease-out

¹ Executives according to the announcement of SEC no. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities² Information as of December 31, 2015³ Shareholding of individuals according to section 258 of The Securities and Exchange Act of 1992

Attachment 1 Item 1.1 detail about director ,executives¹ and company secretary as of February 1, 2016

Name-Surname Position	Age (Year)	First Appointment Date for Directorship	Highest Educational Degree	Percent shareholding		Family relations with other	Working Experience for the past 5 years		
				Direct	Indirect ³				
Mr. Paisan Chirakitcharem Executive Director and Chief Financial Officer	56	-	Master Degree in Business Administration National Institute of Development Administration Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Associator Enrollment in Director Certification program No. 98/2008 Thai Institute of Directors Associator	0.0013%	-	-	<u>CPF Group</u>		
							Executive Director and Chief Financial Office	Charoen Pokphand Foods Plc.	Agro-industrial and food
							Director	Bangkok Produce Plc.	Animal feed raw materials distribution
							Director	CPF (Thailand) Plc.	Agro-industrial and food
							Director	C.P. Merchandising Co., Ltd.	Investment and international trading
							Director	CPF Trading Co., Ltd.	Wholesale and retail food products
							Director	CPF IT Center Co., Ltd	Information technology service provider
							Director	Bright Excel Investments Ltd.	Investment
							Director	Charoen Pokphand (Taiwan) Investment Ltd	Investment
							Director	CP Foods (UK) Ltd. And subsidiaries	Importer and distributor of processed meat and ready meals
							Director	CPF Denmark A/S	Importer and distributor of processed meat and ready meals
							Director	CPF Europe S.A.	Importer and distributor of processed meat and ready meals
							Director	CPVN Ltd.	Investment
							Director	Coination Investments Ltd.	Investment
Ms. Patchara Chartbunchachai Executive Director and Company Secretary	57	-	Bachelor Degree in Accounting Thammasat University Enrollment in Director Accreditation Program on May4, 2005 Thai Institute of Directors Associator Enrollment in Director Certification program No. 195/2014 Thai Institute of Directors Associator	0.0060%	-	-	<u>CPF Group</u>		
							Executive Director and Company Secretary	Charoen Pokphand Foods Plc.	Agro-industrial and food
							Director	CPF (Thailand) Plc.	Agro-industrial and food
							Director	Bangkok Produce Plc.	Animal feed raw materials distribution
							Director	C.P. Merchandising Co., Ltd.	Investment and international trading
							Director	CPF Trading Co., Ltd	Wholesale and retail food products
							Director	Chester Foods Co., Ltd.	Restaurant
							Director	CP Chozen Ltd. And subsidiaries	Restaurant and property lease-out

¹ Executives according to the announcement of SEC no. Kor Chor 17/2551 Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities

² Information as of December 31, 2015

³ Shareholding of Individuals according to section258 of The Securities and Exchange Act of1992

Attachment 1 item 1.2 Information about CPF shares held by directors and executives¹

Name - Surname	Balance as of December 31,		Increase (Decrease) during the year
	2014	2015	
1. Mr. Dhanin Chearavanont	0	0	0
Spouse and minor children	0	0	0
2. Mr. Prasert Poongkumarn	120,033	120,033	0
Spouse and minor children	1,215,950	1,215,950	0
3. Mr. Min Tieworn	0	0	0
Spouse and minor children	0	0	0
4. Mr. Chingchai Lohawatanakul	11,028,931	24,195,131	13,166,200
Spouse and minor children	0	0	0
5. Mr. Arsa Sarasin	0	0	0
Spouse and minor children	0	0	0
6. Mr. Adirek Sripratak	3,844,778	3,844,778	0
Spouse and minor children	0	0	0
7. Emeritus Professor Supapun Ruttanaporn	0	0	0
Spouse and minor children	20,000	20,000	0
8. Dr. Chaiyawat Wibulswasdi	0	0	0
Spouse and minor children	0	0	0
9. Professor Dr. Pongsak Angkasith	30,000	50,000	20,000
Spouse and minor children	0	0	0
10. Mr. Rungson Sriworasat ²	N/A	0	N/A
Spouse and minor children	0	0	0
11. Mr. Phongthep Chiaravanont	1,100,000	1,100,000	0
Spouse and minor children	690,000	890,000	200,000
12. Dr. Veeravat Kanchanadul	11,060,070	11,175,070	115,000
Spouse and minor children	0	0	0
13. Mr. Pong Visedpaitoon	0	0	0
Spouse and minor children	0	0	0
14. Mr. Sunthorn Arunanondchai	14,948,299	15,048,299	100,000
Spouse and minor children	0	0	0
15. Mrs. Arunee Watcharananan	8,108,928	8,108,928	0
Spouse and minor children	0	0	0
16. Mr. Teerasak Urunanon	136,288	136,288	0
Spouse and minor children	0	0	0
17. Mr. Virachai Ratanabanchuen	241,000	281,000	40,000
Spouse and minor children	0	0	0
18. Mr. Pisit Ohmpornnuwat	0	0	0
Spouse and minor children	2,000	2,000	0
19. Mr. Sompop Mongkolpitaksuk ³	N/A	103,334	N/A
Spouse and minor children	0	0	0
20. Mr. Somkuan Choowatanapakorn ³	N/A	0	N/A
Spouse and minor children	0	0	0
21. Mr. Sukhawat Dansermuk ³	N/A	630,433	N/A
Spouse and minor children	0	0	0
22. Mr. Sathit Sangkanarubordee ³	N/A	189,533	N/A
Spouse and minor children	0	0	0
23. Mr. Paisan Chirakitcharem	99,417	99,417	0
Spouse and minor children	0	0	0

¹ Executive according to the definition in announcement by Office of the Securities and Exchange Commission (SEC) at KorChor 17/2008
Re: Determination of Definitions in the Notification Relating to Issuance and Offer for Sale of Securities

² Appointed as the director, effective since February 1, 2016

³ Appointed as executive according to the definition in announcement by SEC at KorChor 17/2008, effective since February 1, 2016



Charoen Pokphand Foods Public Company Limited

Attachment 2
Report of the Audit Committee

Report of the Audit Committee

By the appointment of the Board of Directors of Charoen Pokphand Foods Public Company Limited, the Audit Committee consists of 5 independent directors including Mr. Arsa Sarasin, Chairman of the Audit Committee; Professor Dr. Athasit Vejajiva, Emeritus Professor Supapun Ruttanaporn, Dr. Chaiyawat Wibulswasdi and Professor Dr. Pongsak Angkasith, members of the Audit Committee.

In 2015, the Audit Committee has convened totally 9 meetings; whereas, Mr. Arsa Sarasin, Professor Dr. Athasit Vejajiva and Emeritus Professor Supapun Ruttanaporn participated in all 9 meetings; meanwhile, Dr. Chaiyawat Wibulswasdi participated in 8 meetings; and Professor Dr. Pongsak Angkasith participated in 7 meetings.

Significant activities carried out by the Audit Committee during 2015 under the scope of duties and responsibilities assigned by the Board of Director can be summarized, as follows:

1. Reviewed the financial statements and financial reports of 2014 and of 1st Quarter, 2nd Quarter and 3rd Quarter of 2015 covering the review of compliance with the accounting standards, selection of the accounting policies and proper disclosure of data in financial statements to be proposed to the Board of Directors and to be submitted to the Stock Exchange of Thailand;
2. Reviewed the adequacy and suitability of the internal control system and risk management performed by the Company's Management and as reported by Head of the Internal Audit Bureau for effective and efficient operations of the Company and for provision of sustainable returns to all stakeholders;
3. Reviewed the independence of the Internal Audit Bureau; and reviewed and approved the annual internal audit plans and also reviewed the Charter of the Internal Audit Bureau; and evaluated the performance of duties of the Head of the Internal Audit Bureau;
4. Reviewed the Company's operations whether they were in conformity with the laws governing securities and exchange, requirements of the Stock Exchange of Thailand and laws relating to the Company's businesses;
5. Reviewed the entry of transactions and disclosure of data relating to transactions with people with potential conflicts of interest in 2014 whether they were proper and in accordance with the criteria announced by the Capital Market Supervisory Board;
6. Reviewed policies and guidelines of the Company to ensure that they were in accordance with the Company's good governance principle as prescribed by the Stock Exchange of Thailand;
7. Reviewed the performance of duties of the Board of Directors to ensure that they were in compliance with the Code of Best Practices prescribed as guidelines by the Stock Exchange of Thailand;
8. Reviewed the independence, audit results and opinions of the Auditor; nominated the Company's auditor; and proposed the audit fees to the Board of Directors to be proposed to the shareholders' meeting;
9. Participated in 4 meetings with the Auditor without attendance by the Company's Management so that the Auditor would be able to report events and data relating to the Company independently and to exchange their opinions freely;
10. Reviewed the Charter of the Audit Committee to be in conformity with practices and related laws; and also evaluated the results of performance of duties of the Audit Committee in person which was summarized that the performances of the Audit Committee were in accordance with the Code of Conduct as prescribed by the Office of the Securities and Exchange Commission;
11. Participated in meetings with executives and team members of the Company and its subsidiaries to acknowledge guidelines of management and business operation, including situations of shrimp culture and business operation of shrimp culture of the Company, proactive communication and public relations, risk management and public relations on situations of the spread of Bird Flu and anti-corruption.

The Audit Company has performed its duties independently and has used its knowledge, abilities and due consideration and has given its opinions that the Company has provided proper measures of risk management and had its effective internal control system; moreover, the Audit Company has further given its opinions that the business operation with full abilities of the top management and all employees of the Company under the good governance principle would enable to generate satisfactory and sustainable growth of the Company; as a result, all stakeholders of the Company would be able to receive good and sustainable returns.

On behalf of the Audit Committee

Arsa Sarasin

(Mr. Arsa Sarasin)

Chairman of the Audit Committee

February 29, 2016



Charoen Pokphand Foods Public Company Limited

Attachment 3

Report of the Remuneration and Nominating Committee

Report of the Remuneration and Nominating Committee

By the appointment of the Board of Directors of Charoen Pokphand Foods Public Company Limited, the Remuneration and Nominating Committee consists of 3 members, i.e. Mr. Arsa Sarasin, Chairman of the Remuneration and Nominating Committee, Mr. Prasert Poongkumarn and Professor Dr. Athasit Vejajiva (resigned from office due to retirement effective from December 31, 2015 onwards). In 2015, the Remuneration and Nominating Committee has convened totally 1 meeting participated by all members of the Remuneration and Nominating Committee.

Significant activities carried out by the Remuneration and Nominating Committee during 2015 under the roles and responsibilities assigned by the Board of Director can be summarized, as follows:

1. Conducted an annual evaluation of the performance of the Board of Directors for the year 2014;
2. Considered the individuals qualified to be nominated as directors replacing those who retire by rotation to be proposed to the Board of Directors and to the Annual General Shareholders' Meeting;
3. Considered the suitability of the directors' remuneration for the year 2015 to be proposed to the Board of Directors and to the Annual General Shareholders' Meeting.

The Remuneration and Nominating Committee has prudently and carefully performed the duties as assigned by the Board of Directors. In addition, the Remuneration and Nominating Committee has also reviewed the process of providing an opportunity for minority shareholders to nominate individuals with proper qualifications for directorship. The Company has clearly disseminated the criteria and period for receipt of proposed nominations to shareholders through the Company's website; and in the previous year, there was no shareholder nominating any individual for the nomination process for the Annual General Shareholders' Meeting No.1/2015.

On behalf of the Remuneration and Nominating Committee

Arsa Sarasin

(Mr. Arsa Sarasin)

Chairman of the Remuneration and Nominating Committee

February 11, 2016



Charoen Pokphand Foods Public Company Limited

Attachment 4

Report of the Corporate Governance Committee

Report of the Corporate Governance Committee

By the appointment of the Board of Directors of Charoen Pokphand Foods Public Company Limited, the Corporate Governance Committee consists of 3 members, i.e. Mr. Arsa Sarasin, Chairman of the Corporate Governance Committee, Dr. Veeravat Kanchanadul, Vice Chairman of the Corporate Governance Committee and Dr. Chaipayat Wibulswasdi, member of the Corporate Governance Committee. In 2015, the Corporate Governance Committee has convened totally two meetings participated by all members of the Corporate Governance Committee.

Significant activities carried out by the Corporate Governance Committee during 2015 under the roles and responsibilities assigned by the Board of Director can be summarized, as follows:

1. Reviewed the compliance with the Corporate Governance Policy for the year 2014;
2. Reviewed the performance of the Corporate Governance Committee for the year 2014;
3. Reviewed the Company's corporate governance policy to be in conformity with the good governance practices of the Thai Institute of Directors and ASEAN Capital Market Forum.

With the commitment to corporate business with transparency and fairness, the Company was amongst the top 50 Thai companies based on 2014 ASEAN CG Scorecard evaluated by ASEAN Capital Market Forum in cooperation with Asian Development Bank. Moreover, the Company was also selected to join the 2015 Dow Jones Sustainability Indices (DJSI) - Emerging Markets.

The Corporate Governance Committee has still given the importance to the supervision of the Company for strict compliance with the corporate governance policy and is determined to be part of the creation of sustainability to the organization together with the creation of economic growth of the organization and maintenance of the society and the environment for the benefit of the Company, shareholders and other stakeholders.

On behalf of the Corporate Governance Committee

Arsa Sarasin

(Mr. Arsa Sarasin)

Chairman of the Corporate Governance Committee

February 11, 2016



Charoen Pokphand Foods Public Company Limited

Attachment 5

Report of the Board of Directors' Responsibility on the Financial Statements

Report of the Board of Directors' Responsibility on the Financial Statements

The Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as well as the financial information stated in the Company's Annual Report. These financial statements are prepared in accordance with Thai Accounting Standards and Thai Financial Reporting Standards promulgated by the Federation of Accounting Professions and including generally accepted accounting principles in Thailand. Appropriate accounting policies are chosen and consistently applied, estimates and underlying assumptions are prudently made, and significant information is adequately disclosed in the Notes to the financial statements to ensure that the financial statements are reliable and benefit to shareholders and investors.

The Board of Directors has established and maintained an internal control system in order to provide a reasonable assurance that accounting records are accurate, complete and adequate for protection of assets of the Company, prevention of frauds and materially irregular transactions.

The Audit Committee, whose members are independent directors, was designated by the Board to review the quality of the financial reporting and the effectiveness of internal control system and report the review result to the Board.

In this regard, the Board has the opinion that the overall internal control system of the Company is satisfactorily effective and can provide reasonable assurance of the reliability of the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

Dhanin Chearavanont

(Mr. Dhanin Chearavanont)
Chairman

Adirek Sripratak

(Mr. Adirek Sripratak)
President and Chief Executive Officer



Charoen Pokphand Foods Public Company Limited

Attachment 6

Financial Statements for the Year 2015

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2015
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Rd., Yannawa
Sathorn, Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
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Independent Auditor's Report

To the Shareholders of Charoen Pokphand Foods Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Charoen Pokphand Foods Public Company Limited and its subsidiaries (the "Group"), and of Charoen Pokphand Foods Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read 'Munchupa S.'.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
29 February 2016

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of financial position

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	<i>Note</i>	2015	2014	2015	2014
<i>Current assets</i>					
Cash and cash equivalents	6	36,460,815	33,551,551	17,399,514	13,696,266
Current investments		7,772,903	5,768,762	-	-
Accounts receivable - trade and others	7	26,155,921	24,953,330	4,112,539	4,339,602
Short-term loans to subsidiaries	5	-	-	33,935,834	19,733,432
Current portion of long-term loans to subsidiaries	5	-	-	387,151	119,623
Inventories	5, 8	52,111,810	49,036,020	4,210,182	4,201,329
Current biological assets	9	27,757,337	24,377,595	1,054,173	1,371,710
Advance payments for purchase of goods		2,224,032	1,996,721	-	-
Prepaid expenses		1,550,515	1,357,809	190,010	223,239
Accrued dividend income	5	188,755	95,110	5,926,986	3,901,983
Restricted deposits at financial institutions	20	1,946,451	1,347,495	-	-
Other current assets	5	3,824,841	3,769,056	951,067	137,962
Total current assets		159,993,380	146,253,449	68,167,456	47,725,146

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of financial position

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets (Continued)	<i>Note</i>	2015	2014	2015	2014
<i>Non-current assets</i>					
Available-for-sale investments	10	3,659,056	3,924,202	-	-
Investments in subsidiaries	11	-	-	86,937,987	68,442,882
Investments in associates	13	65,312,420	52,055,045	334,809	334,809
Investments in joint ventures	14	4,419,269	4,194,145	-	-
Investments in related companies	15	1,608,434	1,548,709	678,170	678,170
Investments in other companies		303,916	290,448	-	-
Long-term loans to subsidiaries	5	-	-	22,980,106	16,837,241
Investment properties	16	1,379,047	1,168,713	200,756	199,614
Property, plant and equipment	5, 17	149,599,244	124,460,811	16,112,553	17,862,117
Non-current biological assets	9	7,220,430	5,595,036	-	-
Goodwill	18	81,297,865	60,698,539	-	-
Other intangible assets	19	4,515,179	4,715,071	43,102	49,968
Restricted deposits at financial institutions	20	1,081	706,579	-	-
Deferred tax assets	21	4,434,351	3,815,344	3,061,554	2,604,449
Leasehold rights prepayment	22	6,946,130	5,039,177	-	-
Other non-current assets		3,572,934	2,298,592	210,509	179,417
Total non-current assets		334,269,356	270,510,411	130,559,546	107,188,667
Total assets		494,262,736	416,763,860	198,727,002	154,913,813

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2015	2014	2015	2014
Current liabilities					
Overdrafts and short-term borrowings					
from financial institutions	23	88,018,612	63,686,589	7,257,156	5,098
Bills of exchange	23	18,731,169	1,988,760	18,731,169	1,988,760
Accounts payable - trade and others	24	28,022,326	25,632,138	1,520,800	1,596,611
Short-term borrowings from					
joint ventures and related company	5, 23	378,346	395,405	-	-
Current portion of long-term debts	23	30,723,561	13,432,366	6,676,400	5,616,400
Accrued expenses		8,339,940	7,950,594	404,751	264,815
Income tax payable		1,711,550	1,920,958	-	-
Other current liabilities		10,365,185	8,277,878	2,283,580	1,465,960
Total current liabilities		186,290,689	123,284,688	36,873,856	10,937,644
Non-current liabilities					
Long-term debts	23	120,299,374	116,425,489	72,794,792	60,522,406
Provisions and others		1,172,319	725,581	-	-
Deferred tax liabilities	21	5,531,193	5,677,034	-	-
Employee benefit obligations	25	7,244,211	6,684,818	1,969,448	1,893,607
Total non-current liabilities		134,247,097	129,512,922	74,764,240	62,416,013
Total liabilities		320,537,786	252,797,610	111,638,096	73,353,657

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of financial position

(Unit: Thousand Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity (Continued)	<i>Note</i>	2015	2014	2015	2014
Equity					
Share capital	26				
Authorised share capital		7,742,942	7,742,942	7,742,942	7,742,942
Issued and paid-up share capital		7,742,942	7,742,942	7,742,942	7,742,942
Treasury shares	27	(1,135,146)	(1,135,146)	-	-
Additional paid-in capital	28				
Premium on ordinary shares		36,462,883	36,462,883	35,572,855	35,572,855
Other premium		3,470,021	3,470,021	3,470,021	3,470,021
Surplus from change in equity					
in subsidiaries and associates		3,997,711	4,042,933	-	-
Surplus on common control transactions		(5,159)	-	490,423	428,671
Retained earnings					
Appropriated	28				
Legal reserve		820,666	820,666	820,666	820,666
Unappropriated		65,919,003	60,130,818	37,712,076	32,244,832
Other components of equity		(908,246)	5,997,143	1,279,923	1,280,169
Total equity attributable to equity holders of the Company		116,364,675	117,532,260	87,088,906	81,560,156
Non-controlling interests	12	57,360,275	46,433,990	-	-
Total equity		173,724,950	163,966,250	87,088,906	81,560,156
Total liabilities and equity		494,262,736	416,763,860	198,727,002	154,913,813

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of income

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2015	2014	2015	2014
Income	5				
Revenue from sale of goods		421,354,833	426,039,447	24,675,518	26,898,321
Interest income		643,751	585,713	3,680,128	2,453,488
Dividend income		67,980	60,866	13,450,364	13,427,954
Net foreign exchange gains		1,348,234	-	1,344,093	90,841
Gains on sale of investments	10, 13	7,128,792	4,662,284	-	1,883,824
Gains on changes in fair value of investment in associates	4	235,758	-	-	-
Other income		3,413,629	2,153,689	70,438	44,295
Total income		434,192,977	433,501,999	43,220,541	44,798,723
Expenses	5				
Cost of sale of goods	8, 33	363,287,019	368,759,673	23,781,294	28,749,233
Gains on changes in fair value of biological assets	9	(404,186)	(337,921)	-	-
Selling expenses	30, 33	20,890,492	20,140,426	1,075,700	1,136,175
Administrative expenses	31, 33	25,998,751	22,671,192	3,946,473	3,479,825
Net foreign exchange losses		-	355,754	-	-
Finance costs	34	9,613,774	8,902,815	3,590,336	3,361,976
Total expenses		419,385,850	420,491,939	32,393,803	36,727,209
Share of profits of associates and joint venture	13, 14	5,220,876	4,868,734	-	-
Profit before income tax expense (income)		20,028,003	17,878,794	10,826,738	8,071,514
Income tax expense (income)	35	3,653,860	3,649,402	(447,467)	(864,293)
Profit for the year		16,374,143	14,229,392	11,274,205	8,935,807
Profit for the year attributable to:					
Equity holders of the Company		11,058,741	10,561,703	11,274,205	8,935,807
Non-controlling interests		5,315,402	3,667,689	-	-
Profit for the year		16,374,143	14,229,392	11,274,205	8,935,807
Basic earnings per share (in Baht)	37	1.50	1.43	1.46	1.15

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of comprehensive income

(Unit: Thousand Baht)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December 2015	2014	Year ended 31 December 2015	2014
Profit for the year		16,374,143	14,229,392	11,274,205	8,935,807
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss subsequently</i>					
Revaluation differences on assets		(685)	-	-	-
Defined benefit plan actuarial gains (losses)		(138,631)	35,991	-	-
<i>Items that are or may be reclassified to profit or loss subsequently</i>					
Fair value changes on available-for-sale investments		(3,485,262)	1,376,621	-	-
Reclassification of net change in fair value of available-for-sale investment to profit or loss		(1,449,938)	-	-	-
Currency translation differences		1,700,363	(2,390,309)	-	-
Reclassification of currency translation differences on previously held interest in associate before status change to subsidiary to profit or loss		(36,876)	-	-	-
Other comprehensive income before income tax expense (income)		(3,411,029)	(977,697)	-	-
Income tax expense (income) of other comprehensive income	35	(423,052)	280,467	-	-
Other comprehensive income for the year, net of income tax expense (income)		(2,987,977)	(1,258,164)	-	-
Total comprehensive income for the year		13,386,166	12,971,228	11,274,205	8,935,807
Total comprehensive income attributable to:					
Equity holders of the Company		4,581,534	8,869,195	11,274,205	8,935,807
Non-controlling interests		8,804,632	4,102,033	-	-
Total comprehensive income for the year		13,386,166	12,971,228	11,274,205	8,935,807

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of changes in equity

(Unit: Thousand Baht)

	Consolidated financial statements													
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Surplus from change in equity in subsidiaries and associates	Legal reserve	Unappropriated retained earnings	Other components of equity				Total equity attributable to equity holders of the Company	Non- controlling interests	Total equity
								Revaluation differences on assets	Fair value changes on available-for-sale investments	Currency translation differences	Total other components of equity			
Year ended at 31 December 2014														
Balance at 1 January 2014	7,742,942	(1,135,146)	36,462,883	3,470,021	(68,794)	820,666	53,492,657	7,852,420	284,698	872,253	9,009,371	109,794,600	19,777,970	129,572,570
Transactions with equity holders, recorded directly in equity														
Distributions to owners														
Dividends paid	-	-	-	-	-	-	(4,063,466)	-	-	-	-	(4,063,466)	(2,312,845)	(6,376,311)
Total distributions to owners	-	-	-	-	-	-	(4,063,466)	-	-	-	-	(4,063,466)	(2,312,845)	(6,376,311)
Changes in ownership interests in subsidiaries and associates														
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	76,454	76,454
Acquisition of non-controlling interests without a change in control	-	-	-	-	4,130,493	-	-	-	-	(1,179,796)	(1,179,796)	2,950,697	24,307,098	27,257,795
Changes in interests in associates	-	-	-	-	(32,048)	-	-	-	-	-	-	(32,048)	-	(32,048)
New shares issued by subsidiary	-	-	-	-	13,282	-	-	-	-	-	-	13,282	483,280	496,562
Total changes in ownership interests in subsidiaries and associates	-	-	-	-	4,111,727	-	-	-	-	(1,179,796)	(1,179,796)	2,931,931	24,866,832	27,798,763
Total transactions with equity holders, recorded directly in equity	-	-	-	-	4,111,727	-	(4,063,466)	-	-	(1,179,796)	(1,179,796)	(1,131,535)	22,553,987	21,422,452
Comprehensive income for the year														
Profit	-	-	-	-	-	-	10,561,703	-	-	-	-	10,561,703	3,667,689	14,229,392
Other comprehensive income														
- Actuarial gains (losses)	-	-	-	-	-	-	(67,306)	-	-	-	-	(67,306)	98,154	30,848
- Other	-	-	-	-	-	-	-	-	1,095,226	(2,720,428)	(1,625,202)	(1,625,202)	336,190	(1,289,012)
Total comprehensive income for the year	-	-	-	-	-	-	10,494,397	-	1,095,226	(2,720,428)	(1,625,202)	8,869,195	4,102,033	12,971,228
Transferred to retained earnings	-	-	-	-	-	-	207,230	(207,230)	-	-	(207,230)	-	-	-
Balance at 31 December 2014	7,742,942	(1,135,146)	36,462,883	3,470,021	4,042,933	820,666	60,130,818	7,645,190	1,379,924	(3,027,971)	5,997,143	117,532,260	46,433,990	163,966,250

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of changes in equity

(Unit: Thousand Baht)

	Consolidated financial statements														
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Other premium	Surplus from change in equity in subsidiaries and associates	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Revaluation differences on assets	Other components of equity			Total equity attributable to equity holders of the Company	Non- controlling interests	Total equity
										Fair value changes on available-for-sale investments	Currency translation differences	Total other components of equity			
Year ended at 31 December 2015															
Balance at 1 January 2015	7,742,942	(1,135,146)	36,462,883	3,470,021	4,042,933	-	820,666	60,130,818	7,645,190	1,379,924	(3,027,971)	5,997,143	117,532,260	46,433,990	163,966,250
Transactions with equity holders, recorded directly in equity															
<i>Distributions to owners</i>															
Dividends paid	-	-	-	-	-	-	-	(5,541,696)	-	-	-	-	(5,541,696)	(2,899,045)	(8,440,741)
Total distributions to owners	-	-	-	-	-	-	-	(5,541,696)	-	-	-	-	(5,541,696)	(2,899,045)	(8,440,741)
<i>Changes in ownership interests in subsidiaries and associates</i>															
Acquisitions of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	5,003,988	5,003,988
Acquisitions of non-controlling interests without a change in control	-	-	-	-	(94,343)	-	-	-	499	-	(157,541)	(157,042)	(251,385)	(191,179)	(442,564)
Changes in interests in associates	-	-	-	-	49,121	(5,159)	-	-	-	-	-	-	43,962	-	43,962
New shares issued by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	207,889	207,889
Total changes in ownership interests in subsidiaries and associates	-	-	-	-	(45,222)	(5,159)	-	-	499	-	(157,541)	(157,042)	(207,423)	5,020,698	4,813,275
Total transactions with equity holders, recorded directly in equity	-	-	-	-	(45,222)	(5,159)	-	(5,541,696)	499	-	(157,541)	(157,042)	(5,749,119)	2,121,653	(3,627,466)
Comprehensive income for the year															
Profit	-	-	-	-	-	-	-	11,058,741	-	-	-	-	11,058,741	5,315,402	16,374,143
Other comprehensive income															
- Actuarial losses	-	-	-	-	-	-	-	(101,759)	-	-	-	-	(101,759)	(13,621)	(115,380)
- Other	-	-	-	-	-	-	-	-	(685)	(4,525,767)	(1,848,996)	(6,375,448)	(6,375,448)	3,502,851	(2,872,597)
Total comprehensive income for the year	-	-	-	-	-	-	-	10,956,982	(685)	(4,525,767)	(1,848,996)	(6,375,448)	4,581,534	8,804,632	13,386,166
Transferred to retained earnings	-	-	-	-	-	-	-	372,899	(372,899)	-	-	(372,899)	-	-	-
Balance at 31 December 2015	7,742,942	(1,135,146)	36,462,883	3,470,021	3,997,711	(5,159)	820,666	65,919,003	7,272,105	(3,145,843)	(5,034,508)	(908,246)	116,364,675	57,360,275	173,724,950

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

Charoen Pokphand Foods Public Company Limited
and its Subsidiaries
Statements of changes in equity

(Unit: Thousand Baht)

		Separate financial statements								
		Issued and paid-up share capital	Premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Other components of equity		
Note								Revaluation differences on assets	Total other components of equity	Total equity
Year ended 31 December 2014										
	Balance at 1 January 2014	7,742,942	35,572,855	3,470,021	428,671	820,666	27,566,867	1,280,946	1,280,946	76,882,968
	Transactions with equity holders, recorded directly in equity									
	Distributions to owners									
	Dividends paid	38	-	-	-	-	(4,258,619)	-	-	(4,258,619)
	Total distributions to owners		-	-	-	-	(4,258,619)	-	-	(4,258,619)
	Total transactions with equity holders, recorded directly in equity		-	-	-	-	(4,258,619)	-	-	(4,258,619)
	Comprehensive income for the year									
	Profit		-	-	-	-	8,935,807	-	-	8,935,807
	Total comprehensive income for the year		-	-	-	-	8,935,807	-	-	8,935,807
	Transferred to retained earnings		-	-	-	-	777	(777)	(777)	-
	Balance at 31 December 2014		7,742,942	35,572,855	3,470,021	428,671	32,244,832	1,280,169	1,280,169	81,560,156

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of changes in equity

(Unit: Thousand Baht)

		Separate financial statements								
		Issued and paid-up share capital	Premium on ordinary shares	Other premium	Surplus on common control transactions	Legal reserve	Unappropriated retained earnings	Other components of equity		
	Note							Revaluation differences on assets	Total other components of equity	Total equity
Year ended 31 December 2015										
Balance at 1 January 2015		7,742,942	35,572,855	3,470,021	428,671	820,666	32,244,832	1,280,169	1,280,169	81,560,156
Transactions with equity holders, recorded directly in equity										
Distributions to owners										
Dividends paid	38	-	-	-	-	-	(5,807,207)	-	-	(5,807,207)
Total distributions to owners		-	-	-	-	-	(5,807,207)	-	-	(5,807,207)
Common control transactions	5	-	-	-	61,752	-	-	-	-	61,752
Total transactions with equity holders, recorded directly in equity										
		-	-	-	61,752	-	(5,807,207)	-	-	(5,745,455)
Comprehensive income for the year										
Profit		-	-	-	-	-	11,274,205	-	-	11,274,205
Total comprehensive income for the year										
		-	-	-	-	-	11,274,205	-	-	11,274,205
Transferred to retained earnings		-	-	-	-	-	246	(246)	(246)	-
Balance at 31 December 2015		7,742,942	35,572,855	3,470,021	490,423	820,666	37,712,076	1,279,923	1,279,923	87,088,906

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
<i>Note</i>		2015	2014	2015	2014
<i>Cash flows from operating activities</i>					
		16,374,143	14,229,392	11,274,205	8,935,807
<i>Adjustments for</i>					
	16, 17	10,030,889	8,962,900	2,022,239	2,010,394
		1,476,071	1,002,294	9,122	8,984
		4,338,839	4,639,900	140,120	90,169
	7	255,769	5,674	(2,277)	(549)
		209,951	(19,447)	119,136	(37,157)
		(643,751)	(585,713)	(3,680,128)	(2,453,488)
		(67,980)	(60,866)	(13,450,364)	(13,427,954)
	34	9,613,774	8,902,815	3,590,336	3,361,976
		(7,128,792)	(4,662,284)	-	(1,883,824)
		718,483	686,752	191,212	196,670
		(1,142)	(12,840)	(1,142)	(6,900)
		(1,287,753)	13,292	100,214	(4,426)
		-	2,028	(128)	-
		319,964	121,154	172,408	35,529
	17	23,130	60,601	21,252	60,601
		(35,833)	-	-	-
		(68,156)	(259,791)	(285,595)	540,374
		(404,186)	(337,921)	-	-
	4	(235,758)	-	-	-
	13, 14	(5,220,876)	(4,868,734)	-	-
	35	3,653,860	3,649,402	(447,467)	(864,293)
		31,920,646	31,468,608	(226,857)	(3,438,087)
<i>Changes in operating assets and liabilities</i>					
		(1,014,803)	(452,229)	229,340	380,694
		625,398	(959,960)	(190,924)	114,150
		(6,162,909)	(7,265,857)	177,417	(196,171)
		(333,314)	(2,410,878)	(681,852)	128,058
		(2,719,575)	(1,159,492)	612	15,905

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
<i>Note</i>		Year ended 31 December		Year ended 31 December	
		2015	2014	2015	2014
Cash flows from operating activities					
<i>(Continued)</i>					
Accounts payable - trade and others		799,747	5,608,282	(75,811)	(308,712)
Other current liabilities		2,637,219	1,782,424	540,876	(1,280)
Employee benefits paid		(251,573)	(183,324)	(47,974)	(64,995)
Income tax paid		(4,638,396)	(3,219,730)	(56,779)	(56,045)
Net cash provided by (used in)					
operating activities		20,862,440	23,207,844	(331,952)	(3,426,483)
Cash flows from investing activities					
Interest received		633,701	596,931	3,671,583	2,466,148
Dividends received		2,677,767	3,406,666	11,425,361	10,650,971
Increase in short-term loans to subsidiaries		-	-	(13,893,423)	(1,931,700)
Decrease in short-term loans to joint ventures and related company		-	141,299	-	-
Purchase of current investments		(1,768,859)	(2,629,610)	-	-
Purchase of investments		(20,377,697)	(13,484,362)	(18,279,909)	(1,654)
Sale of investments		11,429,328	6,173,439	-	21,007,963
Net consideration paid for acquisition of subsidiaries	4	(20,413,360)	(3,129,823)	-	-
Net cash inflow from disposal of subsidiaries		-	1,633,945	-	-
Decrease (increase) in long-term loans to subsidiaries		-	-	(6,437,573)	1,265,352
Purchase of property, plant and equipment		(25,397,858)	(25,550,473)	(1,181,464)	(2,152,133)
Purchase of investment properties		(16,649)	(62,871)	-	-
Sale of investment properties		-	11,024	-	11,000
Sale of property, plant and equipment		1,537,950	73,854	98,515	28,865
Sale of other intangible assets		-	653	1,375	-
Purchase of other intangible assets	19	(174,648)	(230,762)	(4,267)	(6,142)
Net cash inflow on business transfer under common control	5	-	-	556,951	-
Cash inflow from sale of leasehold rights		137,603	-	-	-
Purchase of leasehold rights		(135,750)	(113,647)	-	-
Net cash provided by (used in)					
investing activities		(51,868,472)	(33,163,737)	(24,042,851)	31,338,670

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
<i>Note</i>	2015	2014	2015	2014
<i>Cash flows from financing activities</i>				
Interest paid	(8,996,892)	(8,415,242)	(3,218,427)	(3,305,031)
Increase in short-term borrowings from financial institutions	17,337,063	3,009,084	7,154,000	-
Increase (decrease) in bills of exchange	16,629,607	(1,599,221)	16,629,607	(1,599,221)
Increase (decrease) in short-term borrowings from joint ventures and related company	(19,625)	171,083	-	-
Decrease in short-term loan from other companies	-	(141,065)	-	-
Decrease in long-term borrowings from related company	-	(22,935)	-	-
Repayment of liabilities under finance leases	(7,650)	(10,244)	-	-
Proceeds from long-term borrowings from financial institutions	11,645,691	11,258,284	-	-
Repayment of long-term borrowings from financial institutions and other company	(10,420,051)	(4,719,944)	(616,400)	(500,000)
Proceeds from issue of debentures	18,940,000	9,318,807	18,940,000	-
Repayment of debentures	(5,000,000)	(6,200,000)	(5,000,000)	(6,200,000)
Payment of financial transaction costs	(505,919)	(487,857)	(15,808)	(13,132)
Proceeds from issue of new ordinary shares	207,889	75,810	-	-
Proceeds from exercise share options	-	433,329	-	-
Dividend paid of the Company - net of dividends paid to subsidiaries (for share held in treasury)	(5,534,504)	(4,104,276)	(5,800,014)	(4,249,797)
Dividends paid to non-controlling interests	(3,078,036)	(2,312,845)	-	-
Proceed from partial disposal of interest in subsidiary	-	27,257,795	-	-
Consideration paid for acquisition of non-controlling interests	(442,564)	-	-	-
Net cash provided by (used in) financing activities	30,755,009	23,510,563	28,072,958	(15,867,181)

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

**Charoen Pokphand Foods Public Company Limited
and its Subsidiaries**

Statements of cash flows

		<i>(Unit: Thousand Baht)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
<i>Note</i>		2015	2014	2015	2014
Net increase (decrease) in cash and cash equivalents					
		(251,023)	13,554,670	3,698,155	12,045,006
Cash and cash equivalents at beginning of year					
		31,923,565	17,180,252	13,691,168	1,386,372
Effect of exchange rate changes on balances held in foreign currencies					
		<u>714,939</u>	<u>1,188,643</u>	<u>3,795</u>	<u>259,790</u>
Cash and cash equivalents at end of year					
		<u>32,387,481</u>	<u>31,923,565</u>	<u>17,393,118</u>	<u>13,691,168</u>

Supplemental disclosures of cash flows information:

1. Cash and cash equivalents

These consisted of:

Cash and cash equivalents	6	36,460,815	33,551,551	17,399,514	13,696,266
Overdrafts	23	<u>(4,073,334)</u>	<u>(1,627,986)</u>	<u>(6,396)</u>	<u>(5,098)</u>
Net		<u>32,387,481</u>	<u>31,923,565</u>	<u>17,393,118</u>	<u>13,691,168</u>

2. Non-cash transactions

The group had non-cash transactions during the year ended 31 December 2015 as follows:

2.1 As at 31 December 2015 the Company had accrued professional fees that were included in cost of investment in CPF Netherlands B.V. from business acquisition in Russia amounting to Baht 215 million.

2.2 As at 31 December 2015 the Group and the Company had accrued dividend income amounting to Baht 189 million and Baht 5,927 million respectively (2014: Baht 95 million and Baht 3,902 million respectively).

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

**Charoen Pokphand Foods Public Company Limited
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Charoen Pokphand Foods Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were authorised for issue by the executive directors on 29 February 2016.

1 General information

Charoen Pokphand Foods Public Company Limited, the “Company”, is incorporated in Thailand on 17 January 1978 and has its registered head office at 313 C.P. Tower, Silom Road, Silom, Bangkok, Bangkok 10500, Thailand.

The Company was listed on the Stock Exchange of Thailand on 21 December 1987.

The principal activities of the Company and its subsidiaries (together referred to the “Group”) are operating in agro-industrial and integrated food businesses. The Group’s business operations are located throughout Thailand and overseas. The businesses are divided into 2 main segments as follows:

- 1) The livestock business comprises chicken, duck and pigs
- 2) The aquaculture business consists of shrimp and fish

The Group’s two main businesses are vertically integrated, starting from sourcing of raw materials for animal feed production, manufacturing animal feed, breeding animals, farming animals for commercial purposes, processing meat, producing ready-to-eat food products, and including food retail outlets and restaurants. The Group’s main products are divided into 3 main categories as follows:

- 1) Animal feed
- 2) Animal farm products such as animal breeder, live animal and meat, etc.
- 3) Processed foods and ready meals

Details of the Company’s subsidiaries as at 31 December 2015 and 2014 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
Thailand operations and businesses related to operations in Thailand				
Livestock Business				
Direct subsidiaries				
1) Bangkok Produce Merchandising Public Company Limited	Animal feed raw materials distribution	Thailand	99.44	99.44
2) Chester’s Food Company Limited	Restaurant	Thailand	99.99	99.99
3) CPF (Thailand) Public Company Limited	Agro-industrial and integrated food	Thailand	99.98	99.98
4) C.P. Merchandising Co., Ltd.	Investment and international trading	Thailand	99.99	99.99
Indirect subsidiaries				
1) CPF Trading Co., Ltd.	Wholesale and retail food products	Thailand	99.97	99.97
2) CPF Premium Foods Co., Ltd. ⁽¹⁾	Food processing plant	Thailand	99.99	99.99
3) CPF Denmark A/S	Importer and distributor of processed meat and ready meals	Denmark	52.00	52.00

**Charoen Pokphand Foods Public Company Limited
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Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
4) CPF Europe S.A. (4.1 to 4.2 are subsidiaries of CPF Europe S.A.)	Importer and distributor of processed meat and ready meals	Belgium	99.99	99.99
4.1) CP Chozen Limited (4.1.1 to 4.1.2 are subsidiaries of CP Chozen Limited)	Investment	United Kingdom	71.50	-
4.1.1) Chozen Holdings Limited	Restaurant	United Kingdom	71.50	-
4.1.2) Chozen Noodle Trading Limited	Property lease-out	United Kingdom	71.50	-
4.2) Tops Foods NV	Production and distributor of ready meals	Belgium	84.08	80.02
5) CPF Food Trading Co., Ltd.	Importer and distributor of processed meat and ready meals	The People's Republic of China	100.00	100.00
6) CPF Tokyo Co., Ltd.	Importer and distributor of processed meat and ready meals	Japan	99.99	99.99
7) CP Foods (UK) Limited (7.1 to 7.60 are subsidiaries of CP Foods (UK) Limited)	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.1) Fusion Abbey Park Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.2) Fusion Alfrick Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.3) Fusion Bracewell Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.4) Fusion Bransford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.5) Fusion Broadway Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.6) Fusion Brothwood Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.7) Fusion Calis Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.8) Fusion Carnoustie Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.9) Fusion Charlton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.10) Fusion Crowle Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.11) Fusion Dalaman Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.12) Fusion Defford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.13) Fusion Dormington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.14) Fusion Driscoll Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.15) Fusion Dumbleton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.16) Fusion Eastoe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00

**Charoen Pokphand Foods Public Company Limited
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Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
7.17) Fusion Elmbridge Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.18) Fusion Everton Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.19) Fusion Exning Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.20) Fusion Fethiye Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.21) Fusion Gatley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.22) Fusion Gocek Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.23) Fusion Gray Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.24) Fusion Harper Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.25) Fusion Hartford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.26) Fusion Hawstead Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.27) Fusion Head Street Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.28) Fusion Heath Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.29) Fusion Irvine Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.30) Fusion Kaitaia Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.31) Fusion Kroma Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.32) Fusion Krone Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.33) Fusion Lineker Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.34) Fusion Littleworth Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.35) Fusion Madeley Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.36) Fusion McMahon Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.37) Fusion Mountfield Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.38) Fusion Moyes Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.39) Fusion Newlands Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.40) Fusion Niamh Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.41) Fusion Pershore Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.42) Fusion Priest Lane Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.43) Fusion Ratcliffe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
7.44) Fusion Reid Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.45) Fusion Richardson Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.46) Fusion Samui Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.47) Fusion Sharp Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.48) Fusion Sheedy Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.49) Fusion Soham Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.50) Fusion Southall Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.51) Fusion Stevens Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.52) Fusion Thetford Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.53) Fusion Turgay Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.54) Fusion Uzumlu Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.55) Fusion Van Den Hauwe Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.56) Fusion Wadborough Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.57) Fusion Wellington Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.58) Fusion Whistler Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.59) Fusion Wright Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
7.60) Fusion Yamac Limited	Importer and distributor of processed meat and ready meals	United Kingdom	57.52	52.00
Aquaculture business				
Direct subsidiary				
1) Seafoods Enterprise Co., Ltd. ⁽¹⁾	Shrimp processing plant	Thailand	99.99	99.99
Indirect subsidiary				
1) C.P. Food Products, Inc.	Importer and distributor of seafood products	United States of America	100.00	100.00
Other businesses				
Direct subsidiaries				
1) CPF Training Center Co., Ltd.	Training center service provider	Thailand	99.99	99.99
2) CPF IT Center Co., Ltd.	Information technology service provider	Thailand	99.99	99.99
3) CPF Food Research and Development Center Co., Ltd.	Food research and development	Thailand	99.99	-

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Name of the entity		Type of business	Country of incorporation	Ownership interest (%)	
				2015	2014
Overseas operations					
Direct subsidiaries					
1)	Charoen Pokphand Foods Kenya Co., Ltd.	Animal feedmill and livestock farming	Kenya	99.99	99.99
2)	CPF Investment Limited (2.1 to 2.6 are subsidiaries of CPF Investment Limited)	Investment	British Virgin Islands	100.00	100.00
2.1)	Bright Excel Investments Limited	Investment	British Virgin Islands	100.00	100.00
2.2)	Charoen Pokphand (Taiwan) Investment Limited	Investment	Bermuda	100.00	100.00
2.3)	Coinaton Investments Limited (2.3.1 is a subsidiary of Coinaton Investments Limited)	Investment	British Virgin Islands	100.00	100.00
	2.3.1) Chun Ta Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
2.4)	CPVN Limited	Investment	British Virgin Islands	100.00	100.00
2.5)	Forward Pass Limited (2.5.1 is a subsidiary of Forward Pass Limited)	Investment	British Virgin Islands	100.00	100.00
	2.5.1) Ta Chung Investment Co., Ltd.	Investment	Taiwan	100.00	100.00
2.6)	New Splendid Holdings Limited	Investment	British Virgin Islands	100.00	100.00
3)	C.P. Aquaculture (Beihai) Co., Ltd.	Aquatic feed production and distribution and aquaculture farming	The People’s Republic of China	100.00	100.00
4)	C.P. Aquaculture (Dongfang) Co., Ltd.	Shrimp hatchery business	The People’s Republic of China	100.00	100.00
5)	C.P. Aquaculture (Hainan) Co., Ltd.	Aquaculture farming	The People’s Republic of China	100.00	100.00
6)	C.P. Foods Holdings Limited	Investment	British Virgin Islands	100.00	100.00
7)	C.P. Foods International Limited	Investment	British Virgin Islands	100.00	100.00
8)	CPF Netherlands B.V. (8.1 is a subsidiary of CPF Netherlands B.V.)	Investment	Netherlands	99.99	-
8.1)	Stesha LLC. (8.1.1 to 8.1.2 are subsidiaries of Stesha LLC.)	Investment	Russia	99.99	-
	8.1.1) CJSC Poultry Parent Stock Production Woyskovitsy	Livestock farming and breeding	Russia	79.99	-
	8.1.2) CJSC Poultry Production Severnaya	Animal feedmill, livestock farming and food processing plant	Russia	79.99	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
Direct and indirect subsidiaries				
1) Charoen Pokphand Foods Philippines Corporation (1.1 is a subsidiary of Charoen Pokphand Foods Philippines Corporation)	Animal feed production and distribution and shrimp hatchery business	Philippines	99.99	99.99
1.1) A.P.P. Enterprise, Inc. ⁽²⁾	Property lease-out	Philippines	39.60	39.60
2) Charoen Pokphand Foods (Overseas) LLC. (2.1 to 2.5 are subsidiaries of Charoen Pokphand Foods (Overseas) LLC.)	Animal feedmill and livestock farming	Russia	99.99	99.99
2.1) CPF Agro LLC.	Livestock farming	Russia	99.99	99.99
2.2) CPF Foods LLC.	Livestock farming	Russia	99.99	99.99
2.3) CPF Serebryanie Prudy LLC.	Livestock farming	Russia	99.99	-
2.4) CPF Trading LLC.	Importer and distributor of meat products	Russia	60.00	60.00
2.5) CPF Zaraysk LLC.	Livestock farming	Russia	99.99	-
3) Chia Tai Enterprises International Limited (3.1 to 3.9 are subsidiaries of Chia Tai Enterprises International Limited)	Investment	Bermuda	50.43	50.43
3.1) C.P. Enterprises Limited	Investment	Hong Kong	50.43	50.43
3.2) Chia Tai Huazhong Biochemistry Limited	Investment	Hong Kong	50.43	50.43
3.3) Chia Tai Pucheng Biochemistry Limited	Investment	Hong Kong	50.43	50.43
3.4) ECI Machinery Co., Ltd.	Investment	British Virgin Islands	50.43	50.43
3.5) Golden Industrial Investment Limited	Investment	Hong Kong	50.43	50.43
3.6) Pucheng Chia Tai Biochemistry Limited ⁽²⁾	Production and sale of chlortetracycline	The People’s Republic of China	35.17	35.17
3.7) Shanghai C.P. Industrial Trading Co., Ltd. (formerly known as Shanghai EK Chor Industrial Trading Co., Ltd.) ⁽³⁾	Sale of machine and spare part	The People’s Republic of China	50.43	50.43
3.8) Zhumadian Huazheng Property Co., Ltd. ⁽²⁾	Real estate property	The People’s Republic of China	35.17	35.17
3.9) Zhumadian Huazhong Chia Tai Co., Ltd. ⁽²⁾	Production and sale of chlortetracycline	The People’s Republic of China	35.17	35.17
4) C.P. Standart Gida Sanayi ve Ticaret A.S.	Agro-industrial and integrated food	Turkey	100.00	99.99

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
5) C.P. Pokphand Co., Ltd. (5.1 to 5.89 are subsidiaries of C.P. Pokphand Co., Ltd.)	Investment	Bermuda	50.43	50.43
5.1) C.P. Aquaculture (Yangjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.2) C.P. Food Enterprises (Ningbo) Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	50.43	50.43
5.3) C.P. Food (Nantong) Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	50.43	50.43
5.4) C.P. Food (Xiangyang) Co., Ltd.	Manufacture and sale of value added processes food	The People's Republic of China	50.43	50.43
5.5) C.P. Food (Xuzhou) Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	50.43	-
5.6) C.P. Food (Zhanjiang) Co., Ltd.	Manufacture and sale of value added processes food	The People's Republic of China	50.43	50.43
5.7) C.P. Standard Resources Limited	Investment	Hong Kong	50.43	50.43
5.8) C.P. Vietnam Corporation	Animal feed production and distribution and farming and food processing plant	Vietnam	64.89	64.89
5.9) C.T. Progressive (H.K.) Limited	Investment	Bermuda	50.43	50.43
5.10) Changsha Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.11) Charoen Pokphand (China) Investment Limited	Investment	British Virgin Islands	50.43	50.43
5.12) Chengdu Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	35.30
5.13) Chia Tai (Beijing) Investment Management Co., Ltd.	Providing of management and management advisory service	The People's Republic of China	50.43	-
5.14) Chia Tai (China) Investment Co., Ltd.	Investment and trading	The People's Republic of China	50.43	50.43
5.15) Chia Tai Feed (Hengshui) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	-
5.16) Chia Tai Feed (Qianjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.17) Chia Tai Feed (Yushu) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.18) Chia Tai Feed (Zhanjiang) Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
5.19) Chia Tai Food Enterprise (Qingdao) Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	50.43	50.43
5.20) Chia Tai Food Enterprise (Qinhuangdao) Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	50.43	50.43
5.21) Chia Tai Yongji Enterprise Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.22) Chia Tai Yueyang Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.23) Chongqing Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	30.26
5.24) Chongqing Shuangqiao Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	35.30
5.25) Chuzhou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.26) CP China Investment Limited	Investment	Cayman Islands	50.43	50.43
5.27) CP Food Investment Limited	Investment	Hong Kong	50.43	50.43
5.28) Dali Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.29) Fuzhou Da Fu Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.30) Gansu Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	50.43
5.31) Ganzhou Chia Tai Industrial Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	40.34	40.34
5.32) Guang An Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	30.26
5.33) Guangdong Chia Tai Biotechnology Co., Ltd.	Production and sale of probiotics	The People's Republic of China	50.43	-
5.34) Guang Han Chia Tai Feed Tech Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.89	45.89
5.35) Guangxi Chia Tai Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	50.43
5.36) Guilin Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	42.86	42.86

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
5.37) Guiyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.38) Hangzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.39) Hannick Limited	Property investment	Hong Kong	50.43	50.43
5.40) Hebei Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	50.43
5.41) Hefei Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.42) Henan Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	50.43
5.43) Huai Hua Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.44) Huludao Chia Tai Husbandry Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.45) Inner Mongolia Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.58	45.58
5.46) Jiangsu Chia Tai Agro-Industrial Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	50.43
5.47) Jiangsu Huai Yin Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	44.38	44.38
5.48) Jiangxi Chia Tai Agriculture Financing Guarantee Co., Ltd.	Providing financial guarantee services	The People's Republic of China	50.43	-
5.49) Jilin Chia Tai Food Co., Ltd.	Food processing plant, production and distribution of processed meat and ready meal	The People's Republic of China	50.43	50.43
5.50) Jinan Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	32.78	32.78
5.51) Jiujiang Chia Tai Feedstuff Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	30.26
5.52) Kaifeng Chia Tai Co., Ltd	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.53) Kunming Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	46.59	46.59
5.54) Lanzhou Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.70	45.70

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
5.55) Liuzhou Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.56) Mianyang Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	40.34	40.34
5.57) Modern State Investments Limited	Investment	British Virgin Islands	50.43	50.43
5.58) Nanchang Chiatai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.59) Nanning Chia Tai Animal Husbandry Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	46.21	46.21
5.60) Nantong Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	30.26
5.61) Nantong Chia Tai Tech Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	30.26
5.62) Nanyang Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	45.89	45.89
5.63) Neijiang Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	35.30
5.64) Ningbo Chia Tai Agriculture Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	35.30
5.65) Pingdingshan Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	35.30
5.66) Qingdao Chia Tai Agricultural Development Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.67) Shaanxi Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	48.41	48.41
5.68) Shanxi Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.21	30.21
5.69) Shenyang Advance Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.70) Shenyang Chia Tai Livestock Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.71) Shijiazhuang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.72) Shuangliu Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	35.30	35.30

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
5.73) Tai Zhou Chia Tai Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	48.41	48.41
5.74) Tianjin Chia Tai Agro-Industrial Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.75) Tianjin Chia Tai Feed Tech Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.76) Urumqi Chia Tai Animal Husbandry Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	47.11	47.11
5.77) Weinan Chia Tai Co., Ltd. ⁽³⁾	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.78) Wuhan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.79) Wuhan Chia Tai Aquaculture Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.80) Wuxuan Chia Tai Animal Husbandry Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	42.86	42.86
5.81) Xiamen Chia Tai Agriculture Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	30.26
5.82) Xiangyang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.83) Xuzhou Chia Tai Feed Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	32.78	32.78
5.84) Yi Chang Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.85) Yinchuan Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	42.86	42.86
5.86) Yongan Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.87) Zhangjiakou Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.26	-
5.88) Zhoukou Chia Tai Co., Ltd.	Production and sale of animal feed	The People's Republic of China	50.43	50.43
5.89) Zhumadian Chia Tai Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People's Republic of China	30.76	30.76
6) CPF Tanzania Limited	Animal feedmill and livestock farming	Tanzania	99.99	99.99

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Name of the entity		Type of business	Country of incorporation	Ownership interest (%)	
				2015	2014
Indirect subsidiaries					
1)	C.P. Cambodia Co., Ltd. (1.1 is subsidiary of C.P. Cambodia Co., Ltd.)	Production, sale of animal feed, livestock farming and food processing plant	Cambodia	100.00	-
1.1)	Cambodia Property and Trading Co., Ltd. ⁽²⁾	Property lease-out	Cambodia	49.00	-
2)	C.P. Laos Co., Ltd.	Animal feedmill and livestock farming	Laos	99.99	99.99
3)	Charoen Pokphand Foods Canada Inc.	Import and export food products	Canada	70.00	70.00
4)	Charoen Pokphand Foods (Malaysia) Sdn. Bhd. (4.1 to 4.3 are subsidiaries of Charoen Pokphand Foods (Malaysia) Sdn. Bhd.)	Investment in aquaculture integration business and swine businesses	Malaysia	99.99	99.99
4.1)	Asia Aquaculture (M) Sdn. Bhd.	Shrimp farming and processing plant	Malaysia	99.99	99.99
4.2)	Makin Jernih Sdn. Bhd. (4.2.1 to 4.2.3 are subsidiaries of Makin Jernih Sdn. Bhd.)	Investment	Malaysia	99.99	99.99
4.2.1)	AA Meat Shop Sdn. Bhd.	Livestock processing retailer	Malaysia	99.99	99.99
4.2.2)	Chau Yang Farming Sdn. Bhd.	Livestock farming	Malaysia	99.99	99.99
4.2.3)	Tip Top Meat Sdn. Bhd.	Livestock processing plant	Malaysia	99.99	99.99
4.3)	Star Feedmills (M) Sdn. Bhd.	Aquatic feed production and distribution	Malaysia	99.99	99.99
5)	CPF (INDIA) Private Limited	Animal feedmill and livestock farming	India	99.99	99.99
6)	Charoen Pokphand (USA), Inc. ⁽³⁾	Broiler chicken integration	United States of America	99.97	99.97
7)	Charoen Pokphand Enterprise (Taiwan) Co., Ltd. ⁽²⁾ (7.1 to 7.5 are subsidiaries of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.)	Chicken integration and livestock farming	Taiwan	32.68	32.41
7.1)	Arbor Acres (Taiwan) Co., Ltd. ⁽²⁾	Livestock farming	Taiwan	16.34	16.21
7.2)	Charoen Pokphand (Taiwan) Co., Ltd. ⁽²⁾	Importer and distributor of feedstuff additives and animal vaccines	Taiwan	29.41	29.17
7.3)	Chia Tai Lianyungang Co., Ltd. ⁽²⁾	Investment	Hong Kong	32.68	32.41
7.4)	Lianyungang Chia Tai Agro-industry Development Co., Ltd. ⁽²⁾	Production and sale of animal feed	The People’s Republic of China	22.88	22.69
7.5)	Plenty Type Limited ⁽²⁾	Investment	Cayman Islands	32.68	32.41

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
8) Russia Baltic Pork Invest ASA (8.1 to 8.9 are subsidiaries of Russia Baltic Pork Invest ASA)	Investment	Norway	75.82	69.70
8.1) Farm Construction Limited Liability Company	Swine farm construction	Russia	75.82	69.70
8.2) Finagro ASP	Financial service	Denmark	75.82	69.70
8.3) Kornevo Limited Liability Company	Retail food processing products	Russia	75.82	69.70
8.4) Management Company RBPI Group Limited Liability Company (formerly known as M.I.R. Closed joint Stock Company)	Property lease-out	Russia	75.82	69.70
8.5) NNPP Limited Liability Company	Livestock farming	Russia	75.82	69.70
8.6) Penza Agri Invest Limited Liability Company ⁽⁴⁾	Livestock farming	Russia	-	69.70
8.7) Penza Land Invest Limited Liability Company ⁽⁴⁾	Property lease-out	Russia	-	69.70
8.8) Pravdinsk Pig Production Closed Joint Stock Company	Livestock farming	Russia	75.82	69.70
8.9) Pravdinsk Pig Production-2 Limited Liability Company	Livestock farming	Russia	75.82	-

⁽¹⁾ In the process of liquidation

⁽²⁾ The Company has the power to govern those companies.

⁽³⁾ Operations wound up

⁽⁴⁾ Registered the completeness of liquidation

2 Basis of preparation of the financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued several new and revised TFRS that are relevant to the Group’s operations and effective for annual accounting periods beginning on or after 1 January 2015. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

In addition to the above new and revised TFRS, the FAP issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 43 to the financial statements.

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2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for transactions shown in the statement of financial position as follows:

- Available-for-sale investments which are measured at fair value.
- Certain types of biological assets which are measured at fair value less costs to sell.
- Land used for operations are measured at revalued amounts.

2.3 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million Baht unless otherwise stated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes to the financial statements:

Note 9	Measurement of biological assets
Notes 11, and 13 to 19	Assumptions used in discounted cash flow projections
Note 21	Utilisation of tax losses
Notes 21 and 35	Deferred and current taxation
Note 25	Measurement of defined benefit obligations
Note 39	Valuation of financial instruments

Measurement of fair values

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs.

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

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When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 Business combination by acquisition of shares
- Note 9 Biological assets
- Note 16 Investment property
- Note 17 Property plant and equipment
- Note 39 Financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. All relevant facts and circumstances are considered in determining the acquisition date and determining whether control is transferred from one party to another. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

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Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Any consideration/contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. In the event that contingent consideration is classified as asset or liability, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transaction costs that are incurred in connection with a business combination are recorded as expenses as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. If subsidiaries of the Group use accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements in preparing the consolidated financial statements.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Subsequently it is accounted for new types of investment depending on the level of influence retained.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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Transactions eliminated on consolidation

Intra-group balances and transactions, and any revenues and expenses, are eliminated in full in preparing the consolidated financial statements. Unrealised gains or losses arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group entities at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustment entries arising on the acquisition of foreign operations are translated to Thai Baht at the foreign exchange rate ruling at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the currency translation differences in equity until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the Group shall reclassify to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income.

A monetary item receivable from or payable to a foreign operation for which settlement is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item and related hedging transactions are considered to form part of a net investment in a foreign operation and are presented in the same way as foreign exchange differences arising from translation.

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(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks, arising from operating, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Derivative financial instruments are recognised initially at fair value. The gain or loss on remeasurement is recognised depending on the nature of the item being hedged.

(d) *Hedging*

Hedge of future foreign currency transactions

The Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to the functional currency of the Company and subsidiaries at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains or losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange gains or losses on the foreign currency monetary transactions being hedged.

For hedges of anticipated future transactions, the Group recognises gains and losses on forward exchange contracts and the related forward premium/discount as deferred transaction until the transactions are completed then recognises gains or losses in profit or loss.

Hedge of interest rates

Interest differentials under swap arrangements are accrued in proportion to the interval of time and relevant underlying notional principal and recorded as adjustments to the interest expense relating to the hedged loans.

(e) *Cash and cash equivalents*

Cash and cash equivalents in the statement of cash flows comprise cash balances, call deposits, highly liquid short-term investments and overdrafts that are repayable on demand.

Deposits that have a restriction on use are presented separately in the account "Restricted deposits at financial institutions" in the statement of financial position.

(f) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off after performing the appropriate procedures prescribed in the Revenue Code.

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(g) Inventories

Raw materials, work in progress and finished goods

Finished goods and raw materials are valued principally at the lower of average cost and net realisable value.

Work in progress is valued principally at the lower of cost and net realisable value.

Chemicals, medical and factory supplies are valued principally at the lower of average cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Biological assets

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, they are measured at cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

Non-current biological assets, mainly consisting of swine breeders, are separately presented under the caption "Non-current assets". Other biological assets are presented under the caption "Current assets" in the statement of financial position.

(i) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal groups) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rate basis, except for inventories, financial assets, deferred tax assets and investment properties, which continue to be measured under different rules in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Investments

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

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Available-for-sale investments

Available-for-sale investments are investments in marketable equity securities that are non-subsiidiaries and/or non-associates, other than those securities held for trading or intended to be held to maturity. Available-for-sale investments are stated at fair value which is determined using quoted bid price at the reporting date. The changes, therein, other than impairment losses, are recognised directly in equity. When there is objective evidence that the value of the asset is impaired, impairment losses are recognised in profit or loss.

General investments

General investments are investments in equity securities of related and other companies that are non-subsiidiaries and/or non-associates, which are not marketable and are stated at cost less impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(k) *Investment properties*

Investment properties are properties which are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

Transfers to property and plant

The carrying amount of investment properties is transferred to property and plant at the date of change in use and measured in accordance with accounting policy of property and plant.

(l) *Property, plant and equipment*

Recognition and measurement

Owned assets of the Group

Land used for operations is stated at revalued amounts. Land acquired after the latest revaluation was made is stated at cost less accumulated impairment losses.

Plant and equipment is stated at cost less accumulated depreciation and impairment losses.

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Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs, and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation differences on assets are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets approximated to that which would be determined using fair values at the reporting date.

Any increase in value net of deferred tax liability is recognised in other comprehensive income and presented in “Revaluation differences on assets” in other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. Any value is being subsequently increased will credit to other comprehensive income only for the amount higher than the previously decreased in value.

A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset.

Transfers to investment properties

Transfers from owner-occupied property to investment property is stated at carrying amount of the property transferred at the date of the change in use.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated based on the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Utilities system	3 - 40	years
Buildings and constructions	2 - 60	years
Building improvements and leasehold improvements	2 - 40	years
Water and electricity systems	3 - 30	years
Machinery and equipment	2 - 30	years
Furniture, fixtures and office equipment	3 - 20	years
Vehicles	2 - 25	years

No depreciation is provided on assets under construction and installation.

Depreciation methods, estimated useful lives and residual values are reviewed at each financial year-end.

(m) Intangible assets

Goodwill

The measurement of goodwill that arises upon the acquisition of subsidiaries at initial recognition is described in note 3 (a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. The carrying amount of goodwill related to associates and joint ventures is included in the carrying amount of the investment in associates and joint ventures.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing cost and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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Amortisation

Amortisation is calculated over the cost of the asset less its residual value.

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with an indefinite useful life.

The estimated useful lives are as follows:

Development cost of software applications	5 - 10	years
Software licenses	3 - 15	years
Trademarks	4.5 - 10 years and indefinite useful life	
Customer relationship	14 - 15	years

Amortisation methods, estimated useful lives and residual values are reviewed at each financial year-end.

(n) Leasehold rights

Payments made by the Group for leasehold rights are measured at cost method and amortisation is recognised in the profit or loss. The Group amortises the cost of leasehold rights on straight line basis over the periods of the leasehold agreements.

(o) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income.

When there is objective evidence that the value of the available-for-sale investments is impaired, the cumulative loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. The reversal of a financial asset is recognised as follows:

- (1) For financial assets carried at amortised cost and available-for-sale investments that are debt securities, the reversal is recognised in profit or loss.
- (2) For equity securities, the reversal is recognised directly in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss of the assets is reversed in profit or loss if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(q) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(r) *Employee benefits*

Post-employment benefit - defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised in profit or loss in the periods during which services are rendered by employees.

Post-employment benefit - defined benefit plans

Obligations for defined benefit plans are calculated by using actuarial techniques and separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted by using the projected unit credit method to determine the present value of the defined benefit obligation and the current service cost.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

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Termination benefits

Termination benefits are expensed at the earlier of:

- (1) When the Group can no longer withdraw the offer of those benefits or
- (2) When the Group recognises costs for a restructuring.

If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefit obligations are recognised in profit or loss in the periods during which services are rendered by employees.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(s) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(t) Treasury shares

Share repurchase program for financial management

Treasury shares are recognised initially at cost and presented as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount to the cost of shares sold back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity ("Surplus on treasury shares"). Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares and the reserve for treasury shares are credited at the equivalent amount to the cost of shares sold back to retained earnings.

Ordinary shares of the Company held by subsidiaries

The Company's ordinary shares held by subsidiaries, which are acquired on the acquisition date, are recognised at fair value and treated similar to treasury shares as a deduction in the equity in the consolidated financial statements. When the ordinary shares held by the subsidiaries are disposed, the Company will recognise the gain net of tax from the disposal as surplus and net losses of tax are debited to retained earnings after setting off against any remaining balance of surplus.

(u) Revenue

Revenue excluding value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

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Sale of goods

Revenue from sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rental income

Rental income from operating lease contracts is recognised in profit or loss on a straight line basis over the term of the lease.

Other income

Other operating income and interest income are recognised in profit or loss on the accrual basis. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

(v) Finance costs

Interest and expenses incurred from financing are charged to profit or loss for the period on the accrual basis, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

The interest component of finance lease payments is recognised as finance costs in profit or loss using the effective interest rate method.

(w) Expenses

Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is, or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset and an arrangement conveys the right to use the asset.

(x) Income tax

Income tax expense for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the income tax of business combination or the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax

Current tax is calculated from the taxable income for the year, using tax rates enacted at the reporting date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

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Deferred tax

Deferred tax is recognised, using the balance sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognised for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and the temporary differences associated with investment in subsidiaries and associates that is probable that it will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(y) Basic earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares held by third parties outstanding during year.

(z) Segment reporting

Segment results that are reported to the Group's management (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Business combination by acquisition of shares

4.1 Share acquisition of C.P. Cambodia Co., Ltd. ("CPC")

At the annual general meeting of the shareholders of the Company held on 22 April 2015, the Company's shareholders passed a resolution to approve CPF Investment Limited ("CPFI"), a 100.00% directly owned subsidiary, to acquire ordinary shares of CPC which is incorporated in Cambodia from Orient Success International Limited, an indirect subsidiary of Charoen Pokphand Group Company Limited.

The main business of CPC is production of animal feed, farming, production and sales of processed food in Cambodia. Currently, CPC has 49.00% investment in a subsidiary, namely Cambodia Property and Trading Company Limited whose business is property lease-out. The total value of the transaction is Baht 2,850 million.

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The Group obtained control of CPC and its subsidiary on 11 May 2015 (“Acquisition date”) through the acquisition of 10,050 ordinary shares (equal to 75.00% of CPC’s total issued and paid-up share capital). After the transaction, CPFI held 100% ordinary share of CPC’s total issued and paid-up share capital (before the transaction, CPFI hold 25.00% of CPC’s total issued and paid-up share capital).

The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2014) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration

(Unit: Million Baht)

	Fair value
Cash	2,850

Identifiable assets acquired and liabilities assumed

(Unit: Million Baht)

	Fair value
Cash and cash equivalents	65
Accounts receivables - trade and others	276
Inventories	1,098
Current biological assets	1,055
Other current assets	105
Property, plant and equipment	2,260
Non-current biological assets	573
Other intangible assets - customer relationship	56
Other non-current assets	25
Overdrafts and short-term borrowings from financial institutions	(1,550)
Trade and other payables	(512)
Other current liabilities	(80)
Deferred tax liabilities	(125)
Net assets	3,246
Non-controlling interests of the acquiree (based on their proportionate interest in the recognised amount of the net identifiable assets of the acquiree)	(126)
Group’s previously held equity interest in CPC	(1,019)
Goodwill	749
Consideration transferred	2,850
Cash received from acquisition of subsidiaries	(65)
Net consideration paid for acquisition of subsidiaries	2,785

The Group had assessed the fair value of the net assets acquired in accordance with TFRS No. 3 (revised 2014). However, if new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

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Valuation techniques used in the determination of fair values of identifiable assets are as follows.

Significant identifiable assets	Valuation techniques
Current biological assets	Market comparison approach (using the quoted price at acquisition date)
Property, plant and equipment	Market comparison approach (used the price and other related information from the market for comparable properties) and cost approach (appraisal technique that reflects the gross current replacement cost of the assets)
Customer relationship	Multiperiod Excess Earning Method by reference to the present value of the future net cash flow attributable to the asset over its remaining useful life

The factors contributing to the goodwill are the strong growth potential of Cambodia's agro industrial market and expansion to food business. Goodwill from the business combination will not qualify for any tax deduction.

Before the business combination, the Group hold 25.00% of CPC's total issued and paid-up shares. The Group had to measure the fair value of the interest in CPC before the business combination as at the date of acquisition. The measurement resulted in a gain which is recognised as "Gain on changes in fair value of investments in associate" in the statement of income for the period ended 31 December 2015. Details are as follows:

	<i>(Unit: Million Baht)</i>
Fair value of existing interest in CPC at the acquisition date	1,019
Less - investment in CPC accounted for equity method at the acquisition date	(820)
- transferred other components in equity to the consolidated statement of income	37
Gain on changes in fair value of investment in associate	236

The consolidated statement of income for the year ended 31 December 2015 includes operating results of CPC for the period from 11 May 2015 to 31 December 2015. Significant details are as follows:

	<i>(Unit: Million Baht)</i>
	For the year ended 31 December 2015
Revenue from sale of goods	6,236
Profit for the period attributable to equity holders of the Company	27

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4.2 Share acquisition of CJSC Poultry Parent Stock Production Woyskovitsy (“Woyskovitsy”) and CJSC Poultry Production Severnaya (“Severnaya”)

At the Board of Directors’ meeting of the Company held on 23 July 2015, the Board of Directors of the Company passed a resolution to approve CPF Netherlands B.V. (“CPF Netherlands”), a newly incorporated subsidiary which 99.99% of its share capital begin owned by the Company, entered into an agreement with Agro-Invest Brinky B.V. (the “Seller”) to directly and indirectly acquire the issued and paid-up share capital of Woyskovitsy and Severnaya which are incorporated in Russia.

Woyskovitsy and Severnaya are engage in an integrated poultry business in Russia, starting from production of feed, breeding, hatching, farming and processing of poultry (the “Acquirees”). The ascribed Acquirees’ value was calculated based on a cash-free and debt-free basis in aggregate of USD 680 million or approximately Baht 23,766 million (at a THB/USD exchange rate of 34.95). The acquisition will be carried out in two steps as follows:

- **The First Acquisition**

CPF Netherlands agrees to acquire the entire issued and paid-up share capital of the newly-incorporated entity in Russia which is Stesha LLC. (“Stesha”). In which, Stesha owns 80% of the issued and paid-up share capital of Woyskovitsy and Severnaya.

- **The Second Acquisition**

CPF Netherlands will acquire the remaining 20% of the issued and paid-up share capital of Woyskovitsy and Severnaya from the Seller on 31 August 2018.

Upon occurrence of certain events pursuant to the Share Purchase Agreement (“SPA”) during the period between the date of completion of the First Acquisition and before the completion of the Second Acquisition, CPF Netherlands is granted a call option to purchase, and the Seller is granted a put option to sell, the remaining 20% of the issued and paid-up share capital in both Woyskovitsy and Severnaya. The consideration of the Acquisition to be paid to the Seller each time is calculated as specified in the SPA.

The Group obtained control of Woyskovitsy and Severnaya on 24 November 2015 (“Acquisition date”) through the acquisition of 157 million ordinary shares and 301 million ordinary shares respectively (equal to 79.99% of total issued and paid-up share capital).

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The Group has applied Thai Financial Reporting Standards (“TFRS”) No. 3 (revised 2014) *Business Combinations* to recognise the business combination transactions. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration

(Unit: Million Baht)

	Fair value
Cash	18,972

Identifiable assets acquired and liabilities assumed

(Unit: Million Baht)

	Fair value
Cash and cash equivalents	1,372
Accounts receivables - trade and others	19
Inventories	1,918
Current biological assets	711
Other current assets	194
Property, plant and equipment	7,005
Other intangible assets - trademarks	302
Other non-current assets	6
Overdrafts and short-term borrowings from financial institutions	(1,625)
Trade and other payables	(262)
Current portion of long-term debts	(162)
Other current liabilities	(177)
Long-term debts	(1,108)
Net assets	8,193
Non-controlling interests of the acquiree (based on fair value method)	(4,878)
Goodwill	15,657
Consideration transferred	18,972
Cash received from acquisition of subsidiaries	(1,372)
Net consideration paid for acquisition of subsidiaries	17,600

The Group had assessed the fair value of the net assets acquired in accordance with TFRS No. 3 (revised 2014). However, if new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

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Valuation techniques used in the determination of fair values of identifiable assets are as follows.

Significant identifiable assets	Valuation techniques
Property, plant and equipment	Market comparison approach (used the price and other related information from the market for comparable properties) and cost approach (appraisal technique that reflects the gross current replacement cost of the assets)
Trademarks	Income approach (Relief from Royalty Method)

The factors contributing to the goodwill are potential to promptly enter the poultry business in Russia and used as production base for business expansion in Russia in the future. Goodwill from the business combination will not qualify for any tax deduction.

The consolidated statement of income for the year ended 31 December 2015 includes operating results of Woyskovitsy and Severnaya for the period from 24 November 2015 to 31 December 2015. Significant details are as follows:

	<i>(Unit: Million Baht)</i>
	For the
	year ended
	<u>31 December 2015</u>
Revenue from sale of goods	817
Profit for the period attributable to equity holders of the Company	57

For business combination by acquisitions of shares during the year 2015, if the acquisitions of CPC, Woyskovitsy and Severnaya had occurred on 1 January 2015, management estimates that revenue from sale of goods and profit of the Group in the consolidated financial statements for the year ended 31 December 2015 would have been as follows:

	<i>(Unit: Million Baht)</i>
	For the
	year ended
	<u>31 December 2015</u>
Revenue from sale of goods	433,976
Profit for the period attributable to equity holders of the Company	12,029

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5 Related party transactions

Related parties are those parties considered to be related to the Group. Related parties have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions or where the Group and parties are subject to common control or common significant influence.

The significant influence entity of the Company is Charoen Pokphand Group Company Limited which directly and indirectly owned 43.42% of the Company's voting rights as of the latest closing date of shareholder register book on 28 August 2015.

The pricing policies for particular types of transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods	The price list of the Group
Purchase of raw material and goods	The price list of the suppliers
Purchase and sale of property, plant and equipment	Fair value
Purchase and sale of investments	Fair value
Interest income/interest expense	Source of fund cost plus fund management expenses
Dividend income	Upon declaration
Rental and service fees	Standard rates as specified by the lessors or service providers
Technical service fees	Rate per quantity of feed production/rate per sale value of animal feed/rate per total revenue
Insurance premium	Standard rates as specified by the insurers
Trademark license fee	Rate per sales value under trademark
Other income/other expenses	Standard service rates as specified by the service providers

5.1 Significant transactions with related parties for the years ended 31 December 2015 and 2014

		<i>(Unit: Million Baht)</i>			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
(a) Revenues					
Significant influence entity					
Gain on sale of investments		-	64	-	26
Software application income		1	2	-	-
Sale of goods		1	1	-	-
Rental, service and other income		-	1	-	-
Training and seminar income		1	1	-	-
Subsidiaries					
Dividend income		-	-	13,413	13,390
Interest income		-	-	3,600	2,396
Sale of goods		-	-	3,113	3,927
Rental, service and other income		-	-	7	-
Gain on sale of equipment and others		-	-	16	-
Associates, joint ventures and related companies					
Sale of goods		34,349	30,830	428	345
Gain on sale of land		766	-	-	-

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		<i>(Unit: Million Baht)</i>	
		Consolidated	Separate
		financial statements	financial statements
		2015	2014
		2015	2014
(a)	Revenues (Continued)		
	Associates, joint ventures and related companies		
	Rental, service and other income	213	372
	Gain on sale of equipment and others	33	-
	Dividend income	64	59
	Software application income	32	30
	Training and seminar income	25	17
	Interest income	5	12
	Gain on sale of investments	-	15
(b)	Expenses and others		
	Significant influence entity		
	Purchase of raw materials and goods	8,493	7,841
	Technical service fees	1,624	1,526
	Trademark license fees	85	87
	Subsidiaries		
	Purchase of raw materials and goods	-	-
	Software application fees	-	-
	Rental and service fees	-	-
	Training and seminar fees	-	-
	Interest expense	-	-
	Other expenses	-	-
	Associates, joint ventures and related companies		
	Purchase of raw materials and goods	51,102	43,224
	Construction costs of buildings, structures and others	1,806	1,944
	Rental and service fees	1,582	1,192
	Insurance premium	243	262
	Purchase of equipment and others	142	512
	Trademark license fees	34	36
	Software application fees	30	54
	Interest expenses	6	21
	Other expenses	1,202	1,148

5.2 Investment transactions

The Group invested in related companies as disclosed in note 4 to the financial statements.

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5.3 Transfer and disposal of significant assets to related companies

5.3.1 Disposal of land to related companies

5.3.1.1 At the Board of Directors' meeting of the Company held on 16 July 2014, the Board of Directors of the Company passed a resolution to approve CPF (Thailand) Public Company Limited ("CPFTH"), a 99.98% directly owned subsidiary, to sell a plot of land to the Group of CPMQ and Greenland Co., Ltd., a related company, for a total consideration of Baht 1,200 million. The selling price was reference from the value appraised by an independent professional valuer. The disposal was completed during the first quarter of 2015 and the Group recognised gain on sale of land in the consolidated financial statements amounted to Baht 705 million.

5.3.1.2 At the Board of Directors' meeting of the Company held on 11 November 2015, the Board of Directors of the Company passed a resolution to approve CPFTH to sell three plots of land to Charoen Pokphand Agriculture Co., Ltd. and Charoen Pokphand Produce Co., Ltd., related companies, for a total consideration of Baht 123 million. The selling price was reference from the value appraised by an independent professional valuer and the transaction prices of land in the nearby area. The disposal was completed during the forth quarter of 2015 and the Group recognised gain on sale of land in the consolidated financial statements amounted to Baht 61 million.

5.3.2 Transfer of building and other assets to a subsidiary

On 1 July 2015, the Company transferred the assets of a processing factory to CPFTH for a total consideration of Baht 557 million. The transfer of the assets is considered as the business transfer under common control. The differences between the consideration received from CPFTH and the carrying amount of net assets transferred, amounted to Baht 62 million, are recorded in the account "Surplus on common control transactions" in the separate statement of financial position. The surplus on common control transactions were eliminated in the consolidated financial statements.

5.4 Balances with related parties as at 31 December 2015 and 2014 were as follows:

5.4.1 Accounts receivable - trade and others

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	financial statements
	2015	2014	2015	2014
Significant influence entity	1	2	-	-
Subsidiaries	-	-	1,713	1,665
Associates and joint ventures	2,719	2,370	32	17
Related companies	4,618	3,821	107	94
Total	7,338	6,193	1,852	1,776

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5.4.2 Short-term loans

(Unit: Million Baht)

		Consolidated financial statements			
		Outstanding balance		Average balance	
		2015	2014	2015	2014
Joint ventures		-	-	-	19
Total		-	-	-	19

(Unit: Million Baht)

		Separate financial statements			
		Outstanding balance		Average balance	
		2015	2014	2015	2014
Subsidiaries		33,936	19,733	35,444	18,514
Total		33,936	19,733	35,444	18,514

The Company computes the average balance from the outstanding balances of short-term loans at the end of each month excluding accrued interest income.

The currency denomination of short-term loans as at 31 December 2015 and 2014 was as follows:

		(Unit million Baht)			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Functional currencies of each company in the Group		-	-	30,015	19,198
Foreign currencies					
- United States Dollar		-	-	3,669	-
- Euro		-	-	-	369
- Ruble		-	-	252	166
Total		-	-	33,936	19,733

5.4.3 Accrued dividend income

(Unit: Million Baht)

		Consolidated financial statements			
		2015	2014	2015	2014
Associates		189	-	-	-
Joint ventures		-	95	-	-
Subsidiaries		-	-	5,927	3,902
Total		189	95	5,927	3,902

5.4.4 Accrued interest income

(Unit: Million Baht)

		Consolidated financial statements			
		2015	2014	2015	2014
Subsidiaries		-	-	97	89
Total		-	-	97	89

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5.4.5 Long-term loans

(Unit: Million Baht)

	Separate financial statements			
	Outstanding balance		Average balance	
	2015	2014	2015	2014
Subsidiaries	23,367	16,957	18,008	18,099
<i>Less current portion</i>	(387)	(120)		
Net	22,980	16,837		

The Company computes the average balance from the outstanding balances of long-term loans at the end of each month excluding accrued interest income.

The currency denomination of long-term loans as at 31 December 2015 and 2014 was as follows:

(Unit : Million Baht)

	Separate financial statements	
	2015	2014
Thai Baht	10,000	10,000
Foreign currencies		
- United States Dollar	12,606	5,943
- Ruble	761	1,014
Total	23,367	16,957

5.4.6 Accounts payable - trade and others

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Significant influence entity	758	670	42	46
Subsidiaries	-	-	193	115
Associates and joint ventures	309	399	-	-
Related companies	2,470	4,112	87	136
Total	3,537	5,181	322	297

5.4.7 Short-term borrowings

(Unit: Million Baht)

	Consolidated financial statements			
	Outstanding balance		Average balance	
	2015	2014	2015	2014
Joint ventures	378	211	201	77
Related company	-	184	15	183
Total	378	395	216	260

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5.4.7 Short-term borrowings (Continued)

	<i>(Unit: Million Baht)</i>			
	Separate financial statements			
	Outstanding balance		Average balance	
	2015	2014	2015	2014
Subsidiaries	-	-	-	95
Total	-	-	-	95

The Company computes the average balance from the outstanding balances of short-term borrowings at the end of each month excluding accrued interest expense.

5.5 Balances of loans/borrowings and interest rates

Balances of loans/borrowings and interest rates as at 31 December 2015 and 2014 are summarised as follows:

	Consolidated financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2015	2014	2015	2014	2015	2014
Short-term borrowings from joint ventures and related company	378	211	-	184	2.00	4.63

	Separate financial statements					
	<i>(Unit: Million Baht)</i>					
	Balance with fixed interest rate		Balance with float interest rate		Average interest rate (%)	
	2015	2014	2015	2014	2015	2014
Short-term loans to subsidiaries	3,669	369	30,267	19,364	7.39	7.50
Long-term loans to subsidiaries	23,367	16,837	-	120	5.40	5.37

5.6 Key management personnel compensation

Key management personnel compensation consist of:

	<i>(Unit: Million Baht)</i>		<i>(Unit: Million Baht)</i>	
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
For the year ended 31 December				
Short-term employee benefits	538	514	214	204
Post-employment under defined benefit plans	13	13	4	4
Total	551	527	218	208
As at 31 December				
Employee benefit obligations	300	284	82	82
Total	300	284	82	82

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5.7 Commitments

As at 31 December 2015 and 2014 the Group had commitments with related parties as follows:

5.7.1 Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<i>Contracted but not provided for</i>				
Mainly represents contracts for construction of buildings and structures, purchase of machinery and others	431	570	144	172

5.7.2 Commitments under operating lease agreements

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Within one year	926	915	250	352
Over one year but within five years	1,539	1,474	197	268
Over five years	374	276	-	-
Total	2,839	2,665	447	620

The Company and certain subsidiaries had lease agreements with related parties covering office premises (including related facilities service agreements), land, farms and vehicles for periods of 1 to 10 years, expiring during 2016 to 2024.

5.8 Significant agreements

As at 31 December 2015 the Group had the following significant agreements with related parties.

5.8.1 Technical service agreements


The Company and certain subsidiaries have technical service agreements with a significant influence entity, Charoen Pokphand Group Company Limited (“CPG”). Under the terms of the agreements, CPG agrees to research and develop the raw material ingredients for the production of animal feeds for the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the technical service fee, which is calculated from the feed production quantity dependent upon the types of feed as stipulated in the agreements, to CPG. The minimum service fee ranges from Baht 0.1 million to Baht 1.3 million per month. These agreements are in effect starting from 1 January 2015 to 31 December 2015. The Company and subsidiaries have extended the agreements for an additional period until 31 December 2016 with the same conditions and fee rates.


In addition, certain foreign subsidiaries have agreements to obtain the technical service assistance from CPG. The foreign subsidiaries are committed to pay service fees to CPG in accordance with the terms and conditions stipulated in the agreements.

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5.8.2 Trademark agreements

A subsidiary (CPF Trading Company Limited) has trademark agreements with CPG for the right to use  trademark. In this regard, the subsidiary is committed to pay the trademark license fees to CPG at the rates of 0.2% and 0.4% of the sale value of each product as stipulated in the agreements. This agreement is effective starting from 1 July 2014 to 30 June 2017.

The Company and certain subsidiaries have trademark agreements with CPG, for the right to use  trademark. In this regard, the Company and subsidiaries are committed to pay the trademark license fees to CPG at the rates of 0.2% and 0.4% of the sale value of each product as stipulated in the agreements. These agreements are effective starting from 1 January 2015 to 31 December 2015. The Company and subsidiaries have extended the agreements for an additional period until 31 December 2016 with the same conditions and fee rates.

A subsidiary has a trademark agreement with a related company, Star Marketing Co., Ltd. (“STAR”), for the right to use STAR trademark. In this regard, the subsidiary is committed to pay the trademark license fee to STAR, which is calculated from the sale value under the trademark at the rates as stipulated in the agreement. This agreement is effective starting from 1 January 2014 to 31 December 2018.

5.8.3 Application system service agreement

A subsidiary had an application system service agreement with a related company, Freewill Solutions Co., Ltd. (“Freewill”). Under the terms of the agreement, Freewill agrees to provide the subsidiary the application system service. In this regard, the subsidiary is committed to pay the application system service fee to Freewill at the agreed rate stipulated in the agreement. This agreement is effective starting from 1 January 2015 to 31 December 2019.

5.8.4 Service agreements for import and export transactions

The Company and certain subsidiaries have service agreements with a related company, C.P. Intertrade Co., Ltd. (“CPI”). Under the terms of the agreements, CPI agrees to provide documentation services and others relating to import and export transactions of the Company and subsidiaries. In this regard, the Company and subsidiaries are committed to pay the service fees to CPI at the agreed rate stipulated in the agreements. These agreements are in effect since 1 July 2015 to 30 June 2017.

5.8.5 Software application agreements

A subsidiary, CPF IT Center Co., Ltd. has information technology service and software application agreements with local and foreign related companies. The terms and the service fees are stipulated in the agreements. The agreements may be terminated upon either party agreeing to terminate the agreements or either party being in breach of the agreements.

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6 Cash and cash equivalents

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Cash at financial institutions and on hand	33,471	26,135	17,400	13,696
Highly liquid short-term investments	2,990	7,417	-	-
Total	36,461	33,552	17,400	13,696

The currency denomination of cash and cash equivalents as at 31 December 2015 and 2014 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Functional currencies of each company in the Group	32,171	19,053	16,347	536
Foreign currencies				
- United States Dollar	3,229	14,098	1,053	13,160
- Norway Krone	661	24	-	-
- Euro	138	24	-	-
- Taiwan Dollar	81	-	-	-
- Renminbi	52	215	-	-
- Pound Sterling	18	10	-	-
- Hongkong Dollar	16	24	-	-
- Swedish Krona	-	19	-	-
- Other	95	85	-	-
Total	36,461	33,552	17,400	13,696

7 Accounts receivable - trade and others

		Consolidated		<i>(Unit: Million Baht)</i> Separate	
		financial statements		financial statements	
	Note	2015	2014	2015	2014
Related parties	5	7,338	6,193	1,852	1,776
Other parties		19,552	19,308	2,310	2,628
Total		26,890	25,501	4,162	4,404
Less allowance for doubtful accounts		(734)	(548)	(49)	(64)
Net		26,156	24,953	4,113	4,340
Bad and doubtful debts expense (reversal of allowance for doubtful accounts) for the year ended 31 December					
		256	6	(2)	(1)

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The outstanding balances of the problem accounts receivable - trade and others as at 31 December 2015 and 2014 classified by aging were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Periods over credit terms:				
Over 3 months to 6 months	194	12	-	-
Over 6 months to 12 months	20	12	-	-
Over 12 months	520	526	49	64
Total	734	550	49	64

The currency denomination of accounts receivable - trade and others as at 31 December 2015 and 2014 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Functional currencies of each company in the Group	23,787	21,862	2,146	2,308
Foreign currencies				
- United States Dollar	1,082	1,788	514	876
- Won	591	691	205	235
- Singapore Dollar	389	381	-	-
- Euro	158	98	304	409
- Sweden Krona	67	46	-	-
- Yen	66	70	1	40
- Pound Sterling	1	5	10	18
- Renminbi	-	-	641	359
- Australian Dollar	-	-	254	58
- Ruble	-	-	31	31
- Other	15	12	7	6
Total	26,156	24,953	4,113	4,340

8 Inventories

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Raw materials	28,621	26,336	1,379	2,140
Chemicals and supplies	2,129	1,803	142	191
Work in progress	1,388	1,225	148	118
Finished goods	14,482	13,539	2,762	1,900
Inventories in transit	6,126	6,457	29	-
Total	52,746	49,360	4,460	4,349
Less allowance for decline in value of inventories adjusted to net realisable value	(634)	(324)	(250)	(148)
Net	52,112	49,036	4,210	4,201

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The cost of inventories which is recognised as an expense and included in cost of sale of goods for the year ended 31 December 2015 amounted to Baht 269,188 million (2014: Baht 288,507 million) in the consolidated statement of income and Baht 12,875 million (2014: Baht 19,017 million) in the separate statement of income.

In 2015 the Group and the Company recognised an allowance for decline in value of inventories adjusted to net realisable value of Baht 634 million and Baht 250 million respectively (2014: Baht 324 million and Baht 148 million respectively) and recognised a recovery of allowance for decline in value of inventories of Baht 324 million and Baht 148 million respectively (2014: Baht 313 million and Baht 185 million respectively).

9 Biological assets

Movements for the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	2015	2014	2015	2014
At 1 January	29,973	27,605	1,372	1,266
Increase due to business combination	2,339	-	-	-
Increase due to purchase/raise	127,588	121,668	8,966	11,579
Decrease due to sales/harvest	(129,689)	(118,704)	(9,249)	(11,211)
Depreciation	4,339	4,640	140	90
Gain on change in fair value less cost to sell	404	338	-	-
Currency translation differences	451	(585)	-	-
Other	(427)	(4,989)	(175)	(352)
Balance at 31 December	34,978	29,973	1,054	1,372
<i>Current biological assets</i>				
Livestock	26,013	22,229	-	-
Aquatic	1,744	2,149	1,054	1,372
Total current biological assets	27,757	24,378	1,054	1,372
<i>Non-current biological assets</i>				
Livestock	7,221	5,595	-	-
Total non-current biological assets	7,221	5,595	-	-
Grand total	34,978	29,973	1,054	1,372

Biological assets comprise livestock biological assets such as swine, chicken, duck etc. and aquatic biological assets such as shrimp and fish. Biological assets, other than fattening swine which are measured at fair value using quoted prices at the reporting date as references, are measured at cost less accumulated depreciation and impairment losses due to the short production cycle. In particular, the market prices or fair values at present condition of the biological assets which are breeders are unavailable; and valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, plague etc.

Cost includes all costs incurred from the acquisition of biological assets and throughout the growth cycle e.g. cost of new-born animals, feed costs, and other farm costs.

Bearer biological assets, for example breeders, are depreciated using the straight line method over the productive period or the units of production method which ranges approximately from 4 months to 36 months depend on the type of biological asset.

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An analysis of the estimates of physical quantities of the Group's biological assets as at 31 December 2015 and 2014 is as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Livestock	658,867	546,430	-	-
Aquatic	20,842	18,730	5,060	5,354

(Unit: Tons)

The estimates of physical quantities of the Group's biological assets were based on experience and historical data. The Group estimates the physical quantities of aquatic biological assets using a sampling method to project the overall weight.

Fair value measurement

The fair value of the Group's biological assets including carrying amount in the consolidated financial statements are as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2015					
Biological assets at fair value					
less cost to sell	11,537	-	1,851	9,686	11,537

(Unit: Million Baht)

The valuation technique and the inputs used in measuring the fair value of those biological assets categorised in Level 2 is market comparison approach which use quoted prices based on market prices at the reporting date.

The following table shows the valuation technique used in measuring the fair value of biological assets, as well as the significant unobservable inputs used for those categorised in Level 3.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	<p>Reference market price on the reporting date</p> <ul style="list-style-type: none"> Suckling swine Baht 2,083 to Baht 2,404 per head Weanling swine Baht 2,378 to Baht 3,884 per head Fattening swine Baht 74 to Baht 79 per kilogram 	On the reporting date, if transaction price increases/decreases by 10%, the estimated fair value of swine would have increased/decreased by Baht 930 million.

The fair value of biological assets is performed by the Group's relevant finance department and operations team using a series of systematic procedures. The fair value measurements are categorised into each hierarchy based on inputs of swine market in each country as reference. The fair value of swine are determined based on transaction price per head or weight of swine.

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10 Available-for-sale investments

Movements for the years ended 31 December 2015 and 2014 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
At 1 January	3,924	1,909
Acquisitions/additional investments	4,923	638
Disposals	(673)	-
Reclassification of change in fair value to profit or loss from disposal	(1,450)	-
Changes in fair value	(3,485)	1,377
Currency translation differences	420	-
At 31 December	<u>3,659</u>	<u>3,924</u>

Details of available-for-sale investments

Available-for-sale investments as at 31 December 2015 and 2014 were as follows:

	<i>(Unit: Million Baht)</i>					
	Ownership interest (both direct and indirect) (%)		Consolidated		Separate	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Marketable securities						
- at fair value						
True Corporation Public						
Company Limited - at cost	2.21	1.43	6,818	2,148	-	-
Changes in fair value			(3,159)	1,776	-	-
Total			<u>3,659</u>	<u>3,924</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 2015, a subsidiary sold the available-for-sale investments with the original cost of Baht 673 million with a gain on sale of investments amounting to Baht 1,431 million, which was presented in the consolidated statement of income.

Carrying amounts and fair values of financial instruments carried at fair value

The fair values of financial assets together with the carrying amounts in the consolidated statement of financial position are as follows.

	<i>(Unit: Million Baht)</i>				
	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2015					
Non-current					
Equity securities available for sale	3,659	3,659	-	-	3,659

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11 Investments in subsidiaries

Movements during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
At 1 January	-	-	68,443	87,565
Acquisitions/additional investments	-	-	18,495	2
Disposals	-	-	-	(19,124)
At 31 December	-	-	86,938	68,443

According to the announcement of the Company on 17 October 2014 regarding the announcement made by C.P. Pokphand Co., Ltd. (“CPP”) pursuant to the rules of the Stock Exchange of Hong Kong Limited (“HKEX”) in relation to the proposed spin-off of CPP’s Biochemical business and the interests in industrial business to be grouped under Chia Tai Enterprises International Limited (“CTEI”) (collectively referred to as “the Spin-Off”) and the listing of the ordinary shares of CTEI on HKEX.

On 29 June 2015, CPP made special dividend payment by way of a distribution in specie of CTEI shares to its shareholders in proportion to the respective shareholding (“the Special Dividend”) whereby a CPP ordinary shareholder will be entitled to one CTEI ordinary share for every 100 CPP ordinary shares and a CPP preference shareholder will be entitled to one CTEI preference share for every 100 CPP preference shares in accordance with the resolutions of the Special General Meeting of CPP held on 17 April 2015.

Accordingly, CPF and CPF Investment Limited, in the capacity of CPP shareholders, received 12,610,777 CTEI preference shares (equal to 4.98% of the total issued and paid-up share capital) and 115,137,370 CTEI ordinary shares (equal to 45.45% of the total issued and paid-up share capital) respectively.

The ordinary shares of CTEI have been listed on HKEX and traded starting from 3 July 2015.

During 2014, the Company sold investments in subsidiaries with the carrying amount of Baht 19,124 million with gains on sale of investments amounting to Baht 1,884 million, which was presented in the separate statement of income.

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Details of investments in subsidiaries and dividend income

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income for the years then ended were as follows:

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Accumulated impairment		At cost - net		Dividend income	
	(<i>%)</i>											
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>Marketable security</i>												
C.P. Pokphand Co., Ltd.	4.98	4.98	7,973	7,973	4,691	5,191	-	-	4,691	5,191	218	553
Chia Tai Enterprises International Limited	4.98	-	840	-	500	-	-	-	500	-	-	-
Total					5,191	5,191	-	-	5,191	5,191	218	553
<i>Non-marketable securities</i>												
Bangkok Produce Merchandising Public Company Limited	99.44	99.44	600	600	1,230	1,230	-	-	1,230	1,230	1,193	-
CPF (Thailand) Public Company Limited	99.98	99.98	7,008	7,008	11,883	11,883	-	-	11,883	11,883	2,102	7,357
CPF Training Center Co., Ltd.	99.99	99.99	20	20	20	20	-	-	20	20	-	-
CPF IT Center Co., Ltd.	99.99	99.99	250	250	250	250	-	-	250	250	-	-
C.P. Merchandising Co., Ltd.	99.99	99.99	9,000	9,000	9,000	9,000	-	-	9,000	9,000	9,900	5,400
Chester Food Co., Ltd.	99.99	99.99	80	80	450	450	-	-	450	450	-	80
CPF Food Research & Development Center Co., Ltd.	99.99	-	125	-	125	-	-	-	125	-	-	-
C.P. Aquaculture (Beihai) Co., Ltd.	100.00	100.00	602	602	602	602	-	-	602	602	-	-

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Details of investments in subsidiaries and dividend income (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Accumulated		At cost - net		Dividend income	
	(%)	impairment					2015	2014				
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
C.P. Aquaculture (Dongfang) Co., Ltd.	100.00	100.00	755	494	755	494	-	-	755	494	-	-
C.P. Aquaculture (Hainan) Co., Ltd.	100.00	100.00	126	126	126	126	-	-	126	126	-	-
C.P. Standart Gida Sanayi ve Ticaret A.S.	8.57	8.57	6,452	6,452	618	618	-	-	618	618	-	-
Charoen Pokphand Foods Kenya Co., Ltd.	99.99	99.99	8	8	8	8	-	-	8	8	-	-
Charoen Pokphand Foods (Overseas) LLC.	10.21	48.80	2,819	1,057	1,394	1,394	(938)	(938)	456	456	-	-
Charoen Pokphand Foods Philippines Corporation	34.09	37.50	3,196	2,890	1,055	1,055	-	-	1,055	1,055	-	-
CPF Investment Limited	100.00	100.00	42,123	36,929	42,123	36,929	-	-	42,123	36,929	-	-
CPF Tanzania Limited	58.25	58.25	224	224	129	129	-	-	129	129	-	-
C.P. Foods Holdings Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
C.P. Foods International Limited	100.00	100.00	1	1	1	1	-	-	1	1	-	-
CPF Netherlands B.V.	99.99	-	12,541	-	12,915	-	-	-	12,915	-	-	-
Total					82,685	64,190	(938)	(938)	81,747	63,252	13,195	12,837
Grand Total					87,876	69,381	(938)	(938)	86,938	68,443	13,413	13,390

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12 Non-controlling interests

Summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations as at 31 December 2015 were as follows:

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries	Chia Tai Enterprises International Limited and its subsidiaries	Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	CJSC Poultry Parent Stock Production Woyskovitsy	CJSC Poultry Production Severnaya
Non-controlling interests percentage*	49.57	49.57	67.32	20.01	20.01
Current assets	57,755	2,072	4,932	247	3,955
Non-current assets	62,963	6,637	7,075	845	5,760
Current liabilities	(40,047)	(896)	(4,192)	(15)	(2,213)
Non-current liabilities	(27,110)	(603)	(690)	-	(1,041)
Net assets	53,561	7,210	7,125	1,077	6,461
Goodwill of non-controlling interests	16,863	1,313	-	88	2,863
Carrying amount of non-controlling interests**	43,381	4,127	4,243	304	4,156

* The non-controlling interests percentage of sub-group represents only direct holding on the respective intermediate subsidiary, whereas, many indirect subsidiaries are not wholly-owned by the intermediate subsidiary with various percentages of ownership interests.

** The carrying amount of non-controlling interests of sub-group are derived from the above various percentages of ownership interests of indirect subsidiaries.

**Charoen Pokphand Foods Public Company Limited
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The following is summarised financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations for the year ended 31 December 2015:

(Unit: Million Baht)

	C.P. Pokphand Co., Ltd. and its subsidiaries	Chia Tai Enterprises International Limited and its subsidiaries	Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries	CJSC Poultry Parent Stock Production Woyskovitsy	CJSC Poultry Production Severnaya
Revenue	178,671	2,008	17,919	61	948
Profit for the year/period	10,046	172	798	7	72
Other comprehensive income	605	275	(382)	(49)	(446)
Total comprehensive income	10,651	447	416	(42)	(374)
Profit attributable to non-controlling interests	4,423	108	548	1	14
Other comprehensive income attributable to non-controlling interests	266	173	(262)	(10)	(89)
Cash flows from operating activities	17,774	372	748	8	350
Cash flows from investing activities	(10,596)	(103)	(1,002)	42	1,322
Cash flows from financing activities	(6,785)	(204)	135	-	(92)
Effect of exchange rate changes on balances held in foreign currencies	(353)	(27)	(1)	(4)	(75)
Net increase (decrease) in cash and cash equivalents	40	38	(120)	46	1,505
Dividend paid to non-controlling interests	486	115	19	-	-

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Summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations as at 31 December 2014 were as follows:

	<i>(Unit: Million Baht)</i>	
	C.P. Pokphand Co., Ltd. and its subsidiaries	Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries
Non-controlling interests percentage*	49.57	67.59
Current assets	55,411	4,468
Non-current assets	58,932	6,606
Current liabilities	(35,589)	(3,304)
Non-current liabilities	(24,776)	(853)
Net assets	53,978	6,917
Goodwill of non-controlling interests	15,031	-
Carrying amount of non-controlling interests**	41,739	3,743

* The non-controlling interests percentage of sub-group represents only direct holding on the respective intermediate subsidiary, whereas, many indirect subsidiaries are not wholly-owned by the intermediate subsidiary with various percentages of ownership interests.

** The carrying amount of non-controlling interests of sub-group are derived from the above various percentages of ownership interests of indirect subsidiaries.

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The following is summarised financial information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations for the year ended 31 December 2014:

	<i>(Unit: Million Baht)</i>	
	C.P. Pokphand Co., Ltd. and its subsidiaries	Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries
Revenue	181,445	18,844
Profit for the year	8,673	866
Other comprehensive income	(1,072)	(422)
Total comprehensive income	7,601	444
Profit attributable to non-controlling interests	2,911	594
Other comprehensive income attributable to non-controlling interests	(399)	(290)
Cash flows from operating activities	10,126	1,092
Cash flows from investing activities	(10,784)	(481)
Cash flows from financing activities	(2,053)	(463)
Effect of exchange rate changes on balances held in foreign currencies	(152)	16
Net increase (decrease) in cash and cash equivalents	(2,863)	164
Dividend paid to non-controlling interests	774	-

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13 Investments in associates

Movements during the years ended 31 December 2015 and 2014 were as follows:

	<i>Note</i>	Consolidated		<i>(Unit: Million Baht)</i>	
		financial statements		Separate	
		2015	2014	2015	2014
At 1 January		52,055	40,833	335	335
Share of profit of associates		4,965	4,133	-	-
Dividend income from associates		(2,609)	(3,122)	-	-
Previously held interest in associate					
before status change to subsidiary	4	(820)	-	-	-
Acquisition/additional investments		15,455	12,507	-	-
Disposals		(3,661)	(2,156)	-	-
Currency translation differences		(23)	(140)	-	-
Other		(50)	-	-	-
At 31 December		65,312	52,055	335	335

The Group accounts for the investment in ordinary shares of an associate (CP ALL Public Company Limited), which is a listed company in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at 31 December 2015, the fair value of this investment was Baht 121,652 million (2014: Baht 126,266 million).

During the year 2015, a subsidiary sold a portion of the investments in an associate with the carrying amount of Baht 3,661 million with a gain on sale of investments amounting to Baht 5,697 million, which was presented in the consolidated statement of income (2014: Baht 2,156 million and Baht 4,530 million respectively).

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Details of investments in associates and dividend income

Investments in associates as at 31 December 2015 and 2014, and dividend income for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up capital		Cost method		Equity method		Accumulated impairment		At equity – net		Dividend income	
	(<i>%)</i>													
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>Marketable security</i>														
CP ALL Public Company Limited	34.50	33.27	8,983	8,983	53,334	41,066	60,863	46,847	-	-	60,863	46,847	2,341	2,608
Total					53,334	41,066	60,863	46,847	-	-	60,863	46,847	2,341	2,608
<i>Non-marketable securities</i>														
Nava 84 Co., Ltd.	25.00	25.00	1,203	1,203	159	159	162	162	-	-	162	162	-	-
Ross Breeders Siam Co., Ltd.	49.99	49.99	70	70	35	35	86	88	-	-	86	88	17	20
Arbor Acres Thailand Co., Ltd.	49.98	49.98	4	4	2	2	183	211	-	-	183	211	95	47
BHJ Kalino Food AB ("BHJ") *	15.08	15.08	5	5	24	24	29	28	-	-	29	28	3	-
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	743	689	-	-	743	689	-	-
C.P. Cambodia Co., Ltd.	-	25.00	-	2,103	-	493	-	787	-	-	-	787	-	82
Charoen Pokphand Holdings (Malaysia) Sdn. Bhd.	49.75	49.75	353	353	176	176	1,389	1,525	-	-	1,389	1,525	-	-

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

(Unit: million Euro)

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up capital		Cost method		Equity method		Accumulated impairment		At equity – net		Dividend income	
	(%)													
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Conti Chia Tai International Limited	25.21	25.21	767	767	1,052	1,052	1,462	1,231	-	-	1,462	1,231	-	261
Zhan Jiang Deni Carburetor Co., Ltd. **	14.12	14.12	581	581	424	424	395	487	-	-	395	487	153	104
Total					2,048	2,541	4,449	5,208	-	-	4,449	5,208	268	514
Grand total					55,382	43,607	65,312	52,055	-	-	65,312	52,055	2,609	3,122

* BHJ is an associate in which 29.00% of the total issued and paid-up shares were held by CPF Denmark A/S (“CPF DM”), a 52.00% indirectly owned subsidiary. In this regard, the Group accounted for its investment in BHJ using the equity method based on 15.08% shareholding in the consolidated financial statements.

** Zhan Jiang Deni Carburetor Co., Ltd. is an associate in which 28.00% of the total issued and paid-up shares were held by Chia Tai Enterprises International Limited (“CTEI”), a 50.43% directly and indirectly owned subsidiary. In this regard, the Group accounted for its investment in Zhan Jiang Deni Carburetor Co., Ltd. using the equity method based on 14.12% shareholding in the consolidated financial statements.

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Details of investments in associates and dividend income (Continued)

(Unit: Million Baht)

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Accumulated impairment		At cost – net		Dividend income	
	(%)						2015		2014		2015	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>Non-marketable securities</i>												
Nava 84 Co., Ltd.	25.00	25.00	1,203	1,203	159	159	-	-	159	159	-	-
C.P. Aquaculture (India) Private Limited	31.70	31.70	192	192	176	176	-	-	176	176	-	-
Total					335	335	-	-	335	335	-	-

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The following table summarises the financial information of the material associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interests in the associate.

	<i>(Unit: Million Baht)</i>	
	CP ALL Public Company Limited and its subsidiaries	
	2015	2014
Revenue	405,893	371,301
Profit from continuing operations	13,818	10,319
Other comprehensive income	70	(80)
Total comprehensive income	13,888	10,239
Attributable to non-controlling interests	134	119
Attributable to investee's shareholders	13,754	10,120
Current assets	56,973	64,684
Non-current assets	272,110	261,726
Current liabilities	(101,131)	(92,015)
Non-current liabilities	(186,276)	(199,337)
Net assets	41,676	35,058
Attributable to non-controlling interests	4,326	4,276
Attributable to investee's shareholders	37,350	30,782
Group's interest in net assets of investee at 1 January	10,241	9,130
Total comprehensive income attributable to the Group	4,563	3,279
Dividends received during the year	(2,341)	(2,608)
Difference from change in ownership	423	440
Group's interest in net assets of investee at end of year	12,886	10,241
Goodwill	47,977	36,606
Carrying amount of interests in investee at 31 December	60,863	46,847

Immaterial associates

The following is summarised financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	<i>(Unit: Million Baht)</i>	
	Consolidated financial statements	
	2015	2014
Carrying amount of interests in immaterial associates	4,449	5,208
Group's share of:		
- Profit from continuing operations	421	841
- Other comprehensive income	(86)	(127)
- Total comprehensive income	335	714

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Contingent liabilities relating to the investments in associates as at 31 December 2015 and 2014 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	<u>2015</u>	<u>2014</u>
Group's share of the investees' contingent liabilities	417	302

14 Investments in joint ventures

Movements during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
			financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
At 1 January	4,194	5,266	-	-
Share of profit of joint ventures	255	736	-	-
Dividend income from joint ventures	(81)	(284)	-	-
Disposals	-	(1,483)	-	-
Currency translation differences	51	(41)	-	-
At 31 December	<u>4,419</u>	<u>4,194</u>	<u>-</u>	<u>-</u>

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Details of investments in joint ventures

Investments in joint ventures as at 31 December 2015 and 2014, and dividend income for the years then ended were as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Ownership interest (both direct and indirect)		Paid-up capital		Cost method		Equity method		Accumulated impairment		At equity – net		Dividend income	
	(%)													
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>Non-marketable securities</i>														
CP-Meiji Co., Ltd. (“CP-Meiji”)*	59.99	59.99	500	500	1,200	1,200	1,402	1,229	-	-	1,402	1,229	-	-
Beijing Chia Tai Feedmill Co., Ltd.	25.21	25.21	157	157	128	128	158	129	-	-	158	129	-	71
Handan Chia Tai Feed Co., Ltd.	25.21	25.21	56	56	(8)	(8)	20	18	-	-	20	18	2	-
Jilin Chia Tai Enterprise Co., Ltd.	25.21	25.21	261	261	211	211	233	234	-	-	233	234	-	-
Henan East Chia Tai Co., Ltd.	25.21	25.21	170	170	225	225	209	242	-	-	209	242	79	82
ECI Metro Investment Co., Ltd.	25.21	25.21	378	378	1,296	1,296	2,397	2,342	-	-	2,397	2,342	-	131
Total					3,052	3,052	4,419	4,194	-	-	4,419	4,194	81	284

* CP-Meiji is a joint venture because the articles of association of the joint venture specifies that each investor has joint control over significant financial and operating decisions and has right to the net assets.

The Group accounts for investments in joint ventures using the equity method in the consolidated financial statements.

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The Group has considered that none of the joint ventures is regarded as individually material to the Group.

Immaterial joint ventures

The following is summarised financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2015	2014
Carrying amount of interests in immaterial joint ventures	4,419	4,194
Group's share of:		
- Profit from continuing operations	255	736
- Other comprehensive income	51	(41)
- Total comprehensive income	306	695

Contingent liabilities and commitments relating to the investments in joint ventures as at 31 December 2015 and 2014 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2015	2014
Group's share of the investees' commitments	79	58
Group's share of the investees' contingent liabilities	2	-

15 Investments in related companies

Movements during the years ended 31 December 2015 and 2014 were as follows:

	<i>(Unit: Million Baht)</i>	
	Consolidated	
	financial statements	
	2015	2014
At 1 January	1,549	1,546
Currency translation differences	59	3
At 31 December	1,608	1,549
	Separate	
	financial statements	
	2015	2014
At 1 January	678	678
Currency translation differences	-	-
At 31 December	678	678

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Details of investments in related companies

Investments in related companies as at 31 December 2015 and 2014 were as follows:

(Unit: Million Baht)

	Ownership interest (both direct and indirect) (%)		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
Non-marketable securities						
General investments						
- at cost						
CPPC Public Company Limited	6.58	6.58	110	110	55	55
C.P. Land Public Company Limited	6.49	6.49	276	276	95	95
Chia Tai (Jilin) Co., Ltd.	10.00	10.00	5	5	-	-
Kinghill Limited	13.96	13.96	1,217	1,158	528	528
Total			1,608	1,549	678	678

16 Investment properties

Movements for the years ended 31 December 2015 and 2014 were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
At cost				
At 1 January	1,169	1,930	200	204
Additions	20	63	3	-
Disposal of investment	-	(592)	-	-
Transfers from property, plant and equipment	273	-	-	-
Transfer to property, plant and equipment	-	(46)	-	-
Disposals	(2)	(5)	(2)	(4)
Depreciation	(50)	(126)	-	-
Currency translation difference	(31)	(55)	-	-
At 31 December	1,379	1,169	201	200

Appraisal prices of the Group and the Company's investment properties were revalued by the independent professional valuers using Market Comparison Approach, at fair market values totaling Baht 2,598 million and Baht 609 million respectively (*2014: Baht 1,990 million and Baht 608 million respectively*).

The fair value measurement for the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Market comparison approach	Quotation and actual sales prices of comparable investment properties adjusted by other factors.	The estimated fair value increase (decrease) if the price per area increase (decrease).

17 Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements					
	Land	Buildings, building improvements and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
Cost/revaluation						
As at 1 January 2014	22,666	59,411	52,123	8,866	19,697	162,763
Additions	572	1,248	2,060	1,176	21,175	26,231
Acquired through business acquisitions	67	326	439	65	62	959
Transfers	-	5,925	4,071	1,024	(11,034)	(14)
Transfers from investment properties	-	46	-	-	-	46
Disposals	(11)	(338)	(472)	(427)	(1)	(1,249)
Currency translation differences	(430)	(1,914)	(461)	(540)	(1,634)	(4,979)
At 31 December 2014 and 1 January 2015	22,864	64,704	57,760	10,164	28,265	183,757
Additions	571	651	1,593	865	22,504	26,184
Acquired through business acquisitions	409	6,456	1,731	238	460	9,294
Transfers	196	11,202	12,629	1,221	(25,898)	(650)
Transfers to investment properties	(222)	(51)	-	-	-	(273)
Disposals	(563)	(1,244)	(1,244)	(320)	-	(3,371)
Currency translation differences	(43)	364	561	208	726	1,816
At 31 December 2015	23,212	82,082	73,030	12,376	26,057	216,757

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(Unit: Million Baht)

Consolidated financial statements						
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
Accumulated depreciation and impairment losses						
At 1 January 2014	-	(21,564)	(25,595)	(4,673)	-	(51,832)
Depreciation charge for the year	-	(3,206)	(4,615)	(1,016)	-	(8,837)
Impairment losses	-	(5)	(56)	-	-	(61)
Transfers	-	220	77	(297)	-	-
Disposals	-	232	399	387	-	1,018
Currency translation differences	-	430	513	(527)	-	416
At 31 December 2014 and 1 January 2015	-	(23,893)	(29,277)	(6,126)	-	(59,296)
Depreciation charge for the year	-	(3,372)	(5,183)	(1,426)	-	(9,981)
Reversal of (impairment loss)	-	3	(26)	-	-	(23)
Transfers	-	28	292	(27)	-	293
Disposals	-	866	1,024	281	-	2,171
Currency translation differences	-	(22)	(317)	17	-	(322)
At 31 December 2015	-	(26,390)	(33,487)	(7,281)	-	(67,158)
Net book value						
Owned assets	22,666	37,847	26,528	4,178	19,697	110,916
Assets under finance leases	-	-	-	15	-	15
At 1 January 2014	22,666	37,847	26,528	4,193	19,697	110,931
Owned assets	22,864	40,811	28,481	4,031	28,265	124,452
Assets under finance leases	-	-	2	7	-	9
At 31 December 2014 and 1 January 2015	22,864	40,811	28,483	4,038	28,265	124,461
Owned assets	23,212	55,692	39,542	5,083	26,057	149,586
Assets under finance leases	-	-	1	12	-	13
At 31 December 2015	23,212	55,692	39,543	5,095	26,057	149,599

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(Unit: Million Baht)

	Separate financial statements					
	Land	Buildings, building improve- ments and utilities system	Machinery and equipment	Other	Assets under construction and installation	Total
Cost/revaluation						
At 1 January 2014	4,533	11,870	10,822	1,128	1,759	30,112
Additions	58	12	435	82	1,619	2,206
Transfers	-	485	368	23	(876)	-
Disposals	(11)	(95)	(116)	(16)	-	(238)
At 31 December 2014 and 1 January 2015	4,580	12,272	11,509	1,217	2,502	32,080
Additions	2	3	184	47	1,003	1,239
Transfers	2	923	556	9	(1,873)	(383)
Business transfers	-	(527)	(524)	(43)	-	(1,094)
Disposals	(1)	(766)	(703)	(69)	-	(1,539)
At 31 December 2015	4,583	11,905	11,022	1,161	1,632	30,303
Accumulated depreciation and impairment losses						
At 1 January 2014	-	(5,670)	(5,818)	(837)	-	(12,325)
Depreciation charge for the year	-	(789)	(1,096)	(125)	-	(2,010)
Impairment losses	-	(5)	(56)	-	-	(61)
Disposals	-	56	107	15	-	178
At 31 December 2014 and 1 January 2015	-	(6,408)	(6,863)	(947)	-	(14,218)
Depreciation charge for the year	-	(830)	(1,076)	(116)	-	(2,022)
Reversal of (impairment loss)	-	5	(26)	-	-	(21)
Business transfers	-	245	331	35	-	611
Transfers	-	-	288	6	-	294
Disposals	-	516	587	63	-	1,166
At 31 December 2015	-	(6,472)	(6,759)	(959)	-	(14,190)
Net book value						
Owned assets	4,533	6,200	5,004	291	1,759	17,787
At 1 January 2014	4,533	6,200	5,004	291	1,759	17,787
Owned assets	4,580	5,864	4,646	270	2,502	17,862
At 31 December 2014 and 1 January 2015	4,580	5,864	4,646	270	2,502	17,862
Owned assets	4,583	5,433	4,263	202	1,632	16,113
At 31 December 2015	4,583	5,433	4,263	202	1,632	16,113

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The gross amount of the Group's and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 39,028 million (2014: Baht 34,040 million) in the consolidated statement of financial position, and Baht 7,160 million (2014: Baht 6,499 million) in the separate statement of financial position.

Capitalised borrowing cost in 2015 of the Group and the Company was Baht 1,003 million and Baht 57 million respectively (2014: Baht 667 million and Baht 54 million respectively).

Fair value measurement

Appraisal prices of the Group and the Company's land were revalued by the independent professional valuers using Market Comparison Approach, at fair market values totaling Baht 23,212 million and Baht 4,583 million respectively (2014: Baht 22,864 million and Baht 4,580 million respectively).

The fair value measurement for the land has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Market comparison approach	Quotation and actual sales prices of comparable land adjusted by other factors.	The estimated fair value increase (decrease) if the price per area increase (decrease).

18 Goodwill

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<i>Cost</i>				
At 1 January	60,699	59,293	-	-
Acquired through business acquisitions	16,413	1,425	-	-
Currency translation differences	4,186	(19)	-	-
At 31 December	81,298	60,699	-	-
<i>Impairment losses</i>				
At 1 January	-	-	-	-
Impairment loss	-	-	-	-
At 31 December	-	-	-	-
<i>Net book value</i>				
At 1 January	60,699	59,293	-	-
At 31 December	81,298	60,699	-	-

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Impairment testing for carrying amount of goodwill

Goodwill is allocated to cash-generating unit by segment and countries of operation. In evaluating and testing of impairment, the Group based the recoverable amount on its value in use by estimating discounted future cash flows by reference to five-year financial budgeted forecasts.

The assigned assumptions were from the management's assessment by considering the future trends in the relevant industries and were based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount were discount rate which was determined based on weighted average cost of capital, terminal growth rate and historical growth rate of earnings before income tax, depreciation and amortisation.

19 Other intangible assets

(Unit: Million Baht)

	Consolidated financial statements		
	Development cost of software applications	Trademarks, rights and other	Total
<i>Cost</i>			
At 1 January 2014	348	5,316	5,664
Additions	127	103	230
Acquired through business acquisitions	3	1,328	1,331
Transfers	(3)	86	83
Disposals	-	(21)	(21)
Currency translation differences	3	89	92
At 31 December 2014 and 1 January 2015	478	6,901	7,379
Additions	103	72	175
Acquired through business acquisitions	2	396	398
Transfers	14	4	18
Disposals	-	(4)	(4)
Currency translation differences	3	129	132
At 31 December 2015	600	7,498	8,098
<i>Accumulated amortisation</i>			
At 1 January 2014	(235)	(1,534)	(1,769)
Amortisation charge for the year	(36)	(781)	(817)
Transfers	-	(60)	(60)
Disposals	-	(18)	(18)
At 31 December 2014 and 1 January 2015	(271)	(2,393)	(2,664)
Amortisation charge for the year	(51)	(863)	(914)
Transfers	-	(8)	(8)
Disposals	-	3	3
At 31 December 2015	(322)	(3,261)	(3,583)
<i>Net book value</i>			
At 1 January 2014	113	3,782	3,895
At 31 December 2014 and 1 January 2015	207	4,508	4,715
At 31 December 2015	278	4,237	4,515

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(Unit: Million Baht)

	Separate financial statements		
	Development cost of software applications	Other	Total
Cost			
At 1 January 2014	7	86	93
Additions	-	6	6
At 31 December 2014 and 1 January 2015	7	92	99
Additions	-	4	4
Decrease due to business transfer	-	(1)	(1)
Disposals	-	(3)	(3)
At 31 December 2015	7	92	99
Accumulated amortisation			
At 1 January 2014	(5)	(35)	(40)
Amortisation charge for the year	-	(9)	(9)
At 31 December 2014 and 1 January 2015	(5)	(44)	(49)
Amortisation charge for the year	(1)	(8)	(9)
Disposals	-	2	2
At 31 December 2015	(6)	(50)	(56)
Net book value			
At 1 January 2014	2	51	53
At 31 December 2014 and 1 January 2015	2	48	50
At 31 December 2015	1	42	43

The gross amount of the Group's and the Company's fully amortised intangible assets that was still in use as at 31 December 2015 amounted to Baht 458 million in the consolidated statement of financial position, and Baht 12 million in the separate statement of financial position (2014: Baht 373 million and Baht 6 million respectively).

20 Restricted deposits at financial institutions

As at 31 December 2015 certain subsidiaries had restricted deposits at financial institutions totaling Baht 1,948 million in order to comply with conditions for using credit facilities of foreign financial institutions (2014: Baht 2,054 million).

21 Deferred income tax

Deferred tax assets and liabilities as at 31 December 2015 and 2014 were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	4,434	3,815	3,061	2,604
Deferred tax liabilities	(5,531)	(5,677)	-	-
Net deferred tax assets (liabilities)	(1,097)	(1,862)	3,061	2,604

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Movements of deferred tax assets and liabilities during the year 2015 was as follows:

(Unit: Million Baht)

	Consolidated financial statements						At 31 December 2015
	At 1 January 2015	Charged/Credited to (Note 35)			Acquired in business combination	Currency translation differences	
		Profit or loss	Other comprehensive income	Equity			
<i>Deferred tax assets (liabilities)</i>							
Biological assets	(495)	(11)	-	-	(5)	(13)	(524)
Investments	(483)	2	400	-	-	10	(71)
Tax losses	3,819	586	-	-	-	(97)	4,308
Other intangible assets	(977)	214	-	-	(8)	(14)	(785)
Property, plant and equipment	(4,081)	(229)	-	95	(120)	(172)	(4,507)
Employee benefit obligations	972	87	23	-	-	(1)	1,081
Other	(617)	(7)	-	-	5	20	(599)
Net	(1,862)	642	423	95	(128)	(267)	(1,097)

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Movements of deferred tax assets and liabilities during the year 2014 was as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	At 1 January 2014	Charged/Credited to (Note 35) Profit or loss	Other comprehensive income	Acquired in business combination	Currency translation differences
At 31 December 2014					
<i>Deferred tax assets (liabilities)</i>					
Biological assets	(394)	(105)	-	-	4
Investments	(200)	(7)	(275)	-	(1)
Tax losses	3,107	770	-	-	(58)
Other intangible assets	(807)	161	-	(328)	(3)
Property, plant and equipment	(4,037)	67	-	(147)	36
Employee benefit obligations	912	75	(5)	-	(10)
Other	(202)	(405)	-	(48)	38
Net	(1,621)	556	(280)	(523)	6

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Movements of deferred tax assets and liabilities during the year 2015 and 2014 were as follows:

(Unit: Million Baht)

	Separate financial statements		
	Charged/Credited to (Note 35)		
At 1 January 2015	Profit or loss	Equity	At 31 December 2015
<i>Deferred tax assets (liabilities)</i>			
Investments	1	-	1
Land	(319)	-	(319)
Employee benefit obligations	345	(4)	358
Tax losses	2,598	(10)	2,915
Other	(21)	(1)	106
Net	2,604	(15)	3,061

(Unit: Million Baht)

	Separate financial statements		
	Charged/Credited to (Note 35)		
At 1 January 2014	Profit or loss	Other comprehensive income	At 31 December 2014
<i>Deferred tax assets (liabilities)</i>			
Investments	1	-	1
Land	(319)	-	(319)
Employee benefit obligations	322	-	345
Tax losses	1,721	-	2,598
Other	(21)	-	(21)
Net	1,704	-	2,604

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As at 31 December 2015 the Group had temporary differences arising from the unutilised tax losses carry forward which have not been recognised as deferred tax assets in the statement of financial position totaling Baht 9,033 million (2014: Baht 9,023 million) because it is not probable that it will be able to utilise the tax benefit in the foreseeable future.

22 Leasehold rights prepayment

Movements for the years ended 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2015	2014	2015	2014
At 1 January	5,039	4,866	-	-
Additions	2,111	440	-	-
Acquired through business acquisition	-	298	-	-
Transfer to other current assets	(61)	(5)	-	-
Amortisation	(292)	(192)	-	-
Disposals	(102)	(378)	-	-
Currency translation difference	251	10	-	-
At 31 December	6,946	5,039	-	-

23 Interest-bearing liabilities

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2015	2014	2015	2014
<i>Note</i>				
Current				
Overdrafts	4,073	1,628	6	5
Bill of exchange	18,731	1,989	18,731	1,989
Promissory notes	13,076	9,112	-	-
Short-term borrowings from financial institutions	62,387	42,932	7,251	-
Packing credits	7,515	6,128	-	-
Liabilities under trust receipts	968	3,886	-	-
Total	106,750	65,675	25,988	1,994
Short-term borrowings from joint ventures and related company	378	395	-	-
<i>5</i>				

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		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2015	2014	2015	2014
Current portion of long-term debts					
Long-term borrowings from financial institutions		13,865	8,427	616	616
Debentures		6,060	5,000	6,060	5,000
Exchangeable Bonds	42	10,794	-	-	-
Liabilities under finance leases		5	6	-	-
Total		30,724	13,433	6,676	5,616
Total current		137,852	79,503	32,664	7,610
Non-current					
Long-term debts					
Long-term borrowings from financial institutions and other companies		49,354	48,761	1,855	2,463
Debentures		70,940	58,060	70,940	58,060
Exchangeable Bonds		-	9,599	-	-
Liabilities under finance leases		5	6	-	-
Total		120,299	116,426	72,795	60,523
Total non-current		120,299	116,426	72,795	60,523
Grand total		258,151	195,929	105,459	68,133

Exchangeable Bonds

On 8 January 2014 the Board of Directors of C.P. Foods Holdings Limited (“CPFH”), a 100.00% directly owned subsidiary, passed a resolution to approve CPFH to issue and offer USD 290 million 0.5% Exchangeable Bonds due 2019 (“EBs”). The EBs holders can exchange the EBs into a pro rata share of the Exchange Property with a sponsor undertaking from the Company. The Exchange Property, at the EBs issue date, initially comprised 180 million shares in CP ALL Public Company Limited (“CPALL Shares”), which belong to CPFH and which were deposited with the Custody Account with Merrill Lynch International (the “Custodian” or “Merrill Lynch”) pursuant to the details set out in the Terms and Conditions of the EBs. Under the terms and conditions of the EBs, the EB holders have the options to (1) exchange the EBs into CPALL Shares as held by CPFH, or (2) put the EBs to CPFH on the date falling 2 years from the issue date of the EBs, or (3) hold the EBs until maturity, whereby in the case of (2) and (3) CPFH will repay the EB holders in cash. In accordance with the terms and conditions of the EBs, where the EB holders exercise the exchange right, CPFH has the option to deliver CPALL Shares to the EB holders or redeem the EBs using cash of equivalent market value of CPALL shares. The initial exchange ratio of EBs is 123,966.94 CPALL Shares for each USD 200,000 principal amount of EBs (1 CPALL share equivalent to Baht 53.29 (rounded up) at the exchange rate USD 1: Baht 33.03).

The issuance and offering of the EBs was completed on 15 January 2014 and the EBs were listed on Singapore Exchange Securities Trading Limited on 16 January 2014.

As at 31 December 2015 the carrying amount of the EBs were USD 300 million or equivalent to Baht 10,794 million (2014: USD 292 million or equivalent to Baht 9,599 million). CPFH reclassified the amount as current portion of long-term debts because the EBs was falling 2 years from the issue date and the EB holders exercised their put options pursuant to the terms and conditions of EBs (see note 42 to financial statements).

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In addition, CPFH has a securities lending agreement over the Exchange Property (“CPALL Shares”) with Merrill Lynch (the “Borrower”). Under the terms of the agreement, CPFH agrees to lend to the Borrower up to 110 million CPALL Shares (equal to 1.22% of CPALL’s total issued and paid-up share capital) from the Custody Account with the terms and condition of service fees as stipulated in the agreement. In this regard, CPFH may recall CPALL Shares from the Borrower to deliver to EB holders, if there are insufficient CPALL Shares in the Custody Account. As at 31 December 2015 CPFH lent to the Borrower approximately 0.4 million CPALL Shares. The fair value of these shares was Baht 16 million (2014: 28.9 million shares and fair value was Baht 1,221 million).

The currency denomination of interest-bearing liabilities as at 31 December 2015 and 2014 was as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Functional currencies of each company in the Group	233,732	184,253	95,308	64,822
Foreign currencies				
- United States Dollar	22,320	10,137	10,151	3,311
- Euro	2,099	1,539	-	-
Total	258,151	195,929	105,459	68,133

The periods to maturity of interest-bearing liabilities, excluding liabilities under finance leases, as at 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Within one year	137,847	79,498	32,664	7,610
After one year but within five years	74,113	83,671	32,855	33,023
After five years	46,181	32,748	39,940	27,500
Total	258,141	195,917	105,459	68,133

The Group has secured interest-bearing liabilities as at 31 December 2015 totaling Baht 35,729 million (2014: Baht 38,160 million). Value of assets used for secured interest-bearing liabilities totaled Baht 40,745 million (2014: Baht 45,321 million).

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Long-term borrowings from financial institutions

As at 31 December 2015 the Group had significant secured borrowing agreements as follows:

The first agreement

On 1 March 2012 a foreign subsidiary, CPF Investment Limited (“CPFI”) entered into a secured long-term borrowing agreement with local and foreign financial institutions. Details were as follows:

<u>Borrowing agreement</u>	<u>Approved credit facilities</u>	<u>Carrying amount as at 31 December 2015</u>	<u>Interest rate (% per annum)</u>	<u>Term of payment</u>
Facility 1	U.S. Dollar 277.50 million	U.S. Dollar 138.78 million (equivalent Approximately Baht 5,000 million)	Floating interest rate at 3-month LIBOR plus specified rate	Every 6 months for 5 years
Facility 2	U.S. Dollar 462.50 million	U.S. Dollar 379.86 million (equivalent Approximately Baht 13,686 million)	Floating interest rate at 3-month LIBOR plus specified rate for year 1 to year 5 and 3-month LIBOR plus specified rate for year 6 and year 7	Every 6 months for 7 years

CPFI drewdown the above long-term borrowing facilities to pay for the shares of C.P. Pokphand Company Limited (“CPP”) whose shares are listed in the Stock Exchange of Hong Kong.

CPFI must pledge CPP shares as collateral for the above borrowings and must comply with the specific covenants such as to maintain debt to equity ratio not exceeding 1.5:1 etc.

As at 31 December 2015 CPFI pledged 5,545 million shares of CPP with a fair value of Baht 21,137 million.

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The second agreement

On 2 July 2012 CPFI entered into a secured long-term borrowing agreement with a foreign financial institution which has a branch in Thailand. Details were as follows:

Approved credit facilities	Carrying amount as at 31 December 2015	Interest rate (% per annum)	Term of payment
U.S. Dollar 100.00 million	U.S. Dollar 89.83 million (equivalent Approximately Baht 3,237 million)	Floating interest rate at 3-month BBA LIBOR plus specified rate	1st installment: 10% (36th month after the first drawdown date) 2nd installment: 10% (42th month after the first drawdown date) 3rd installment: 10% (48th month after the first drawdown date) 4th installment: 10% (54th month after the first drawdown date) 5th installment: 60% (60th month after the first drawdown date)

CPFI drewdown the above long-term borrowing facilities to finance investment and for general corporate operations.

CPFI must pledge CPP shares as collateral for the above borrowing and must comply with the specific covenants such as to maintain debt to equity ratio not exceeding 2:1 etc.

As at 31 December 2015 CPFI pledged 1,234 million shares of CPP with a fair value of Baht 4,705 million.

Debentures

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Debentures #1/2009	-	3,000	-	3,000
Debentures #2/2009	-	1,000	-	1,000
Debentures #1/2010	-	1,000	-	1,000
Debentures #2/2010	5,000	5,000	5,000	5,000
Debentures #1/2011	10,000	10,000	10,000	10,000
Debentures #2/2011	6,000	6,000	6,000	6,000
Debentures #1/2012*	6,060	6,060	6,060	6,060
Debentures #2/2012	15,000	15,000	15,000	15,000
Debentures #1/2013	6,000	6,000	6,000	6,000
Debentures #2/2013	10,000	10,000	10,000	10,000
Debentures #1/2015	12,000	-	12,000	-
Debentures #2/2015	6,940	-	6,940	-
Total	77,000	63,060	77,000	63,060
<i>Less current portion</i>	<i>(6,060)</i>	<i>(5,000)</i>	<i>(6,060)</i>	<i>(5,000)</i>
Net	70,940	58,060	70,940	58,060

* See note 39 to the financial statements

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Debenture # 2/2010

On 3 November 2010 the Company issued Baht 8 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 3 billion with a term of 4 years, fully repayable on 3 November 2014 and bearing interest at the fixed rate of 3.00% per annum in the first to third year and 4.00% per annum in the fourth year
- The second series of Baht 5 billion with a term of 7 years, fully repayable on 3 November 2017 and bearing interest at the fixed rate of 3.00% per annum in the first to third year, 4.00% per annum in the fourth to fifth year and 5.00% per annum in the sixth to seventh year.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 3 November 2010.

Debenture # 1/2011

On 19 August 2011 the Company issued Baht 10 billion unsubordinated and unsecured debentures in registered name form divided into:

- The first series of Baht 3 billion with a term of 7 years, and bearing interest at the fixed rate of 4.65% per annum.
- The second series of Baht 3 billion with a term of 10 years, and bearing interest at the fixed rate of 4.87% per annum.
- The third series of Baht 4 billion with a term of 30 years, and bearing interest at the fixed rate of 5.42% per annum. The debenture holders have the redemption right as at the end of year 15.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 19 August 2011.

Debenture # 2/2011

On 21 December 2011 the Company issued Baht 6 billion unsubordinated and unsecured debenture in registered name form with a term of 30 years, and bearing interest at the fixed rate of 5.42% per annum. The debenture holders have the redemption right as at the end of year 15.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 21 December 2011.

Debenture # 1/2012

On 15 March 2012 the Company issued Baht 6,060 million unsubordinated and unsecured debentures in registered name form with a term of 4 years, fully repayable on 15 March 2016 and bearing interest at the fixed rate of 4.17% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 15 March 2012.

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Debenture # 2/2012

On 3 August 2012 the Company issued Baht 15 billion unsubordinated and unsecured debentures in registered name form. The debentures are divided into:

- The first series of Baht 6 billion with a term of 7 years, fully repayable on 3 August 2019 and bearing interest at the fixed rate of 4.35% per annum in the first year to the fourth year and 5.00% per annum in the fifth year to the seventh year.
- The second series of Baht 4 billion with a term of 10 years, fully repayable on 3 August 2022 and bearing interest at the fixed rate of 4.40% per annum in the first year to the fourth year and 5.00% per annum in the fifth year to the ninth year and 6.00% per annum in the tenth year.
- The third series of Baht 5 billion with a term of 20 years, fully repayable on 3 August 2032 and bearing interest at the fixed rate of 5.30% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 3 August 2012.

The Company must comply with the specific covenants such as to maintain debt to equity ratio in the semi-annual and annual consolidated and separate financial statements through the terms of debentures, etc.

Debenture # 1/2013

On 9 May 2013 the Company issued Baht 6,000 million unsubordinated and unsecured debentures in registered name form with a term of 5 years, fully repayable on 9 May 2018 and bearing interest at the fixed rate of 3.93% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 9 May 2013.

Debenture # 2/2013

On 2 August 2013 the Company issued Baht 10 billion unsubordinated and unsecured debentures in registered name form. The debentures are divided into:

- The first series of Baht 2 billion with a term of 4 years and bearing interest at the fixed rate of 4.04% per annum
- The second series of Baht 2.5 billion with a term of 6 years and bearing interest at the fixed rate of 4.54% per annum
- The third series of Baht 5.5 billion with a term of 8 years and bearing interest at the fixed rate of 4.90% per annum

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 2 August 2013.

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Debenture # 1/2015

On 13 May 2015 the Company issued Baht 12 billion unsubordinated and unsecured debentures in registered name and with debenture holder representative. The debentures are divided into:

- The first series of Baht 6,500 million with the term of 5 years, bearing interest at the fixed rate of 3.21% per annum
- The second series of Baht 5,500 million with the term of 8 years, bearing interest at the fixed rate of 3.98% per annum

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 13 May 2015.

Debenture # 2/2015

On 29 July 2015 the Company issued Baht 6.94 billion unsubordinated and unsecured debentures in registered name and without debenture holder representative. The debentures are divided into:

- The first series of Baht 1,940 million with the term of 8 years, bearing interest at the fixed rate of 3.97% per annum
- The second series of Baht 3,000 million with the term of 10 years, bearing interest at the fixed rate of 4.28% per annum
- The third series of Baht 2,000 million with the term of 12 years, bearing interest at the fixed rate of 4.51% per annum.

The debentures have a credit rating of “A+” rated by TRIS Rating Co., Ltd. on 29 July 2015 and were registered with the Thai Bond Market Association on 29 July 2015.

In this regards, the Company must comply with the specific covenants of the above debentures such as to maintain debt to equity ratio in the semi-annual and annual consolidated financial statements through the terms of debentures, etc.

24 Accounts payable - trade and others

		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
<i>Note</i>		2015	2014	2015	2014
Related parties	5	3,537	5,181	322	297
Other parties		24,485	20,451	1,199	1,300
Total		28,022	25,632	1,521	1,597

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The currency denomination of accounts payable - trade and others as at 31 December 2015 and 2014 was as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functional currencies of each company in the Group	22,831	19,208	1,443	1,535
Foreign currencies				
- United States Dollar	4,548	5,997	78	62
- Euro	567	369	-	-
- Yen	37	8	-	-
- Other	39	50	-	-
Total	<u>28,022</u>	<u>25,632</u>	<u>1,521</u>	<u>1,597</u>

25 Employee benefit obligations

The Group has defined benefit plans for employee's retirement based on the Labour law requirements of each country.

A foreign subsidiary established a retirement fund with a financial institution, and the retirement fund is managed by the financial institution.

Employee benefit obligations as at 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		<i>(Unit: Million Baht)</i> Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Present value of funded - defined benefit obligations	721	624	-	-
Fair value of plan assets	(28)	(21)	-	-
	693	603	-	-
Present value of unfunded - defined benefit obligations	6,551	6,082	1,969	1,894
Total	<u>7,244</u>	<u>6,685</u>	<u>1,969</u>	<u>1,894</u>

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Movements in the present value of the defined benefit obligations and the fair value of plan assets for the year ended 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2015	2014	2015	2014
Defined benefit obligations at				
1 January	6,706	6,307	1,894	1,762
Benefits paid by the plans	(246)	(204)	(48)	(65)
Current service costs and interest	719	687	191	197
Defined benefit plan actuarial (gains) losses	94	(31)	-	-
Business transfer	-	-	(68)	-
Other	(1)	(53)	-	-
Defined benefit obligations at 31 December	7,272	6,706	1,969	1,894
Fair value of plan assets at 1 January	21	42	-	-
Expected return on plan assets	1	1	-	-
Contributions paid	21	21	-	-
Benefits paid by the plans	(16)	(42)	-	-
Currency translation differences	1	(1)	-	-
Fair value of plan assets at 31 December	28	21	-	-

Expenses or income recognised in the statement of income for the years ended 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2015	2014	2015	2014
Current service costs	469	426	120	123
Interest costs	250	261	71	74
Expected return on plan assets	(1)	(1)	-	-
Total	718	686	191	197

Expenses classified by function were recognised in the statements of income for the years ended 31 December 2015 and 2014 as follows:

	Consolidated		<i>(Unit: Million Baht)</i>	
	financial statements		Separate	
	2015	2014	2015	2014
Cost of sales of goods	297	277	88	94
Selling expenses	89	86	22	23
Administrative expenses	332	323	81	80
Total	718	686	191	197
Actual return on plan assets	1	1	-	-

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Actuarial gains (losses) recognised in other comprehensive income for the years ended 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Included in retained earnings:				
At 1 January	(637)	(668)	(236)	(236)
Recognised during the year	<u>(115)</u>	<u>31</u>	<u>-</u>	<u>-</u>
At 31 December	<u>(752)</u>	<u>(637)</u>	<u>(236)</u>	<u>(236)</u>

Principal actuarial assumptions at 31 December 2015 and 2014 were as follows:

	Consolidated		<i>(Unit: %)</i> Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Discount rate	1.25 - 10.70	1.75 - 9.10	4.20	4.20
Future salary increases	2.00 - 8.00	2.00 - 8.00	4.00 - 8.00	4.00 - 8.00

Assumptions regarding future mortality are based on mortality tables of each country.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Defined benefit obligation as at 31 December 2015				
Discount rate (1% movement)	(590)	685	(184)	213
Future salary increases (1% movement)	770	(670)	243	(211)

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26 Share capital

(Unit: Million Shares/Million Baht)					
Consolidated financial statements/ Separate financial statements					
Par value per share (in Baht)	2015		2014		
	Number of shares	Baht	Number of shares	Baht	
Authorised					
At 1 January					
- ordinary shares	1	7,743	7,743	7,743	7,743
At 31 December					
- ordinary shares	1	7,743	7,743	7,743	7,743
Issued and paid-up					
At 1 January					
- ordinary shares	1	7,743	7,743	7,743	7,743
At 31 December					
- ordinary shares	1	7,743	7,743	7,743	7,743

27 Treasury shares

	<i>(Unit: Million Baht)</i>			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Ordinary shares of the Company held by subsidiaries	<u>1,135</u>	<u>1,135</u>	<u>-</u>	<u>-</u>

At the Board of Directors' meeting of the Company held on 25 August 2015, the Board of directors of the Company resolved to approve the share repurchase program for financial management purpose in accordance with the Section 66/1(2) of the Public Company Limited Act in the amount not exceeding Baht 10,000 million. The number of ordinary shares to be repurchased is not exceeding 400 million shares (par value of Baht 1 per share); equal to 5.17% of the total number of paid-up share capital of the Company. In this regards, the Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from 10 September 2015 to 9 March 2016. The Board of Directors shall determine the share resale procedures after 6 months from the completion date of share repurchase. However, the last date to resale such repurchase shares shall not be later than 9 March 2019.

As at 31 December 2015 the Company had not repurchased shares under the above Program.

28 Additional paid-in capital and reserves

Premium on ordinary shares

Section 51 of the Public Limited Company Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("Premium on ordinary shares"). Premium on ordinary shares is not available for dividend distribution.

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Equity in subsidiaries and associates

Equity in subsidiaries and associates consist of:

- (a) The changes in a parent's ownership interest in subsidiaries that do not result in a loss of control.
- (b) The changes in interest in equity of associates.

Other components of equity

1) Revaluation differences on assets

Revaluation differences on assets recognised in the equity relate to cumulative surpluses arising from the revaluations of freehold land, buildings and equipment until such assets are disposed.

2) Currency translation differences

The currency translation differences recognised in equity relate to:

- (a) Foreign exchange differences arise from translation of the financial statements of foreign operations to Thai Baht.
- (b) Foreign exchange differences arise from translation of monetary items, which are part of the Group's net investment in foreign operations and certain conditions are met.

3) Fair value changes on investments

The fair value changes account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the disposal of investments.

Revaluation differences on assets, currency translation differences and fair value changes on investments are presented net of deferred tax.

Surplus on common control transactions

Surplus on common control transactions recognised in equity relate to differences between the carrying amount of net assets and the consideration received from the transfer of the carrying amounts of assets and liabilities of certain parts of the Company's business to a subsidiary. In addition, surplus on common control transactions were eliminated in the consolidated financial statements.

Appropriate of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. Legal reserve is not available for dividend distribution.

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29 Segment information

Segment information is based on the Group's management and internal financial reporting structure which is regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments.

Information about reportable segments

The Group comprises the following main segments:

Segment 1 : Livestock business

Segment 2 : Aquaculture business

Detail of the reportable segments financial information of the Group as at 31 December 2015 and 2014 and for the years then ended were as follows:

	<i>(Unit: Million Baht)</i>					
	Consolidated financial statements					
	Livestock business		Aquaculture business		Total	
	2015	2014	2015	2014	2015	2014
<i>Statements of income</i>						
Revenue from sale of goods	<u>358,517</u>	<u>357,889</u>	<u>62,838</u>	<u>68,150</u>	<u>421,355</u>	<u>426,039</u>
Operating profit	<u>17,247</u>	<u>22,172</u>	<u>476</u>	<u>(2,578)</u>	<u>17,723</u>	<u>19,594</u>
Central income						
(expenses), net					5,350	2,674
Finance costs					(9,614)	(8,903)
Net foreign exchange						
gains (losses)					1,348	(356)
Share of profit of associates						
and joint ventures					5,221	4,869
Income tax expense					(3,654)	(3,649)
Profit for the year					<u>16,374</u>	<u>14,229</u>
<i>Assets</i>						
Property, plant and						
equipment and intangible						
assets (excluded						
goodwill), net	<u>120,425</u>	<u>94,791</u>	<u>32,310</u>	<u>33,025</u>	152,735	127,816
Central assets, net					1,379	1,360
Other assets					340,149	287,588
Total					<u>494,263</u>	<u>416,764</u>

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In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Area 1 : Thailand
Area 2 : Asia
Area 3 : Europe
Area 4 : America
Area 5 : Other

(Unit: Million Baht)

	Consolidated financial statements			
	Revenue from external customers		Property, plant and equipment and intangible assets (excluded goodwill) and central assets	
	2015	2014	2015	2014
Thailand	140,589	148,284	57,124	55,521
Asia	241,560	235,084	81,490	65,599
Europe	33,336	35,749	15,418	7,963
America	4,177	5,847	37	34
Other	1,693	1,075	45	59
Total	421,355	426,039	154,114	129,176

In 2015 and 2014, there was no single external customer that contributed 10% or more of the Group's total revenue.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Employee benefit expenses	8,691	8,409	640	655
Advertising and sale promotion expenses	3,056	3,109	175	195
Vehicle and traveling expenses	2,808	2,725	77	97
Transportation expenses	1,901	1,711	-	-
Office expenses	1,460	1,328	74	73
Depreciation and amortisation	1,179	958	6	6
Building and equipment rental fees	1,061	1,053	89	92
Other	734	847	15	18
Total	20,890	20,140	1,076	1,136

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31 Administrative expenses

	Consolidated		<i>(Unit: Million Baht)</i>	
			Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Employee benefit expenses	14,818	13,536	2,403	2,323
Office expenses	3,616	3,338	492	473
Depreciation and amortisation	1,514	1,527	150	121
Vehicle and traveling expenses	994	956	79	82
Professional fees	859	735	89	128
Taxes, government and bank fees and other	806	773	45	33
Building and equipment rental fees	665	345	90	88
Public relationship expenses	427	184	12	10
Donation	339	216	12	30
Insurance premium	205	179	16	18
Other	1,756	882	558	174
Total	25,999	22,671	3,946	3,480

32 Management and employee benefit expenses

Management and employee benefit expenses consisted of:

- Management benefit expenses consisted of salaries and other benefit expenses of management, directors' remuneration, and sub-committees' remuneration totaling Baht 551 million and Baht 218 million in the consolidated and separate statements of income for the year ended 31 December 2015 respectively (2014: Baht 527 million and Baht 208 million respectively).
- Employee benefit expenses consisted of salaries, wages and other benefit expenses of employees other than management totaling Baht 43,394 million and Baht 6,250 million in the consolidated and separate statements of income for the year ended 31 December 2015 respectively (2014: Baht 41,111 million and Baht 6,530 million respectively).

33 Expenses by nature

	Consolidated		<i>(Unit: Million Baht)</i>	
			Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Changes in inventories of finished goods, work in progress and biological assets	(2,549)	(2,592)	(575)	(38)
Raw materials and consumables used	289,679	299,893	14,071	15,928
Employee benefit expenses	43,945	41,638	6,468	6,738
Factory and office expenses	31,806	30,503	4,604	6,565
Depreciation and amortisation	11,506	9,965	2,032	2,019
Transportation expenses	8,601	7,940	403	520
Building and equipment rental fees	4,937	4,068	581	608
Vehicle and traveling expenses	4,711	4,617	256	321
Advertising, public relationship and sale promotion expenses	3,611	3,416	203	223
Taxes, government and bank fees	1,261	1,125	62	47
Professional fees	964	827	89	128
Others	11,704	10,172	609	306
Total cost of sales of goods, selling expenses and administrative expenses	410,176	411,572	28,803	33,365

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34 Finance costs

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Finance cost paid to:				
Subsidiaries	-	-	-	3
Joint ventures	4	2	-	-
Related company	1	19	-	-
Other parties	9,609	8,882	3,590	3,359
Total	9,614	8,903	3,590	3,362

35 Income tax expense (income)

Income tax recognised in profit and loss

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<i>Current tax</i>				
Current year	4,542	4,350	25	34
Under (over) provided in prior years	(246)	(145)	-	2
	4,296	4,205	25	36
<i>Deferred income tax</i>				
Movements in temporary differences	(56)	214	(145)	(23)
Benefit of tax losses recognised	(586)	(770)	(327)	(877)
	(642)	(556)	(472)	(900)
Income tax expense (income)	3,654	3,649	(447)	(864)
Income tax on gain from partial business transfer under common control	-	-	15	-

Income tax recognised in other comprehensive income

	<i>(Unit: Million Baht)</i> Consolidated financial statements					
	2015			2014		
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Fair value changes on investments	(4,935)	400	(4,535)	1,377	(275)	1,102
Currency translation differences	1,663	-	1,663	(2,391)	-	(2,391)
Defined benefit plan actuarial gains (losses)	(139)	23	(116)	36	(5)	31
Total	(3,411)	423	(2,988)	(978)	(280)	(1,258)

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Income tax recognised in equity

(Unit: Million Baht)

Consolidated financial statements					
2015			2014		
Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Revaluation differences on land transferred to retained earnings					
477	(95)	382	-	-	-

(Unit: Million Baht)

Separate financial statements					
2015			2014		
Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Surplus on common control transaction					
77	(15)	62	-	-	-

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Reconciliation of effective tax rate

(Unit: Million Baht)

Applicable tax rates	Consolidated financial statements				
	0%	10%	20%	Other	Total
2015					
Accounting profit before income tax, net	826	2,806	5,400	10,996	20,028
Tax at the applicable tax rates	-	281	1,080	1,934	3,295
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	308	(762)	1,059	605
Under (over) provided in prior years	-	-	14	(260)	(246)
Net	-	589	332	2,733	3,654
2014					
Accounting profit before income tax, net	243	957	4,661	12,018	17,879
Tax at the applicable tax rates	-	96	932	2,485	3,513
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	356	(455)	380	281
Under (over) provided in prior years	-	-	20	(165)	(145)
Net	-	452	497	2,700	3,649

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Reconciliation of effective tax rate

Applicable tax rates	(Unit: Million Baht)		
	Separate financial statements		
	0%	20%	Total
2015			
Accounting profit before income tax, net	(96)	10,923	10,827
Tax at the applicable tax rates	-	2,185	2,185
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(2,632)	(2,632)
Net	-	(447)	(447)
2014			
Accounting profit before income tax, net	(156)	8,228	8,072
Tax at the applicable tax rates	-	1,646	1,646
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(2,512)	(2,512)
Under provided in prior years	-	2	2
Net	-	(864)	(864)

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants an order to maintain the corporate income tax rate at 20% for the accounting period which begins on or after 1 January 2015 until 31 December 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Company has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

36 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company and certain local subsidiaries have been granted privileges by the Board of Investment relating to certain feedmill operations, farming, breeding animals, processed foods and ready meals productions. The privileges granted include:

- (a) an exemption from payment of import duty and tax on machinery as approved by the Board of Investment;
- (b) an exemption from payment of corporate income tax on net profit of the promoted business for certain periods and conditions as stipulated in the promotional certificates; and

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- (c) a 50% reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of 5 years commencing from the expiry dates in (b) above.

As a promoted business, the Company and the subsidiaries must comply with certain conditions and restrictions provided for in the promotional certificates.

Revenue from promoted and non-promoted businesses of the Company for the years ended 31 December 2015 and 2014 were summarised as follows:

(Unit: Million Baht)

	Separate financial statements					
	Promoted businesses being granted exemption of corporate income tax		Non-promoted business being granted exemption of corporate income tax		Total	
	2015	2014	2015	2014	2015	2014
Local sales	4,747	4,295	17,049	17,650	21,796	21,945
Export sales	118	190	2,762	4,763	2,880	4,953
Total revenue from sale of goods	4,865	4,485	19,811	22,413	24,676	26,898
Other income	-	1	18,545	17,900	18,545	17,901
Total revenues	4,865	4,486	38,356	40,313	43,221	44,799
<i>Less costs and expenses</i>	<i>(4,961)</i>	<i>(4,642)</i>	<i>(26,986)</i>	<i>(31,221)</i>	<i>(31,947)</i>	<i>(35,863)</i>
Profit for the year	(96)	(156)	11,370	9,092	11,274	8,936

Direct costs and expenses are charged to the related businesses as incurred. Indirect costs and expenses are allocated to individual businesses based on revenues of each business.

37 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares held by third parties outstanding during the years as follows:

(Unit: million Baht/million shares)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit for the year attributable to ordinary shareholders of the Company	11,059	10,562	11,274	8,936
Weighted average number of ordinary shares held by third parties outstanding				
Number of ordinary shares outstanding at 1 January	7,743	7,743	7,743	7,743
Treasury shares held by subsidiaries	(355)	(355)	-	-
Net	7,388	7,388	7,743	7,743
Basic earnings per share (in Baht)	1.50	1.43	1.46	1.15

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38 Dividends

Details of dividends for the years ended 31 December 2015 and 2014 were as follows:

Approval date to pay dividends	Rate per share (<i>Baht</i>)	Number of entitled shares (<i>Shares</i>)	Total (<i>in million Baht</i>)	Source
2015				
22 April 2015	0.10	7,742,941,932	774	Dividends received from subsidiaries appropriated from taxable profit which were subject to 23% corporate income tax
22 April 2015	0.35	7,742,941,932	2,710	Dividends received from subsidiaries appropriated from taxable profit which were subject to 20% corporate income tax
11 August 2015	0.03	7,742,941,932	232	Dividends received from subsidiaries appropriated from taxable profit which were subject to 23% corporate income tax
11 August 2015	0.27	7,742,941,932	2,091	Dividends received from subsidiaries appropriated from taxable profit which were subject to 20% corporate income tax
Total			5,807	
2014				
25 April 2014	0.20	7,742,941,932	1,549	Dividends received from subsidiaries appropriated from taxable profit which were subject to 23% corporate income tax
25 April 2014	0.05	7,742,941,932	387	Dividends received from subsidiaries appropriated from taxable profit which were subject to 20% corporate income tax
13 August 2014	0.30	7,742,941,932	2,323	Dividends received from subsidiaries appropriated from taxable profit which were subject to 20% corporate income tax
Total			4,259	

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39 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performances and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group manages the interest rate risk of financial assets and financial liabilities by considering loan to or borrowing from including fixed and floating rate depend on the market situation. However, the interest rates of interest-bearing liabilities of the Group are mainly fixed rate. The Group had the interest rate swap agreements to manage exposure to fluctuations in interest rates on the said liabilities upon the appropriation.

The average interest rates of loans receivable as at 31 December 2015 and 2014 and the periods in which the loans receivable mature were as follows:

<i>(Unit: Million Baht)</i>					
Consolidated financial statements					
	Average interest rates <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
2015					
Current					
Short-term loans to subsidiaries	7.39	33,936	-	-	33,936
Current portion of long-term loans to subsidiaries	10.00	387	-	-	387
Non Current					
Long-term loans to subsidiaries	5.33	-	22,980	-	22,980
Total		34,323	22,980	-	57,303
2014					
Current					
Short-term loans to subsidiaries	7.50	19,733	-	-	19,733
Current portion of long-term loans to subsidiaries	7.38	120	-	-	120
Non Current					
Long-term loans to subsidiaries	5.37	-	16,837	-	16,837
Total		19,853	16,837	-	36,690

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The interest rates of interest-bearing liabilities as at 31 December 2015 and 2014 and the periods in which those liabilities mature were as follows:

<i>(Unit: Million Baht)</i>					
	Interest rates <i>(% per annum)</i>	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2015					
Overdrafts	3.36 - 14.27	4,073	-	-	4,073
Short-term borrowings from financial institutions	1.05 - 16.68	102,677	-	-	102,677
Short-term borrowings from joint ventures	2.00	378	-	-	378
Long-term borrowings from financial institutions	1.56 - 15.42	13,865	43,113	6,241	63,219
Debentures	3.18 - 4.44	16,854	31,000	39,940	87,794
Finance lease liabilities	0.10 - 25.56	5	5	-	10
Total		137,852	74,118	46,181	258,151
2014					
Overdrafts	4.00 - 11.21	1,628	-	-	1,628
Short-term borrowings from financial institutions	1.15 - 15.18	64,047	-	-	64,047
Short-term borrowings from joint ventures and related company	3.00 - 6.50	395	-	-	395
Long-term borrowings from financial institutions and other companies	1.55 - 14.00	8,427	43,512	5,249	57,188
Debentures	3.18 - 4.60	5,000	40,159	27,500	72,659
Finance lease liabilities	0.10 - 21.04	6	6	-	12
Total		79,503	83,677	32,749	195,929

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(Unit: Million Baht)

	Interest rates (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2015					
Overdrafts	MOR	6	-	-	6
Short-term borrowings from financial institutions	1.05 - 1.78	25,982	-	-	25,982
Long-term borrowings from financial institutions	4.11	616	1,855	-	2,471
Debentures	3.75 - 4.44	6,060	31,000	39,940	77,000
Total		32,664	32,855	39,940	105,459
2014					
Overdrafts	MOR	5	-	-	5
Short-term borrowings from financial institutions	2.41 - 2.50	1,989	-	-	1,989
Long-term borrowings from financial institutions	4.11	616	2,463	-	3,079
Debentures	3.75 - 5.42	5,000	30,560	27,500	63,060
Total		7,610	33,023	27,500	68,133

The Group has interest rate swap agreements with local financial institutions (“counterparties”). The Group has or the counterparties have commitments to make payments for the differences between the fixed interest rate and floating interest rate for each period.

As at 31 December 2015 the Group had long-term borrowings under interest rate swap agreements totaling Baht 28,482 million (2014: Baht 29,775 million). The above average interest rates are interest rates after adjusted with rates stipulated in the interest rate swap agreements.

As at 31 December 2015, the Group has the interest rate swap agreements with the financial institutions to manage exposure of fluctuations in interest rates as follows:

- 1) The Company has entered into a cross currency and interest rate swap agreement with a financial institution for debentures totaling Baht 6,060 million to be USD 200 million. The Company has commitments to make payments for the fixed interest rate in USD for the principal amount of USD 200 million and the counterparty has commitments to make payments for the fixed interest rate in Baht for the principal amount of Baht 6,060 million.
- 2) The Company has entered into a cross currency and interest rate swap agreement with a financial institution for long-term borrowings totaling USD 80 million to be Baht 2,466 million. The Company has commitments to make payments for the fixed interest rate in Baht for the principal amount of Baht 2,466 million and the counterparty has commitments to make payments in USD for the interest rate refer to USD-LIBOR-BBA for the principal amount of USD 80 million.
- 3) A foreign subsidiary has entered into interest rate swap agreements with certain financial institutions for long-term borrowings totaling USD 520 million (equivalent approximately to Baht 18,747 million). The subsidiary has commitments to make payments for the fixed interest rates under the terms and conditions of the agreements and the counterparty has commitments to make payments for the interest rate refer to USD-LIBOR-BBA.

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- 4) A foreign subsidiary has entered into a cross currency and interest rate swap agreement with a financial institution for long-term borrowing amounting to USD 17 million to be PHP 706 million. The subsidiary has commitments to make payments for the fixed interest in Peso and the counterparty has commitments to make payments in USD for the interest rates refer to USD-LIBOR-BBA.
- 5) A subsidiary has entered into several cross currency and interest rate swap agreements with a financial institution for long-term borrowings totaling USD 20 million to be Baht 722 million. The subsidiary has commitments to make payments for the fixed interest rate in Baht for the principal amount of Baht 722 million and the counterparty has commitments to make payments in USD for the interest rate refer to USD-LIBOR-BBA for the principal amount of USD 20 million.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies including anticipated future purchases and sales of goods denominated in foreign currencies. The forward exchange contracts have maturities of less than 1 year.

At 31 December 2015 and 2014 the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		<i>(Unit: Million)</i>			
		Consolidated		Separate	
		financial statements		financial statements	
	Foreign currency	2015	2014	2015	2014
Accounts receivable - trade and others					
Foreign currencies	United States Dollar	30	55	14	27
	Won	19,262	23,195	6,665	7,875
	Singapore Dollar	15	16	-	-
	Euro	4	2	8	10
	Ruble	-	-	63	57
	Yen	222	259	5	147
	Swedish Krona	16	11	-	-
	Australian Dollar	-	-	10	2
	Rand	2	2	2	2
	Renminbi	-	-	118	69
Currency forwards	United States Dollar	37	58	28	42
	Won	19,262	23,195	6,665	7,875
	Singapore Dollar	15	16	-	-
	Euro	1	-	8	10
	Ruble	-	-	63	56
	Yen	222	259	5	147
	Australian Dollar	-	-	10	2
	Rand	2	2	2	2
	Renminbi	-	-	118	69
Short-term loans to subsidiaries					
Foreign currencies	United States Dollar	-	-	102	-
	Ruble	-	-	500	300
	Euro	-	-	-	9
Currency forwards	Ruble	-	-	500	-
	Euro	-	-	-	9

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		(Unit: Million)			
		Consolidated financial statements		Separate financial statements	
	Foreign currency	2015	2014	2015	2014
Long-term loans to subsidiaries					
Foreign currencies	United States Dollar	-	-	385	200
	Ruble	-	-	1,503	1,703
Currency forward	United States Dollar	-	-	200	200
	Ruble	-	-	953	953
Interest-bearing liabilities					
Foreign currencies	United States Dollar	618	310	280	100
	Euro	53	39	-	-
Currency forward	United States Dollar	203	100	80	100
Accounts payable - trade and others					
Foreign currencies	United States Dollar	126	182	2	2
	Euro	14	9	-	-
	Yen	122	29	-	-
Currency forwards	United States Dollar	160	241	1	1
	Euro	2	3	-	-
	Yen	122	29	-	-
Forecast sales					
Currency forwards	United States Dollar	22	78	5	7
	Pound Sterling	11	21	-	-
	Euro	6	12	-	1
	Yen	1,557	742	39	41
	Singapore Dollar	5	14	-	-
	Won	1,424	3,216	79	382
	Hongkong Dollar	12	18	-	-
	Danish Krone	13	12	-	-
	Australian Dollar	2	2	-	-
	Renminbi	3	3	-	-
Forecast purchases					
Currency forwards	United States Dollar	495	28	248	6
	Euro	5	4	-	-
	Yen	56	32	-	-
	Danish Krone	1	1	-	-

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

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Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. (When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.)

The fair value of cash and cash equivalents, trade and other receivables, short-term loans, other current assets, overdrafts, short-term borrowings, trade and other payables and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid price at the reporting date.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

<i>(Unit: Million Baht)</i>					
	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2015					
Financial assets					
Forward contracts	996	-	851	-	851
Financial liabilities					
Forward contracts	18	-	17	-	17
Cross currency and interest rate swaps	762	-	548	-	548
Debentures	77,000	-	82,677	-	82,677
Exchangeable Bonds	10,794	-	10,873	-	10,873

<i>(Unit: Million Baht)</i>					
	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2015					
Financial assets					
Forward contracts	728	-	654	-	654
Financial liabilities					
Cross currency and interest rate swaps	764	-	665	-	665
Debentures	77,000	-	82,677	-	82,677

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Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate. The fair values of forward contracts and cross currency and interest rate swaps were remeasurement of the rates initially quoted by the Group's bankers with the rates based on market conditions existing at the end of the reporting period.

Level 2 fair values for debentures have been determined based on quoted prices in the debenture market from the Thai Bond Market Association by using the closing price at the end of the reporting period

Level 2 fair values for the Exchangeable Bonds ("EBs") have been determined based on quoted prices in the EBs market traded in overseas market by using the closing price at the end of the reporting period.

40 Commitments with non-related parties

As at 31 December 2015 and 2014 the Group had commitments with non-related parties as follows:

40.1 Capital commitments

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<i>Contracted but not provided for</i>				
Land, buildings and constructions	4,704	5,455	19	16
Machinery, equipment and others	3,054	6,743	53	69
Total	<u>7,758</u>	<u>12,198</u>	<u>72</u>	<u>85</u>

40.2 Commitments under operating lease agreements

	Consolidated		<i>(Unit: Million Baht)</i> Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Within one year	3,166	2,688	115	229
Over one year but within five years	8,201	6,569	103	204
Over five years	10,706	9,327	-	12
Total	<u>22,073</u>	<u>18,584</u>	<u>218</u>	<u>445</u>

The Group has lease agreements with non-related parties covering office premises including facilities, land, farms, vehicles and others for periods of 1 to 50 years expiring in 2016 to 2058.

40.3 Other commitments

The Company had a Cooperative Technical agreement with Maejo University (the "university") whereby the university allowed the Company to use its land and constructions thereon in developing shrimp ponds and as the research and training center. This agreement is effective starting from 1 January 2013 to 31 December 2015. The Company has extended the agreement for an additional period until 31 December 2018. Under the terms of the agreements, the Company is committed to pay total annual compensation of Baht 2.2 million and to transfer the ownership of the project property to the university at the expiration of the agreements. The net book value of the Company's assets in respect to the agreement as at 31 December 2015 totaled Baht 33 million (2014: Baht 32 million).

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40.4 Letters of credit

The Company and certain subsidiaries had commitments under the issued letters of credit totaling Baht 1 million and Baht 1,966 million respectively (2014: Baht 174 million and Baht 895 million respectively).

40.5 Letters of guarantee

- (a) The Company and certain subsidiaries had commitments to financial institutions for letters of guarantee issued by the financial institutions in favor of government agencies and others totaling Baht 753 million and Baht 6,029 million respectively (2014: Baht 1,351 million and Baht 5,100 million respectively). The letters of guarantee are principally covering the guarantee of taxes, duties and sell of products.
- (b) Certain foreign subsidiaries have commitments to foreign financial institutions for letters of financial guarantees issued for the customers in feed business of those subsidiaries totaling Baht 1,808 million (2014: Baht 1,693 million).

41 Guarantees

As at 31 December 2015 certain foreign subsidiaries pledged their assets as collateral for their borrowings from financial institutions as follows:

41.1 Ordinary shares of the following foreign subsidiaries:

- (a) C.P. Pokphand Co., Ltd. totaling 6,779 million shares with a fair value of Baht 25,843 million (31 December 2014: 9,691 million ordinary shares with a fair value of Baht 35,374 million).
- (b) Pravdinsk Pig Production Closed Joint Stock Company totaling 51,000 shares with a carrying value of Baht 154 million (31 December 2014: 51,000 ordinary shares with a carrying value of Baht 177 million).
- (c) NNPP Limited Liability Company with an authorised share capital of Baht 238 million (31 December 2014: Baht 131 million).

41.2 Property, plant and equipment with net book value of Baht 9,788 million (31 December 2014: Baht 6,046 million).

41.3 Current assets and non-current assets mainly comprising of inventories and net accounts receivable and payable, with a carrying value of Baht 4,722 million (31 December 2014: Baht 3,409 million).

42 Events after the reporting period

On 15 January 2016, C.P. Foods Holdings Limited (“CPFH”) a 100.00% owned subsidiary of the Company redeemed the Exchangeable Bonds (“EBs”) with an aggregate principal amount of USD 274.8 million or approximately Baht 9,991.7 million as the EBs was falling 2 years from the issue date and the EB holders exercised their put options pursuant to the terms and conditions of EBs. For the aggregate principal amount of USD 15.6 million or approximately Baht 567.2 million of the EBs, CPFH had taken a step to redeem the remaining EBs on 18 January 2016.

As at 31 December 2015, the EBs with the carrying amount of USD 299.6 million or equivalent to Baht 10,793.5 million were reclassified as current portion of long-term debts in the statement of financial position.

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43 Thai Financial Reporting Standards not yet adopted

The consolidated and separate financial statements are not prepared to provide the following revised Thai Financial Reporting Standards (“TFRS”) that have been issued as of the reporting date but are not yet effective. These revised TFRS become effective for annual financial periods beginning on or after 1 January 2016.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

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TFRS	Topic
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits</i> - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers

The impact of the adoption of such revised TFRS and interpretations from 1 January 2016 on the Group's financial statements is still under consideration by management.

44 Reclassification of accounts

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements as follows:

(Unit: Million Baht)

	2014					
	Consolidated financial statement			Separate financial statement		
	Before reclassi- fication	Reclassi- fication	After reclassi- fication	Before reclassi- fication	Reclassi- fication	After reclassi- fication
<i>Statement of income</i>						
Selling expenses	18,753	1,388	20,141	965	171	1,136
Administrative expenses	24,085	(1,414)	22,671	3,651	(171)	3,480
Finance costs	8,880	23	8,903	-	-	-
Net foreign exchange losses	353	3	356	-	-	-
		<u>-</u>			<u>-</u>	

